

CROSS-BORDER TERRITORY OF URBANISATION:

HONG KONG, SHENZHEN AND DONGGUAN

Kit Ping Wong
2016

A thesis submitted to attain the degree of
DOCTOR OF SCIENCES of ETH Zurich (Dr.sc. ETH Zurich)

DISS. ETH NO. 23933

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2016

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Cross-Border Territory of Urbanisation: Hong Kong, Shenzhen and Dongguan

Abstract

In the light of the concept of planetary urbanisation, this dissertation explores the relationship between massive scale urbanisation and the process of territorialisation in China by empirically examining the Eastern Pearl River Delta (EPRD), namely Hong Kong, Shenzhen and Dongguan. It interrogates urbanisation as a sprawling, territorialising and integrating process of three cities with different historical trajectories and regulations into one complex, poly centric, multi-rank and cross border urban territory. Particular focus is put on the role of the Chinese State as a centrally orchestrated territorial governing system that designates cities, makes changes to rural-urban statuses and administrative divisions in order to propel capital-led massive scale urbanisation. The dissertation starts by reconstructing the logics and conditions of territory in the historical analysis of the EPRD. By illuminating the historical transformations of the State's territorial rationality and practices after 1949 and 1978, it sets the foundation for mapping the complexities of contemporary urban processes in this area. An analysis of patterns and pathways is used to illustrate the very uneven and hierarchical geographical development. Next, three case studies are used to examine specific historical relationships of urbanisation and territorialisation. The first case of Hong Kong focuses on the formation of multi-patchwork urbanisation and the rise of territorial struggles in the new round of territorialisation after 1997. Crucial to this case is the geo-historical conditions of specific land and power regulations that have evolved in the Hong Kong's New Territories over time. The second case of Shenzhen explores the rapid urbanisation of villages in the process of state territorialisation of the city and the Special Economic District. The case argues that each round of the changes in the territorial governing system led to the rise of contestation and plotting strategies for bigger and larger buildings. The third case of Dongguan investigates how the specific reshuffling of administrative space and territorial power has led to the rapid industrialisation of former rural towns such as Tangxia. It shows the crucial role of the recentralisation of town officials and village cadres through the changes in administrative space as opposed to popular bottom-up urbanisation views.

Grenzüberschreitendes Territorium der Urbanisierung: Hongkong, Shenzhen und Dongguan

Zusammenfassung

Diese Dissertation untersucht aus dem Gesichtspunkt des Konzepts der Plantaren Urbanisierung die Beziehung zwischen großräumiger Urbanisierung und dem Prozess der Territorialisierung in China, anhand einer empirischen Untersuchung von Hongkong, Shenzhen und Dongguan, im Eastern Pearl River Deltas (EPRD). Urbanisierung wird als ein sich ausbreitender, territorialisierender und integrierender Prozess von drei Städten mit unterschiedlichen historischen Entwicklungen und Regelungen der ein komplexes, polyzentrisches, vielschichtiges und grenzüberschreitendes urbanes Territorium hervorbrachte, verstanden. Ein spezieller Fokus liegt auf der Rolle des chinesischen Staates, der als zentral orchestriertes territoriales Regierungssystem, den Stadt-Land-Status und administrative Trennungen von spezifischen Städten verändert um Kapital geleitete großräumige Urbanisierung voranzutreiben.

Die Dissertation beginnt mit der Rekonstruktion der Logiken und Bedingungen des Territoriums durch eine historische Analyse des EPRD. Durch das Beleuchten der historischen Transformationen der territorialen Logik und Praktiken des Staates nach 1949 und 1978, wird die Grundlage geschaffen um die Komplexität der urbanen Prozesse in diesem Gebiet zu kartographieren. Eine Analyse von Mustern und Bahnen wird verwendet um die sehr ungleichen und hierarchischen geographischen Entwicklungen zu illustrieren.

Als nächstes werden anhand von drei Fallstudien die besonderen historischen Beziehungen zwischen Urbanisierung und Territorialisierung untersucht. Der erste Fall von Hongkong konzentriert sich auf die Gestaltung von multi-patchwork Urbanisierung und den Aufstieg von territorialen Konflikten in der neuen Phase der Territorialisierung nach 1997. Entscheidend für diesen Fall sind die geohistorischen Bedingungen von spezifischen Land und Macht Regulationen die sich in Hongkongs New Territories über die Zeit entwickelt haben. Der zweite Fall von Shenzhen untersucht die rasche Urbanisierung von Dörfern während des Prozesses staatlicher Territorialisierung der Stadt und Sonderwirtschaftszone. Dieser Fall zeigt, dass jede Phase der Veränderung in dem territorialen Regierungssystem zum Aufstieg von Anfechtungs- und Verschwörungsstrategien, die größere Gebäude ermöglichen, führte. Der dritte Fall von Dongguan prüft wie das gezielte Durchmischen von administrativen Gebieten und territorialer Macht zu der raschen Industrialisierung von ehemaligen Landstädten, wie Tangxia, führte. Es zeigt die bedeutende Rolle die der Neuzentralisierung von Stadtbeamten und Dorfkadern durch Änderungen in administrativen Gebieten zukommt und in Kontrast zu populären Bottom-up Ansätzen steht.

Acknowledgements

I thank the Future Cities Laboratory particularly Christian Schmid to give me a great opportunity to be a part of the team on the comparative studies of the planetary urbanisation in Singapore. He has been an outstanding, dedicated and supportive supervisor who established a unique platform for the team to work through this collective project and through intensive meetings for five years. This brought the team with a lot of strength and energy to continue the project and their theses. His guidance and encouragement was so important for me to step by step to complete my thesis. I also thank for my teammates: Naomi Hanakata, Ozan Karama, Lindsay Sawyer, Monika Streule, Anne Kockelkorn, Pascal Kallenberger, Rob Sullivan. In particular, I thank Naomi and Lindsay for their supports and insights for these five years we were living and working in Singapore. I especially think Caroline Ting who is kind and generous to provide help from Zurich so that I could complete my study and submit my thesis. I also thank Angela Stienen who provided guidance and encouragement in the course of this study. I thank Marc Angéilil for agreeing to assess my thesis. Here, I especially thank Wingshing Tang whose guidance and support to me for more than ten years in the academic field. Thanks for introducing me critical urban theories, therefore this changed my academic and personal pathway. Finally, I especially thank my family and especially Geerhardt Kornatowski. This thesis would not have been completed without their endless support and encouragement. Thanks for Geerhardt whose everyday support me and help me to overcome barriers during the course of writing this thesis.

Chapter 1 | Introduction

1. Research Problematics

Using satellite imagery and demographic data, recent research by the World Bank found that the Pearl River Delta (PRD, or *Zhujiang* Delta in Chinese) is the largest, most populated urban area in the world (World Bank 2015). The two satellite images below show the built-up areas of the PRD (including Shenzhen, Dongguan and Foshan and Guangzhou), which have grown rapidly by 4.5 percent per year, from 4,500 square kilometres in 2000 to nearly 7,000 square kilometres in 2010. The demographic change of this region during this decade matched the rate of urban expansion: growing from 27 million to 42 million, 4.5 percent per year (World Bank 2015, 75–76). Given this explosive urban growth, in terms of area and population, the PRD area, (considered to be a single entity), has become the world's largest urban area, overtaking Tokyo and twice as large as Shanghai. In researching the urban expansion in South-East Asia, the World Bank acknowledged urbanisation has not stopped at the edge of a city, nor has it fell neatly within an administrative boundary. The PRD, given its immense urban scale and form has become a vast, multi-nucleated and inter-connected urban entity where it is difficult to distinguish one city from another.

With regards to urban explosion like the PRD area, Neil Brenner and Christian Schmid (2014, 2015) have advanced Henri Lefebvre's conception of "planetary urbanisation" on the basis of "complete urbanisation of society", and called for re-conceptualisation of urban theory "without an outside". They argue urbanisation is no longer confined within a bounded space or clearly-defined populated settlements called cities as inherited from the Chicago school of urban sociology. They also criticise the technocratic notion of "urban age" in many publications of the United Nations, which privileges cities and naturalises and depoliticises urban phenomenon. The concept of planetary urbanisation is a dialectic process of "implosion" and "explosion", a metaphor which Lefebvre borrowed from nuclear physics to describe the historical territorial movements between concentration and agglomeration on the one hand, and extension and interconnection on the other. According to Lefebvre, the process of "implosion" refers to the tremendous concentration of people, activities, wealth, goods, objects, instrument, means and thoughts of urban reality; whilst the process of "explosion" refers to the relentless projection and growth of the urban fabric through endless growth of industrial and economic systems beyond its borders to the entire world (Lefebvre 2003, 13). These two dialectic processes have co-produced each other and given rise to the variegated forms and processes of urban territories on a global scale. By provoking a discussion of urban theories "without an outside", Brenner and Schmid have advanced the question of the urban beyond the binary and discrete construct of epistemology between

urban and non-urban, and as ongoing, cross-border and multi-scalar processes of urbanisation extending to a wider region and exploding onto the planetary level.



Figure 1.1. The changes of the built-up areas in the Pearl River Delta between 1998 and 2014. (source: NASA Earth Observatory, 2015)

Based on empirical studies, Terry McGee developed the model of Desakota to question the forms of extended urbanisation in Asia (McGee 1991; McGee et al. 2011; McGee 2014). In brief, “Desakota” is a neologism derived from the terms of Bhasha in Indonesia, which combines the meanings of “villages” (Desa) and “city” (kota), to describe an integrated form of space that emerged in the peripheral region around the main urban centres (notably capital cities or port cities) such as Jakarta. According to his findings, Desakota has developed in the densely rural populated area where the peripheral region has been transformed into distinctive areas of rural-urban interface, with an intensive mixture of agricultural and non-agricultural activities in connection to their nearby urban centres. Due to the location and the improvement of accessibility and technology, “high-density agricultural regions adjacent to large urban cores offers an opportunity for a particular form of mega-urban region to emerge” (McGee 2014, 125). This in-situ urbanisation has been shaped by the improvement of transport networks, rural-urban migration, inter-relationship of socio-economic activities between cities and villages, the increasing dependence on urban areas (especially, capital, skills, market, infrastructure and technology), leading to new types of the extended metropolitan region (EMR) in Asia. The EMR includes three types of areas: the city core, peri-urban areas and Desakota. McGee argues South-East or East Asia has different histories, geopolitics, traditional elements and rural-urban relations, and all of these factors would account for an emergence of the EMR in Asia that is different from suburbanisation in the United States. This process cannot be explained by the concept of the global city-region addressed by Allen Scott (Sit 2005). Researchers including McGee, have applied the Desakota, or EMR, model to understand the transformation of the PRD region (Lin 2001; Sit 1996, 2005; Sit and Yang 1997; Zheng 2007). Among them, (Sit 1996, 2005) argued that the HK-PRD region emerged as an EMR since 1980, and the underlying forces were the economic restructuring from foreign direct investment (FDI) and export-processing industries. This entailed the process of glocalisation (through global and local interactions and the spill-over process) during which the FDI and export-processing industries were relocated from Hong Kong to the wider region of Guangdong for low-wage labour and cheaper land rent, eventually resulting in the transformation of vast rural areas. This process of urban expansion through agglomeration and dispersion led to spatial integration and the emergent division of labour between the former British colony and its immediate countryside that characterised the spatial and functional differences of the HK-EMR.

Nevertheless, the application of the Desakota or the EMR model has been debated and criticised among Chinese scholars (McGee et al. 2011, 65–71). Many studies delineate the spatial differentiation of the EMR formation in China through quantitative analysis of population, GDP, FDI, imports and exports, and so on. The understanding of the urban, therefore, is reduced to economic and functional attributes to account for the “local conditions” of agglomeration and dispersion. Tang and Chung (2000; 2002) criticised the

Desakota model for being not only over-generalised from local cases but also under-theorised in relation to the changing political economy during China's economic era. Following Gregson's argument, they argued that locality research would simply replicate the mistakes of previous local studies without proper theorisation (2000, 280). Developed from case studies on Guangzhou and Jiangsu, they suggested that considerable disintegrative processes have emerged in the rural-urban transitional zone in China, if one critically interrogates the pervasiveness of the Chinese state power in the transformation of the society and economy. Their arguments strongly contrast with what McGee and his followers would suggest were the spatial integrative process in China underpinning the Desakota or the EMR model.

This dissertation will examine the Chinese process of extended urbanisation in the Eastern Pearl River Delta (EPRD), including Hong Kong, Shenzhen and Dongguan. Following the above criticisms, there are two main rationales for this dissertation: the first rationale is to explore the urbanisation processes and complexities which cannot be merely explained by a set of economic indicators or statistic evidence offered in the HK-EMR model. One can observe that urbanisation has unevenly spread across most of the Chinese territories and massively transformed the vast rural areas in the PRD. But understanding urban transformation in PRD is not like analysing a "flat world" in response to exogenous forces by globalisation, nor is it simply a container to absorb the increasing flows of population, capital and activities. The analysis of the EMR model contributes to a statistical understanding of some spatial and functional differences within the HK-EMR in the global economic restructuring since 1980. Or, it might also set up a broader understanding of the economic context that the PRD has been transformed by: the enormous flows of capital initially from and via Hong Kong seeking for the lowest cost of production (abundance of low-wage labour and cheap arable land), and fighting off competition from other global cities. The EMR analysis appears to show the HK-EMR is a successful economic model in Asia. Nevertheless, mere quantitative analysis is not even remotely sufficient for understanding Chinese urbanisation, since mainly qualitative changes have been responsible for disturbing various levels and dimensions of the economy and society. By simplifying and generalising the spatial differences into three types: city core, peri-urban areas and Desakota, the analysis of space and differences is too simplistic, economically determined, and loses many important details for conceptualising urban processes and complexities, taking histories as a backdrop instead of processes. It is also far from true that the emergence of the EMRs in China resulted from the process of deregulation in China (Sit 2005). The Chinese rural-urban interface areas are not simply found in peri-urban areas and Desakota, but actually emerged in the midst of city centres in the form of chengzhongcun - urbanised villages in the city. This particular urban phenomenon in China could not simply be explained by the factors of "location" subject to the improvement of transportation and communication technologies

without the consideration of the state's territorialisation in the city-making process. The problems of analysis in the EMR/Desakota model, therefore, are either over-generalisation or de-contextualisation of specific histories, urbanisation processes and complexities of interactions and relations.

Instead, this research will consider the urban as the mediation of different forces, and explore different processes, conflicts and contradictions on the urban level. The analysis of historical geography will be an essential mode of understanding the contemporary Chinese urbanisation during the shift of regime from the Maoist era to Post-Maoist era. The study will emphasise the changes of the state's strategies and regulations to propel the massive scale of urbanisation. Meanwhile, it will explore the considerable amounts of conflicts, disintegrations and contradictions which have constantly emerged, exploded, been suppressed and re-emerged during the course of urbanisation and changing regulations.

The second rationale of this dissertation is underpinned by the particular modes of state's territorialisation in China. In 1994, the PRD economic region was officially demarcated by the state as an abstract space for economic development and foreign investment. Nevertheless, understanding of the PRD region, such as in the research of the World Bank, seems to imply that urbanisation has spread across territories like a homogenous space from centre to periphery. Nor can the relentless urbanisation and expansion be analysed as the "hinterland" of Hong Kong. By contrast, the PRD has developed into a range of "cities", known as "9+2", meaning nine cities plus Hong Kong and Macau. But this English meaning of "cities" is translated for foreigners. From the perspective of the Chinese state and governments, these "cities" are the rank-based "administrative areas or regions" (xingzheng qu), which can be understood as a classification of different types of urban territories according to the hierarchy of administrative ranks and power. The PRD area has been restructured into the rank- or level-based (dengji) hierarchy of urban territories at different levels of cities (shi), towns (zhen), and urban districts (qu) with their respective governments. This is the Chinese administrative division system (xingzheng quhua), which regulates subnational territories and governments. From this perspective, the nine cities in the PRD should refer to two sub-provincial cities (Guangzhou and Shenzhen) and seven prefectural-level cities (Zhuhai, Dongguan, Foshan, Huizhou, Zhongshan, Jiangmen and Zhaoqing). Local governments legally manage the subordinated urban districts, counties, county-level cities, or towns within their territorial jurisdictions. Hong Kong and Macau are the Special Administrative Regions (SARs) directly under the central government since 1997 and 1999, respectively. All the sub-national territorial units are not guaranteed by the Constitution and their changes are only subject to the control of the central government, (under the Ministry of Civil Affairs in the State Council) in accordance with the state's territorial and urban strategies, from time to time (Cartier 2004, 2011, 2013, 2016; Fitzgerald 2002; Liu and Fan 2015; L. J. Ma 2005). Strictly speaking, these cities or local governments do not have autonomous power from the

central state. Yet, they have been granted different levels and scopes of power to propel different levels of urbanisation according to their ranks in the system. Through the control of this rank-based administrative system and the downward shift of state power, the party-state could maintain its power over the national territory, and also effectively control the urbanisation of these sub-national territories in China.

Following the above reason, the relentless expansion of urban fabric in the PRD has been induced by the state's territorial and governing processes in relation to the massive "city-making" process during the reform era. Since 1979, there has been ongoing changes to the administrative division system, including designating new cities and towns, redefining rural areas to the urban, enlarging cities and urban areas through merger or abolition of administrative units for urban expansion, elevating the ranks of local administrative units, empowering local governments for urban growth and the boost of GDP (Cartier 2016). After several rounds of administrative reforms, Guangdong, for example, has the largest numbers of "cities" above the rank of the prefecture level, provided that many of them had been just the rural counties thirty years ago. This process is colloquially known as "zao-cheng", literally meaning "city making" - the state's city building. This territorial mechanism has led to the explosion of Urban China in a short period of time, but also changed the geography of state power over territory and development.

However, this form and process of territorial transformation has been under-researched in Chinese urban studies. In reality, the issue of a territorial governing system has been of the utmost importance for the central state, local governments and high-level planners to work out their urban strategies and territorial expansion. However, the question of "territory" has not been an issue in urban studies within China or in the international academy. The mainstream studies of Chinese urbanisation have been determined by economic processes; except a few scholars who are concerned with the land transformation processes. Tang (2014) has criticised Chinese urban literature for being dominated by western-based urban theories such as neoliberalism, inter-city competition, or the mega-city region. On the theoretical level, Neil Brenner and Stuart Elden (2009) have argued that the conception of territory has been trapped in some inherited geographical assumptions as a fixed, static and pre-given container. Nevertheless, twenty years ago, Liu Junde (Hu and Liu 2007; Liu 1999; Liu and Fan 2015) developed the concept of "administrative economy area" (xingzheng qu jingji) to examine how the administrative division system has affected the modes of territorial governments and the regional economy in China. Recently, a few scholars have put this issue back on the research agenda. Among them, Carolyn Cartier (2015) has coined the term "territorial urbanisation" to extend the concept of "Administrative Economy Area" into a boarder process of urbanisation. In brief, these scholars have critically interrogated the political questions of territory associated with the roles of state in the course of urbanisation. The process of territorial urbanisation is the fundamental political economic mechanism of

urbanisation. Through this administrative system, the central government could determine the rules and mechanism of governing and urbanising the sub-national territorial areas through the changes to the administrative system. This system is also tied to a range of policies to determine some essential attributes such as population, land status, level of investment and construction, and rural-urban relations. This largely affects the power of local governments and therefore the levels of territorial development within their jurisdictions according to administrative rank and economic power. Therefore, making changes to the administrative divisions and rank system would lead to a changing geography of state power through a reshuffling of power to multi-rank-level of local governments. However, the processes and outcomes of these changes would also bring about conflicts and contradictions between ranks of local government over territorial expansion, or between the city government and villages over the status of landownership in the city-making process.

Therefore, this dissertation takes this opportunity by developing the understanding of urbanisation and territorial processes in China. The analytical perspective of this study is based on the notion of urbanisation as the mediation of different emerging forces, relations, ongoing and contradictory processes. I will employ the case of the EPRD, where Hong Kong, Shenzhen and Dongguan have been transformed into very uneven, complex and cross-boundary urban territories in the last few decades. The research will explore the conditions, forces and processes, with reference to the roles of capital and the state in the formation of this extended urbanisation, whilst the emphasis will be on the state and the particular territorial process. An analysis of the state and its territories must include the changing in China's historical geography. In fact, China has been utilising forms of territorial governing system to rule over the country for centuries. Mao Zedong, after 1958, had radically territorialised the national territory into a rural and urban division. The hukou (household registration) system has been criticised as an invisible wall by which the Party-State started to divide people and things between "urban" and "rural", "local" and "non-local" (Chan 1994) to completely control the means of the production and reproduction. Since 1978, the party-state has changed its territorial strategies and reformed the territorial system to make cities and produce urban at an immense scale for national economic development. Against this context, the state mode of territorialisation has changed beyond the two dualistic categories and evolved into more complicated spatial and territorial dimensions of government beyond urbanisation and expansion. The issue of territorial urbanisation is a challenging and relevant topic to re-conceptualise the process of the Chinese urbanisation under the party regime. This will be the central focus of this thesis.

2. Research Objectives and Questions

The objective of this thesis is to examine the two intertwined processes of territorialisation and urbanisation associated with state territorial strategies in the transformation of extended urbanisation in China. It does so through a qualitative, empirical study of the Eastern Pearl River Delta (EPRD) - questioning how Hong Kong, Shenzhen and Dongguan have unevenly developed into very differentiated, poly-centric, rank-based hierarchical, inter-linked, cross-border urban territories in the EPRD over the past few decades. This first aims to re-conceptualise the transformation of the extended urbanisation in relation to the particular (geo-)historical and political territorial processes of the PRD. Secondly, it considers the dynamics of capital restructuring, and the state's mode of production in managing and accelerating urbanisation and territorial expansion, to consolidate the state/government power over urbanising space and territories. In general, the latter process of state's territorial space echoes the argument of Brenner and Elden (2009): to extend the concept of state space in relation to particular histories and territory. In particular, I refer to the relationship between state and territory as the concept of territorial urbanisation, as coined by Cartier (2015), to interrogate the political processes of urbanisation and territorial expansion in China. Thirdly, it examines the specific processes and complexities in the production of space and extended territories through three case studies. By analysing the case studies at different levels and dimensions, it is hoped that the thesis provides an in-depth analysis of planetary urbanisation theoretically and methodologically.

In response to these overall objectives, the thesis will address the following questions to explore the general processes of extended urbanisation and concrete case studies.

- What historical and geo-political processes shaped the constitution of territorial transformation of the Pearl River Delta in general?
- What are the patterns and trajectories of urbanisation processes in the EPRD?
- How have the processes of territorialisation, which have taken place, affected the specific territorial structures, pathways and processes of urbanisation in respective cities?
- Have there been great differences between the New Territories and the main urban area of Hong Kong? How could we explain the production of differences by the means of the historical analysis of different territorial and regulatory processes which occurred during the colonisation of Hong Kong? How did these specific processes produce substantial differences in urbanisation, in terms of space and social relations? What further changes to these processes occurred when the New Territories rapidly transformed in the midst of a larger territorial process due to the

reopening of the Hong Kong-China border and in the aftermath of the return of Hong Kong's sovereignty to the PRC?

- In Shenzhen, half of the built-up territories have been occupied by legal and illegal urbanised villages. How could we explain this specific form of urbanisation in relation to the massive scale of territorialisation taking place in the city making process of Shenzhen? How could we understand the rise of urbanised villages in the city as a process of contestation over land and territory through plotting, when the state and the city government have imposed and constantly changed territorial rules and regulations to enhance and unify their power over the territory and to accelerate territorial development? Have these territorial practices allowed the state and city government to gradually stretch their control to the entire territory under their urban-state development logic?
- In the last thirty years, Dongguan has developed into the main manufacturing area within the international division of labour, with a large influx of foreign capital and migrant workers. The vast rural territory has been transformed into a range of industrialised towns and villages. Through a fieldwork study, the case study will examine the transformation of a rural town and villages in Tangxia. Can this process be generally understood as “bottom-up” industrialisation? Or must it be understood in terms of political and territorial processes in Tangxia, when rapid land transformation was engineered by a kind of re-collectivisation when administrative and economic power were re-centralised to the town government and village collectives to a few village cadres. Has this collective land development process re-bonded all village members into share-holders and thus fundamentally changed all social relations in their town?

3. Analytical Approach: Extended Urbanisation as the Process of Territorialisation

The objective of this section is to address the question of extended urbanisation in China as a process of territorialisation associated with state strategies during the emergence of extended urbanisation in the EPRD. To construct an analytical approach to this subject, I start with the notion of “urban” to provide a spatial perspective, and deploy a number of related, underpinning concepts including “uneven geographical development”, “scales”, “state” and “territory”. It is equally important to seek clarification and contextualisation of my research fields, and highlight the role of state power as inseparable from the changing historical geography in China. I deploy these above concepts as a way of guiding thinking and opening up a wider context for subsequent analyses of the territorial transformation in the EPRD.

3.1. Redefining “Urban”

A critical moment of the late-1960s marked a fundamental shift in the paradigm of epistemology and methodology in urban studies. This was the “spatial turn” in social theories which criticised the established knowledge derived from Cartesian thoughts which led thinking on notions such as urban, territory, scales in terms of static, absolute or geometric meanings and objects, instead of analysing their interactions, relational or dialectic relations (Harvey 1996, 2008; Merrifield 1993). Such absolute thinking of urban, it is argued, has been inherited from a set of some entrenched geographical assumptions by the Chicago School of Urban Sociology, treating cities as a container of social processes, and artificially dividing rural and urban (N. Brenner and Schmid 2014, 2015). This mode of thinking has been widely deployed by different academic disciplines, operating through quantitative parameters such as population growth, city size, and land uses. Consequently, traditional geographical thoughts have not only simplified urban phenomenon and questions, but also perpetuated the fragmentation of knowledge deeply embedded in the technocratic form of public policies and planning to approach urban issues.

Since the late 1960s, a new strand of critical urban theory emerged to question these inherited geographical assumptions and re-define the problematics of the urban (Brenner, 2009). Among them, David Harvey (1996, 50) has called for a radical break from the late nineteenth-century idea of a city, which suggested that one can engineer a physical space to control, contain, and change social processes. Harvey rejects the absolutist conception of space as mere exogenous, calculable, discrete or independent grids. This mode of absolute spatial thinking cannot capture the increasing complexities of societies and human experiences. Instead of privileging spatial forms over social processes, Harvey has argued that the notion of space should be reconceptualised as the dialectic relations between forms and processes (2008, 273). Whilst architects and planners have sought for new spatial forms in order to contain and change social experiences, different spatial-temporal processes are also shaping urban space and eventually social life. As he said (ibid., 52),

“Urbanisation must then be understood not in terms of socio-organisational entity called ‘the city’ (the theoretical object that so many geographers, demographers and sociologists erroneously presume) but as the production of specific and quite heterogeneous spatio-temporal forms embedded within different kinds of social action. Urbanisation, understood in this manner, is necessarily constitutive of as well as constituted by social processes. It loses its passive qualities and becomes a dynamic moment in overall processes of social differentiation and social change.”

For Harvey, the concept of space is inextricably linked to time and processes. The relational concept of space can unfold internal relations and processes under capitalism (2008, 273). His re-conceptualisation of space could address capital's spatiality in the transformation of the built environment and social relations, and open up the realm of multiple spatialities (or spatio-temporalities) in relation to different agents, perceptions, relations and systems. This helps us to rethink alternative geographical imaginations and possibilities for a majority of people who are struggling for a better world, and to counteract capitalist urbanisation for endless wealth accumulation for a few people.

If space is a keyword for social theory, Henri Lefebvre's *Production of Space* (1991[1974]) has significant impacts for geographers when exploring the problems of spatiality in the contemporary form of planetary urbanisation. As he argued, there has been "the shift of the production of things in space to the production of space" in the second half of the twentieth century (2009[1976], 186). This involved a shift in the mode of production under capitalism: from the mere concern of the relations of production within factories and markets, to the production of space as a means and an outcome of production for surplus value, economic growth and wealth accumulation. As he contended (2009[1980], 187),

"Space as a whole enters into the modernized mode of capitalist production: it is utilized to produce surplus value. The ground, the underground, the air, and even the light enter into both the productive forces and the products. The urban fabric, with its multiple networks of communication and exchange, is part of the means of production. The city and its various installations (ports, train stations, etc) are part of capital."

As seen in the above, Lefebvre acknowledged that urban phenomenon should be analysed in light of the fundamental categories of Marxism. The concepts such as use and exchange values, the analysis of production and reproduction, remain fundamental. However, he also criticised the notion of space from Marx for being merely "the sum of sites of production" and "the territory of various markets" (2009 [1976], 211). Instead, Lefebvre argued space has become the mode of production. The production of space itself has become the "modernised mode of capitalist production" to produce value and consequently led to the relentless urbanisation for endless accumulation and commodification, at all dimensions and levels.

Lefebvre was concerned with bringing spatial questions into the political economy in relation to the material space, representation and knowledge, everyday life and meanings. To theorise space, Lefebvre envisioned the production of space in a tripartite division: perceived space, conceived space and lived space (1991 [1974]). "Perceived space" refers to the materiality of the urban reality that encompasses spatial practices, the rhythms of

everyday life, multiple socio-economic activities and networks. "Conceived space" is formed by the representation of space including thoughts, rules, knowledge, and regulations for governments, planners and architects to rationalise, operationalise and administer the space they create. "Lived space" is constructed by socialisation and learning processes through the users' everyday experiences, feelings, images and symbols. These three dimensions of spatial production are equally important, and dialectically interconnected in the production of social space. He stressed that social space is not only produced by capitalism, but also by the state power. Social space is also the field of intervention for the class struggle to search for alternative spaces, to reclaim use value over exchange value, to overthrow dominant spaces (the authorities of the state and the technocrats), and the like. It is also important to think of space in term of totality against fragmentation, and in term of contradictions against linear formation. As noted by Schmid (2008), Lefebvre's three dialectics of spatial production could offer a more comprehensive and contradictory processes of urbanisation through his spatial analysis of the political economy, and also of people's experiences, thoughts, practices, actions and potentials.

3.2. Uneven Geographical Development

Transcending its limit and boundary, urbanisation has not only brought about the transformation of the material basis for everyday life and social relations in a place, but actually entailed much wider territorial processes and impacts outside the city and even farther away in the increasingly complexed, globalising economy. Such an extended form of urbanisation, however, has not led us to live in a flat, equal, integrated or borderless world under the era of globalisation. Instead, underlying extended urbanisation is a form of capitalist restructuring for the pursuit of growth and accumulation through the production and reproduction of space and territories. This restructuring process has not only produced and deepened the uneven and contradictory forms of geographical differences, but actually required the production of spatial differences as a medium for generating surpluses in different places and under different circumstances (Harvey 2006, 2011).

The theory of uneven geographical development has been deployed by geographers to explore the dynamics and contradictory processes of capitalist restructuring in time and space. For David Harvey, the "capitalist activity is always grounded somewhere" (2006, 78). By integrating the role of space with historical materialism, he has introduced the notion of "spatial fix" to describe and account for the insatiable drive of capitalism for restructuring and expanding space for accumulation, and resolving its own internal crisis tendencies (2001, 24). To achieve spatial fix is one essential condition for the survival and growth of capitalism. This process would involve accumulation by dispossession (via, for example, the ruling class, state power, colonialism, neoliberalism), and lead to the perpetual processes of

commodification of the nature, land, social relations and culture. It would entail the production and restructuring of space, and require a particular, relatively established form of spatial and territorial organisation for sustaining the capitalist form of urbanisation.

Underpinning the dynamic process of uneven geographical development are two central and contradictory capitalist movements to shape territorial transformation: fixity and motion. To begin with, capitalist activities rely on the deployment of spatial strategies and geographical processes for new accumulation and investment. This leads to a moment of capital's fixity in space, and also the transformation of the first and the second nature, defined as the "nature shaped by human activities" (Harvey 2011, 84). The direct consequence of this process is the construction of the urban environment such as factories, housing, water and power supplies, roads, airports and railways, and other infrastructures.

The production of the second nature for capitalism is achieved through the "annihilation of time by space". Space here refers to the relative space that is a mode of spatial thinking in association to time and processes (Harvey 2008, 273). According to Harvey, the annihilation of time by space can be achieved through innovations in transport and communication networks, in order to overcome geographical barriers, to reduce the fictions of distance and to facilitate the ease of moment for mobile capital. Such spatial innovations would contribute to the "time-space compression" that would largely reduce the cost of production and increase the turnover of returns in the whole process of production, circulation and consumption.

The process of spatial fix also closely interacts with other processes including technological fix, locational dynamics, competitions, infrastructures, social relations and ways of life, and so on. It is also conditioned by the particular territorial logic of power, such as state power, governments, institutions and systems, spatial organisation, social relations of land and properties. Under the co-evolution of these processes, a form of appropriate and relatively stable territorial organisation and urban structure would be sustained within a certain period of urbanisation.

Nevertheless, the existing urban structure and fixed space would subsequently create contradictions for another round of capital restructuring for survival or expansion, in response to external and internal crises in a place. To get a new surplus capital fix in space, would require the destruction of existing space (which uses may be under-utilised) or the reorganisation of urban structure to initiate a new round of "creative destruction". Harvey has used this term to describe the contradictory capitalist process where the active production of fixed capital in the land would require the continuous destruction and reconstruction for the next round of economic restructuring (2011, 190). Therefore, the tensions of capital between fixity and motion would constitute the motor of urban transformation through constant spatial transformation. A current example of this process is the beginning of urban redevelopment through deindustrialisation in one place and industrialisation in another, since the 1980s. This

gave rise to a wider territorial transformation (such as a region) and a new international division of labour in the globalising economy. This regional urban economy constitutes the centres of command and control functions in some places, and the centres of productions and logistic industries in other places. The development of this region is consolidated through agglomeration and dispersion of diverse activities and enormous flows of cross-border people, goods and investment, transnational production networks, reshuffling of power, the changes of institutions and regulations.

In short, the spatial fix of capital for growth and higher profits is not a permanent, but just a temporary resolution for survival and expansion. This temporary fix can only contain or shift emergent contradictions or crises to elsewhere. As argued by Jessop (2008), spatial fix can simply defer or displace capitalism's inherent crisis-tendencies, and ultimately intensify and deepen these tendencies and effects on the ground. In short, by bringing capital logics and spatial logics together, Harvey's concept of uneven geographical development could provide an important conceptual lens for understanding the dynamic and contradictory processes of territorial transformation that this thesis is based upon.

3.3. Scalar Production

The concept of "scalar production" is equally important in understanding the uneven spatial processes of capitalism. Like the concept of space, many scholars have argued that the notion of scales is neither a static nor self-contained geographical entity of social activities and relations. Instead, scales are socially constructed such that they are continuously and dialectically produced by political, economic and social forces. As argued by Brenner (1998, 2000, 2001), the production and restructuring of capitalist space has shifted on a wide range of territorial scales to constitute an uneven geographical development. The continuous movement of spatial fix no longer operates on a single geographical scale; it is closely associated with the reconfiguration of scales and territorial relations, in which the state emerged as an active agent, leading to multi-scalar territorial transformation.

As mentioned above, the concept of spatial fix sheds light on the production of spaces and territories in each round of economic restructuring and crises. The aim of spatial fix is to pursue a "provincially stabilised and relatively fixed territorial organisation" through deterritorialisation and re-territorialisation in order to coordinate diverse and contradictory forces, social relations and processes, and thereby to expand its space of accumulation. As noted by Brenner, Harvey developed the concept of spatial fix in the wider context of a multi-scalar hierarchical structure, albeit without explicitly theorising the question of scales in this process. On this basis, Brenner (ibid.) has argued that the spatial fix is likewise a multi-scalar reconfiguration. The spatial fix is not merely premised on a single territorial scale, but on a wide range of scales for the territorialisation of capital for expansion and restructuring. Each

round of spatial fix would arise from the overlapping, meshing and co-evolution of differential geographical scales, co-ordinating different forces between concentration and dispersion, and different ranges of concern from the local to the global. The result of each spatial fix is likewise a “scalar fix”, a concept which originated from Neil Smith. This process of multi-scalar, capitalist territorialisation would eventually lead to another provincially established, nested and hierarchical territorial scaffolding under capitalism.

To elaborate the concept of scales, Brenner (*ibid.*) deployed Lefebvre’s concept of “superimposition and interpenetration of social spaces” to analyse the rescaling process as essential to the territorialisation of capital to re-mould space and transform social relations. From cartography, the term “scale” usually is used to represent a geographical meaning, not only in terms of absolute “size” but also a “level” of abstraction. For Lefebvre, however, scales are a relational and dialectic concept which are socially, historically and politically constructed. Scales operate as “boundaries” and “hierarchies” of social relations (N. Brenner 1998, 466). Firstly, scales organise and transform social relations within a “relatively bounded, territorially circumscribed space envelop”. Secondly, they constitute and are constituted by the different “components of a hierarchical stratified morphology” (*ibid.*). In other words, these geographic scales are not an “absolute thing” or merely a “platform”; they are “mutually constituted and intrinsically related” to each other, forming the nested territorial hierarchies for each round of capital circulation. Furthermore, scales are historical-specific, “superimposed social spaces” formed, stabilised, dismantled and transformed over time. In addition, scales as the interpenetrated social spaces have two related aspects: “scale as level” and “scale as territorial”. “Scale as level” is constituted by the global, the urban and the private levels, whilst “scale as territorial” is organised by the body, the local, the urban, the regional, the national, the supranational, the worldwide and the planetary (N. Brenner 2000, 368). Both of these two aspects are related to each other in a multi-tiered hierarchical territorial structure. Through re-conceptualisation, the production of scales could provide an analytic tool for understanding the dynamics and complexities of territorial transformation in terms of differentiation and totality of all geographical scales.

Equally important, for the analysis of scale restructuring is the changing geography of state power in the course of territorial transformation. As argued by Lefebvre, there has been an emergence and consolidation of the state mode of production (SMP) from the second half of the twentieth century. Multi-scalar territorial organisations have been produced and restructured by state power in the course of a threefold process - growth (expansion of the productive forces), urbanisation (the formation of massive units of production and consumptions) and spatialisation (2009 [1978], 226). Lefebvre mobilised the concept of the SMP to explicate the increasing roles and power of states to manage and dominate the society and economy. He said, “only the State is capable of taking charge of the management of space “on a grand scale” - highways, air traffic routes - because only the State has at its

disposal the appropriate resources, techniques, and “conceptual” capacity” (Lefebvre 2009 [1978], 238). Rather than the demise of state power, states have become key players on a worldwide scale to promote growth, to coordinate conflictual forces, to maintain coherence and stability through planning, institutions, regulations, legislation and redistribution. As Brenner (1998) has noted, the territorial state regarded as a territorialisation of capital has not merely happened on a national level, but actually on multiple territorial levels. Apart from providing a rather stable geographical foundation for development, states serve for the basis for the establishment of a provincial scalar fix for capital restructuring on multiple scales. In other words, it is on a multi-scalar territorial organisation that a state could reshuffle its own power through institutional restructuring at subnational or supranational levels, and deploy various territorial strategies to coordinate necessary social forces on a variety of geographical scales (e.g. industrial zones, new centralities, development regions, and trans-national development zones). Consequently, the reshuffling of state power and institutions has closely tied each round of capital restructuring and also constituted multi-scalar uneven geographical development.

3.4. State, Space and Territories

This section will focus on the relationship between state, space and territory from Lefebvre’s work (2009) on “state space” and the state mode of production (SMP). The argument is initially derived from the work of Elden and Brenner (2009) on the questions of state space and territory, building on their criticism of the “territorial trap”. To begin with, it is worth re-addressing John Agnew’s influential criticism of the “territorial trap” (1994), to situate the questions in relation to space and territory. In 1994, Agnew problematised three interlocking geographical assumptions underlying the exercise of state power in mainstream international relations and political theories. The first is how states exist as fixed units of sovereign space, the second is the domestic/foreign opposition, and the last one sees states as containers of society. He argued that the first assumption serves to “dehistoricize and decontextualize processes of state formation and disintegration” (ibid., 59). The second assumption is trapped in a binary thinking of domestic/foreign and national/international realms, without consideration of their interactions of processes at different scales (ibid.). The third assumption overlooks the state-society relation as a historically and geographically contingent entity, instead of being assumed as self evident or a pre-given national phenomenon (ibid., 70). He contended that international scholars have long obsessed for a timeless, discrete, and mutually exclusive territorial conception and this led to the problem of the “territorial trap” when analysing the state and state power. In fact, Agnew’s criticism reminds us to overcome the “methodological assumption of timeless space” (ibid., 77). He also acknowledges that social, economic and political life cannot be ontologically confined

within any fixed national territorial boundaries. Therefore, we need to denaturalise and politicise the histories and spatialities of state power, since state is both abstract and concrete, and also specific to particular histories and spatial processes.

From his critique of political economy, Lefebvre suggested space itself has become the modernised mode of capitalist production, and functioned as the essential material support for the survival of capitalism (2009 [1979], 187). Equally, his state theory could provide an important insight on the political dimensions of spatial and territorial production in the course of capitalist development. He argued the roles of states became crucial to the survival of capitalism. Whilst space has become the mode of production for the extraction of surplus value, it is the modern states who actualise the (political) space for reproduction, and ensure the conditions for “the reproduction of the relations of domination” (2009 [1978], 241–242). This has led to the emergence of the SMP¹, which Lefebvre referred it to the “management and domination of the entire society by the state” in the pursuit of economic growth at all scales, from local to worldwide levels (Elden 2004, 224). State apparatus have become an essential institutional mediator to secure demographical reproduction, the reproduction of labour force (e.g. workers’ housing), the reproduction of the means of production (e.g. resources and technologies), the reproduction of the relations of production and the relations of domination (2009 [1978], 242–243). It also related to the production of knowledge and ideologies where state power could be sustained through domination, hegemony, suppression and control of oppositions, containment and displacement of contradictions and potential crises.

In his spatialised account of the state theory, Lefebvre argued there is a dialectic relation between states (SMP) and space. As he noted, “State binds itself to space through a complex and changing relations that has passed through certain critical points” (2009 [1978], 224). He continued to ask, “Is not the secret of the State, hidden because it is so obvious, to be found in space? The State and territory interact in such a way that they can be said to be mutually constitutive” (ibid., 228). For Lefebvre, the state should not be understood as a static, singular or pre-given entity. Instead, he argued that, firstly, like space, states are a continuous and a historical-specific product in relation to the historical processes of capital development. Secondly, states have their own space, and the production of this space can be also political. The state deploys spatial planning, strategies and knowledge to produce and control space in order to promote economic growth, to maintain its rationality and domination, and to suppress or contain chaos, contradictions and even differences. In addition, there are three characteristics of spatial relations arising out of the SMP: homogeneity, fragmentation and hierarchisation. These three spatial relations are essential

¹ Stalinism was the prototype of the SMP and operated variedly in different countries such as Soviet Union, France and the England, etc. (Elden, 2004).

for the process of reproduction of social relations under capitalist development (2009 [1978], 2009 [1980]).

It is also important to understand state space in relation to territory (Lefebvre 2009 [1978], 225), in which state space and power have been transformed and reproduced through the production of territories at different scales. As noted by Brenner and Elden (2009), territory is a political and regulatory form of space that is controlled by state. For territory reflects the spatial extent of state sovereignty and the institutional-technocratic power within its national jurisdictions and on a worldwide level. As defined by Foucault (2007, 176), the notion of territory “is no doubt a geographical notion, but its first of all a juridic-political one: the area controlled by a certain kind of power”. In this sense, the analysis of territory is understood as a mediation, and as outcomes of state power, social relations and scales rather than a neutral or pre-given static national space. It should be analysed as an historically-embedded, ongoing and highly contested on the ground. State space and territory are dialectically related, and co-produce each other. This gives rise to differentiated forms of territories and spatialities of state power for the production and reproduction of political-economic life and social relations. By putting the concepts of state, space and territory together, one could understand how urbanisation can be a variegated form of geo-political projects through which states would deploy spatial and territorial strategies to produce and expand abstract space, and hence consolidate its territorial and spatial power.

3.5. The Chinese Processes of Territorial Urbanisation

The preceding discussion offered an overview of some key concepts for the exploration of extended urbanisation associated with space, uneven geographical development, scales and state space. These theories and concepts provide an abstract level for understanding processes and complexities. To bring these concepts together could provide a powerful mode of dialectical thinking, beyond conventional thinking. Nevertheless, these concepts, which are developed from western theories and histories, require proper contextualisation for research fields in relation to the particular histories and geographies of China. Here I will first address the role of state in society and the economy of China, and generally highlight criticisms of mainstream Chinese urban studies. Afterwards, I will briefly contextualise the changing roles of the state in China, and then address the relationship between the state and territory in the course of massive urbanisation during the reform era. I argue that Chinese urbanisation has been fully engineered by the Administrative Division System through which the state has decentralised power to local governments to develop space, cities and territories according to the hierarchy of the ranking system. Through changes to this administrative system, there has been a changing geography of state power and also the rise of contestations and contradiction in the course of rapid urbanisation.

To begin with, I suggest that contextualisation and re-conceptualisation are very important for this thesis when exploring the Chinese processes of extended urbanisation. There are two major critical contexts for the study of Chinese urbanisation. The first one is the tendency of an omniscient, omnipresent and omnipotent state power in society and the economy (Lefebvre, 2009 [1978], 112), and the second is China's long-standing practices and cultures. I argue that the Chinese political regime is central in the massive urbanisation and territorialisation of the past decades. The production of space and territories during the Chinese reform era in 1979 has been subsumed in economic logics of growth and accumulation. Nevertheless, what is crucial is that the main rationality behind the opening-up policy and reforms was to uphold and consolidate the CCP's ruling power in a country where the political is always considered priority. For instance, the years 1966 and 1967 were a critical moment for the CPP to initiate economic reforms in order to maintain its rural power in the aftermath of ten-year Cultural Revolution, famines and chaos. In response, China launched different kinds of reforms including economic, financial, land, administrative and social reforms, but it did not include a reform for democracy. From his memoir, Zhao Ziyang,² the Party leader, launched economic reforms and was purged politically and placed under house arrest in the aftermath of the Tiananmen massacre, "Deng [Xiao-ping] believed that a precondition of reform was an upholding of the Communist Party's one-party rule. Reforms were precisely intended to further consolidate the Communist Party's one-party rule. Deng firmly rejected any reform that would weaken that" (2010, 247). This clearly illustrates that economic reforms and development have been launched to serve the consolidation of the CCP within China, and subsequently to pursue the powerful Chinese State/nation on a worldwide scale. From the Maoist to the post-Maoist era, the dual power of the Party State (firstly the CCP and then the government) has continued to dominate all essential conditions and social relations of the mode of production and reproduction. Although the "rural land contract policy" was launched in 1980 to unleash rural energy by sub-contacting farmland to individual households to produce crops and profit, the central government has not got rid of "public landownership" (in term of state-owned and collectively-owned land system) from its control. Rapid urbanisation has actually closely evolved with the development of state power over space and territories. In other words, the production of space and territories subsequently led to the consolidation of political space.

Nevertheless, the illusion of "Globalising China" has masked the urban reality of a consolidation of state power during rapid economic and urban development in the three decades. Mainstream studies of Chinese urbanisation are excessively dominated by economic analysis of the emergent market economy. Some of which focuses on urban and regional planning, and others introduce the concepts of entrepreneur cities, neoliberalism in

² Zhao Ziyang was the former premier of the PRC during 1980-87, and also the General Secretary of the CCP from 1987 to 1989.

China and inter-city competition. The issue of urbanised villages is analysed in terms of informality or the rent gap. There is a critical aspect missing from many of the mainstream Chinese urban studies, as argued by Cartier (2013, 60), the “analysis of authoritarian power [of the Chinese Party-State] is usually “missing” from economic analysis”. Without a political inquiry of urbanisation, mainstream Chinese urban studies serve to de-politicalise urban questions in China. As criticised by Tang (2014, 58), “Epistemologically, reiterating the universality of Western theories and concepts and restricting Chinese urban phenomena to empirical objects have the effect of perpetuating the hegemony of Western knowledge and de-politicising many local issues. Theoretically, they have encouraged us to ignore many problems that are basically found in China only”. These criticisms have opened up political questions around urbanisation, in which one can witness how cities after 1978 were massively and systematically produced by the state to engineer national economic growth and serve to consolidate the CCP’s power in a rapidly changing society and economy. In short, there is a dialectic relation between the production of urban space and the production of state space/power.

In China, the state (which I use here to refer to a broad term to include the imperial power over dynasties, the modern nation and the Communist-Party State) has constantly been adhering to a deep-rooted rationality of sovereignty over its territory. According to Liu and Fang (2015), markets, merchant towns, or cities proliferated, but historic walled-cities were under rural governments. Cities did not develop their own independent administrations or gained any local autonomy; neither was any civil society or civil power developed. The only period that allowed for exceptions was between 1840 and 1949, when the Qing government reformed the government system by granting cities with autonomous status. Therefore, Guangzhou was declared an autonomous legal city in 1921, during the proliferation of treaty port cities. In 1949, when the CCP came to power in China and Mao Zedong launched the rural revolution and national land reform which eventually led to the centralisation of its party power for control over the society and economy. Since then, no autonomous status of city governments or private property ownership has been tolerated.

From 1978, the CCP decided to open the country and launched economic reforms. However, this does not mean the CCP retreated its power to give way to so-called market or foreign capital. Nor did the “decentralisation” of state power to local governments after 1978 lead to a weaker central state. The Party State has maintained a high degree of domination over society, and yet changes since 1978 have entailed different forms and strategies of state intervention in the society. As argued by Ma (2005, 478), the “rescaling of China’s nation-building effects downward in the post-1978 reform era represents not so much the retreat and disarticulation of the central state as a re-articulation of state power with a different form of state intervention at lower spatial scales”. Here, Ma’s argument is important for pinpointing changes to the party-state regime in China. During Mao’s time, state power

was a form of centralisation and collectivisation with vertical command of power from the top. During the reform time, state power extended and multiplied through various horizontal and vertical government structures. There was a downward shift of state power to multiple local levels, to increase local incentives and engineer industrial and urban development. In a sense, the state has developed from a highly centralised state apparatus into a more complex geography of state power. Ma argued this reshuffling of state power led to the rise of “power matrix in geographical space” which has not only reproduced the authoritarian power of the central party and government, but also reshuffled the horizontal power of local governments according to their ranks and levels within the hierarchy of the political system.

A strand of the literature has emerged to examine the extensive territorial development in relation to the spatiality of the Chinese Party-State (Cartier 2013, 2015, 2016; Chung and Lam 2010; Fitzgerald 2002; Liu and Fan 2015; L. J. Ma 2005). Among them, Ma (2005) has argued that the logics and conditions of changing Chinese territories has not so much been organised by the reshuffling of different geographical scales like the West according to the global, national, regional, and local units. Instead, the territory has been internally controlled by the Administrative Division System (*xingzheng quhua tixi*), which can be understood as the territorial governing system to manage subnational, rank-based territories. This administrative system reflects the spatial structure of the Chinese State. It actually constitutes a crucial part of the Party-State national building. This system is also the instrument through which the central state controls and facilitates territorial processes of local and regional urbanisation. Through this territorial system, the central government could classify, demarcate and organise the national territory into sub-national territorial units (see Figure 4.1) with four-tiered administrations (province, prefecture, county, township and town), where local governments are respectively “ranked” in the system and manage a particular spatial organisation of territories corresponding to their given ranks and economic powers. Since the reform era, the most important administrative division is “Shi”, the translation of the English “city”, which denotes an urban administrative area or region with three tiers of local governments: the first tier is a provincial-level city, the second tier is a prefectural-level city and a sub-provincial city, and the third tier is a county-level city. Most of these cities only emerged after 1978, and contributed to the fast urbanisation of China.

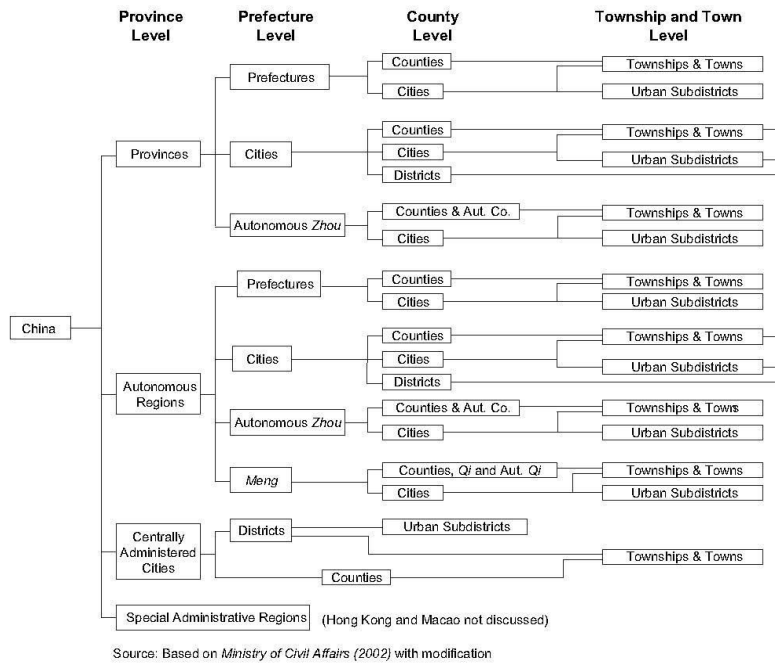


Figure 1.2. The Chinese administrative division system (source: Ma, 2005)

As mentioned before, the administrative division system has been fully controlled by the central government (under the Ministry of Civil Affairs of the State Council), who takes charge of all approvals and changes of administrative divisions according to a constantly-adjusted set of criteria, which is considered within the wider context of national development strategies and also in terms of population and economic development (such as GDP). As noted by Cartier (2015), none of these subnational administrative units are guaranteed, and all changes are subject to non-transparent, centralised decision-making processes. There are two aspects to changes: territory and government. Changes of territory includes all different kinds of adjustment of administrative divisions and boundaries: designation of a new administrative unit, or its abolition, enlargement, and subdivision. Changes of government entails the establishment or repealing of local governments, and elevation or demotion of governments' rank level. These adjustments, ranking and reshuffling of administrative divisions are linked to a particular territorial form of urbanisation and expansion. Initially, many of the changes to administrative divisions were experimentally deployed by the State Council in selected pilot areas, but eventually have imbricated into this territorial system for urbanisation and territorial expansion throughout the country. These changes have been undertaken to achieve a new type of urbanisation (Shi/cities or Zhen/town) by reforming the territorial and governmental restructuring. Cartier has developed the concept of "territorial urbanisation", building upon Liu's concept of "administrative area economy" to explain "the relationship between the mandate to govern and the interrelated conditions of an administrative division: boundary, government, territory, land, economy and population in China" (2015, 13). During the reform era, the fast-growing Chinese urban territories were

engineered by the central government through numerous large-scale territorialisation to manage emerging situations of national economy, and accelerate or check local and regional urbanisation

From the above perspective, there have been the massive city-making processes through the production and adjustments of these administrative divisions. “Shi”, as noted above, became the most important administrative division during the reform period. “Shi” is the contemporary understanding of cities, which is different from the historic meaning of cities in China. The traditional meaning of Chinese cities (Cheng Shi) entails historic walled cities (Cheng) and markets (Shi). Figure 1.2 shows the walled cities in Guangdong, and Figure 1.3 highlights Dongguan’s walled city surrounded by a vast rural territory. Historic cities had not acquired any independent, legal and institutional apparatus (Fitzgerald 2002; Liu and Fan 2015). Rural territorial governments took charge of administration in rural and urban areas across dynasties. In contrast, “Shi” is the contemporary meaning of cities within China, that developed beyond the traditional understanding (walled cities) or the conventional one of a western city. During Mao’s time, “Shi”, and “Zhen” or towns, were established through demarcating a part of rural territory into areas with an urban status to be governed separately from rural governments under the mode of “rural-urban division” (cheng-xiang fen zhi). During the reform period, the central government realigned the historical administrative units namely province, prefectures, and counties with the designation of new administrative divisions called “Shi” (Cartier 2015; L. J. Ma 2005). Since then, “Shi” could be understood as a form of “city-territories”, established through converting historic rural territories (namely, province, prefecture and county) into a larger territory with an urban status under Shi or city governments. Through these changes, local governments accelerated and enlarged urbanisation through the state mode of “rural-urban integration” (cheng-xiang he zhi). Through this process, the central government designated “Shi” as new administrative areas, at the expense of historical rural administrative units, for example, by converting a county into a county-level city (xian gai shi), or by repealing the prefecture administration and establishing prefecture-level cities (di gai shi). As argued by Cartier (2016), “many historic counties have been reterritorialised as “cities” before they have become, by conventional definitions, “urban”. Here, Cartier refers to these “cities” as the state’s designation and the establishment of “Shi”, which determines the political condition of urbanisation in China.

As mentioned, this process of state territorialisation has given rise to three tiered urban territories on province, prefecture and county levels. In 1994, the central government has added a new level to the city’s administration - a sub-provincial city, which is a half-level of lower rank than a provincial level, and a half-level of higher rank than a prefecture level. Accordingly, there are three level status and four administrative ranks of “Shi” in China (see Table 1.1). Apart from Shi, “Zhen” refers to designated towns (jianzhi zhen) and has been likewise massively designated and produced as the lowest level of urban administrative

divisions. “Zhen” has been established in a similar manner to Shi, through converting entire rural townships into designated towns with an urban status and integrating rural and urban areas under town Party and governments. In short, all these urban territorial units are organised into the administrative’s ranking system. The massive production and adjustments of administrative divisions to Shi/cities and Zhen/towns has become the major motor of rapid urbanisation and territorial expansion for engineering China’s economic growth. These processes of territorialisation have developed Chinese cities beyond a mere physical form of urban settlements as walled cities, into a rank-based, hierarchical territorial structure of urban administrative areas.

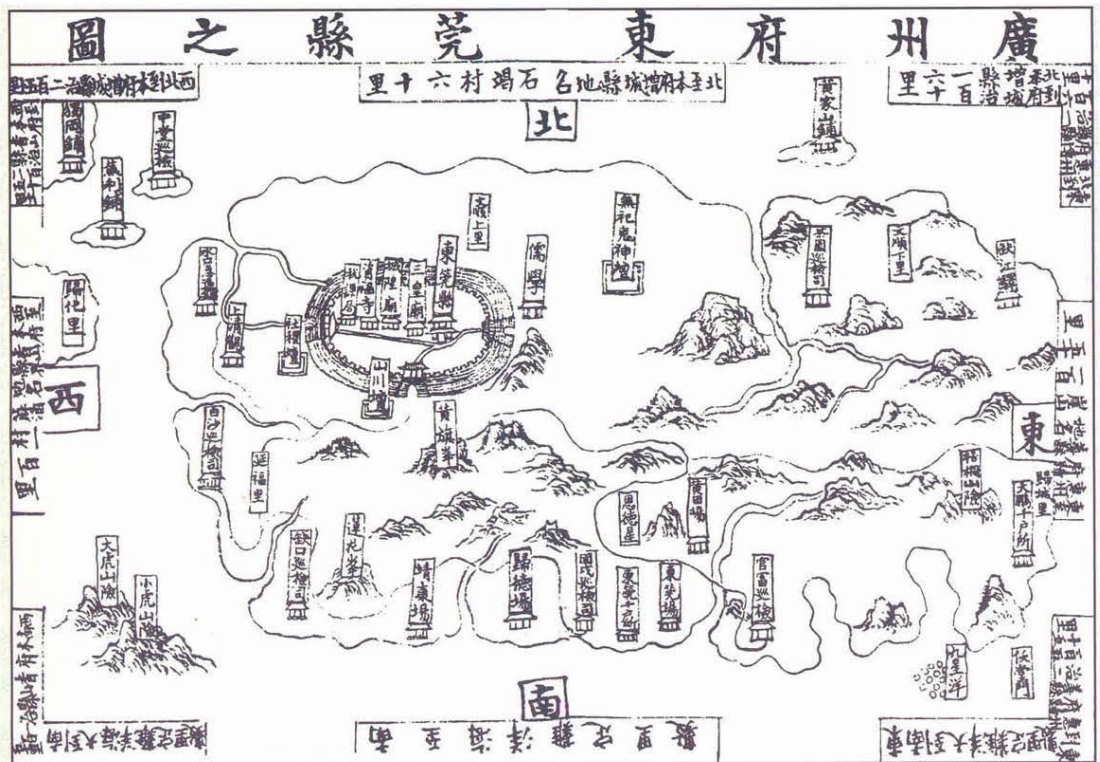
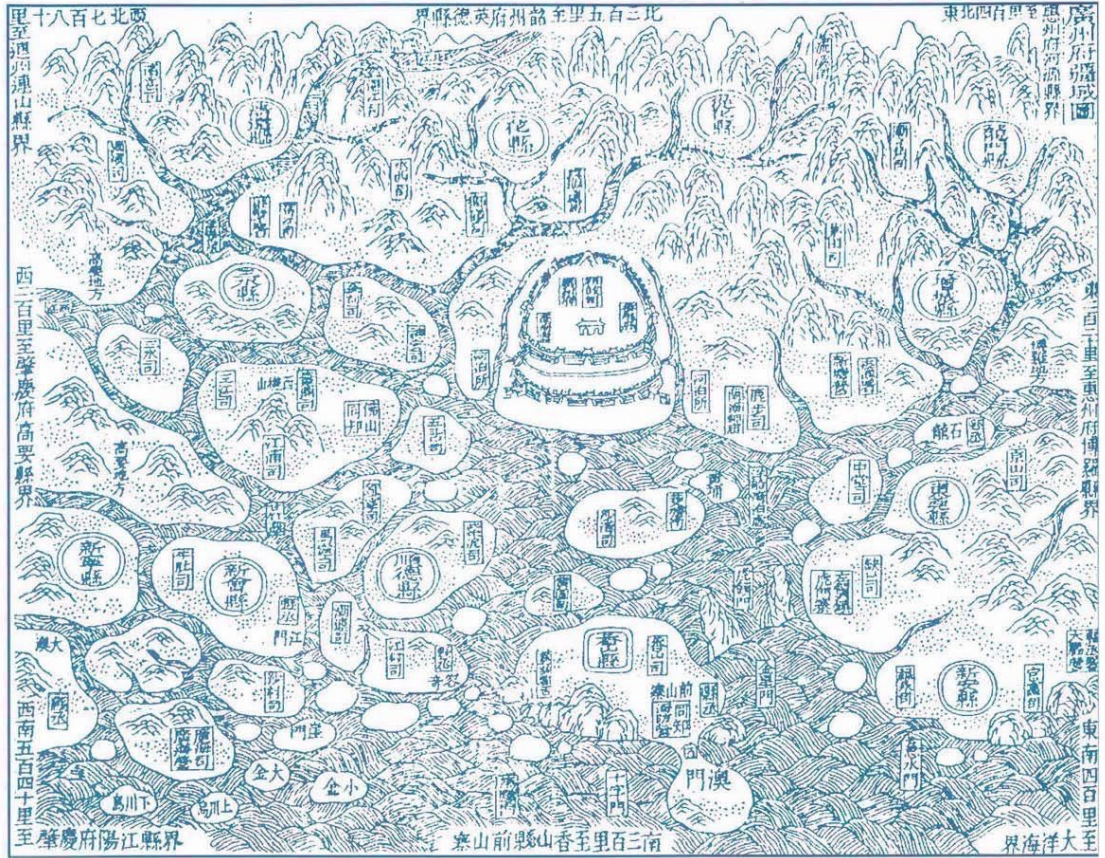


Figure 1.3. The old cartography of Guangdong's territory and historic walled cities in Guangzhou

Figure 1.4. The old cartography of Dongguan County and its historic walled city Guancheng

Shi/city-territory	Legal status	Administrative ranks
Provincial city	Provincial level	Provincial level
Sub-Provincial city	Prefectural level	Sub-Provincial city
Prefectural city	Prefectural level	Prefectural city
County-level city	County-level	County-level city

Table 1.1. The classification of level status and administrative ranks of Shi in the Chinese administrative division system

The territorialisation of Shi and Zhen has given rise to a changing geography of political power relations over the course of urbanisation in China. As noted above, the geography of state power has evolved into both vertical (central-local) and horizontal (local-local) relations. The central government still holds the power to designate or elevate an urban administrative unit into Shi or Zhen to control production and reproduction in society. Through this power, a certain level of state power, in terms of administrative and economic powers, was decentralised and granted to the respective local governments according to their ranks in the system in charge of urbanisation within their jurisdictions. The territorial and power relations among local governments are based on their administrative ranks, and therefore organised into a very complex hierarchy of one lower rank's subordination into its respective superior "without jumping of scales" (L. J. Ma 2005, 485). This has unleashed a complicated geography of state power with multiple relations between the central and the local governments, and between local governments according to their ranks within the system. The reshuffling of state power therefore has led to a "hierarchical and tightly linked" (ibid.) territorial governing structure in China.

Urbanisation of the national territory has been tied to and organised into the hierarchical structure of this rank-based administrative system. Maintaining this link is important for central government in order to control over the territory and urbanisation. Therefore, this ranking system of urban administration is the precondition, the medium and the outcome of urbanisation. In practice, ranks determine the scope of local government's power and resources with regard to local social and economic development. To acquire higher ranks and status, local governments are allowed to upscale and expand the level of urbanisation. Attaining higher ranks is a common aspiration of local governments in China and yet, the central government has also considered different interests between the maintenance of its administrative control and the decentralisation of administrative and economic power. Conflicts and tensions have also arisen in regional development, which will be explained later. Tensions have arisen between Shenzhen and Guangzhou where Shenzhen's administrative and economic power has been elevated to a level seen as a threat to Guangzhou, the old provincial capital, during the regional development of Guangdong.

The territorial dimension of urbanisation has been also organised by and corresponds to the different ranks of urban administrative units. The national law designates different ranks of Shi/cities to have particular territorial arrangements. A county-level city (xian ji shi) is the lowest tier of a city/Shi administration, and is legally known as a “city without districts”. The State Council designated many county-level cities since the 1980s. This rank of cities was established through the conversion of a whole rural county area into a county-level city-territory. As a “city without districts” (bu she qu de shi), a county-level city is ranked directly under the prefecture government in the province. The territorial configuration of this city is constituted by lower ranks of administrative units at township and town level, such as urban sub-districts, townships and towns (Figure 1.2). In other words, this city cannot have the same or superior ranks of an administrative unit, such as “districts” at the county level, within its jurisdictions. A county-level city has the smallest territorial area and has less administrative and economic power comparing with other ranks of cities. Nevertheless, for central government, the objective of this rank of administration has been the acceleration of small-scale city and town development in China. To become a county-level city, local governments expanded its territorial power and integrate urban and rural areas to propel fast rural industrialisation within their jurisdictions.

A prefecture-level city (di ji shi) is the second tier of a city/Shi administration, and is legally known as a “city with districts” (she qu de shi). These were likewise massively elevated throughout the 1980s and 1990s, and produced through the elevation of county-level cities into prefectural-level cities, or through the integration of two older types of administrative units - a provincial-administrated city and a prefecture. As a “city with districts” (shi qu de shi), a prefecture-level city is allowed to have a larger territorial area, constituted by urban districts, counties and county-level cities within its territorial jurisdiction (Figure 1.2). This territorial configuration has actually created a complex, intra-rank-based, territorial relationship known as “city-administering county” (shi guan xian), and a (prefecture-level) city-administering a (county-level) city. For the central government, a prefecture-level city better organises the city and its surrounding county territories, and facilitates rural-urban integration and urbanisation. However, this territorial configuration has created a rather confusing territorial power relation: a “city-administering-city”. In addition, it has created tensions and conflicts between different local governments within the territorial jurisdiction, where many of subordinated county-level administrative areas have been forcefully turned into “reserved land” to give way for city expansion, instead of better developing their own areas for local benefits.

There are a few examples that the establishment of cities/Shi was based on an old territorial practice inherited from Mao’s time. Shenzhen is one of these examples, and will be studied in this thesis. In brief, Shenzhen was elevated to “Shi” in 1979 by the State Council, to develop the SED. The establishment of Shi was carved out from a part of (old) Bao’an

County's territory, and the remaining outlying area was restored to (new) Bao'an County. This eventually led to the separation of the SED (with an urban status) and Bao'an County (with a rural status). This territorial arrangement and relationship allowed the co-existence of two territorial governments at the beginning, and eventually created contradictions between the city government and local powers in the outlying areas. This has largely conditioned the pathway and processes of urbanisation in Shenzhen.

The boundary of the administrative areas associated with territorial powers is rigid, without empty or overlapping areas (Liu and Fan 2015, 29). Through the processes of territorialisation as mentioned above, multiple rank-based urban administrative areas are spatially nested inside one another, according to ascending ranks, and others are juxtaposed next with each other at the same rank. The hierarchical territorial power and relations between these rank-based urban territories have constantly been reshuffled by the central government to meet new political and economic circumstances. Meanwhile, local governments have become very eager to pursue the elevation of higher administrative ranks. As noted by Cartier (2016), the Chinese cities (shi) are obsessed with higher administrative ranks in order to acquire more political power, economic capability and a larger territorial jurisdiction for urban expansion. Following the rationale of this rank-based hierarchical structure, a higher rank of Shi would have a larger territorial jurisdiction, and likewise, the elevation to a higher rank would lead to the enlargement of a city-territory. This showed a strong link between the ranks of urban administration and particular forms of territorial expansion. In addition, the Shi Party and government could propel larger scale of territorial expansion through the changes in its internal territorial relations. This territorial expansion could be achieved by a process of "swallowing" subordinated administrative units. For example, a prefecture-level city could expand the main urban area or acquire new urban centres by converting its subordinated counties (or county-level cities) into urban districts (che xian gai qu). Adjusting this administrative division from a county into a district would change the intra-territorial power relations. A county government has its own planning and development power to develop its rural area; if it is changed to a district, it becomes a part of the larger city administration without planning and development power. Thus, many prefecture-level city governments originally "administered" a number of county-level areas within their jurisdictions during the 1980s, and they currently repealed their subordinated county units and directly placed them as urban districts under their control. The development of these county areas was mainly on agriculture and rural development, and they have been currently changed to urban districts as a part of a larger city and regional territorial development. A typical example of this process is the territorialisation of the "Greater Guangzhou", which is the outcome of several rounds of administrative adjustments of "swallowing" several county-level cities into the urban districts of Guangzhou Shi in order to develop a "Greater Metropolitan Area" in the highly competitive, and rapidly urbanising

region. Likewise, Shenzhen has been longing for a higher administrative rank - a provincial-level city - in the country. This will be addressed later to explain the process of Shenzhen's territorialisation in the course of rapid urbanisation. There is also a common aspiration of town governments to become a city. Dongguan is a case in point that will be addressed in this thesis. Many designated towns have already developed into the level of large cities but their further development is restricted by their current administrative division: zhen/towns. Therefore, the State Council has recently looked for a new type of a city so these towns can be elevated into a city to overcome the limit of territorial development.

Last but not least, the administrative division system has provided a crucial instrument for the Party State to govern all related attributes and resources and hence to increase the spatial productivity at all levels and ranks of administrative areas (Liu, 1999, 9). This territorial governing system is closely related to other aspects of the governmental apparatus which affect the process of urbanisation. It should be noted that some important policies, such as landownership and the hukou registration system inherited from Mao's time, have continued to perpetuate rural and urban divisions. The persistence of rural and urban institutional spaces has become a major barrier for urbanisation, and the rural-urban differentiation continues to affect the mindset of local officials when pursuing and prioritising the status of cities and urban over rural (L. J. Ma 2005, 483). Changing from a county to a county-level city, for example, would immediately reverse rural-urban relations. By redefining into urban, local officials are allowed to transform rural land into development within their areas. Urban government can expropriate collective farmland from villages for urban development and change local villagers' rural hukou into an urban one. If elevated to a higher rank, the city government could mobilise more resources and exercise more power to approve and compete for larger foreign projects with other cities, and increase the level of foreign investment and economic development. In short, the ultimate goal of territorialisation is to re-organise essential resources within the territory and thereby unleash "spatial productivities" and development potentials to achieve local economic growth and accumulation.

Therefore, the political inquiry is a point of departure for interrogating the rapid and massive scale of the Chinese urbanisation. Since 1979, there has been the massive production of territories to "make" cities (shi) and towns (zhen), to accelerate the urbanisation of the nation. To maintain its political domination, the State has its own territorial system to control the production of territories and space. The administrative division system has become an essential modernised tool of party-state power through which the national territory has been subdivided into a rank-based territorial structure of urban administrative areas. These sub-national administrative areas are demarcated and established through designation, abolition, addition, merging or the subdivision of space according to the administrative ranking system. These space are ranked into a hierarchy of economic and political space. Subsequently, the central state can centrally and systematically control the

production of space and territories for political domination, while the massive territorialisation of shi and zhen has become the engine of urbanisation and economic growth.

4. The Research Methodology

This research is part of a larger collaborative research project on “Planetary Urbanisation in Comparative Perspective”. This comparative project aims to identify the patterns and pathways of different urbanisation processes in eight metropolitan regions (Tokyo, Istanbul, Kolkata, Los Angeles, Paris, Lagos, Mexico City and Hongkong-Shenzhen-Dongguan). Founded on an overarching conceptual framework, this thesis will employ qualitative methods and specifically explore the Chinese process of extended urbanisation in the EPRD. On the one hand, the concepts of space, spatial fix of capitalism, scalar restructuring and state space are useful for guiding my thinking through this research process. On the other hand, re-contextualisation and re-conceptualisation are even more important for extracting those ideas and the underlying territorial and urban processes in China which have been historically embedded and continuously and vigorously changed alongside the changes of state space/power during the reform period. Based on the above initiatives, the research method comprises of data collection from primary and secondary sources, conducting fieldwork and interviews in Hong Kong, Shenzhen and Dongguan, attending workshops to develop the qualitative mapping for this extended urban region, and participating in the comparative studies on urbanisation in the eight metropolitan regions. All of these contribute to the research method for this thesis.

4.1. Links Between the Conceptual Premises and the Research Fields:

This thesis will explore the territorial processes of extended urbanisation in the Eastern Pearl River Delta (EPRD). The entire PRD economic region officially covers nine prefectures in Guangdong Province: Shenzhen, Dongguan, Huizhou, Guangzhou, Zhuhai, Zhongshan, Foshan, Jiangmen and Zhaoqing. Despite being not officially included in the PRD, there are also Hong Kong and Macau, the two Special Administrative Regions (SARs) of China after the transfer of their sovereignties in 1997 and 1999 respectively. Both of them have played central roles in engineering the development of the regional economy. This thesis will use qualitative analysis to explore the processes of extended urbanisation through which Hong Kong, Shenzhen and Dongguan have unevenly developed into poly-centric, rank-based and cross-border urban territories in the Guangdong province, in the past three decades. In particular, it will interrogate the relationship between the massive scale of urbanisation and the state’s territorialisation that has given rise to such fast-growing extended urban territories. Given the overview of some key concepts, and the Chinese context of territorial urbanisation

in the previous sections, the following discussion will further address some implications for linking those concepts and contexts to the research fields in the EPRD.

A number of scholars have deployed quantitative analyses to emphasise the spatial forms of regional development in the PRD arising from the distinctive phenomenon of rural and urban interactions. These studies show the spatial and functional differences of the PRD region in terms of population, foreign capital investment, industrial and agricultural activities, and so on. However, my research is guided by other considerations. Firstly, these quantitative studies might provide a “broad picture” of a regional development, in terms of spatial and functional differences. However, taking account of some pre-defined, measurable elements to quantify the spatial differentiation of the PRD would leave aside many of the significant nuances of processes, and therefore could not capture and explain the complexity and enormous changes of urban processes and social relations. Secondly, these studies attempted to use the statistical data to show the spatial integration in this regional development. Without treating and examining this as a process, in my view, the notion of regional “integration” remains an unexamined presupposition. This simplifies, underestimates and even de-contextualises many other problematic, disintegrated, contradictory and contested processes and impacts on an urban level. In this thesis, I will employ a qualitative study and focus on the processes of extended urbanisation in the EPRD, namely Hong Kong, Shenzhen and Dongguan. The rise of these fast-urbanising cross-border territories, however, cannot just be subsumed under the singular rationality of economic restructuring through the perspective of “glocalisation”. Neither can this process be construed as a linear or a straightforward movement from a centre (Hong Kong) to a periphery (the Mainland). Rather, the thesis will focus on the production of space and territories underlying this process of extended urbanisation, and explore how rapid urbanisation is related to massive scale of territorialisation. I suggest that the extended urbanisation of the EPRD can be understood as a constellation of different urban configurations and processes, conditioned by very diversified, inter-linked, but also uneven, contradictory, disintegrated and contested social elements, processes and relation in the wider context of changing regimes of China from the Maoist to the reform period. The details of the research methodology will be elaborated on in this section.

The study of the EPRD covers three cities - Hong Kong, Shenzhen and Dongguan. The three of them have very diverse historical pathways, territorial and land regimes, socio-economic contexts, and everyday life and social relations. Hong Kong was a former British colonial city and was “forcefully”³ converted into a Special Administrative Region (SAR) under the constitutional framework of “One Country, Two Systems”. The regional integration of Hong Kong into China officially began in 1978 from which Hong Kong as a global city

³ The transfer of sovereignty was determined by the top-level agreements between the PRC and the British governments. This put an end to the last colony without people’s consensus and struggles.

eventually arose, through the acquisition of a larger mainland territory for capital restructuring and sociocultural transformation, after China's opening-up policies and the reopening of the border for foreign trading and investment. However, it is highly questionable whether or how this regional integration occurred? Has this regional process been shaped by the simultaneous processes of territorial integration and separation, as suggested by Alan Smart (2011)? Is this process highly contested and contradictory? Underlying this extended urbanisation between Hong Kong and the Mainland territory is not so straight-forward because this regional territorial process will always be relational and complex, between Hong Kong and Shenzhen, Dongguan, and China as a whole. Hong Kong is no longer the sole centre of the region since both Shenzhen and Dongguan have developed their own centralities without necessarily being dependent on Hong Kong. The recent integration of Hong Kong into a larger planning and development framework has been internally contested by society.

Shenzhen was originally a rural county, named Bao'an County, under the Huiyang prefecture in Guangdong, before 1978. It had been a political frontier territory separating China from the spread of capitalism through Hong Kong. However, because of Deng Xiaoping, Bao'an was designated and renamed Shenzhen "Special Economic District" (SED) with special policies to pioneer the national economic reform and open a "window" for capitalism. For this reason, Shenzhen has been ranked by the State Council as a "Shi", empowered with a city status and power, and has been subsequently elevated to a "sub-provincial level city". The city government can propel large scale territorialisation to accelerate urbanisation and territorial expansion. In this process, collective land and village collectives were converted into state land and shareholding companies. However, several rounds of state territorialisation and land acquisition have also triggered large scale contestation and plotting through which local villagers have illegally built bigger and higher buildings on their land in response to government policies.

Dongguan was once a large, historic agrarian county under the Huiyang prefecture in Guangdong, and it was elevated into a Shi/city status and eventually ranked a "prefectural-level city" directly under Guangdong. Located between Shenzhen and Guangzhou, Dongguan does not possess special policies like Shenzhen, but it has undergone a particular territorial urbanisation to propel rapid rural industrialisation of towns and villages, and to transform a vast rural territory into a manufacturing production region in the restructuring of the globalising economy. How did the rapid transformation of collective farmland into collective land development take place to develop housing, industries, commercial and even real-estate development, giving rise to local land economy and tremendous changes to social relations?

In this thesis, the empirical study will be examined through three conceptual concerns. Firstly, as noted above, these cross-border urban territories will be understood as a

constellation of different urban configurations which emerged from specific dynamics of territorialisation and urbanisation, two specific and intertwined processes in China. They have also arisen out of specificities, in terms of histories, geographies, state space, regulations, social elements and power relations. Understanding the formation of urban configurations will be contextualised against the political and historical materialistic processes of producing territories and space in the EPRD. I will pay attention to the geopolitical histories of territorialisation such as Colonialism, Capitalism, the Cold War, Chinese Communism, the Open-door policy of China, and the global economic restructuring in which Hong Kong, Shenzhen and Dongguan underwent their diverse trajectories and specific processes of urbanisation.

Secondly, this thesis will explore the contemporary process of territorialisation associated with the Chinese State's territorial strategy - to question how the rapid extended urbanisation of the EPRD has been systematically tied to the administrative division and ranking system (*xingzheng quhua*)? As addressed in the previous section, the Chinese territory and this territorial regime are not fixed, but rather are flexible and in constant transformation. They are centrally controlled by the central government who engineer national development strategies, and simultaneously pursued by local city governments to empower territorial and urban development through the elevation to a higher administrative rank in the region or in the country. Each change to the administrative divisions and ranks can be understood as a "territorial fix" to re-position a Shi/city in the hierarchically relational space. This territorial fix can place a city's ranked administration in the wider territorial strategy of China, configure a new internal territorial arrangement for urbanisation and even demarcate a larger territory for urban expansion. This territorial strategy is a key line of analysis when exploring "how" China has changed from the Maoist to the reform period, "how" to shift the regime from rural to urban (when city making as the motor of urbanisation), and "how" to consolidate the state central power over territory, while decentralising power to local governments in the process of urbanising the nation. The duration of the territorial fixity varies by place and circumstance in China. All these issues determine the stability/instability and coherence/contradiction of territorial organisation, structuring and transformation, and thereby the pathway of urbanisation. This process of territorialisation will be one of the central subjects when analysing the processes of extended urbanisation in the EPRD, and understanding the process of state space in relation to producing scales of rank-based territories in China.

Thirdly, the production of these territories and space will be understood in relation to historical material production. This thesis relates the spatial dimension to the historical analysis, during the transformation of material space. Following Lefebvre (2003), this research will take the urban level (M) as a mixed and intermediary level between the general (G) such as society, the state, global power, knowledge, institutions and ideologies on one hand, and the private (P) such as everyday life and social relations on the other (Schmid

2011, 46–47). The urban level is the focal point of understanding here, because it is the mediation of all forces and complexities, shaping different spaces and territories. For example, how the state could exercise and reproduce its power through the production of space and territories. How state territorial strategies are operated on the ground and produced as material and regulatory forms of territories through different architectural anchors such as borders, boundaries, checkpoints, districts, zones and transportation, and through ranking territorial governments, regulatory arrangements, planning and policies. Another key aspect of the territorial urbanisation process has been its social impacts, transformation of social relations and everyday lives. Alongside the rapid transformation of physical space, social space has undergone an enormous transformation in a short period of time during China's reform. This process is very political because of the rise of conflicts, contradictions and tensions seen in the rapidly transformed landscape. In short, multi-dimensions of logics, processes and relations are dialectically constituted by each other and are complicated by the overlying histories, state and government intervention, and active agents. They have played their parts in the transformation of these city territories into cross-border, rank-based and contradictory extended urban territories.

4.2. Application of Four Analytical Layers and Methods:

The study on the processes of territorialisation and urbanisation in the EPRD will be developed through four analytical layers, progressing from a wider context of dynamics into the particular sites of urbanisation processes:

- Contextualisation: a brief history of the Chinese territorial regimes
- Synchronic approach: patterns of urbanisation
- Diachronic approach: pathways of urbanisation
- Case studies: the specificity of territorialisation and urbanisation processes

4.2.1. Contextualisation: a brief history of territory of the PRD and rise of state's territorial power

The first layer of analysis contextualises a brief history of changing territories and borders in the PRD, and focus on the state's territorialisation in Shenzhen, Dongguan and Hong Kong in the re-emergence of cross-border urbanisation in the EPRD. The main purpose of this is to unravel the issues of territory associated with its history. It also takes into account state space/power as fundamental conditions, inherited and ongoing transformed processes in the course of urbanisation.

To begin with, this thesis will provide a historical analysis of the PRD into different stages of the territorial transformation: the tributary trading system, colonialism and imperialism, Cold War geopolitics and the rise of the CCP to power, and China's opening-up policies and economic reforms. Through a path-dependent analysis, it attempts to reconstruct the ideas of the Chinese territory underpinning the rise of historic cities and the traditional territorial governing system for a subsequent understanding of changes in the "city-making process" (Shi, the formation of a city-territory) during the reform period. Based on this, analysis will focus on Hong Kong, Shenzhen and Dongguan in the eastern part of the PRD where massive intervention by state power in the process of territorialisation has occurred over the course of extended urbanisation during the reform era.

4.2.2. Synchronic and diachronic approaches: patterns and pathways of extended urbanisation

The second and third levels of analysis are the deployment of synchronic and diachronic approaches to map the patterns and pathways of extended urbanisation in the EPRD. This is also known as the "regressive-progressive" mode of analysis. Henri Lefebvre, based on Karl Marx's work, advanced this unique methodology founded on the relational concepts of space and time, in order to analyse these two related aspects of complexities in society. In his book, Stuart Elden (2004), clearly illustrates how Lefebvre outlined and deployed this mode of analysis throughout this work. Following Elden, I will briefly highlight this methodology as follows:

In this methodology, there are three stages of analysis: descriptive, analytico-regressive, and historico-genetic. The first stage of description is achieved by the observation in fieldwork and informed by one's experience and general theories. The second stage is an analytics-regressive (synchronic, spatial) approach, which requires to "go back through time from the present" (ibid, 216). It is a horizontal analysis of urban differences and complexity at a given time. The third stage is a historico-genetic (diachronic, temporal) approach, which follows "the historical movement of the production of the present" (ibid). It is a vertical analysis of historical development of the present.

Lefebvre developed this synchronic and diachronic mode of analysis in order to integrate the production of space and structure at a given time into the historical analysis of society. This methodology can be thought of a kind of thinking back and forth, a relational thinking method. It relates how space and differences are produced at the present time, which are simultaneously related to, and conditioned by, its histories, events and moments, while histories are also constructed and reproduced through space from time to time. Accordingly,

time and space are always dialectically intertwined with each other in the production of societies and human experiences.

Application of a synchronic analysis: pattern of extended urbanisation

To apply the synchronic analysis, this thesis will produce a “urban configuration map”, which involves the qualitative mapping of patterns of extended urbanisation in the EPRD (Hong Kong, Shenzhen and Dongguan) at a given time, during the research period (2011 to 2014.) It is worth noting that the “pattern” of urbanisation is not analysed in term of spatial forms. As addressed above, the cross-border extended urbanisation will be understood as a constellation of different urban configurations, which emerged from the intertwined processes of territorialisation and urbanisation, and from the specificities in terms of histories, geographies, state space, regulations, social elements and power relations. I consider both urban and regional levels important when spatialising these extended urban territories. In Lefebvre’s term, urban is defined as the mediating level of all forces, differences, interactions and complexities between macro-structures and micro-practices, between the global (distant order) and the private (proximate order) levels (Shmueli 2008, 221). Analysing this level is needed to explore the production of, and the contradictions of, space on the urban level, where different conflicts, contestation and contradictions are taking place (Kipfer 2008). Another spatial level is the wider territory (an urban region), which is not defined as a static and fixed territory, but understood in relation to state power and territorialisation, including its histories, ongoing transformation, processes and relations. Both notions of urban and territory, which I addressed in the previous sections, will be deployed as the essential levels of analysis of the spatial and territorial dimensions when mapping and developing the spatial pattern of extended urbanisation in the EPRD in the present.

The application of a synchronic analysis of urbanisation requires building conceptual categories and mapping urban configurations developed through fieldwork, interviews, the collection of primary and secondary data and information, digital mapping and attending mapping workshops, and comparative studies and group discussion. It includes the first stage of description, and the second stage of analysing urban configurations. It should be noted that whilst no pre-given conceptual categories are applied to the study areas or used to inform these two research stages, but my own academic background and experiences inevitably influence the process⁴. Nevertheless, in my view, this synchronic analysis provides a means of thinking between the abstract and the concrete, and a means of synthesis by organising and studying different kinds of data and information, by describing, analysing and

⁴ In particular, Hong Kong has been a place where I have lived and worked, as well as the focus of my research sites. Nevertheless, this thesis required me to rethink about Hong Kong as a whole and in relation to extended urbanisation processes. I positioned myself to examine urbanisation in a wider territorial perspective.

eventually building various categories of urban configurations for these cross-border extended urbanisation of the EPRD.

Fieldwork and interviews: This research began with fieldwork and site observation, undertaking interviews and mapping with local scholars, experts and community groups in Hong Kong, Shenzhen and Dongguan. In the first two years of research, many rounds of fieldwork were conducted to observe the varieties of landscapes and elements in the respective cities and different parts of the territories⁵. These trips were important in understanding the overall geographical structure and the differences between the extended territories, for example, centre and periphery relation, rural and urban differences, inside and outside of borders/boundaries, coastal and inland differences. In order to understand these differences and relations, I conducted interviews and mapping with local people and experts in the respective cities. The purpose of this method was to identify different urbanisation processes and overall urban structures in these cities, categorise these processes in terms of local languages, clarify or explain these processes in relation to others, and map them out. To conduct these interviews required a rather long discussion, most of which lasted at least two hours and some required a second interview. The questions, included for example, where and what are centres? What are these places in the periphery? What are urban processes taken place? What kinds of people live in this periphery? What are the differences between this and that process, were rather abstract questions to start the mapping exercise? The purpose of conducting these interviews, in my view, was to link these abstract questions to concrete issues on the ground that could be put on the map. Representative interviews included:

- Hong Kong: two professors from the Universities of Hong Kong, and the Hong Kong Polytechnic University, one planner, three community action groups (Mapopo Community Group, Land Justice Group, H-15 Concern Group)
- Shenzhen: six planners from Urban Planning and Design Institute of Shenzhen, Lay-out Planning Consultations, Urban Planning, Land and Resources Commission of Shenzhen Municipality, China Academy of Urban Planning and Design, social workers in Shajin community centre
- Dongguan: four planners from Urban Planning and Design Institute of Dongguan, a researcher from Southern China University of Technology, Planning Bureau of Dongguan Municipality, a few social workers in Tangxia

Qualitative mapping: Whilst mapping interviews are one source of data, the entire process of qualitative mapping includes the synthesis and reconstruction of data and information

⁵ During fieldwork, I travelled across these extended territories a from city to a city, from a town to a town, from a village to a village in order to observe different physical and socio-economic landscapes.

developed throughout this research. In this thesis, qualitative mapping is employed as a data-building process to reconstruct those constituted elements of extended urbanisation, and as a concept-building process to further develop and verify the categories of different urban configurations and translate these processes into the representation of a map linking abstract and concrete spatial processes and relations.

The main task of mapping is the reconstruction of the territorial and urban dimensions of the built environment of these three cities. This process entails the building of different layers of elements into the Geographical Information System (GIS) programme. These layers include:

Urban fabrics, the delta (coastlines, the main rivers and wetland), topography, political borders and boundaries, custom checkpoints, infrastructure and transportation network (airports, terminal ports, highways, railways, metro systems), public housing estates, industrial estates and factories, urbanised villages, new towns, urban renewal sites, varieties of centres (political centres at city, district, town and village levels, regional and local centres), country-park and ecological zones.

This data-building process complemented the fieldwork and mapping interviews, and took place over the course of the research. Some of these layers of Hong Kong could be accessed from the Lands Department, whilst many of others, especially from Shenzhen and Dongguan, I created⁶ because of the unavailability of digital data and matters of security and confidentiality in China. An open data source, such as the Open Street Map dataset, was available and the problems with data were either too few choices or inadequate detail. To construct and reconstruct the territorial and urban dimensions of these urban territories required large amounts of time and techniques of digital mapping and geo-referencing through Google Earth, GIS and Adobe Illustrators, using all possible sources such as satellite images, fieldwork and photographs, government and policy documents, a cross reference of reliable atlases and online maps.

Equally, the spatial differences of socio-economic elements are important in this mapping process. Some demographic, socio-economic, housing and hukou (household registration) data could be partially accessed through census and statistic departments. However, the situation of landownership, a key element of urbanisation in Shenzhen and Dongguan, could only be analysed and clarified through other sources such as government policy reports, field trips, literature, interviews and local news, not through formal data. Nevertheless, the aim of this mapping process is not to show the geographical “facts” of these territories. Instead, as noted above, it is to synthesise mapping and non-mappable elements and relations, and link abstract and concrete issues to produce an urban configuration map. It is also worth noting that the significance of mapping gradually led me to understand the specific elements of these extended urban territories, and their meanings and relations to other elements, and

⁶ A student helper assisted in mapping urban fabrics and industries and I verified final outputs.

their impacts on urbanisation. The greatest obstacles to this mapping process were the unavailability of (digital) data on China, inconsistency of available information, lack of related research, continuous changes to administrative units and their boundaries (and actually to the Chinese territory in general). One important aspect of the mapping has been to clarify when these boundary changes occurred and how their functions changed. Through this process, quickly, I realised that the ongoing transformation of these zones, borders and boundaries are actually the state's territorial strategies to manipulate the production of space and territories in China. As addressed above, these territorial processes entail different meanings, legal, regulatory and functional processes that have had fundamental control over the scope, speed, scale and processes of urbanisation. This point clearly illustrates that even mapping a physical, built environment is not a representation of a natural or a neutral geographical fact; rather it is the reconstruction and re-conceptualisation of space and territories which are politically and socially constructed. This obstacle was a turning point in this research which led to the exploration of the silent features and processes of territorialisation and the governing power in China underpinning the fast-growing urban territories.

Lastly, the analysis of the urban configurations of these three-city extended territories was translated into the abstract spatial forms of representation. Group discussion and mapping workshops with the assistance of a critical cartographer, Philippe Rekacewicz, contributed to the final representation of the map in terms of spatial and territorial structure, hierarchies, colour and legends.

Comparative studies: Given the background of this research, as a part of a larger research project under the supervision of Christian Schmid, the development of these urban configurations and categories are influenced by workshops and group discussions through comparative studies between the EPRD and other study areas. Developing conceptual categories through comparative studies is grounded and dependent on the individual researcher's fieldwork and research process. But working on this concept-building process through comparative studies in a team facilitated an ongoing, relational thinking process through concrete issues and processes taken place in my research site in relation to others. Comparative work also enabled discussion of concrete processes in relation to existing theories. It further deepened the concept building, for example, around the production of mass housing in Hong Kong in relation to the case of Paris, Mexico City and Istanbul in term of the state's territorial strategy in governing the built environment and population. Another example is the concept of plotted urbanisation which emerged through a discussion on urbanised villages in Shenzhen in relation to urbanising Geckondu in Istanbul and the "face-me-I-face-you" buildings in Lagos, when the existing concepts of informality, consolidation and urban renewal could not adequately explain the particular urbanisation process in the

changing territorial regimes and economies of these places. This process opened up wider perspectives and discussions to acknowledge urban conditions and re-conceptualise urbanisation processes in different contexts in a globalising world.

Application of diachronic analysis: pathways of extended urbanisation

The diachronic analysis is the third level of analysis. It analyses the history of urbanisation, therefore complementing my synchronic analysis. A diachronic approach is the study of changes. It involves the reconstruction of historical development through ascending and returning to the present, and the examination of different conditions, moments, decisions, continuities or ruptures, shaping a particular trajectory of histories. Some of which survive whilst others can be transformed into different forms to exist in the present spatial structures, thereby producing the present (Elden 2004, 216). To apply this approach, this thesis develops and analyses the urban pathways of Hong Kong, Shenzhen and Dongguan. The objective of this analysis is to first of all acknowledge and identify the diversities and distinctiveness of these three cities in terms of histories, political structures and hierarchies, development strategies and regulatory systems, social-economic contexts. It is based on these differences that one could start thinking about how these three cities could unevenly develop and constitute each other, forming cross-border, extended urban territories. Therefore, the processes and outcomes of this regional extended urbanisation have been contextually specific to respective cities, and their diversities and complexities are more apparent than just assuming them to be an integrative economy unity. I prefer starting from diversities and differences, and then building relationships and interactions between them to analyse different urban pattern and pathways.

Similar to the synchronic approach, the pathways of urbanisation will be analysed in terms of territorialisation and urbanisation processes, in order to reconstruct the historical development's different stages. I am concerned with a variety of levels and processes that combined to shape the pathways of urbanisation: firstly, the wider geopolitical context at a national and regional level has been tremendously transformed. This process affected different pathways of urbanisation in these cities. Secondly, the variegated processes of territorialisation, which I addressed in the section 1.3, are related to specific territorial regimes and institutional dynamics in respective cities in the Chinese administrative and ranking hierarchies. I argue that the process of territorialisation is the state's mode of production for managing physical, regulatory and social processes, and therefore shapes the dynamics of urbanisation and pathways. Thirdly, the three urban pathways will be analysed in terms of their land and economic regimes, city planning, urban policies and regulations, socio-economic arrangements, and emergent contradictions and contestations. Due to the different conditions, sources and availability of data collection in each of the cities, these three layers

of analytical perspectives will be variably put together to determine the continuities and ruptures of historical development of urbanisation.

4.2.3. Case studies: The specificity of territorialisation and urbanisation processes

The last level of analysis is to examine the processes and complexities in the production of these cross-border extended urban territories in the ERPD. Following the preceding levels of analysis, these three case studies will be interrogated on the urban level to explore the intertwined processes of territorialisation and urbanisation which have arisen from the specificities in the respective cities and their uneven interactions in the formation of extended urbanisation.

- The first case study of Hong Kong examines the production of multi-layered patchwork (MULAPA) of urbanisation in the New Territories emerged through the consolidation of two city centres and the processes of re-territorialisation of a regional integrated space between Hong Kong and Shenzhen.
- The second case study of Shenzhen examines the contestation of urbanised villages through plotted urbanisation in the ongoing state's territorialisation and emergent contradictions during the city-making process of the last three decades.
- The third case study of Dongguan explores the production of an industrialised town and villages in relation to the specific territorial processes of recentralisation of power at the town and village levels in Tangxia.

These three case studies are chosen since they illustrate significant features, processes and dynamics of the territorialisation of this cross-border extended urbanisation. Despite their divergent urbanisation processes, these three concrete cases will be examined individually through common dimensions in the wider territorial and historical contexts:

- The first dimension is histories - the changes of processes, forces and relations in the production of space.
- The second dimension is the processes of territorialisation - the state or government intervention in the concrete processes of urbanisation.
- The third dimension is the processes of urbanisation - the overall changes in terms material space, regulations and policies, everyday life and emergent contradictions and contestations.

Data and information collection were gathered through fieldwork, interviews, mapping, photographing, government documents, and literature. Some of these methods have been

addressed above and therefore will not be repeated here. Nevertheless, I will highlight some specific approaches I used to collect data and information to analyse the case studies.

- Hong Kong: the first case study covers the New Territories as a whole, and focuses on its historical territorial transformation change. I reconstruct its territorial history to address the changes in territorial regimes and both social relations and power relations of its colonisation and urbanisation. The history of change is analysed through diverse sources of literature and documents, for example, from history, geography, sociology, law, urban planning and policies. Such analysis entails the changes of regimes and also the changes of territorial strategies and representation to transform the New Territories. The fieldwork was conducted through interviews with the “Mapopo”, a community alliance against displacement of “non-indigenous villages”, and the “Land Justice Alliance”, an activist group fighting for land justice and against the collusion of government and development, and the commodification and speculation of land in the New Territories. As such, I approach current conflicts and contestations in relation to the particular history of the New territories, and in relation to the current political economic processes of regional integration.
- Shenzhen: The second case study focuses on the urbanisation of villages on a territorial-wide level when Shenzhen transformed from a rural county territory (Bao’an) into a megacity territory at a sub-provincial level in China. The transformation processes and pathway of urbanised villages were analysed through the lens of changing social and power relationship, and the synthesis of different processes such as territorial governing power, land system and regulations, hukou policies, urban planning and policies, and socio-economic contexts manifested in the material transformation of urbanised villages in Shenzhen. It required examination of local documents, internal planning and research reports⁷ to historicise different aspects of urbanising villages in relation to emergent and ongoing changing city regimes and regulations in Shenzhen. Interviews were also conducted with Shenzhen planners from the Urban Planning and Design Institution, and the Urban Planning and Land and Resource Commission. These focused on the changes and complexities of regulations and policies on urbanised villages. Equally important were observations and fieldwork made whilst travelling and walking from an urbanised village to another through city centres, in outlying districts and in peripheral areas, engaging in conversations and informal interviews with villagers, migrants and shop owners living inside, as a means of getting information about their living, material and social space, etc. Field trips and

⁷ This is credited to Professor Wing-shing Tang who shared me many important internal documents of Shenzhen.

interviews, mapping of urbanised villages using GIS, Google Earth and the Shenzhen Atlas⁸ deepened my understanding of the territorial dimensions of these spaces in terms of their locations, boundaries and land-uses.

- Dongguan: The third case study explores the transformation of an industrialised town in Tangxia over the last thirty years. Due to a lack of data and literature on an urban level, fieldwork research, site observation, networks, interviews and field mapping were necessary. To enter the field and conduct research in these villages required a network of local people, for this case I entered the field through the network of a senior social worker from Hong Kong who connected me to local, young social workers who were villagers in Tangxia or other towns in Dongguan. Because of this, I selected the site in Tangxia instead of other towns. The network allowed me to do the research in a few villages, namely Daiping village, Sicun village, Linhu village, Lincun village, and Zhufoling village, where I could take photographs, introduce myself, initiate talks and conduct interviews with migrants and local villages with the assistance of, and getting trust through, the social workers. I conducted field work in a village for one to two weeks in 2013, 2014 and 2016. During these times, I interviewed villagers and village elders about the transformation of the town and villages in Tangxia. I also conducted interviews with migrant families. Interviews with local villagers and village elders were important for understanding the town's tremendous changes in terms of material, political, socio-economic and symbolic meanings and urban processes over the last three decades. This helped me to map out and analyse land transformation in the villages. Given the limited time, information I gathered from these village sites was analysed as a whole, to help comprehend the general picture of Tangxia's rural industrialisation, instead of analysing them individually. Last but not least, other sources of information and statistic data about Tangxia town and villages were accessed through town government documents and from the publication of residential committees (i.e. village collective organisation).

5. Structure of the Thesis

This research is based on the examination of an empirical study of China which explores the process of extended urbanisation in the EPRD. Each of the sections and chapters are structured to show the four analytical layers identified in the section 1.4, in order to approach the different aspects of territorial and urbanisation processes. The thesis developed a particular research structure to relate the three city-territories - Hong Kong, Shenzhen and

⁸ Shenzhen-Hong Kong Atlas (2011), the Urban Planning, Land and Resources Commission of Shenzhen Municipality. This Atlas was the only reliable atlas for foreign researchers.

Dongguan - to one another. The structure of this thesis is framed around two fundamental analytical dimensions: historical and geographical. The first section of Chapter two is designed to show the emergence of three city-territories during the historical territorial changes in the PRD. The second part of chapter two deploys the synchronic approach, to describe and analyse the geographical patterns and spatial relationship of the cross-border extended urban territories in terms of urban configurations and processes. Chapter three deploys the diachronic approach and juxtaposes the historical pathways of urbanisation in these three cities. Chapter four to six explore the specificities of urban and territorial processes in the three cities. By organising the thesis into this analytical framework, I hope to shed light on the geographical dynamics and complexities giving rise to the Chinese process of extended urbanisation. The structure of the thesis is organised as follows:

In Chapter two, the first section offers a brief history of the PRD region, reconstructing the ideas of the Chinese cities (*shi*) and territories (*lingtu*) during the course of territorial transformation in China. In order to underscore the dynamics of state's territorialisation in the fast-growing urban territories, I attempt to contextualise the historical and territorial logics and conditions in the contemporary China. This chapter traces the history of the PRD through four important periods - tributary trading relations, colonial and imperial relations, the rise of socialist China and Cold War geopolitics, and the launch of China's economic reforms and city-making strategies. By analysing the history in this manner, I hope to show the contemporary state's territorial power in terms of rationalities and practices which urbanised the nation. Given the focus on the contemporary period, the chapter shows the different processes of territorialisation taking place in Hong Kong, Shenzhen and Dongguan. The second section is the mapping of the urban configurations in the EPRD, showing the patterns of extended urbanisation. It identifies the main characteristics of these extended urban territories and describes the main categories developed through the mapping process.

In Chapter three, I provide the analysis of urban pathways to by tracing historical conditions of urbanisation and territories in Hong Kong, Shenzhen and Dongguan. These three different pathways complement the history of territorial transformation in the PRD addressed in Chapter two. The periodisation of Hong Kong is traced back to the moment of the establishment of the colonial city as the frontier for the British trading in China. I consider how the colonialism of Hong Kong played a fundamental and central role in subsequent territorial urbanisation throughout history, and how its colonial structure and power continued to survive, albeit in a different form, after the transfer of sovereignty to China in 1997. The diachronic analyses of Shenzhen and Dongguan were traced back to the moment of China's opening-up policy in 1978. During Mao's regime, Bao'an (Shenzhen) and Dongguan were re-territorialised into People's Communes and subject to the centralisation of power and rural collectivisation, to subsidise the national strategy of industrialisation. Despite this common

history, the two of them developed through different processes of urbanisation in the post-1978 strategy of economic reforms.

Chapter four is the case study of the New Territories, which explores the formation of the multi-layered patchwork of urbanisation and the rise of displacement and contestation in the post-1997 period of large-scale re-territorialisation, when the strategic importance of the New Territories was not only economic, but also political under the SAR government. The case study unravels the history of territorialisation, and the changing social and power relations during the colonisation and urbanisation of the New Territories, the “leased territory” between the “ceded territory” of the Colony (Hong Kong) and the Chinese territory (Shenzhen). Based on this historical and territorial context, the analysis moves onto the contemporary politics of re-territorialisation. A new process of “multi-layered patchwork urbanisation” emerged in the context of the reopening of the Hong Kong-China border in 1978 within China’s economic reforms and the expansion of capitalist activities in the wider territory of Guangdong. During the SAR government regime, a new range of territorial development strategies began to transform the New Territories in order to accelerate an integrated regional space between Hong Kong and Shenzhen and the PRD region. This has triggered the rise of contestation and large-scale social movements fighting demolition, displacement, land speculation and the political intention of regional integration.

Chapter five investigates the rapid urbanisation of villages within the wider processes of the state’s territorialisation during the large-scale, city-making process in Shenzhen. I argue that the development of Shenzhen, the first Special Economic District (SED) of China, cannot be simply conceived as a “state-led urbanisation”, nor can the proliferation of urbanised villages in the city can be construed as a “village-led” urbanisation. The existing concept of China’s “dual-track urbanisation” arbitrarily divides both processes of urbanisation into a form of “formality” and “informality”, without examining the relationship between the state and village collectives, or even questioning how state changed the village collective system during this time. Today, urbanised villages already occupy half the built-up areas in Shenzhen with houses, industrial and commercial development created through plotted urbanisation. The proliferation of urbanised villages in Shenzhen is not simply determined by economics, for the capture of rents from migrants, rather this process is closely related to the specific political and territorial processes Shenzhen City government pursued to propel rapid and large-scale urbanisation and expansion. Each round of territorialisation, and the launch of new regulations, has been conceived by local villagers as a “land grab” from the city government, provoking contestation and plotting through which villagers have built bigger and higher buildings on their land.

Chapter six examines the production of the industrialised town and villages in Tangxia in relation to the particular territorialisation of Dongguan City/Shi over the past three decades of reform. This study develops an argument around how the rapid industrialisation of the

town and villages is not a “bottom-up urbanisation”, but should be understood in relation to the reshuffling of administrative space and power in the specific context of Dongguan, which is different from the context of Shenzhen’s SED. I argue that the territorial governing process in Tangxia led to recentralisation of power that enabled the town government and village cadres to accelerate farmland acquisition and land transformation process for industrial and urban development. Through fieldwork, the study shows how the collective farmland has been rapidly transformed into housing, industrial estates and factories, commercial and real-estate development during the property boom. In this process, village collectives, or share-holding companies, have developed a kind of collective land development process through construction, reinvestment and redistribution. The transformation of the collective land entailed changes to the social and power relations between the town government, village collectives and individual households. The “collective” mode of production led to the complete transformation of space and social relations in Tangxia town and villages. Despite the abolition of People’s Communes, and the agricultural collective responsibility system, these land processes of industrialisation and urbanisation have re-bound local villagers collectively in the land development and speculation, and yet, also reproduced the segregated space of migrants living in precarious and exploitative situations.

6. Significance of the Research

This thesis is based on an empirical study on the Chinese processes of extended urbanisation in the EPRD. The thesis has different analytical and methodological concerns developed from existing studies, such as the *desakota* and the EMR model. As argued throughout the thesis, the process of cross-border extended urbanisation cannot be understood as a homogenous, ahistorical or pre-given geographical unity. Nor can it be seen as simply economic determined, nor generally explained by global-local relations. On the contrary, this research deploys a qualitative approach and develops the links between abstract and concrete issues to explore the intertwined relationship between territorialisation and urbanisation in the fast-growing cross-border urban territories Hong Kong, Shenzhen and Dongguan. First, it interrogates the diverse historical processes of the transformation in these extended territories. Second, it deploys both urban and territorial levels of understanding to the complexities and interactions of processes. Third, it emphasises the specificities of urbanisation processes associated with the state and changing territorial regimes in China. In short, the study of extended urbanisation in the EPRD is the examination of related processes arising from economic restructuring and changing state modes of production in accelerating urbanisation and territorial expansion, and also the increasing role of state power in urbanising space and territories.

Through the empirical study, this thesis contributes to the debates on the conception of planetary urbanisation, and also specifically to the Chinese urban studies. In the theoretical discussion, it re-conceptualises the transformation of extended urbanisation in relation to the particular historical and political territorial processes in China. It rejects the conventional view of economic determinism, and calls for a re-conceptualisation of urbanisation in relation to the state and the territorial processes. The case of the EPRD can reflect Lefebvre's notion of the "State Mode of Production" (2009) by integrating the three intertwined processes: capital-state, territory and urbanisation. Nevertheless, the analysis must also be re-contextualised and re-conceptualised through the historical analysis of territorial transformation. Additionally, the case studies exemplify the concept of territorial urbanisation addressed by Carolyn Cartier (2015), to call for a political inquiry into urbanisation in China. Hong Kong, Shenzhen and Dongguan, which have undergone different processes of territorialisation and diverse trajectories of urban history, have been unevenly manifested as very differentiated, poly-centric, ranked-based, and interrelated extended urban territories. In short, the three case studies offered a mixed mode of analysing different forces and urbanisation processes - the rise of multi-layered patchwork of urbanisation in a highly contested process of territorialisation in the New Territories, Hong Kong; the proliferation of urbanised villages in the territorialisation of Shenzhen's fast-city making process; the industrialisation of the town and villages in relation to the recentralisation of territorial power in Tangxia, Dongguan.

Last but not least, the research adopted a set of unique, experimental methods for researching the territorial processes of extended urbanisation. Throughout the research process, I tried to deploy the dialectic mode of analysis to approach the analytical and concrete issues, integrate spatial processes into historical analysis, relate the state and territorial processes into the production of space and territories, and synthesise different processes and complexities of urbanisation on the ground. This mode of analytical thinking is evident in the thesis, for example, between history and territory, synchronic and diachronic, territorialisation and urbanisation. I think that these ways of dialectically thinking are essential and powerful means of unfolding different conditions, processes and complexities of changes in terms of material, political, social and economic aspects. Likewise, the qualitative mapping is an empowering conceptual tool for research which generates, organises and translates different layers of elements into processes of synthesis and concept building to develop different categories and urban configurations of this extended urbanisation. By using the mapping as an open and critical research process, I found the "secret of the state" (in Lefebvre's words) not only in space (2009 1978), 228), but also in its territory which is a silent and overlooked feature in the EPRD's extended urbanisation. Without the authority to get access to digital data, qualitative mapping was an empowering method for research to conduct critical urban studies on China.

Chapter 2 | The Changes of Cities and Territories and the Pattern of Urbanisation - The Eastern Pearl River Delta (EPRD): Hong Kong, Shenzhen and Dongguan

1. Introduction

During China's reform era, there was a proliferation of cities and towns in the Pearl River Delta (PRD). I suggest that an analysis of its urbanisation must be embedded in its historical and geographical conditions. The emergence of the region in the context of foreign trading dated back to the Song Dynasty, where walled cities, towns and markets proliferated throughout the region. From this time onwards, there were profound territorial regime changes, which changed the modes of governing cities and territories. After 1949, the state commenced its territorial strategy of "rural-urban division", and eventually consolidated its territory through the centralisation of power, the collectivisation of rural areas, and the implementation of the Hukou and related social policies. During the opening of China to foreign capital, the Party-State initiated economic reforms and decentralised political power to local governments, but it maintained its central power over changes to the administrative division system. From 1979, the state made numerous changes to its administrative system in order to designate new cities and form city-territories that could urbanise the nation. Accordingly, instead of the retreat of state power, the State consolidated its power over space and territory, and therefore over the process of urbanisation in China; whilst urbanisation became the engine of economic growth and accumulation that further increased the state power over economy and society.

Against the above context, I suggest that China's territorial government system and its historical changes have conditioned the development of cities and urban areas, as well as affected the subsequent rapid urbanisation. This chapter offers a brief history of the PRD region, reconstructing the ideas of the Chinese cities (shi) and territories (lingtu) during the course of territorial transformation in China. It also provides an urban configuration map to illustrate contemporary patterns of extended urbanisation in the Eastern Pearl River Delta (EPRD), Hong Kong, Shenzhen and Dongguan. Different processes of urbanisation have developed unevenly through a dialectical process of implosion and explosion that consequently transformed space into a poly-centric, inter-linked and multi-scale structure in the EPRD.

2. A Brief History of Cities and Territories: the Pearl River Delta

The Pearl River Delta (PRD) is officially known as “the PRD Economic Region”. This economic region currently constitutes a number of Chinese cities and forms an extended urban structure. According to the 1994 definition of the Guangdong provincial government, the PRD covers Guangzhou City, Shenzhen City, Zhuhai City, Dongguan City, Huizhou City, Foshan City, Jiangmen City, Zhongshan City, and Zhaoqing City. To fully understand the region, definitions should also include the two Special Administrative Regions (SARs), namely Hong Kong and Macau, as the initial motors of foreign capital. The SARs engineered the eastern and the western areas of the region respectively, and the Guangzhou City is the historic city and the provincial capital located at the regional centre. This economic region is the most dynamic areas in the Guangdong Province with a high concentration of population and many social and economic activities. In 2010, there was a population of 65 million in this region but this official number is an underestimate because it excludes the floating population.

The following section offers a brief history of the PRD region, reconstructing the idea of the cities (*cheng shi*) and territories (*lingtu*) during the course of this regional urbanisation. It contextualises the overall territorial changes in the PRD and then focuses on the eastern areas. The history of the territorial transformation can be understood as four periods in accordance with the changing territorial regimes: 1) the Suzerain-Vassal period, 2) the Treaty-Port period, 3) the Cold War period, and 4) the Chinese Reform period. This highlights the changing logics and practices of organising cities and territories during the regional development in these four periods. Finally, it focuses on the particular processes of state territorialisation in Hong Kong, Shenzhen and Dongguan.

2.1. The Suzerain-Vassal Period: the Rise of Cities and Merchant Towns

As mentioned above, the PRD region as a foreign trading hub emerged since the Song dynasty, when walled cities, towns and markets were proliferating throughout the region. As addressed by historian Robert Marks (1998), the PRD area became the centre of Liangnan’s regional development from the Song Dynasty. The Liangnan region, which means “South of Mountains”, was considered a culturally uncivilised, remote and backward region. It was located around the contemporary provinces of Guangdong, Guangxi and Hainan, and was therefore far away from the political, economic and cultural centre of the Central Plain, the centre of the Han Chinese. This remote location was known as “the mountains are high, and the emperor is far away” (*shangao huangdi yuan*), and contributed to the political and economic stability of the region. Liangnan began to develop due to the continuous influx of migrants fleeing from wars in the Central Plains. This established three kinds of peoples:

Cantonese, Hakka and Chiuchow (Chaozhou) within the region. Marks also points out that the increase in settlements led to the rapid formation of the delta region through large-scale water control projects such as levees, embankments and seawalls, and the construction of sandbars for settlements and cultivation. The great transformation of the physical environment led to rapid land formation and territorial expansion, and the formation of an agrarian economy and crop commercialisation in the region, for example, intensive paddy farming, commercial crops like fruits, cotton, silk, sugarcane, tea, and fish farming.

The development of the PRD region for commercial and foreign trading was related to the position of Canton as the traditional trading port in China. During the Tang Dynasty, Canton was designated the most important port in China and so had government apparatus to deal with foreign and domestic trading. During the Song dynasty, Liangnan's economic and social centres shifted from the northern area to the central area of the PRD. The Guangzhou Prefecture was the most populous area and the city of Canton became a political centre, where different levels of government were located. Until the Ming dynasty, Canton was assigned as China's only foreign trading port, and the emperor implemented a tributary trading system to monopolise foreign trading, while illegalising any private foreign trades. Tributary trades were operated in accordance to the Suzerain-Vassal relationship between China as the imperial centre and its tributary states. Tributary trades were sustained by the Confucian conception of virtue, custom and practices and through mutual benefit in lucrative trades, which reinforced the Sino-Centric order of ruling in Asia (Hamashita 2008). Canton's position as a trading centre therefore largely benefited from and was strengthened by the Ming's sea trade policy. Macau, where the Portuguese started a trade settlement with China in 1553, eventually became an external port for Guangzhou. Macao finally became a city under the Portuguese administration in 1557, and developed into a trading centre for the Chinese merchants to purchase foreign products. In 1683, the Qing government resumed foreign trades and established four ports, leading to the boom of different kinds of trades and shipping industry. In 1757, the foreign trading policy changed such that the government assigned Canton/Guangzhou as a single trading port city and adopted the Cohong system, the only officially recognised foreign trading system for Chinese merchants (hongs) to specialise and therefore monopolise foreign trades, which lasted until the outbreak of the First Opium War.

Under the above changes to imperial trading policy, Canton rapidly developed into an international trading centre in China. After the Qing government resumed foreign trades in 1683, 70 custom houses located along the long coastline of Guangdong (Marks, 1998, 164). This trading centre was linked to China's coastal domestic routes, the inter-Asian routes including the Nanyang area (Southern Ocean covering Thailand, Malacca and Indonesia), the Dongyang area, (Eastern Ocean covering the states of Taiwan, Okinawa, Japan, Korea

and the Philippines), and the Western sea routes connecting to Portugal, Spain, United Kingdom, and American (Hamashita 2008, 20).

The development of the trading region in the PRD was tied to the specialisation and commercialisation of local agricultural system for coastal, regional and international trades. Marks (1998) documents two important trade networks in his book. One was the sugarcane-cotton trades. Many local peasants converted their paddy fields into sugarcane fields, which were processed into brown sugar in the Guangdong area and then were traded for cotton in the central areas of Hubei and Jiangsu, and finally cotton was bought back to the textile industries in Guangzhou and Foshan. Final textile products were again traded with the rice grown in the Guangxi province, or some were exported to the Nanyang areas (South-east Asia). Another example was the proliferation of a specialised sericultural system - the fruit/mulberry tree and pond fish system (*guo ji yu tang*). Many peasants transformed paddy fields into mulberry cultivation and fish farming for the production of silk and trades in response to the rapidly increasing demand for silk and related products on both the international and local markets. Consequently, this significantly reduced the number of paddy fields in Guangdong so it had to import rice and food from Guangxi. Canton was developed into the largest rice market in the region, while Foshan was located in a strategic position along the sea trade route and therefore rapidly developed from a market town into an industrial city for silk and cotton industries and also a commercial and wholesale centre.

In short, during this period, the Guangzhou-Foshan area became the largest trading hub with different trade circles for imports and exports for raw materials, agricultural produces and industrial goods within China and between China and overseas (*ibid.*). There were also fast-growing merchant towns such as Shilong town in Dongguan and Chen Village in Shude. Numerous handcrafts and food processing industries developed¹, and local and regional markets flourished and specialised themselves throughout the PRD region (Situ 1994, 85).

2.2. The Treaty-Port Period: the Rise of Colonies, Entrepôt, Treaty Ports

The PRD underwent a tremendous transformation after the mid 19th century, when China was subject to the rise of imperialism and colonialism. This was a new era of foreign trading, shifting from the Suzerain-Vassal relations to the Treaty-Port relations as a result of imperial rivalries located in China. Hamashita (2008) points out that the previous central-peripheral relations, and East Asia's territorial and maritime relations, stopped and were replaced by an exogenous force of domination from western imperial powers and by endogenous changes to the tributary trade system. The expansion of imperial power led to the political and economic disintegration of South-East Asia, breaking it into different colonies, entrepôt,

¹ For example, porcelains, paper-making, embroidery, metallurgy, tea and sugar, bamboo products and other food processing industries

treaty-ports, and concession areas under a new era of Treaty-Port relations. Japan turned from a tributary state to an imperialist state after the Sino-Japanese War. Between 1840 and 1945, the Chinese territory was shattered by imperial states. This was immediately followed by internal political divisions and turmoil from uprisings: the warlord struggles, the Republican Revolutions, and consequently the Civil Wars between Communists and Kuomintang.

Under these new international circumstances, the Chinese territory was split. The PRD region was conditioned by new treaty relations, as well as a series of political events in China. Hong Kong became a colonial city, which was ceded from China to the British government in 1841 and expanded through the ceding of the Kowloon Peninsular in 1860 and the lease of the New Territories in 1898. Guangzhou lost its monopoly in foreign trading with the end of the Cohong system, while five treaty ports emerged in Canton (Guangzhou), Amoy (Xiamen), Foochow (Fuzhou), Ningpo and Shanghai in 1841 that was further increased to 34 ports in 1860, to adopt the principle of free trade in China. Accordingly, Hong Kong and Guangzhou became the only two centres in the PRD, whilst Macau and Foshan lost their economic positions within foreign trading. Shanghai also flourished as another important foreign trading port, as well as a commercial and industrial centre that later had enormous impact on Hong Kong during post-World War II. Hong Kong rose as an imperial outpost in the British empire and initiated foreign trades with China. It benefited from the political and social chaos in the Mainland region and provided a stable environment for absorbing people and capital, as a result of migration. Guangzhou City remained important in the PRD in different aspects, because of its sea and land transportation network, foreign trade, and extensive social networks, so that the Guangdong merchants continued to take economic opportunities in Hong Kong or other treaty port cities. Guangzhou was also a centre of revolution where Sun Yat-sen restored the Republic of China. The relationship between Guangzhou and Hong Kong, in their sharing of similar cultures and history, was strengthened by the newly constructed Kowloon-Canton Railway in 1911 which further facilitated social interactions between two cities for the republican movements or anti-Japanese invasion.

Before the 20th century, the nature of cities, towns and markets in China had specific meanings in the Chinese territorial government system. As addressed in Chapter 1, the translation of the contemporary Chinese cities, “cheng shi” is commonly translated into the English word “city”. However, “cheng” and “shi” originally refers to two different things. “Cheng” means a defensive walled city, and it was a political centre with different levels of governments. “Shi” means a market, a place of trading and for the exchange of goods and activities. “Zhen” means a “town” or “market town”, a medium level between cities (cheng) and markets (shi). The boom of foreign and domestic trades in the PRD led to the sprawl of these cities, towns, markets and streets as centres of people, goods, socio-economic activities and information. Despite the increasing importance of their social and economic development, these cities and towns were governed by a rural territorial government system,

and therefore did not have urban administrative and legal apparatus to gain autonomous status (Liu and Fan 2015). In Guangdong, for instance, Guangzhou City (Canton) was the provincial city capital (sheng cheng), as well as the historical, political, economic and social centre. Yet, it was directly governed by the provincial government throughout dynasties. It was not until 1921 that Guangzhou gained city status, which meant it became a legal city with a separated urban administrative apparatus (Ma, 2005). Below the provincial level was the county (xian) level. Dongguan was a county with a walled city “Guan cheng”. Shenzhen at that time was Xi’an and later renamed into Bao’an, also with a walled city “Nantow cheng”. Likewise, these county-level walled cities were governed by the county governments without any autonomous and political power. In short, these walled cities were governed by a rural territorial system that integrated rural and urban areas into an administrative unit.

The territorial governments of the PRD evolved throughout the dynasties but the most important and stable government unit was counties (xian). Counties/xian were the oldest and the most stable administrative unit in the Chinese territorial administrative system. They played an important function in serving the imperial state whilst governing the vast rural territory and the population. The original Bao’an county was established during the Warring States period (331 B.C.). It included the contemporary areas of Macao, Hong Kong, Shenzhen, Dongguan, Zhongshan and Zhuhai. The Bao’an county government was located in the walled city Wu Cheng, currently located at a historic city site of Nantow cheng in the Nanshan District of Shenzhen. Nevertheless, before 1949, Bao’an county underwent significant changes in terms of territorial jurisdictions as shown below:

- During the Tang Dynasty, the county government moved to Chong and was renamed from Bao’an to Dongguan, and built a walled city Guan cheng.
- During the Song Dynasty, Xianshan town, then Zhongshan City, was rapidly developed and therefore split from Dongguan’s government and became a county. Macao at that time was governed by the new Xianshan county, until it was leased to the Portuguese government.
- During the Ming Dynasty, Xi’an county was split from Dongguan and developed into a new county administrative unit. It included the contemporary areas of Shenzhen and Hong Kong.
- During the Qing Dynasty, a half area of Xi’an county was ceded to the British government as a free trade port city. Hong Kong Island and the Kowloon Peninsula were ceded to the British in 1841 and 1861 respectively, and the New Territories were leased to the British for 99 years in 1898.
- In 1912, Xi’an county was renamed Bao’an county. Thereafter, the territorial jurisdictions in the eastern areas of the PRD became settled and composed three

administrative territories, namely, Dongguan county, Bao'an county and the Hong Kong Colony.

From the above periods, the mode of territorial government was centred on rural-urban integration. In 1909, the government launched administrative reform to define "urban" and "rural" areas with a set of criteria - cheng/cities and zhen/towns as urban, while xiang/townships as rural (Liu and Fan 2015). It was the first important reform to change the relationship between the government and territorial administration in response to the growth of cities and towns. As a result, cities could have autonomous legal status. Afterward, in 1921, Guangzhou became the first legal city to acquire autonomous status and an urban administrative system. This meant that cities/cheng were separately governed from the rural government. Nevertheless, this status only lasted for a short time. After the formation of the PRC in 1949, the Party government established the one-party government system and completely abolished the autonomous city status and subjected territory to a high degree of concentration of political power. Policies like the Hukou system fixed the "rural-urban division" as a territorial strategy.

2.3. The Cold War Period: Territorial Separation and Spatial Containment

The rise of communist power in China immediately changed the political and economic territorial configuration in the PRD region. The Mao government established the People's Republic of China in 1949, expelling foreign capitalist powers, and unifying the nation and the divided territorial jurisdictions. This new era of China also marked the beginning of the Cold War geopolitics between Sino-Soviet communism and Anglo-American capitalism, leading to the territorial separation of Hong Kong from China with associated profound political and economic differences.

The Cold War geopolitics lasted for twenty years, manifested as territorial separation between Hong Kong and China. According to the findings of Mark Chi Kwan (2004), there were complex geopolitical relations and interests between Britain, the United States, China and Hong Kong. The United States, despite being anti-colonialism, chose to tolerate the colonial status of Hong Kong for its own political and security considerations against the rise of communist China. It allied with Britain, turning Hong Kong into a base of spatial containment on China, whilst the British and Hong Kong governments attempted to avoid any direct confrontation with the Chinese Communist Party. At the same time, the Chinese Party leaders Mao Zedong and Zhou Enlai, also tolerated the colony and did not take back Hong Kong by force. China had an agreement with the British Foreign Security and the Hong Kong Government on the policy of pragmatic deals and peaceful co-existence (ibid.,28). After the long period of Japanese occupation and a Civil War, Mao turned his attention to socialist

development in China in the midst of anti-communist tendencies elsewhere in the developed world. He maintained the status quo of the colony as a strategy of “long-term planning and full utilisation” (Mark 2014). The Party leaders made full utilisation of Hong Kong as a “window” to the world, as well as an “outpost” to counteract the containment strategy and economic embargoes imposed by the western powers. Accordingly, Hong Kong could survive as a colony amid anti-colonial atmosphere and communist development during the Cold War period.

The beginning of the Cold War immediately resulted in the closing of the Sino-British border between Hong Kong and Bao’an. This border, known for “having border without security” (you bian wu fang) (Shenzhen Museum 2014), had been open for free movement between the colony and the mainland area. After 1950, this border became a frontier between communism and capitalism. From this time, the colonial government fortified the border and established the frontier closed area in order to protect the territorial integrity and security of the colony against China, which will be addressed in Chapter 4. In 1949, the Guangdong government established boundary checkpoints in Bao’an. In 1951, the government implemented border control and issued cross-border permits for visitors. The border was secured by a barbed wire fence, with check points and security. In 1955, it designated Bao’an a frontier district (bianfangqu), covering two towns and 49 townships (xiang). In particular, there was a “frontier restricted area” (bianfang qianqu) along the Shum Chun River (the Shenzhen River) controlling people’s movement there. People needed to show “frontier district resident cards” (bianfang qu jumin zheng) and “frontier district permits” (bianfang qu tong li zheng). They were required to have permits to cross border for fish and farming on the side of Hong Kong.

Cold War geopolitics led to the termination of foreign trading in China. The United Nations and the United States imposed economic embargoes on China in 1951. Hong Kong was developed into an entrepôt: a strategic location to handle trade between the West and China. Economic embargoes on China jeopardised Hong Kong’s status as an entrepôt. Hong Kong lost its hinterland, but it survived through industrialisation through the influx of immigrants, capital and machines from Guangdong and Shanghai². The government adopted a rather ambivalent immigration policy where those successfully crossing border to Hong Kong were allowed to get identity cards (Ku 2004, 334). As will be mentioned in Chapter 4, Hong Kong had a different post-war development strategy where it built industrial towns and mass housing. Hong Kong rapidly developed during the Cold War period.

Since 1950, China adopted a new national economic strategy by relocating its main industries from coastal areas to inner country areas in order to reduce the enemy infiltration from the western powers (Vogel 1990, 163). It confiscated all private properties, closed down the treaty ports and abolished the capitalist and landlord class. Moreover, it adopted the

² Large influxes to Hong Kong were caused by the Civil War and the formation of the PRC.

strategy of “industrialisation with controlled urbanisation” to control urban growth. Guangzhou and other coastal cities were transformed from cities of consumption into cities of production (Lin 2009, 208). In Guangzhou, the tertiary sector with trading and commercial services were restricted and given way to industrialisation.

Additionally, Mao governed the territory through “rural-urban division”, erecting “an invisible wall” to govern rural and urban areas and population separately in China (Chan 1994). This was a rural-urban dualistic system which allowed control over land, economy, households, food and welfare that in turn allowed the central state to consolidate power and control the means of production, circulation and consumption in China. From 1958, vast rural areas were governed by the three-tiered administrative system of the People’s Communes. Without exception, Bao’an and Dongguan counties were subject to a rural revolution including the land reform of public landownership and the collectivisation of village households. The historic famous merchant towns in the PRD, such as Shilong, Guancheng, Taiping in Dongguan, degenerated into mere administrative centres of the communes with limited urban functions. In doing so, rural areas became a spatial containment to secure the grain production under the centralised procurement and distribution system, and therefore the central state captured all surplus value from agricultural produces to subsidise the state’s industrialisation policy.

The Cold War period lasted until 1970, and the international relations was gradually restored in the 1970s (Goodstadt 2005). The United States withdrew its financial and economic blockade against China and the United Nations voted to admit the PRC. At the end of the Cultural Revolution, China was on the verge of political and economic crises (Vogel 1990, 30). There were growing economic disparities between Hong Kong and China. Widespread poverty occurred in rural areas in Bao’an and Dongguan, and caused continuous illegal crossing to Hong Kong. Guangzhou old city had severe problems with housing and a lack of infrastructure. Local people in Bao’an demanded the government restored the previous cross-border trading with Hong Kong and suggest the establishment of a foreign trading area in Bao’an (Shenzhen Museum 2014). In 1977, China embarked on a new path of development including opening up the country, in which Guangdong was chosen as “move one step ahead” adopting the “Special Policies (teshui zhengce), and Bao’an, among others, was designated a Special Economic District which acted as a window for foreign investment to China.

2.4. The Reforms of China: Territorialisation of Regions, Cities and Districts:

After 1978, the resumption of foreign trading led to the explosion of urban space in the PRD. The central government designated Guangdong province as an area for launching special policies (teshui zhengce) and as such established the Special Economic Districts

(jingji tequ): a socialist laboratory for economic reforms in China. There were four strategic SEDs which tried to attract foreign capital by linking: Shenzhen to Hong Kong, Zhuhai to Macau, Xiamen to Taiwan, and Shantou to the overseas Chinese. Soon, as addressed by Yuen (2008), the Guangdong government in 1985 already developed the idea of the PRD as an “economic development region” (zhujiang jingji kaifa qu) to include not only Guangzhou, Shenzhen and Zhuhai, but also cover other county-level cities in the region. After Guangdong was designated as a “Pilot Area of Comprehensive Economic Reforms” in 1987, the State Council approved for an expansion of the PRD Economic Region. This entailed an increase of 17 to 28 county-level cities in order to realize a larger space for agglomeration and accumulation. In 1994, the Guangdong government officially set up a policy framework for the PRD economic region to expand the export-led economy and attract foreign direct investment to the region.

Hong Kong was the centre of the PRD economic region during the first stage of regional urbanisation and economic reforms. The emergence of the regional division of labour was based on “comparative advantages” between Hong Kong and China. Hong Kong experienced an increase in cost of production due to its “High Land Price Policy”, the increase of rents and wages during the 1980s and 1990s. Industrial capital relocated to the mainland region for cheaper rents and labour, particularly in Shenzhen and Dongguan. The Hong Kong economy gradually shifted towards real estate, finance and service sectors, whilst trading, re-exports and logistic industries. This gave rise to the “Front Shops, Back Factories” model of the PRD economic region.

Nevertheless, the relentless urbanisation of the PRD cannot be attributed to regional planning and policies, or cross-border government apparatus, which were insignificant during the two decades of the reforms. Nor was it simply the outcome of the geographical restructuring of the capital for expanded space and accumulation. Rather, the extended urbanisation of the PRD was premised on the state production of space and territories through tremendous changes to the administrative division system in China. It was accompanied by a changing geography of state power - the downward shift of unitary power to multiple local levels of governments (Ma 2005), the designation of cities with Shi (city) status, the elevation to higher Shi administrative ranks, and the spatial adjustment of internal administrative divisions to enlarge urban areas.

The processes of extended urbanisation in the EPRD were premised on the production of ranked-based territorial administrative spaces during the era of economic reforms in China. The three cities, Hong Kong, Shenzhen and Dongguan, were placed at different levels within the administrative ranking system. The Bao’an County was territorialised into Shenzhen City at the sub-provincial level after several re-adjustments of ranks. The Dongguan County was likewise territorialised into the Dongguan City at the prefectural level. Both of these administrative spaces were continuously elevated into higher ranks within the

Chinese administrative division system after 1979. After 1997, the Hong Kong colony was finally changed into a Special Administrative Region and thus became directly governed by central government, as a special territorial unit, under the principle of the “one country, two systems”, which was formalized under Hong Kong’s new Basic Law. The configuration of these rank-based administrative spaces provided a particular socio-spatial organisation for capitalist growth, in accordance with each round of territorialisation. One can say that it was a reconfiguration of state power through state intervention in the production of space and territories at the local level.

2.4.1. The territorialisation of Shenzhen

The process of territorialisation in Shenzhen began from 1979. It was a national experimental space for developing a SED in China. Bao’an became Shenzhen City, with shi (city) status to propel urban and industrial development, and its administrative level was elevated to be a sub-provincial level city. The process of its territorialisation has been a gradual but complicated process of spatial reconfiguration that subsequently extended the power of the city government into a larger territory.

The administrative ranking is, first of all, fundamental to the question of administrative and economic power conferred to the new government in order to develop a city. After the central government approved the Guangdong government’s proposal to establish Shenzhen as a SED, the first question of change was about how much power its new government should be granted in order to develop urban areas. Bao’an County was defined as “rural places” and the power of the county government was mainly for agricultural production and rural development. For the development of the SED, the central government changed the administrative division by elevating Bao’an into Shi (city) level and renaming it Shenzhen. From 1979, Shenzhen’s administrative rank was readjusted by the State Council several times to empower the city government and accelerate the city-making process in the SED.

The first change to the administrative division was the elevation of a county (xian) into fu de ji shi, a sub-prefectural-level city in March 1979, after which Shenzhen was governed by both the Guangdong provincial government and the Huiyuan prefectural government. This administrative division was soon repealed in November 1979, when Shenzhen was further elevated to de ji shi, a prefectural-level city under only the Guangdong government, which was done in order to reduce the bureaucratic system of the double governments. This was a historical moment because Shenzhen was officially free from its historic subordination to the Huiyang prefectural government. As a result of this change, Shenzhen was immediately subject to a faster track in city building, to develop the SED alongside the Guangdong “Special Policies and Flexible Measures” of the 1980s.

Shenzhen's special status and administrative power was further elevated by the State Council in 1988. Shenzhen, along with other important central cities in China, further acquired the status of *jihua danlie shi*, a "Separated Planning City". This type of city has independent planning status under the national social and economic development. This meant that the city's social and economic development was separately listed from the provincial planning and placed under the auspice of central government, and revenue was directly shared between the city and State Council without turning it over the Guangdong provincial government (Liu and Fan, 2015, 187). Accordingly, Shenzhen's economic development and its fiscal power were directly subjected to the central government along with a new rank equivalent to that of a province. This administrative restructuring was actually to separate the SPC's economic from its administrative position within the hierarchy of the national administrative division system. In doing so, the city government acquired a larger scope of decision-making power, and could act like a provincial government on issues of urban planning and economic development.

Nevertheless, the designation of the SPC, to separate Shenzhen's economic authority from its administrative position, gave rise to a series of new questions in the regional governing system: whether Shenzhen's administrative position should be directly subject to the central government or the Guangdong government? And whether the administrative position of Shenzhen should be equal or lower than the provincial capital of the Guangzhou City? This question was related to the power of the Party Secretary of Shenzhen, whether he/she should be subjected to the central government, or even the provincial government. Likewise, it was about its leading role in the region, and whether Shenzhen should be equal or surpass Guangzhou. Since Guangzhou was the provincial capital city (*sheng hui*) and the historical regional centre, it also acquired SPC status in 1988 and was long regarded as the "big brother" in the region. In order to defuse tensions among local governments, the State Council re-adjusted Shenzhen's administrative rank of into *fu shen ji shi*, a sub-provincial city, in 1994. Through this, Shenzhen's administrative rank was redefined as "half-level lower than provincial-level units but half-level higher than prefecture-level cities" (Ma 2005, 483). The addition of a sub-provincial level city as a new administrative rank readjusted a city's economic power in China's administrative division system. After this readjustment, Shenzhen's political authority was subordinated under the Guangdong government, whilst it still had economic power to propel economic development directly under the central government. Guangzhou was ranked as a sub-provincial level city, which meant that it had the same leading function as Shenzhen in the PRD. Other cities were ranked as prefectural-level cities, which are a half-level lower in power. It should be noted that Zhuhai is a prefectural level city, even though it was also declared a SED in 1980.

The administrative ranking of a city has been tied to the spatial configuration of a territory for urban development. Shenzhen underwent several changes to its administrative division

at different times which defined its spatial sphere of influence over territorial urbanisation. In 1980, Shenzhen followed the old mechanism of designating a city through “qiekuai sheshi”, literally meaning “carving out a block [of space] to establish a city” (ibid., 490) employed to designate new cities during Mao’s period. To establish a city/shi, the areas of the SED were “carved” into a city area that held urban status, whilst the remaining area beyond the Second Line (the border of the SED) was restored as a smaller area of Bao’an County with rural places under the county government. The central government also reinforced the Second Line with a long security fence, with checkpoints to demarcate the two territories and their governments. The administrative relationship between these two administrative spaces was defined as “city administering county” (shi guan xian) where the City was leading the County in respect to urban development. Despite this, both the city and county governments had their respective legal powers to undertake planning and development, and thereby led to different process of urbanisation within each territorial jurisdiction.

From 1990, there was large scale territorialisation to change the administrative space and power in Shenzhen. To begin with, in 1990, Shenzhen finally established a city-level Party and a government system including Party Committee and the People’s Congress. In 1992, the National People’s Congress (NPC) conferred Shenzhen a special legislative power to enact local laws within the SED. It should be noted that the NPC was the only institution to enact laws in China before 1980. The “SED legislative power” was favourable for the Shenzhen government because it could “gain more power to handle urban development issues” than its counterpart in the Guangzhou government³ (interview, 2014). Nevertheless, it also produced two set of laws between the SED and the non-SED which restricted the city government’s power in implementing policies and regulations in the latter. In 1992 and 1993, the State Council approved the changes to the administrative divisions in Shenzhen. The city government was allowed to establish three urban districts - Luohu, Futian and Nanshan, and unify the urban administration within the SED, administratively urbanising the rural system and converting village collectives, economic organisation and their collective landownership into urban administration. Additionally, the city government was also allowed to extend its territorial power into the non-SED area. In 1993, the Bao’an county system was terminated and eventually the non-SED area was integrated into the city government through the subdivision of the Bao’an and Longgong districts. Therefore, the historic territorial unit of Bao’an county system, which had lasted for centuries, had to make way for urban administration. The demarcation of this administrative division was actually a reconfiguration of local state power to empower the city government. New district governments did not have legal power in planning and development. Under this administrative division, the city government centralised urban planning and development powers through the integration of

³ In 2000, the NPC granted Guangzhou a legislative power, known as “the legislative power of bigger cities”.

an urban administrative system, and extended its territorial power into the outlying territory. This immediately increased the urban space from 327 square kilometres to 2,000 square kilometres, controlled by the city government. Nevertheless, the government could only abolish the rural town and village administrative system and unify the state landownership in the outlying areas in 2002.

The latest round of territorialisation for the purpose of city building, was the subdivision of administrative divisions which started in 2005. This changed administrative spaces by “redrawing large districts into small ones” in outlying urban districts, including Longhua, Guangming and Pingshan. The objective of this spatial readjustment was to demarcate more small urban districts into xincheng, literally meaning “new city”, but functioning as “new urban centres” to maximise potential land development. In 2010, the State Council approved a new type of spatial category to build a national-level “Free Trade Area” in the Qianhai Bay at a strategic location of the coastal area in the Nanshan district. This new administrative space will be developed into a new financial centre - the “Manhattan of the PRD”. After a decade of public debate, the State Council finally approved the extension of Shenzhen SED into a full territory. The Shenzhen government dismantled the security border, the Second Line. Accordingly, Shenzhen became the “Greater SED” with unified legislative powers and territorial regulation over the whole city. The approval of the Greater SED, however, was the outcome of the national territorial strategies not only for Shenzhen, and concurrently for other SEDs including Zhuhai to extend the SED into an area of 1,701 square kilometres, and Xiamen into an area of 1,569 square kilometres (LAY-OUT Planning Consultants Ltd 2011).

2.4.2. The territorialisation of Dongguan

The process of territorialisation in Dongguan was different from that of Shenzhen. Dongguan became a Shi with a city status as the result of the nationwide changes of administrative divisions for the designation of cities and towns during the 1980s. In 1983, Dongguan’s administrative division was changed from a county into a county-level city, xian ji shi, through the repeal of the long-established historic administrative unit of the county. Dongguan’s administrative rank remained the same at the county level, but the territorial status was redefined from a rural to an urban one. The new county-level city government could hence benefit from national policies that enable faster industrialisation and urbanisation. The changes to Dongguan were part of a wider change, because the State Council had made a systemic change of lowering the criteria for the designation of a city or a town. A new type of city, the “county-level city” was created in 1983, which became the lowest level of city in China. After this, there was the production of numerous county-level cities, which increased from 144 in 1983 to 430 in 1990 (Ma, 2005, 491). Dongguan was not

alone in this process because the State Council also “produced” many other new cities by lowering the criteria of designation.

Dongguan’s becoming a county-level city was also tied to a change to the spatial configuration of this territory. To establish a county-level city, the reconfiguration of Dongguan followed a new territorial practice of “zhengxian gaishi”, meaning “converting [the entire territory of] a county into a city” (Ma 2005, 491). This territorial practice of establishing new cities was a common territorial strategy of the State Council during the mid-1980s. It replaced the old city model of “curving out a block” as deployed in Shenzhen. Underlying the logic of this territorial practice, the city government retained a complete (not a part of) territorial jurisdiction in Dongguan, integrating rural (xiang) and urban (cheng) areas, coordinating both resources and reducing social and economic disparities between rural and urban. This territorial practice transformed the nature of cities from “a form of urban settlement” like a walled city in Guancheng into “a form of city-territory” incorporating rural and urban areas. The change to state practice to create a city was a shift in the territorial governing strategy from “rural-urban division” (cheng-xiang fen zhi) during the Maoist regime, to the “rural-urban integration” (cheng-xiang he yi) during the reform.

In 1988, Dongguan’s administrative rank was further elevated to *de ji shi*, a prefecture-level city directly under the Guangdong provincial government. The creation of a prefectural-level city began in 1983 and was widely applied to many places thereafter. The territorial practice of establishing a prefectural-level city happened through “the merger of a prefecture and a city” (*di-shi he yi*), or through “abolishing prefectures, establishing cities” (*che di she shi*). The territorialisation of Dongguan into a prefectural-level city was the latter one. Between 1983 and 1988, the Huiyang prefecture governed four subordinated county-level cities: Dongguan, Heyan, Huizhou and Shanwei. In 1988, the State Council launched administrative reform which removed the administrative unit of prefecture in Guangdong province, including the Huiyang prefecture. It elevated the administration of these four county-level cities to prefectural-level cities which operated directly under the Guangdong government in the Eastern PRD. Accordingly, Dongguan was a prefectural-level city, which is a lower administrative rank than Shenzhen. The expansion of its city territory and the elevation to a higher administrative rank allowed the Dongguan government to accelerate rural industrialisation. In addition to Dongguan, other prefecture-level cities were created in the Guangdong province at the same time which consequently intensified the competition for foreign direct investment.

Another important process in Dongguan’s territorialisation was the designation of twenty-nine “designated towns” (*jianzhi zhen*). In China, cities and towns, or *cheng* and *zhen*, are the two motors of urbanisation. In the 1980s, the state’s spatial strategy aimed at developing small towns (*xiao cheng zhen*) in parallel with the creation of cities. To achieve this, in 1984, the State Council lowered the criteria to favour changing small rural townships (*xiang*) into

designated towns (zhen) with urban status through “repealing townships, establishing towns” (che xiang jian zhen) (Ma and Cui 1987). This led to a rapid increase in designated towns in the PRD, from 38 in 1983 to 344 in 1986 (Yuen 2008, 113–14). Existing market towns or townships (xiang) were changed into designated towns, whilst their rural status within the administration was redefined into an urban one. From 1986 to 1987, Dongguan established twenty-nine designated towns through the model of “repealing districts (qu), establishing towns (zhen)” (chequ jianzhen). These districts (qu, or qu gongsuo), which had been converted from People’s Communes based on townships, were rural administrative units of the county government at a local level. These rural district offices, lacking a formal party-government and legal system, were only responsible for coordinating agricultural production and village development. In contrast, the designated town (zhen) had its own party and government system and therefore had legal power to undertake planning and economic development. The territorial-based governing system integrated rural and urban areas into an administrative unit that could facilitate overall social and economic development. Thus, it differed from the Mao’s previous policy of “rural-urban division”. This spatial configuration also differed from the historic merchant towns. In short, all of these town governments acquired a larger administrative space to propel rural industrialisation and urbanisation within their jurisdictions, and this process consequently influenced Dongguan’s particular pathway of industrial urbanisation.

From 1988, the territorial configuration of Dongguan became a “city (shi) and town (zhen)” administrative system, which contrasted with the “city-administering-county” adopted in Shenzhen. However, this was an unusual two-tiered territorial governing structure that is colloquially known as “zhitong zi shi”, meaning “a straightforward city”. It basically means that a city directly administers towns, without the intermediate level of a district or a county within its administrative jurisdiction. This is an unusual government structure because a prefectural-level city is usually “a city with districts” (she qu de shi)⁴, which is a legal term for a city and includes (urban) districts, counties, and sometimes county-level cities within its city jurisdiction. There are only five cases of a prefecture-level city without districts or counties in China. Dongguan is one of these five exception examples, since the Guangdong government made a decision to reduce the government hierarchical system in order to increase the efficiency and flexibility of the administration and hence accelerate the pace of rural industrialisation. At that time, this territorial configuration was commonly regarded as a decentralisation of state power in Dongguan, colloquially known as “unfastening the knot, expanding power” so that local governments could engineer their respective local developments.

⁴ There is another legal type of a city known as “a city without districts” (*bu she qu de shi*), usually referring to county-level cities.

The city-town territorial configuration lasted for thirty years. Until recently, the State Council was looking for a new type of administrative unit to resolve the development problems of super-large industrialised towns in Dongguan. In 2015, two large industrialised towns, Humen and Chang'an, were designated "Pilot Studies of Nation's New Type of Cities"⁵ (Interview, 2015). This is a new prescription of state space to reconfigure these two towns into a new type of city (xinxing chengzhen) - probably, "town-level cities" in the national administrative division system. This new type of city is a new intervention by the state into the future process of urbanisation in China because the governments of Humen and Chang'an were granted a large degree of economic power to restructure their existing urban space in the overall economic restructuring of Dongguan.

2.4.3. The territorialisation of Hong Kong

The process of territorialisation in Hong Kong was completely different from Shenzhen and Dongguan as it was shaped by British colonisation. The development of this colonial territory had its own temporal and spatial dimensions that structured on subsequent process of urbanisation in Hong Kong. To begin with, colonisation occurred in the Hong Kong Island which ceded from the Qing government in 1842, and the cession of the Kowloon Peninsula up the Boundary Street in 1860, and finally the 99-year leasehold of the New Territories up to the Sham Chun River (the Shenzhen River) in 1898. Accordingly, the government of this colonial territory was divided into two territorial jurisdictions - the ceded and the leased territories. The former type of territory was subject to the power of the British Crown, and the latter one was created in the absent of international laws at that time. Hong Kong was developed around the single colonial centrality of Victoria Harbour and the "countryside" in the New Territories. Accordingly, this was a classic centre-peripheral relationship which dominated throughout the colonial period until 1997.

Formally, the colonial territory was developed based on the Crown Land System, known as the Letters Patent of Queen Victoria in 1843. This constitution entrusted the Hong Kong Governor power to make laws, grant land and form a government (Mizuoka 2014, 24). The land in the colony was declared "Crown Land" meaning that the government was the ultimate landlord to issue leases to leaseholders through its leasehold land system (Lai 1998, 2005). As noted by Lai (1998, 254), the leasehold land system was "a means of governmental allocation of private property rights". This was also known as "the High Land Price Policy", by which the government allocates leasehold land through auction or tenders. This is how the colonial government could maximise land value, generate revenue for its coffers and increase public spending while maintaining a low tax regime that attracts foreign investors (Bristow 1984; Lai 1998, 2005; Haila 2000; W.-S. Tang 2014). As shown in Chapter 4, the

⁵ Guojia xinxing chengzhen hua zonghe shidian fangan. (国家新型城镇化综合试点方案)

government extended the Leasehold Land System in the New Territories under the Convention between the British government and the Qing government in 1898. The colonial government also introduced the Block Crown Leases which enabled the granting of land leases to indigenous villagers, in the form of leasehold interests for private owners and ancestral community interests, which replaced the pre-1898 land system of “one-field, two owners” (Lai 1998, 251).

The Leasehold Land System continued to operate after the 1997 handover of sovereignty, but under the PRC. The leasehold land is protected by the new regime of “One Country, Two Systems” through the constitution for the Hong Kong Special Administrative Region (SAR), the Basic Law. After 1 July 1997, the last British colony was transferred to the PRC in accordance with the Sino-British Joint Agreement of 1984 and was governed by the SAR from China. The SAR is a special political type of administrative unit that is different from the Special Economic District (SED) in Shenzhen. As noted by Deng Xiaoping, the SED was created for economic reform not for political change. In contrast, the SAR is ruled by the special political economic framework of the Basic Law: “One Country, Two Systems”. In fact, the promise of the “One Country, Two System” was originally the idea of Deng Xiaoping who wanted use it in the case of Taiwan’s unification under the territorial integration of the PRC (Yep 2010). This was then applied to the post-1997 administration of Hong Kong, in which the SAR government is directly under the central government but with a high degree of autonomy and it maintained its status quo of capitalism. Accordingly, the territorial system of Hong Kong was subordinated to the Chinese national government system, but the previous colonial regime in terms of its political, legal, economic and financial systems was “preserved” through the Basic Law. The former Sino-British border was also changed to signify the political promise of One Country, Two Systems.

Despite the protection of the Basic Law, the process of Hong Kong’s reterritorialisation into the mainland was facilitated by cross-border planning and economic policies. The Shenzhen SED was designated by Deng Xiaoping as an area for pioneering Chinese economic reforms and was designed to link with Hong Kong, while pairing up Zhuhai with Macau, and Xiamen with Taiwan in order to develop the SEDs. This can be seen as an economic and also a political strategy to prepare the PRC government to achieve unification for territorial integration and for learning how to “incorporate” a different administrative system”. During the transition of sovereignty, between 1984 and 1997, the PRC leaders were seeking a new partnership with Hong Kong business tycoons to help economic development in China, and to prepare the post-1997 government system. Consequently, the first Chief Executive of the SAR government, Mr. Tung Chee-hwa, a Chinese shipping magnate, was chosen by the Party State as its new partner (Goodstadt 2005).

After 1997, the process of reterritorialisation in Hong Kong was highly contested - between the SAR government and society. As mentioned in Chapter 4, the New Territories have

become a contested zone since the government initiated a new round of territorial development strategies including a national high-speed railway, large scale of cross-border urban and infrastructure projects, new development areas, and the reopening of the frontier closed areas. These territorial development projects have been forcefully launched by the government under the name of regional integration, in the midst of strong oppositions in the society. Accordingly, urbanisation of the New Territories has been turned into a political mobilisation process where urban struggles and social movements emerged to struggle against eviction and seek alternatives within the territorial development.

3. The Pattern of Urbanisation: Multi-Ranked, Poly-Centric and Cross-Boundary Urban Region

As explained in the previous section, Hong Kong, Shenzhen and Dongguan have been subject to different processes of territorialisation in the city-making process of the EPRD. It also showed how Chinese cities should no longer be understood as a form of urban settlements such as historic walled cities (cheng). Rather, the changes to the national administrative division system have become important means by which the state intervenes during the course of rapid urbanisation. Chinese cities (Shi) have been created as rank-based territorial units and different spatial configurations, and are controlled by different levels of administrative and economic powers within a national hierarchical system. The contemporary meaning of cities therefore combines “city” and “territory” and gives rise to a form of “city territories” which integrate rural and urban areas and enlarge developable land to propel large scale urbanisation, especially during the Chinese reform. Shenzhen became a sub-provincial city, fu shen ji shi, and its economic power has been subject to the central government directly, this subsequently facilitated the integration of city administrative power and hence accelerated large scale territorial urbanisation. Dongguan is a prefectural-level city, de ji shi, and its city-town territorial configuration accelerated rural townships into large industrialised towns. The administrative ranks of the two cities/shi have increased over time and have propelled various rounds of urbanisation. Hong Kong became a Special Administrative Region City with special political economic arrangements in accordance with the One Country, Two Systems. From then onwards, the SAR government commenced new rounds of urbanisation with the goal of integrating Hong Kong into the EPRD region. This section provides an urban configuration map on its main characteristics. It is a snapshot of the extended urbanisation of the three cities between 2012 and 2014. It will show how the massive scale territorial urbanisation has transformed the traditional conception of a centre-periphery relationship to a trans-boundary poly-centre relationship and how the three cities have unevenly developed into multi-ranked territories as discussed above.

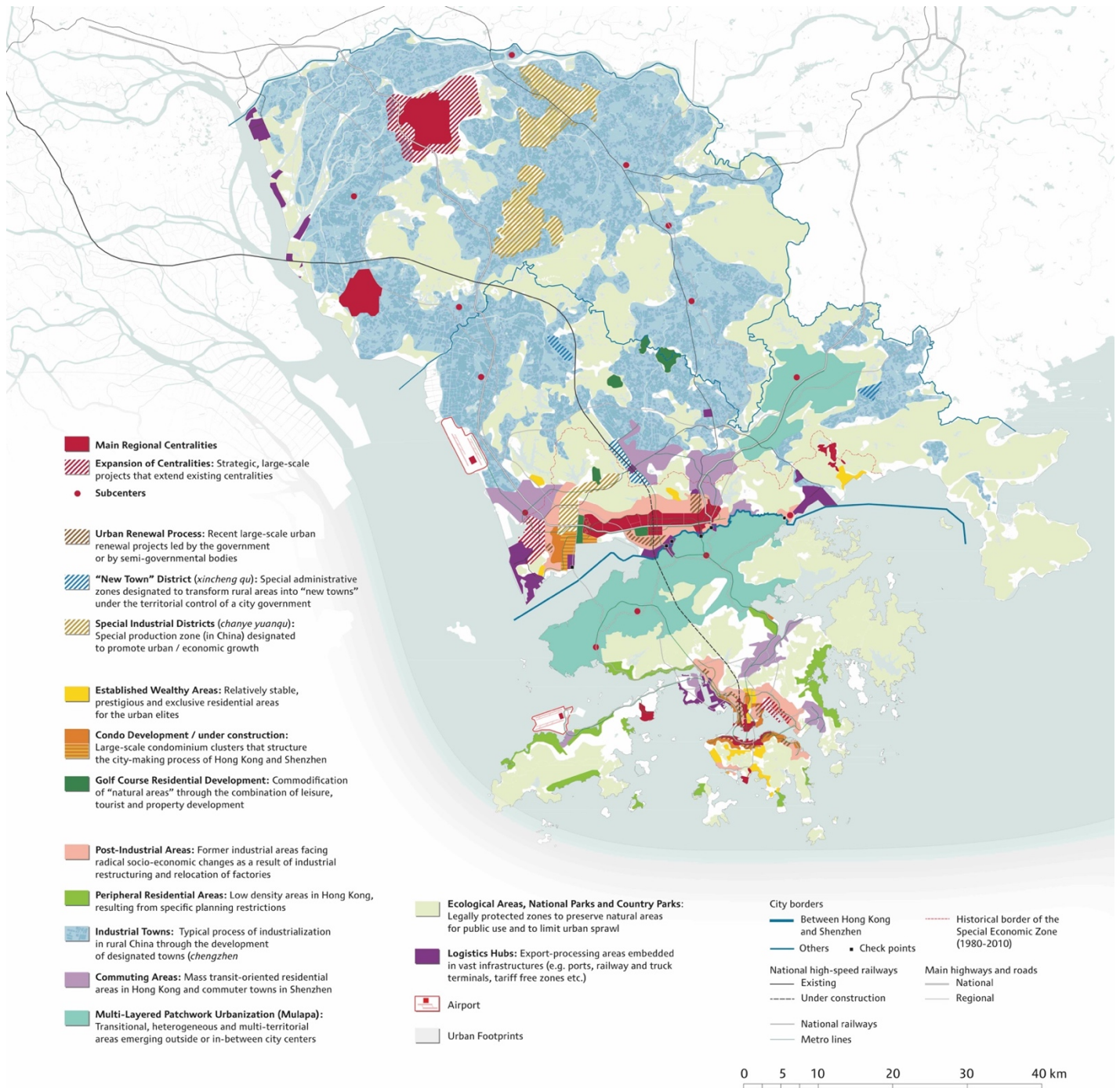


Figure 2.1. The configuration map: A cross border urban territory: Hong Kong, Shenzhen and Dongguan

3.1. The Poly-Centric Urban Region

[categories: urban centres, urban renewal and plotted urbanisation]

Hong Kong

Hong Kong is a long-established urban centre at international, regional and local levels (Figure 2.1). The founding of this imperial outpost was premised on the expansion of British imperialism and its maritime trades in the Far East and China. The colonial city gradually developed as the main gate to South-east Asia and South China, in terms of trade and production networks, the concentration of transnational capital, elites and capitalists, immigrants, and as the central place for political and social activities in the region. The development of the colonial centrality was based on the provision of a safe colonial shelter in the midst of political instability and turmoil in China throughout the first half of the 20th century. Political stability was a key factor in the thriving trading economy of Hong Kong. This centre was rapidly developed through industrialisation during the post-war period because of the influx of capital and immigrants from Guangzhou and Shanghai during the rise of communist power in China. The socio-cultural characteristic of the colony could be described as cosmopolitan. Society was governed on the basis of racism and class, which resulted into a dual colonial city structure in Hong Kong.

The urban structure of Hong Kong developed on the mono centre around the Victoria Harbour throughout the history. The British had built Victoria City around the deep-water harbour, as an imperial outpost to maintain its commercial interests in China. The city soon developed into an international and regional trading hub, and the focal point for places of people, capital, transportation, social and economic activities in the region. The transformation of this colonial centre followed the hilly topography, which restricted urban expansion along the shores of the Island, reclaimed land from the sea, and across to the Kowloon Peninsular. The topography affected the geographical development of Victoria City and as such it was subject to several large scale harbour reclamations over time (Figure 2.3.), and became a compact, high density city in the world. The map below (Figure 2.4) shows the population distribution and density in Hong Kong in the 2011 census. The main urban areas in Hong Kong Island and the Kowloon Peninsular shared half the total population. The average residential density ranged from 50,000 to 80,000 people per square kilometres, whilst the highest was from 100,000 to 125,000 people per square kilometres in Mongkok, Shamshuipo and Hungghom.

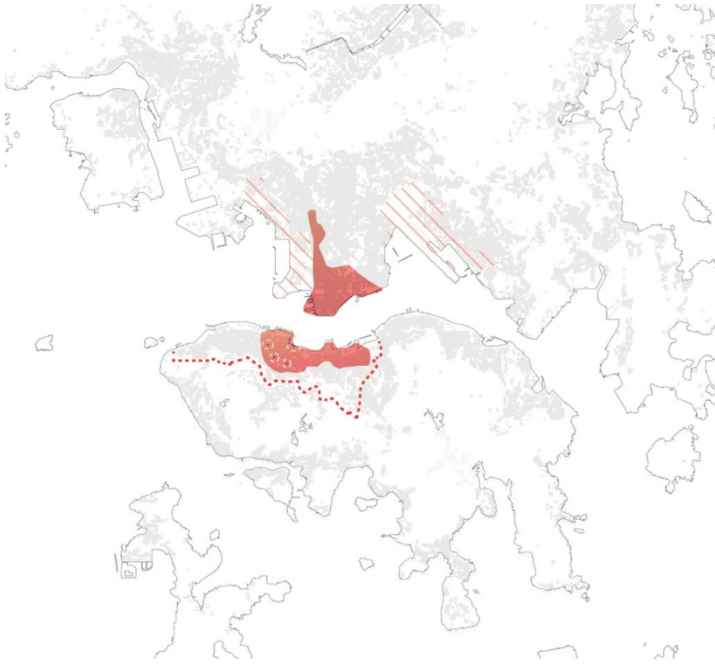
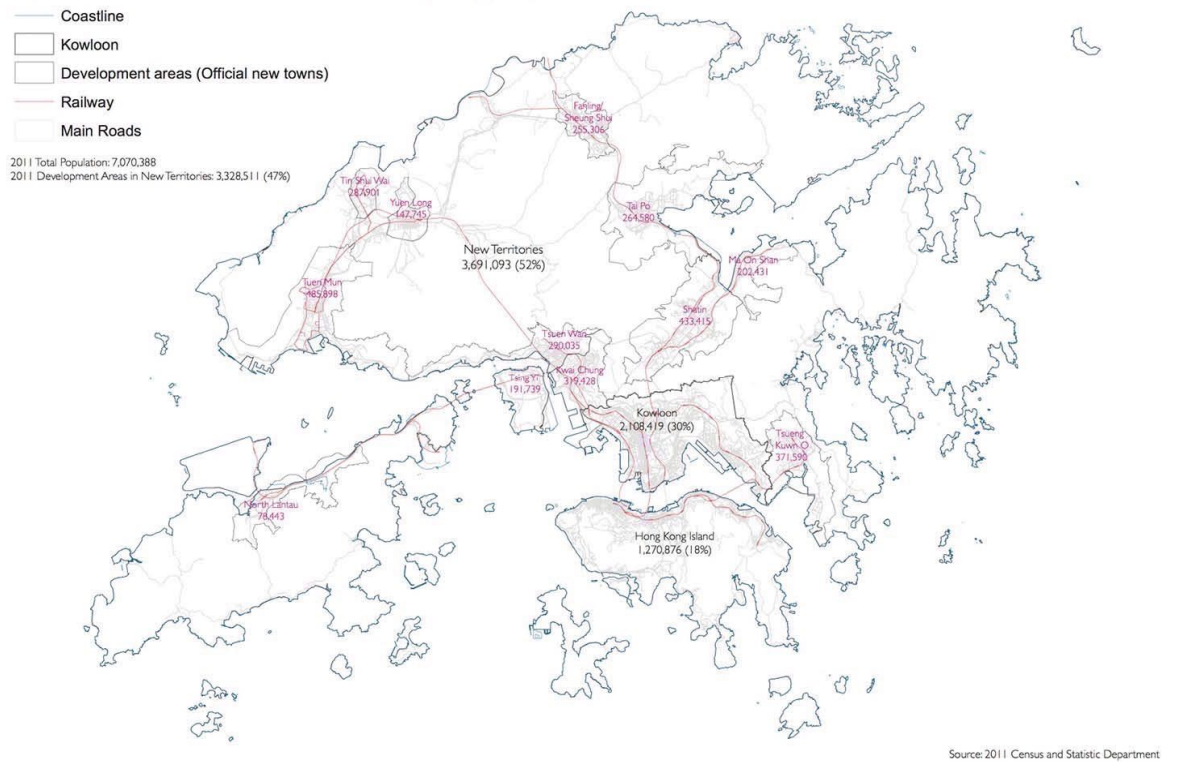


Figure 2.2. The expansion of the main urban centre of Hong Kong



Figure 2.3. The reclamation and expansion of the city centre and main urban areas in Hong Kong. (Grey is reclaimed areas over time; pink solid line is the original shoreline of the Victoria Harbour)

Population Distribution in the main urban areas, Hong Kong (2011)



Population Density in Hong Kong (2011)

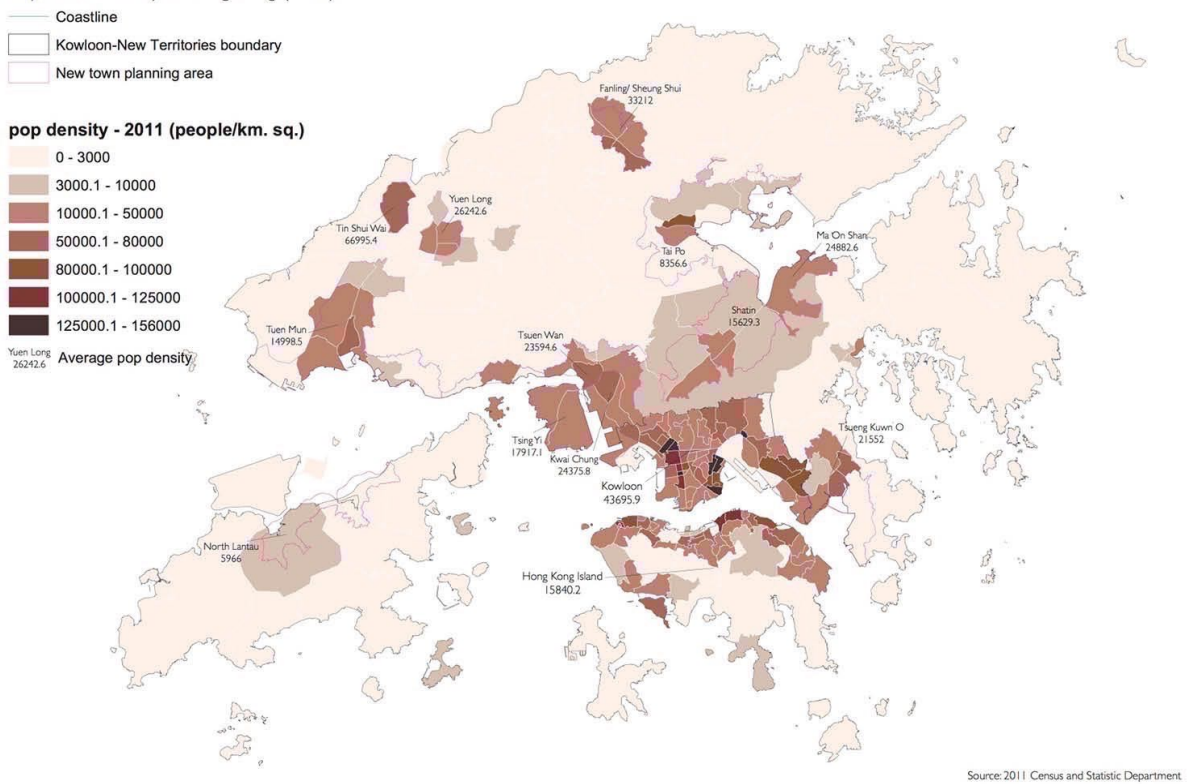


Figure 2.4. Population distribution and density in Hong Kong, 2011 (source: Hong Kong Census and Statistics Department, 2011)

Victoria Harbour was the heart of the colonial centrality in terms of trading and shipping; it was urbanised throughout the 19th century. Around the harbour, the city centre formed on the northern shore of Hong Kong Island and extended to both sides of the East and the West, and also to the sea through harbour reclamation. In the second half of the 19th century, the city centre extended across to the Kowloon Peninsula, which extended along Nathan Road as its main artery all the way to Boundary Street. After World War II, the old colonial centre was radically transformed by numerous modern skyscrapers, while the old neighbourhoods in the city were subject to urban renewal process. The geography of the city rapidly developed, assisted by improvement to the colony-wide transportation network, linking the city to peripheral areas such as old market towns and new towns in the New Territories. It was not until the early 1980s that Hong Kong underwent a tremendous urban restructuring. The colonial government launched a large scale harbour redevelopment and established the Land Development Corporation in 1988 to speed up the urban renewal process in the old urban areas. Hong Kong's city centre, being an international financial and trading centre, was rapidly consolidated through the expansion of the terminal port and the transportation network, which had a great regional impact on the PRD. After the return of sovereignty, there was an expansion of the Central Business District through two large scale of flagship projects: first, the West Kowloon Culture Development Project on a reclaimed area, and second, the East Kowloon Second CBD project in the old airport area.

Shenzhen

Within thirty years, Shenzhen emerged as a mega city with a total population of over 14 million in 2010. This great transformation began in the historical moment of China's opening when Deng Xiaoping designated Shenzhen as a SED in 1979. The government demarcated a special district of about 327.5 square kilometres for launching special policies. Shenzhen has been represented metaphorically to the world as a "window" for foreign capital, an experimental plot, or a laboratory to pioneer economic reforms. It has been also conceived as a new economic space: turning a fishing village into the Chinese metropolis.

The Shenzhen SED became a Chinese central city. and a new spatial category of the state's administrative space in 1978. It is a "district" (qu) not a "zone" where the State Council governs its economy and society (Cartier 2015). From the very beginning, Deng Xiaoping defined Shenzhen as a "special district", instead of an "export-processing zone"; and as its was a "special economic district", it was also different from a "political district". Shenzhen was a national development project and particularly Deng Xiaoping's personal project. As a result, Bao'an transformed from a frontier district into a central Chinese city: Bao'an County was elevated to Shenzhen City, and village collectives including 21 communes and 207 production brigades, were urbanised as part of a fast city-making process.

Shenzhen's SED has currently been the main urban centre at the local, regional and national level. The urban centralities have rapidly developed along its border with Hong Kong. The first three urban and industrial centres were built on strategic locations: Luohu town, Shatoujiao town and Shekou seaport. They were strategically tethered to boundary checkpoints and developed as a part of the extended urbanisation from Hong Kong. These places developed into commercial, industrial, service and transport centres by state-owned enterprises from the whole country and also foreign capital enterprises through Hong Kong. The development of urban centralities has been related to the state's city making process starting from the East to the West (Shenzhen Urban Planning & Land Administration Bureau 1999). This began in Luohu, as the first commercial centre in the 1980s, located at the most important checkpoint and the train station of the Kowloon-Canton Railway. In the mid-1990s, the city government constructed a second city centre in Futian to become a central business district in connection to a new boundary checkpoint with Hong Kong. The latest development of the centre moved westward to the coast of the PRD, where the national-level Free Trade Area had been constructed on reclaimed land in the Qianhai Bay. Over time, the SED has developed into an elongated urban region with multiple centres parallel to its border with Hong Kong, as a result of the Master Plans, and through the process of redevelopment and deindustrialisation (Wang 2003). The construction of the Second Line marked the physical border between the skyscraper development within the SED and "wild" territorial development in the outlying area (China Academy of Urban Planning & Design 2003).

The development of this state urban centrality has been dialectically intertwined with the urbanisation of villages in situ in the SED. The fast-city making process brought about tremendous changes to 91 village collectives and 2 million villagers in the city area. In the first two decades of reform, there was a proliferation of multi-storied urbanised villages throughout the city, as a result of the city government's land exchange policy to acquire farmland from village collectives and peasants in exchange for construction land (see Chapter 5). This policy provided an institutional space for rapidly urbanising villages. The city government employed its administrative power to urbanise the village collective system including the changing of landownership and hukou, and its economic organisation. Due to these administrative restructurings, there were several waves of land plotting in which villagers illegally built higher and larger buildings as a means of collective resistance against the city government (see Chapter 5). Urbanised villages developed in stages, based on the changing regulations and emergent contradictions between the city government, lower level of governments, village collectives, individual shareholders and migrants during the course of urbanisation. Through extreme plotting, urbanised villages also provided important social and economic spaces which became inextricable parts of the city's main urban areas. As a result, large scale urbanised villages were located next to the state urban land development areas.

Dongguan

The centrality of Dongguan only emerged at the PRD's regional scale in 2000. Interestingly, as mentioned before, the historic walled city of Guancheng and the merchant towns in Taiping, Humen and Shilong were important commercial and trading centres during the growth of the PRD economic region from the Song to the Qing dynasty. It was during Mao's rural collectivisation movement that the development of these regional centres was interrupted and declined into administrative offices of People Communes. During the reform era, Dongguan's administrative division changed from county to a prefecture-level city, this new territorial configuration empowered the city and town governments to develop small towns (*xiao cheng zhen*) through rural industrialisation. This decentralisation of power to local governments led to the proliferation of industrialised town and villages throughout the vast rural areas in Dongguan. Rapid industrialisation was export-oriented, and evolved through the transnational manufacturing network with Hong Kong and Taiwan. While the town government became wealthy and invested in local urban construction and expansion, the historic city centre in Guancheng rapidly declined into a run-down, inner-city area with old neighbourhoods, narrow streets, small workshops and street markets. In the first two decades of reform, the urban geography of Dongguan did not give rise to a new centrality. This situation was described by a local saying: "a spread of numerous stars in the sky without a large shining moon in the centre" (*mantian xingdou queshao yilun mingyue*). This describes how the development of Dongguan was driven by numerous small industrial enterprises widely scattered in towns and villages without a concentration in the urban centre (Lin 2011, 109).

A new urban centrality did not emerge until 2000, when the Party Secretary of Dongguan City initiated his ambitious development plan, "Five-Year New City Making" (*wu nian jian xincheng*, literally meaning "see a city in five years"). The term "xin-cheng", instead of its direct translation into English as "new city" (Shi), translates rather as "new urban centre". The city government launched this five-year plan to transform vast rural areas into a new city centre, "Nancheng", the "Southern City", within its own jurisdiction. The new city of Nancheng planned to juxtapose the old walled city of Guancheng. The site of Nancheng was originally a small township (*xiang*) called "Huang Village" which was converted into a rural commune between 1958 and 1983. Thereafter, Huang Village was changed again to a rural district of the county government and was soon integrated into a part of the urban administrative area after the designation of Dongguan as a city/shi. During the first two decades of reforms, the urbanisation of Huang Village was mainly driven by the construction of multi-storied buildings and industrial areas adjacent to farmlands. The five-year city centre plan transformed this peri-urban area into a new political, cultural and leisure centre through a new connection via highways and main roads. The city government named this new centre "Nancheng", while Huang Village physically continued to exist in the area.

The construction of Nancheng, the Southern City, was rapidly constructed as a new urban centrality in Dongguan. This new centre project included the construction of a Central Square - 33 hectares of land -larger than Tiananmen Square in Beijing and the civil centre in Shenzhen. The political centre of the Party and government offices relocated from the old city to the new one. A number of landmark buildings such as a convention centre, a conference mansion, an exhibition hall, a theatre, a central library, a Science and Technology museum, a youth and children centre, and an art gallery were constructed as an “artistic and green landscape”. This project also led to the construction of the Central Business District, like a “downtown” area with numerous skyscrapers, banking and insurance firms, large transnational companies such as Walmart, Nokia and Nescafe, as well as luxury condominiums and shopping malls. The Southern City was not the only new centre, because the city government also expanded urban centres into two neighbouring districts. They became two private residential districts: the Eastern City, Dongcheng on the East, and Wanjiang on the West. As a result, this city making process gave rise to the dual city centre, old and new ones in Dongguan.

The new city making project was the vision of the then Dongguan Party Secretary and city mayor in 2000. The city centre project provided a new representation of Dongguan, shifting from the image of manufacturing towns and towards an injection of “urbanity” to develop cultural and civic life. Doubtlessly, the “five-year seeing a city” was related to the promotion of the Secretary to a higher official rank according to his achievements in terms of realized local economic development and GDP growth. Eventually this ambitious new centre project, which took seven months to finish just its main parts, became contentious because of its scale being larger than the developments in Beijing and Shenzhen.

The three industrialised towns - Humen, Shilong and Changping - gradually developed into main centres within Dongguan. Humen Town developed into one of the “Hundred Top Towns” in China. Despite its administrative designation as a “town”, the scale of development in Humen town was similar to that of a city. Industrialisation transformed Humen’s rural areas into a textile production centre during the 1990s, and soon into a trading city, with a total population of 600,000 after 2000. Shilong town and Changping town were developed into a commercial centre and a transportation hub, respectively, in Dongguan. With abundant local revenue, these town’s strong governments invested in the new town centre projects and restructured their economies toward real estate, property and infrastructure development.

3.2. Strategic Urban Network

[categories: railway-led condo development, privileged residential areas and golf-course residential development]

Another dominant process of urbanisation in the EPRD is the railway-led condo development. This process of urbanisation emerged in Hong Kong after the 1980s, and the

model was replicated in Shenzhen from 2000. The emergence of this urban network became dominant in recent decades, it aimed to create transit-oriented city development. In Hong Kong, old condo types were developed in its main urban areas. Some new apartments emerged in the areas undergoing urban renewal. However, Railway-led condo development became the dominant form after 1990. It was a combined set of railway and property development under charge of the Mass Transit Railway (MTR). The MTR promoted the concept of a more “cost-effective, space-saving, green, mobile and efficient city”. Beginning in the early 1980s, Hong Kong pioneered this new mode of urban development. Its idea was centred on high density and high property value through the intensification used land area and the maximisation of floor area. The MTR Corporation is a public corporation⁶ and therefore the government grants “free” land to the Corporation without auction or tenders as a kind of subsidy to develop the Hong Kong’s mass transit network. The Corporation is guided by the same prudent commercial principles as a private company. It invites property developers, through tendering, to engage in joint land development. Successful developers share the profits with the MTR corporation through their sales of properties located above the railway station (B. S. Tang et al. 2005). This railway-led property development is profitable for stakeholders where profit is shared between the MTR Corporation and developers according agreements. Through this model, the government as the largest shareholder of the MTR Corporation, does not pay for the construction of new railway, but still receives a handsome revenue from land premium. Developers can maximise the construction of floor space and therefore sell properties at a high price. However, the Corporation separates the financial expenditure between the railway management and property development. Transportation cost is borne by passengers, without subsidies from the revenue.

The railway-led condo development, based on a public and private partnership mechanism, has given rise to the development of urban networks in Hong Kong. From the 1990s, a much large scale of railway-led condo development occurred which radically transformed the main Harbour areas through reclamation and the production of strategic development areas. The construction of the Airport Express led to the construction of a series of MTR stations (Hong Kong Station, Kowloon Station, Olympic Station, Tsing Yi Station and Tung Chung Station). They involved the production of high-density, luxury and exclusive urban space developed on every MTR station. The Corporation claimed that the Airport Express would “bring the airport to the city”. Additionally, MTR property development was responsible for further expanding the main urban areas into the east of Kowloon through the construction of Tsuen Kwun O new town and Lohus Park. These became new highly dense luxury middle class areas. Another strategic development area produced was the luxury

⁶ Hong Kong SAR government has 74.99% of total shares of the MTR corporation.

commercial and residential space above the West Kowloon Station in connection to the airport, and located next to the terminus of the high-speed railway under construction.

The process of railway-led urbanisation for the integration of railway and property development was replicated in Shenzhen, and it tremendously transformed the main urban areas throughout the metro system. In 2000, the Shenzhen government started of its own mass transit railway project in cooperation with Hong Kong's MTR Corporation. However, probably due to the problem of land development rights, the government ended this cooperation and continued to carry out its new railway and property developments by itself. Afterwards, the MTR developments significantly impacted Shenzhen's main urban areas through the construction of new properties and shopping malls. It facilitated the development of the CBD in Futian, and the process of deindustrialisation and the boom of real estate development in the main urban areas. In the mid-2000s, there was an extension to the new urban networks in the outlying district, through the construction of condominium apartments and shopping centres along the new metro line and the development of new urban centres in Longgong. Through strategic land use and transport planning, the expansion of the metro system also assisted other clusters of condominium development, such as the Nanshan and the Shenzhen Bay areas. Such mode of production of space welcomed a new class of homeowners and consumers who enjoyed new styles of shopping, dining and leisure in the city. This process also facilitated the realization of land value for the government and developers during this time of rapid growth in the real estate market.

The categories of privileged residential areas in Hong Kong and the golf-course residential development in Shenzhen and Dongguan are a part of the strategic urban networks in the EPRD.

Privileged residential areas were formerly peripheral areas within the New Territories. They are located adjacent to the new towns and are subject to a specific category of countryside planning, with restrictions on high residential density. They are located away from the "heartland" of strong indigenous villages and old market towns in the North of the New Territories. Thus, they developed into rather homogenous, low-density residential areas. Due to their proximity to some favourable countryside areas, such as seashores, beaches, and country parks, their development, from the 1980s, was promoted as the creation of privileged areas and alternatives of living areas with access to space, greenery and spectacular natural scenery. Accordingly, these privileged residential areas are characterised by low-density private residential apartments and detached houses with private areas for yachts and sailboats. For instance, Saikung and Discovery Bay developed into a resort and beach area through the development of privileged housing. Saikung is well-connected to the city centre by car, but not by a direct connection on the metro system; while Discovery Bay is connected to Central by direct ferries.

Golf-course residential development in Shenzhen and Dongguan shares some characteristics with the above-mentioned category: primarily the exploitation of natural areas as a marketing strategy of private housing development. These areas are located within the main urban areas of Shenzhen, in ecological restricted areas such as Guanlan, and across the boundary to Tangxia in Dongguan. This process of urbanisation was much smaller in scale, and constituted some exclusive high-end housing areas for the wealthy Chinese business elites and higher-rank party and government officials from other provinces and cities. These areas are fully-gated private residential areas with detached houses and access to golf courses, symbolising the residents' privilege status. Connected through highways, these areas are dispersed in the city and integrated as a part of Shenzhen's "green landscape belts".

3.3. Leapfrogging of Industrialisation

[categories: industrialisation, deindustrialisation (post-industrial areas), reindustrialisation (high technology industrial parks), transportation network and logistics hubs]

A dominant form of urban configuration in the EPRD is the production of industrialised towns and logistic hubs to transform large rural areas into a manufacturing region. Instead of moving towards a post-industrial era, industrialisation remains the dominant mode of production. The leapfrogging process of industrialisation originally began in Hong Kong and extended to Shenzhen and Dongguan in a concentrated fashion. Accordingly, this dynamic process has completely transformed the wider urban region over the past three decades (Figure 2.5).

From the early 1950s, large scale industrialisation began with the development of "industrial towns", including Kwun Tong and Tsuen Wan in Hong Kong. The post-war territorial development strategies led to large scale industrial urbanisation in the New Territories. This process was accelerated during the MacLehose era where the government launched reclamation work in the New Territories, and implemented the Ten-Year Housing Scheme and the New Town Programme respectively in 1972 and 1973. Accordingly, Hong Kong's economy during the post-war period changed from entrepôt to export-led industrialisation.

In the early 1980s, Hong Kong underwent a process of deindustrialisation. During this, it experienced a relocation of large industries, industrial buildings changed into offices and warehouses in Kwun Tong, and the redevelopment of industrial land into private residential areas in Tsuen Wan. Tsuen Wan is a good example of a post-industrial area in Hong Kong. During the 1950s, Tsuen Wan developed through the large scale reclamation of a Hakka-village market town, and quickly transformed into an industrial town for textile manufacturing together with a large working class. During the late 1980s, Tsuen Wan degenerated into concentrated areas of working poor who sought refuge in cubicle (subdivided) rooms and

“cage” homes in the old town centre, and working-class families in public housing estate areas. On the other hand, new generation new towns such as Tin Shui Wai and Tseung Kwan O, were mostly residential developments where the residents commuted to work by public transport to the urban central areas.

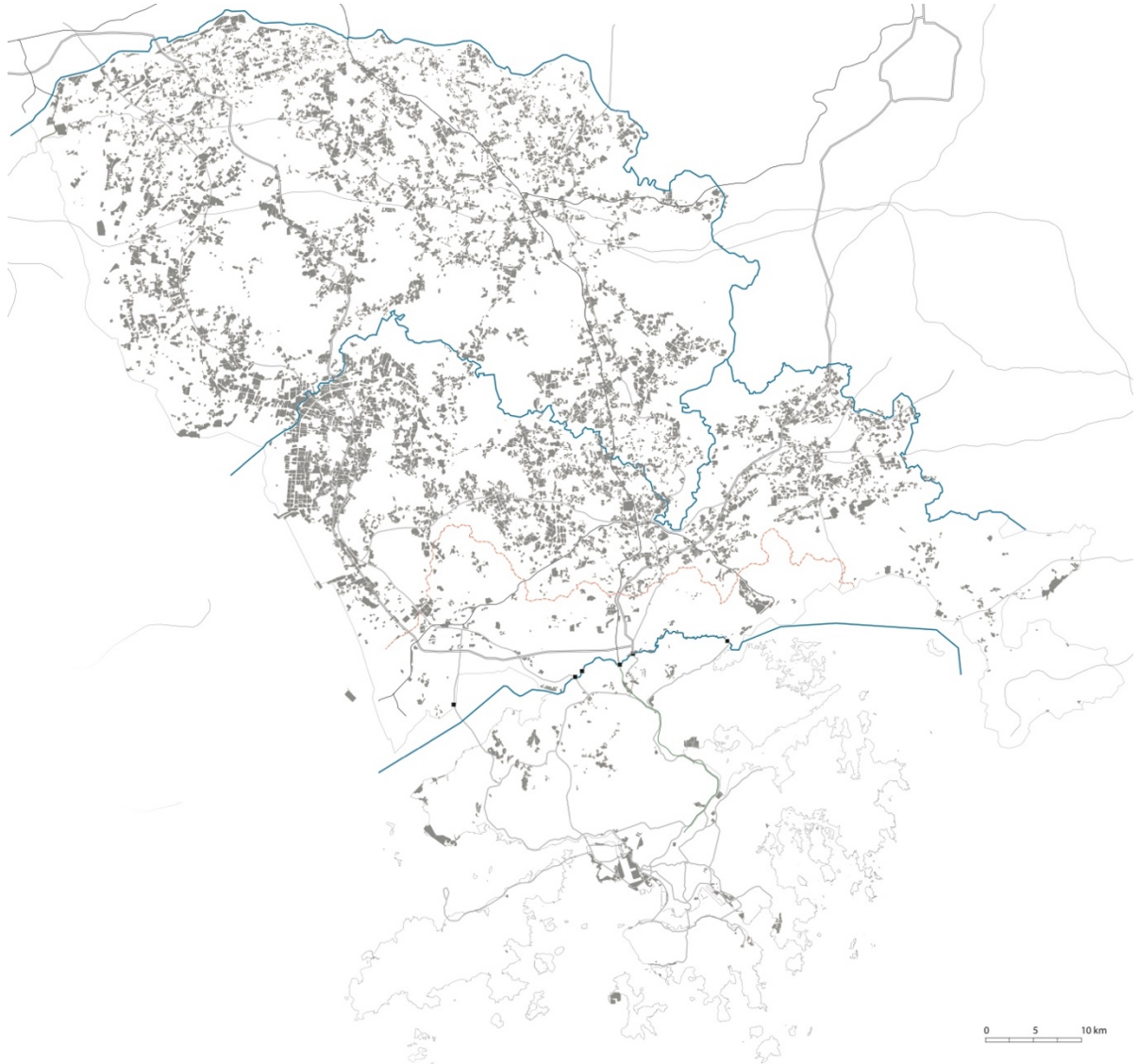


Figure 2.5. Industrial areas and transportation in the EPRD – Hong Kong, Shenzhen and Dongguan (source: Google Earth, Lands Department of Hong Kong, fieldtrips)

Beginning in 1982, the first round of industrialisation in Shenzhen led to the construction of industrial estates covering an area of 38 square kilometres, including Shangbu, Baguling and Shuibe in the Luohu district, Shahu, Shekou and Nanyau industrial zones in the Nanshan district, and Liantong and Shatoujiao in the eastern areas. In the initial stage, the central government introduced special policies to attract state-owned industrial enterprises that could pioneer the successful development of the SED. This attracted many state-owned enterprises from the country who brought their capital, skills, and information to initiate industrialisation in Shenzhen. From 1984, the Shenzhen government diversified its

development strategy by launching a foreign-led economic policy. This attracted foreign capital from Hong Kong and other countries. Many village collectives also invited overseas relatives to invest in small scale processing industries in their areas.

Surprisingly, the Shenzhen SED began to undergo deindustrialisation from the mid-1990s. Following the introduction of a national land market, the real estate boom and the pressure of increasing rent, many small processing factories relocated to either the outlying areas of Shenzhen or the town areas in Dongguan, to lower the cost of production (Wang 2003). Between 1992 and 1994, the Shenzhen government launched a new industrial policy to encourage high-value added industries and discourage low-skill, low-technology and low-capital industries within the SED. Thereafter, many small industries did not afford for higher cost incurred from the changes of the policies and the increase of rent. Beginning in the mid-1990s, the Shangbu industrial estate, which was developed by a few important state-owned enterprises for electronic manufacturing, gradually transformed into a retail and commercial centre (Ng and Tang 2002).

Against the above context, another round of industrialisation leapfrogged to the outlying areas of Shenzhen and a vast rural area in Dongguan. There was extensive industrialisation in 18 designated towns in the outlying rural areas of Shenzhen (Bao'an County). This process evolved extensively throughout the rural areas, along the main transport corridors: the Guangzhou-Shenzhen (Guangshen, G107) road along the West and Shenzhen-Huizhou (Shenhui, G205) road towards the Northeast. Throughout the 1990s, there was a proliferation of industrialised towns and villages in the outlying districts, spanning from Bao'an to Shajin and Songgong forming a Western Industrial Corridor, and from Henggang to Longgong and Pingdi forming an Eastern Industrial Corridor.

Industrialisation of Dongguan began in 1979 when the first sanlaiyibu processing industry invested in the Humen Town. As this will be mentioned in Chapter 6, widespread rural industrialisation here was premised on changes to the administrative space - the areas would become designated towns and the management districts. The decentralisation of state power led to a reshuffling of local power towards the town governments and village collectives. This authorised the local state agents to propel large scale land transformation in order to attract foreign capital from Hong Kong and Taiwan through their respective overseas village networks. Accordingly, industrialisation rapidly developed on the basis of the process of re-collectivisation to transform the contracted farmlands into industrial estates. Urbanisation was also facilitated by the construction of multi-storied buildings to let to migrants, and the boom of the local urban economy including trading companies, small enterprises, street stalls, hotels, eateries, and small workshops. Because of another influx of industries from Taiwan in the late 1990s, extensive industrialisation went hand in hand with a thriving local land market and gave rise to many large industrialised towns and villages, and transformed many villagers into rentiers and shareholders which improved their livelihoods.

In the latest round of reindustrialisation, city governments shifted their industrial strategies to high value-added production through the creation of high-technology industrial parks. Eventually these “industrial parks” (changye yuanqu) would dominate in the EPRD. In contrast to the previous model of rural industrialisation, or the development of industrialised towns, the city governments initiated the development of high-tech industrial parks as a new industrial strategy. The objectives of this included industrial restructuring through upgrading and specialisation, the attraction of high-tech and high-value added industries in the parks, and the development of universities and research institutions, tourist areas and real estate development. Since the mid-1990s, there were two important development projects: the Shenzhen High-Tech Industrial Park and the University Town of Shenzhen. They formed a new spatial cluster of high-ranked universities and research institutions, as well as a nearby real estate development in the Nanshan area.

In Dongguan, the Songshan Lake High-Technology Industrial Park and Dongguan Eco-Industrial Park are the latest urban development strategies of the city government since 2005. These two projects are the new motors of industrial restructuring and real estate development. In particular, the Songshan Lake Industrial Park, which is an extended area from the city area, is characterised by a shift toward concentrated, comprehensive industrial development for high-tech industries, real estate, universities and research institutions, as well as eco-tourism.

Extensive industrialisation was also related to the expansion of transport infrastructure and logistic hubs which formed a transnational production network in the EPRD. As shown in the map above, there are different transboundary networks of transportation and infrastructure anchored at various strategic locations within the region:

First, there are two airports in Hong Kong and Shenzhen, these as the main transport hubs of the region. The Hong Kong international airport was relocated from the inner-city area, Kowloon Bay to the Lantau Island in 1997. The idea of building a new airport dated back to 1973 and was confirmed in the Anglo-Chinese Joint Agreement of 1984. The new airport became the main generator of urbanisation processes during the 1990s. This project was part of the Port and Airport Development Strategy that eventually opened up new development land of about 1669 hectares. It also included a number of developments such as Tung Chung New Town, the Reclamation Projects in West Kowloon and Hong Kong Island for the construction of express highways, an airport express and the development of railway-led residential development on new metro stations (He 2016). The airport development therefore reduced the travelling time between the city centre and Lantau Island, and shifted the urban core towards the west of Hong Kong. In Shenzhen, the Bao’an airport began to operate in 1991. The planning of this construction dated back to the Master Plan of 1984. Under the condition of rapid economic growth, this airport developed into a regional centre to connect Shenzhen to other cities in China (Kresl 2010, 138). Recently, the Shenzhen

government initiated a new plan for an “airport city” which generate new urbanisation along the coastal areas and the development of the Qianhai financial centre (the national-rank Free Trade Area).

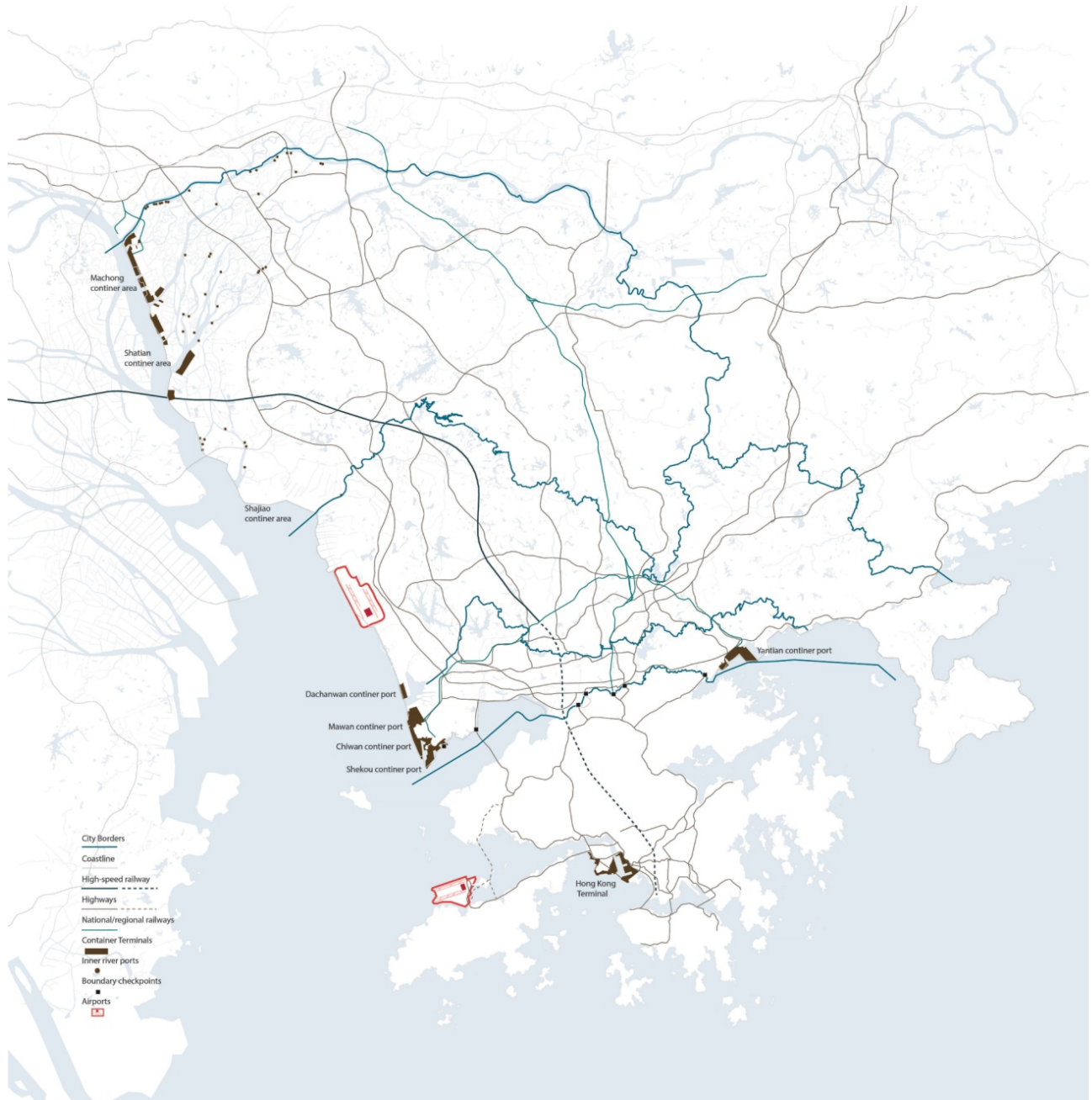


Figure 2.6. The main transport and infrastructural network across the EPRD.

Second, container ports became prominent elements of the urban territory. Upon the advice of the Container Committee in 1966, the Hong Kong government relocated port functions from the city centre to Kwai Chung Container Port in 1972, which was constructed on a large reclaimed area next to the new towns in Tsuen Wan, Kwai Chung and Tsing Yi, on the west of the New Territories. Hong Kong's containerisation began in the 1970s, and rapidly expanded since the late 1980s, and again in the mid-2000s. Its container port became

the leading international container port during the rise of export-led industrialisation in the PRD. In the first decade of the SED, there were some small-scale container terminals in Yantain, Shekou and Chiwan. From the mid-1990s, the Shenzhen government initiated large-scale containerisation learning from the port management from Hong Kong (Yap 2010, 469). The largest container port was the Yantian Container Terminal, which was developed through a partnership between the Shenzhen government and the Hutchison Port Holding (Hong Kong) in 1994. Two other larger ports were also located in Shekou and Chiwan which served the Western corridor of Shenzhen. After 2000, two container ports in Mawan and Dachanwan were constructed. In Dongguan, the Taiping (Humen) port, a historic port in the PRD, started operation in early 1980 as a means of transportation between Hong Kong and Humen. In 1997, Taiping port merged with Shatian port to form Humen port in Dongguan. The scale of container terminal development did not increase until recent years, when the Dongguan government initiated a series of port developments including Humen, Machong and Shatian in the coastal areas.

Third, the rapid extended urbanisation of the EPRD was related to the production of the highway network and the opening of boundary checkpoints. Before 1980, Hong Kong and Guangzhou were the only two transport hubs in the PRD. During the 1980s, the Shenzhen government started to construct the transport system within the SED along the border with Hong Kong. At the first stage of development, the expansion of the Shennan road became the main development axis of Shenzhen. This axis connected the Luohu district to the Bao'an county centre, and connected to the National Road (G107) in the western corridor. In the Master Plan of 1996, the Shenzhen government initiated an ambitious transport plan to expand the highway and superhighway network in order to strengthen Shenzhen as a regional logistics and trading centre in the PRD. This strengthened its previous urban structure: the three transport corridors (two national roads and one railway line) extending from the centres to outlying districts, which in turn accelerated the expansion of industrialised towns and villages beyond the Second Line. As a result, the expansion of the transport network (the container ports in Yantain and Shekou) and the construction of low-tariff trade and logistic zones, added to the region's time-space compression and formed a complex, cross-border transportation and infrastructure network. The construction of the highway and road system in Dongguan has likewise increased the connection with Shenzhen and Hong Kong on one hand, and Guangzhou on the other.

Last but not least, the development of this cross-boundary urban territory has been accelerated by the opening of strategic boundary checkpoints between Hong Kong and the mainland region. During the 1980s, three checkpoints were reopened and expanded in Mankamto, Luohu and Shatoujiao. They developed as strategic centres for the SED development. The construction of new checkpoints gradually moved from the east to the west, including the Huanggang and the Futain, cutting through the central corridor between

Hong Kong and Shenzhen during the 1990s. A recent one was constructed at the Shenzhen Bay checkpoint, where the Western Corridor Bridge connects the West of the New Territories (Hong Kong) and the southern tip of the Shekou area (Shenzhen).

3.4. *In-Between Territory*

[category: multi-layered patchwork urbanisation]

Rapid industrialisation and urbanisation have already transformed the traditional central-peripheral relationship centred in Hong Kong into an uneven and hierarchical space, with multiple centres, differentiation and multi-layered urban patches in the (re-)emerging PRD region. There is no distinction between inside and outside, or rural and urban in this region. There is one prominent urbanisation process located “in-between territories”. These spaces was part of a larger urban and transport network, and their development has been driven by several processes, without a predominant one. These in-between spaces, due to their particular geographical locations- in the midst of the wider region - have been produced by the convergence and divergence of different elements and urban forces. The process of multi-layered patchwork (mulapa) urbanisation addresses this territorial process of “in-betweenness” spaces, which is multi-functional oriented, socially and spatially heterogeneous without a dominant single urban element. In the EPRD, mulapa urbanisation arose from shifted geographies and the historical layering of territorialisation which led to the co-production, displacement and collision of different urban processes or social relations within these areas. This consequently gave rise to complex, multi-layered urban patchwork in this EPRD urban territory. Understanding this process is important when interrogating a wider regional process in which some former peripheral areas were developed by the changing dynamics of extended and the concentrated urbanisation processes. Mulapa urbanisation emerged in the New Territories of Hong Kong and around the Longgong district of Shenzhen.

As shown in the case study, mulapa urbanisation emerged in the New Territories during the changing political regime of China after the 1980s. The frontier status of the New Territories with the border is the key to give rise to this process. Underlying the formation of this in-between territory was a strong historical dimension of territorial logics. The case study in Chapter 4 shows that the formation of multi-layered territorial logics in the New Territories followed the changes of state territorial regimes from China to Britain, and back to China in the history of urbanisation. The first layer of the convergence of space arose from the Chinese and Colonial territorial regimes to produce multiple land and power relations, forming the fundamental nature of the New Territories that consequently shaped the contemporary politics of changes. The second layer of a territorial logic arose from the territorial separation between Hong Kong and China through fortification of borders during the Cold-War period. Given a close border, the New Territories rapidly developed through

industrialisation, new town and public housing production, and village housing development. A new layer was the re-convergence of different forces arising from Hong Kong and China in the formation of a wider urban territory. In this process, the New Territories were transformed into a space of convergence, between concentrated and extended urbanisation. The New Territories began to fragment into different spatial orientations and urban process in the midst of the re-emerging urban region between the globalising centrality of Hong Kong and industrialising Shenzhen and Dongguan. During this period, new towns were constructed, the construction of boundary checkpoints and cross-border transport networks, the conversion of farmland into brown fields and container storages, the expansion of market towns and village housing areas, piecemeal private residential development, ecological areas and the country parks. Within two decades, the New Territories became a fragmented and poly-centric urban territory. Since 2007, there has been a new round of territorial development strategies, initiated by both the Hong Kong and Shenzhen governments. Given the national state strategies, the New Territories have been placed under pressure from massive scale of territorial development to integrate Hong Kong into the regional space of the PRD. This in turn has triggered a series of struggles against displacement and land redevelopment.

The process of mulapa urbanisation also occurred in the Longgong District, the north-east of Shenzhen. The urbanisation of Longgong was initially driven by rural industrialisation around an old market town and villages, similar to other outlying towns beyond the Second Line. There was a strong presence of former village collectives, like elsewhere in Shenzhen. In the first two decades of economic reforms, there was rapid rural industrialisation along the national road (G205) extending from the SED through Longgong to Pingdi and to the neighbouring city of Huizhou. In 1993, the city government developed Longgong into a district centre, this involved land acquisition from collective farms which was used for new private housing development. In 2006, the city government launched a number of development projects in Longgong, including the development of an international sport venue (Universiade Shenzhen 2011), a new urban centre (Universiade New Town), and an extension to the metro line in this area. Accordingly, there has been a long strap of new condominiums and shopping malls along both sides of the new metro line in the area. The government also launched an urban renewal policy in 2009, turning old urbanised villages into “new village construction” through the construction of apartments (nongmin gongyu) and by redeveloping old factories into private residential development.

Longgong’s urbanisation on the eastern area has been more affected by spill-over effects from the SED than other places like the central or the western areas of the outlying districts. The main reason behind this process was that industries were less developed in the Longgong-Pingshan area than in the central and western areas. In particular, the western area, such as Shajin-Songgong, due to a stronger connection with Dongguan and

Guangzhou, were rapidly developed by shareholding companies of former villages, which established stronger economic power and authorities in their areas, where the city government would encounter more difficulties to deal with these local-based powers. In contrast, without the existing strong economic development, the city government attempted to integrate the area of Longgong into the central district of Luohu through redevelopment and the metro expansion. New developments, metro lines, highways and other infrastructures were overlaid on and juxtaposed to the existing industries and urbanised villages. Therefore, the areas from Longgong to Pingshan were developed into diverse and heterogeneous spaces during a transitional period from industrial into new urban centre development. This gave rise to the feature of multiple-layered urban patches in this area.

During my fieldwork in 2010, there were still 1.7 million migrants living in the Longgong-Pingshan area. These migrants were working in factories, construction sites, running small enterprises and shops, and living in urbanised villages. They have faced economic and urban restructuring, where many industrial estates were turned into construction sites for condominium development and new metro stations. In contrast, local village collectives can take advantage of an urban renewal policy to attract developers to redevelop their old villages. In this process, local villages “traded” their multi-storied tenements for new private housing units and became “real homeowners” in Shenzhen. Mulapa urbanisation has still be an ongoing process in Longgong before its transformation into “another Shenzhen city centre”, areas of skyscrapers and expensive condominiums.

Chapter 3 | The Pathways of Three Cities

1. Hong Kong

The periodisation of Hong Kong can be traced back to the establishment of the colonial city in 1841. Three periods can be identified which led to changes in the political economy of the city: 1) pragmatic coupling of laissez-faire capitalism and collaborative colonialism (1841-1945); 2) the rise of a new governmentality and industrialisation (1945-1978); 3) changes to the territorial development regime (1978-present).

1.1. The Pragmatic Coupling of Laissez-Faire Capitalism and Collaborative Colonialism: 1841-1945

The period between 1842 and 1945 can be identified as the first period of the development of colonial Hong Kong. It began with the acquisition of a ceded territory from China, which became a British colony after the Opium War. Hong Kong developed into an entrepôt for the British to trade with China. The entrepôt rapidly developed in a relatively stable and progressive environment, directly adjacent to the unstable political situation¹ of China. This situation in Hong Kong survived for a long period: until the rise of the PRC in 1949 and the outbreak of the Cold War in 1952.

1.1.1. An entrepôt: a transnational trading hub

The British founded Hong Kong as a strategic base for China in its expanding imperial trading network. Hong Kong's deep-water harbour at the river mouth, with its numerous mountain ranges, was recognised as having military and commercial value in terms of the ability to develop a safe free trade port which allowed access to the huge markets of China. Soon, this colony developed into the British headquarters of commercial, diplomatic and military functions; dealing with their trades in the treaty ports (Carroll 2007, 33).

The colony then transformed from a "barren island" into a transnational trading and commercial centre. However, the dynamics behind this growth were attributed to the changing relations of the wider region, rather than the metropolitan centre of the British Empire (Lui and Chiu 2003, no. 29.:20; Carroll 2007, 30; Law 2009, 13). In the 1840s, Hong Kong's economy was mainly dependent on opium trade and its the distribution from Indian producers to the Chinese markets (Carroll 2007, 19–20, 34). From the 1850s, Hong Kong had prospered as a transnational centre for the overseas Chinese network, which stimulated

¹ This included external and internal warfare, the overthrow of the Qing Dynasty, and anti-imperialist movement before 1949.

related economic activities such as banking, shipping, commerce and other required services.

Emigration via Hong Kong had brought in large numbers of Chinese labourers and capital to the colony and boosted the local economy. It attracted many Chinese who were returning from Southeast Asian European colonies. It also became the centre of labour trade which met the increasing demand for cheap Chinese labour (or coolies) in the West, and the discovery of gold in California and Australia after the abolishment of the slave trade. Hong Kong developed into a regional trading centre. The increasing flows of labour trade and the emigration created new employment and business, such as overseas Chinese remittances sent via Hong Kong which further promoted related commercial activities such as banking, shipping, insurance and required services (Carroll 2007, 30). All of these attributes benefited the business of European firms in the colony and attracted more foreign investment. In particular, the founding of Hong Kong and Shanghai Banking Corporation in 1865 marked this era of economic boom.

1.1.2. Colonialism and urban expansion

The doctrine of *laissez faire* derives from Adam Smith's idea of free trade which became the governing doctrine of the British Empire and Hong Kong was no exception. Milton Friedman, in his famous book "Free to Choose", wrote about the power of the market and pointed out how Hong Kong was the best example of a successful free market (1990, 32–33). That is *laissez-faire* capitalism ("a small government and a big market") had allowed Hong Kong to develop a wide variety of economic activities and to transform into a transnational free trading hub during the second half of the 19th century.

As the government's chief adviser in the Central Policy Unit, Leo F. Goodstadt explains that the colonial government adopted a *laissez-faire* policy for political pragmatism, rather than on economic principles" (2005, 3). From his perspective, "pragmatism" referred to the adoption of *laissez faire* capitalism upon which the colonial government relied and this was determined by "practical" political and economic circumstances. *Laissez faire* was important for the government in trying to achieve political leverage, especially to counter balance the power of the business and elite classes in the colonial administration. The government also used it to legitimise its policies or actions in the colony. Such pragmatic aspects of *laissez faire* provided a shelter for the colonial government where they re-defined and manipulated the boundary between public and private interests, and hence were able to preserve their legitimate position within the society over time. (2005, 13). Meanwhile, the capitalist class could take advantage of the system to advance and negotiate their interests despite even if not all of them were satisfied.

The explanation of Hong Kong's *laissez faire* seems to turn us away from looking at the nature of colonial relations between the government of society and economy. Including aspects of different theoretical or historical analyses, some scholars address the role of the colonial government in Hong Kong's development trajectory (Halliday 1974; Cuthbert 1984, 1991; Castells, Goh, and Kwok 1990; Henderson 1991; Schiffer 1991; Goodstadt 2005; Smart 2006, 200; Tang 2008; Mizuoka 2014). They urge us to explore the relationship between colonialism and capitalism in Hong Kong. Mizuoka (2014) argues that the domination of colonial space was achieved through the manipulation of competition, and the control of supply and demand of Crown land which he called "contrived *laissez-faire*". The leasehold system, as mentioned in chapter 3.1, justified the colonial government as the landlord, and they could establish domination and a monopoly over land development in Hong Kong, control the "scarcity of land" and lease to the highest bidders. The government claimed the Crown land through the dispossession of land from villages on Hong Kong Island and later the Kowloon Peninsula, with very little compensation. This system was later applied in the New Territories, which were a leased territory under a different legal situation (see the case study: Chapter 4), by first the declaration of the Crown Land there and then "leased back" to the indigenous villages together with the resumption of the remaining ones (Lai 1998, 251). Cuthbert (1991) provides a critical account of the relationship between capital, the state and the system of law in Hong Kong, where the system itself provided a strong base to serve and protect the interests of local capitalists. In particular, the land system reflected on the means of domination in favour of land development and capital accumulation in the colony. It provided the justification for collusion between colonial officials and capitalists during the course of urbanisation.

As a result, the development of the trading port was actually accompanied by the profitable creation of land from the first day of colonialism. Reclamation was conceived as the only means of the production of space. The first land auction took place in 1841 (Zheng 2000, 14). The first reclamation scheme, in the 1850s, contributed to the first expansion of the colonial centre. The centre spread through the reclaimed land and was used by European trading firms, such as commercial, shipping, ports and warehouses. Alongside the changing coastlines, the harbour front (mostly the Victoria Harbour) became the hub of transnational shipping networks. Together with many other smaller piers and shipping companies, several influential European-based shipping companies were influential in the development of the *entrepôt* in Hong Kong. After 1863, several British firms formed consortiums and located at important strategic harbour areas in Hong Kong Island, and later in Kowloon. The essential point to make is that these European-based shipping companies later became major land developers after WWII, which shaped the post-war urbanisation of Hong Kong.

1.1.3. Collaborative colonialism and the Chinese communities

The spatial production of the colony was organised by race. The conception of difference or duality, by race, was imprinted in the colonial system and materialised as a dual city structure. Roger Bristow (1984, 30) notes that spatial segregation was built into the legislature to cast the relations of domination through space. The construction of houses was regulated through the clauses of land leases which acted as a mode of racial segregation and maintained the separation and differences between “western” and “Chinese” communities. Yet such segregation could not be guaranteed, from the 1870s onwards Chinese businesses and communities moved eastward towards the central district.

Besides this, the colonial government eventually adopted an informal collaborative system to incorporate wealthy Chinese elites into the colonial administrative system. Law (2009, 22) points out that this collaborative system was similar to the local gentry system or intermediaries between the local people and the government authorities in China that had become part of the colonial administration. After the 1850s, the colony severely lacked housing, schools, health and other services which were capable of accommodating the large increase in Chinese. The increasing conflicts and racial segregation complicated the governing system and eventually led to intervention by some wealthy Chinese leaders. The formation of collaborative relations was also one of the keys to the coupling of colonialism and capitalism in Hong Kong. The class of Chinese businessmen emerged after the 1870s and some of them were compradors in the trading business. After the abolishment of the Canton system (“hong”), which was originally a policy of the Qing government which enabled control of foreign trade, the comprador system had become the main trading system in Hong Kong and other trading ports. Carroll (2005, 33–36) points out that the system of compradors was the first form of “institutionalised collaboration” between foreign companies and Chinese agents, or middlemen, in Hong Kong. Many compradors quickly became wealthy Chinese merchants - the “local Hong Kong Chinese bourgeoisie” - during the opium trade’s boom and from the labour trade after the 1950s. They had become collaborators with European firms and colonial officials which gave rise to a relationship known as “collaborative colonialism” or “the rewarding alliance” (Goodstadt 2005; Carroll 2005; Law 2009).

This form of collaboration eventually led to the rise of a Chinese community centre based in Man Mo Temple and Tung Wah Hospital, two recognised institutions by the colonial government to deal with the Chinese “internal affairs”. They functioned as a form of informal “self-government” who managed temples, schools and, medical services, dealt with the Chinese disputes, and acted as a representative of the community within the colonial administration (Law 2009, 23). The formation of this kind of semi-institution facilitated a strong social bond among the Chinese, reinforced the position and status of Chinese leaders and the wealthy class within the colonial administration, and perpetuated the status quo of

racial segregation of the European from the Chinese. Such collaborative colonialism allowed the colonial government to have legitimation. The result was that the government could stay away from the unruly Chinese community and instead depended on their Chinese collaborators. The co-optation of the Chinese elites was the primary mode of the colonial governance in Hong Kong until 1945.

More importantly, these Chinese leaders rose to be a privileged, capitalist class in the colony. They were highly influential in shaping the trajectory of development in Hong Kong. For example, some Chinese collaborators were granted land from the colonial government as a reward for their collaboration (Carroll 2005). They also became developers and accumulated wealth from housing development. Alongside the rapid increase in the Chinese population, the increase demand for housing led to the proliferation of the pre-war form of the Chinese tenement housing – a kind of shop-house of three stories with a veranda and street shops. This rental housing system involved Chinese property developers, the main tenants of the entire building and their sub-tenants. The developers built these tenement buildings by renting an entire building to the main tenant who profited from renting out to sub-tenants. This was the prominent form of housing in the Chinese community until the outbreak of WWII.

During the 1870s and 1880s, some wealthy Chinese took over some European properties and expanded their community into an exclusive European area in the central district (Bristow, 1984, 30). This increased the alarm of the Europeans, who maintained exclusive commercial and residential areas for their racial and cultural superiority within the colony. Nevertheless, no actions were taken to check this expansion, since even the Governor recognised that the Chinese had already contributed to the revenue through property tax in Hong Kong. In parallel to the European commercial businesses, the Chinese already possessed important investments in a variety of business activities in the colony, such as shipping, trading (of profitable opium and coolies), retailing and property development. This explains why Hong Kong had become not only a British trading port, but also a trading hub for South-east Asian networks - between China and Nanyang (South-east Asia), North America and Australia.

1.1.4. Colonial expansion and acquisition

The urbanisation of Kowloon began in areas located at the harbour, through the creation of new land for commercial and shipping development. It was declared as part of a ceded territory, with a border up to Boundary Street in accordance with the Convention of Peking in 1860. Its administrative boundary was expanded until the British acquired the New Territories in 1898, where “New Kowloon” between Boundary Street was demarcated and incorporated into the expansion of the older party of the colony. The development of social relations in

Kowloon was quite different from Hong Kong Island (Victory City). The development of the latter was based on the dynamics between the European and the Chinese along the northern shore of the island, whereas Europeans were living in exclusive zones on the island. Kowloon was conceived to resolve the problem of the expanding Chinese in the Colony. The political upheaval in China triggered a large influx of Chinese immigrants searching for a stable settlement in Hong Kong. With an open border, this number was constantly rising: 139,000 in 1876, 301,000 in 1901, 463,000 in 1911 and 625,000 in 1921 and 850,000 in 1931 (Tsang 2007, 109). The expansion of the population gave rise to the expansion of the Chinese communities in Kowloon.

A turning point in the urbanisation of Kowloon was the acquisition of the New Territories in 1898. The government began to put more capital in there. From the 1920s, Kowloon underwent development and speculation. The largest one was a garden city project named "Kowloon Tong Estate", which was built in 1922 and contained 250 houses on 80 acres of land in Kowloon Tong. This created the first "residential suburb" in Kowloon in the form of (semi-) detached houses, which was built based on Ebenezer Howard's concept of the Garden City. The rationality for this idea was to provide housing for the increasing numbers of wealthy, mainly the Chinese and Eurasians. They had an important economic status in the society but were still excluded from the exclusive European residential areas. Such large scale of residential development had taken the lead to transform the rural land in New Kowloon.

Lastly, the colonial acquisition of the New Territories in 1898 shows a more complex process of urbanisation in Hong Kong. This will be addressed in the case study in Chapter 4. Briefly, the New Territories was a leased territory for 99 years which eventually made a significant difference from the older part of the colony in terms of land system and local organisation of villages. The complexity and "great difference" of the New Territories can be traced to the Convention of Peking which stated that the colonial government had to respect local customs, inheritance rights and ways of living in the territory. Nevertheless, the pre-1898 two-tier, two landlord system was replaced by Block Crown land, while the remaining unregistered land was declared as Crown Land (Chun 1990, 2000; Hayes 2006; Tang 2014). Meanwhile the government established a different land system by governing the land according to colonial law and customary law. The District Office system was established to deal with the affairs in the New Territories. The difference between the administrative and land systems eventually complicated the subsequent urbanisation during the post-war period when the government launched a policy of large scale industrial towns and required land resumption from indigenous villagers.

1.2. The Rise of New Governmentality and Industrialisation: 1945-1978

After WWII, Hong Kong entered a new but short period of industrial urbanisation. This period had begun and ended with two crucial historical moments: the Cold War in 1945 and the rise of Reform China in 1978. It began with a new international order which followed WWII, including the demise of British imperialism in the Far East, the rise of capitalist America, the socialist (the Soviet Union) divide and the rise of Communist China. All of these events shaped a very different pathway of post-war urbanisation in Hong Kong.

1.2.1. Cold War geopolitics

Hong Kong underwent new geopolitical changes from 1945, that eventually shaped the trajectory of its post-war transformation. Being adjacent to Communist China, Hong Kong was first subject to international tensions, as well as opportunities during the Cold War geopolitics. Given that the hostilities between China and the United States were heightened in Korea and Taiwan, the United States took Hong Kong as a strategic base² as part of its containment policy of China (Carroll 2007, 141). In the face of the communist threat and its own declining power after WWII, Britain adopted a double strategy allying with the United States to defend Hong Kong, and making efforts to avoid conflicts with China. Since many of the key British firms, including Jardine Matheson, Butterfield and Swire and HKSB, transferred their business from Shanghai and other places to Hong Kong (Mark 2004, 19–22). The British government and business tycoons supported the maintenance of the status quo in Hong Kong and local Chinese elites want to return the colony to China. Maintaining the status quo provided advantages for China, who could take advantage of Hong Kong while observing international situations and counter the American strategy of containment. Since this time, the Hong Kong government had bypassed the British diplomacy and established a more direct and pragmatic relationship with China to deal with the issue of Hong Kong (Goodstadt 2005, 71–95). China could retain its communist network in Hong Kong to get information from outside, while it could receive foreign currency (the pound) through Hong Kong and pay for the imports (ibid., 59-60). This economic advantage in Hong Kong to China eventually became a pragmatic and effective way for every party to accept the situation in the colony at that period of time.

² The United States established other military bases in the Philippines, Japan and South Korea for its policy of containment of China.

1.2.2. Spatial fix of the problem of people

Immediately after the Japanese occupation, Hong Kong underwent a considerable influx of refugees and returnees from China when the Civil War between the Communist Party and the Nationalist Party resumed in 1946. The rise of the Community Party to power in 1949 and its participation in the Korean War in 1950 exacerbated Cold War hostilities and accelerated the mass exodus of capital and people to Hong Kong. In 1950, the Hong Kong government imposed a border control, but it did not stop the immigrants crossing borders to Hong Kong (Leung 2004, 90–91). The decade of 1946-1956 witnessed continuous waves of returnees and refugees. During this time, the population reached its pre-war level of 1.6 million in 1946, and continued to rise to 2.36 million in 1950, and then over 2.5 million in 1956 (Leung 2004; Carroll 2007; Mark 2007).

Instead of regarding them as a useful labour, the government addressed the influx of people as “problem people” in 1956 (Hong Kong Government 1960). These people immediately caused problems in government, including a housing shortage, medical needs, social services and social unrest and instability. Being vulnerable to the geopolitical situations, the massive influx of the Chinese already triggered conflicts between the Hong Kong and the Guangdong Governments over illegal border crossing. The most serious threat was the explosion of urban squatting throughout the colony in Hong Kong Island, Kowloon (including New Kowloon) and the New Territories. The official number of squatters increased to 40,000 by 1948. The government resorted to a policy of attrition and containment to handle squatters at that time. However, the “people problem” turned out to initiate a government crisis as the number of squatters soared to 330,000 in 1950. The city became a shelter for refugees and so called “dense colonies” where people erected simple structures on rooftops, built shacks along slopes or at the urban fringe, occupied roadsides or found shelter under the balconies of buildings in urban areas.

As argued by Alan Smart (2006), the provision of resettlement housing in the 1950s cannot simply be regarded as welfare, because the emergence of resettlement was conditioned by the complex geopolitics and social situations in Hong Kong. Firstly, the government was reluctant to provide social housing as a form of welfare and regarded refugees as transients. It was thought that these people would return to their hometowns when the political situation in China was over. Secondly, the government failed to clear squatter settlements which were demolished in one place and shifted to another at the urban fringe. It realised that the squatter issue was out of control at that time. Thirdly, illegal squatting or occupation of Crown Land was one of the issues in the context of severe housing shortage after the war; a major concern of the government was the potential dangers of squatter areas where communists could take advantage and challenge the colonial rule when Hong Kong was vulnerable and indefensible to an attack from Communist China. Concerned

about the wider political situation, the government began to take action towards resettlement. The new resettlement policy was adopted in 1950, it allowed eligible families to build standardised houses by themselves in approved and tolerated areas. In other words, this policy aimed to reconstruct “a better typed squatter” in a controlled zone - as mentioned in the McDouall Report of 1950. This clearly showed that their concern was for resettlement and the commitment to rebuilding the spatial order of land and society in Hong Kong, instead of addressing the issue through the lens of welfare provision.

To counter the “Shek Kip Mei (SKM, hereafter) myth” (which refers to the 1953 fire as a radical break in Hong Kong’s public housing), Smart (2006, 3) points out that the underlying force which gave rise to the multi-storied resettlement estates was the geopolitical situation of Hong Kong as the edge of Communist China during the Cold War politics. A series of squatter fires, such as the 1952 Tung Tau fire, allowed local ‘disturbances’ about the arrangements of victims and resettlement into vulnerable diplomatic and geopolitical crises with the interventions of the Guangdong government. The outbreak of these crises eventually forced the colonial government towards a policy of multi-storied resettlement estates. Moreover, the previous resettlement plans of moving the victims to Ngau Tau Kok, a tolerated area (near Kwun Tong), but not moving their jobs was doomed to fail (*ibid.*, 75).

1.2.3. Transferred industrialisation

Throughout the 19th and the 20th centuries, Hong Kong was successful in developing an imperial outpost based on British imperialism and the acquisition of extra-territorial privileges when trading with China. However, this entrepôt economy came to a halt after the breakdown of the trading relationship with China due to two embargoes from the United Nations and the United States after the Korean War of 1951. The termination of formal international relations with China immediately jeopardised the economy of Hong Kong and forced to adapt industrialisation as a new accumulation strategy during the post-war period. The fact is that the changes of political situations in China also brought about the influx of industrial capital to Hong Kong. Facing the threat of a communist government and the confiscation of private properties, many Chinese entrepreneurs and foreign companies in the concession area or treaty ports, especially in Shanghai, transferred their operations to Hong Kong. As a result, Shanghai, which had previously been regarded as a Chinese cosmopolitan city, was immediately turned into a socialist city under the control of the CCP in 1949. In contrast, Hong Kong remained a colony and so benefited from an influx of Shanghainese capital which accelerated the industrial take off in the 1950s. Sit (1998) addresses this process as “transferred industrialisation” through the Shanghainese industrial capital, skills and machinery, together with large amounts of immigrants who acted as cheap labour. This explained why Hong Kong’s industrialisation directly developed on the export-oriented model

in the 1950s without going through the import-substitute (IS) phase seen in other Asian Newly Industrialised Economies (NIEs) such as Taiwan, South Korea and Singapore.

Nevertheless, to say that Hong Kong's post-war "economic miracle" should be attributed to the transfer of the Shanghainese enterprises is inadequate. Leeming (1975) argues that Hong Kong's industries had been well developed before the Japanese occupation of 1938. Carroll (2007,92–93) acknowledges Leeming's argument to address the growth of Chinese-based manufacturing industry at the turn of the 20th century, including cosmetics, perfumes, tobacco, flashlights, batteries and later automobile parts, and salt. These products were exported to the western market and to Southeast Asia and China. Ngo (2002, 119–40) further supports this argument with evidence such as a quarter of the total population working in the manufacturing sector in 1931, the passing of the 1922 bill to outlaw the child labour, Britain's complaint in 1934 of the "invasion" of Hong Kong's cheap rubber shoes into the United Kingdom's market, the imposition of export quotas and tariffs by the British and the Canadian governments in the 1930s, etc. He argues that the mainstream account of post-war miracle followed the official narrative: Governor Sir Alexander Grantham said, "Trade is the life blood of this Colony ... I am proud of being Governor of a Colony of shopkeepers" (ibid., 121). However, this mainstream narrative was the outcome of unequal access of power and knowledge in telling the history, which favoured and gave credit to the *entrepôt* trade and hence the British enterprises in explaining the success of the British colony.

1.2.4. Urban laboratory: resettlement estates, industrial towns and new towns

The introduction of multi-storied resettlement estates began during the era of an urban laboratory for governing the Chinese population in the colony after the war. This will be addressed in Chapter 4.3 and is therefore only noted briefly here. These multi-storied resettlement blocks were built at a low cost and in a short time. This could relocate a large amount of, but eligible squatter population to a new housing location at the urban fringe, and released the occupied land for new development. Unlike the previous proposal of cottage houses, the multi-stories blocks was a more economical form of space use since it fit as many people as possible in a new order and with the legitimacy of control by the police. The housing was also designed to give minimal living space per person with shared toilets, bathrooms, laundry space and outdoor cooking areas in the corridor. Resettlement estates in Kwun Tong, and then Tsuen Wan. allowed the disposition of people in a new order and space for rental homes and industrialisation. Also, this space created the conditions for social change, what the government report in the "Problems of People" notes, to transform the mentalities of refugees or peasants from China into good citizens and industrious workers in Hong Kong. In 1954, the Resettlement Department was established to handle the relocation of fire victims and squatter clearance. During the same year, the government considered

providing a possible solution for space in Kwun Tong, Tsuen Wan and Chai Wan for resettling the squatter population and new factories to the then urban fringes. Moreover, the government would have profited from this type of land development as the landlord sold the leased industrial land as the main revenue during post-war industrialisation. After the outbreak of the 1966 and 1967 riots, the reconsideration of living space was put on the government agenda and the new Governor announced the Ten Years Public Housing Scheme in 1972 and New Town Programme in 1973. A new spatial design for new town living was introduced to provide self-contained communities, housing, employment and services, public facilities and green areas. During the MacLehouse era, there was a reorganisation of the government apparatus in order to push forward the new town programme. The New Territories Development Department was established to accelerate the development of the first generation of new towns in the early 1970s and expanded the development of three market towns in 1978. New town space became a symbol of modernisation which aimed to create a sense of civic pride and responsibility, as well as an identity for Hong Kong.

1.3. The Changes to the Territorial Development Regime: 1978 - now

The 1980s saw a change to the new territorial development strategy in Hong Kong. The “Back to the Harbour” strategy had dominated the development mentality since the 1980s. Such changes were not only decided by the high-level administration, but were also related to changes to political power when Hong Kong which was undergoing a transition of sovereignty - from the British government to the Chinese government in 1997. Urban redevelopment had been partly the product of this shift of the political system after the signing of the Sino-British Joint Declaration in 1984. In the rise of the Reform China, Hong Kong started to undergo a process of deindustrialisation where industrial capital either relocated to Shenzhen or Dongguan, or gradually shifting to real estate development.

1.3.1. Change of the political and economic regime

The new development strategies, in terms of urban redevelopment, since the 1980s could be understood as a changing regime of political power when Hong Kong was the British colony in transition to the Chinese government. The decade saw that Hong Kong was undergoing political uncertainty with respect to the prospect of Hong Kong after the lease expired in 1997 (“the 1997 Question”). The ‘Back to the Harbour’ strategy signified the retreat of government from any large-scale social programmes, such as the Ten-Year Public Housing Scheme and the New Town Programme, in the decades before. There was no point in the government making further social commitments in the colony. Nevertheless, the

autonomy of the colonial government in land development issues was restricted by the Agreement of the Sino-British Liaison Group, in which the total land granted each year could not exceed 50 hectares and any additional areas required the approval from the Land Commission. The Declaration also required the government to seek the Land Commission's annual approval for the land disposal programme. The Reserve Fund was set up to finance public works and land development, while a share of the HKSAR government was held in the Hong Kong SAR Government Land Fund (a trust fund) which was established by the Chinese side of the Land Commission. The context was that the redevelopment strategy since the 1980s was largely determined at the high-level negotiation among the governments, without public consultation. For the sake of political and economic reasons, both Chinese and Hong Kong governments were concerned with maintaining prosperity and stability, and guaranteeing their profits from the substantial amount of investment in the territory for a smooth transition of sovereignty by 1997. A sense of confidence in Hong Kong became vitally important at that time, in order to avoid any crisis of legitimacy or question of sovereignty which would ultimately affect all economic interests at stake.

1.3.2. Back to the harbour strategy

In 1981, the Land Development Planning Committee was established to look at the restructuring of the territory and initiate a new "Territorial Development Strategy" over the following decades. During the 1980s, a series of planning and technical knowledge was produced to seek for the urban restructuring in Hong Kong. A new representation of the "Metro Area" projected Hong Kong as "the world's largest financial manufacturing and trading centre ... a modern, bustling, high-rise metropolis ... a front runner among world cities" (Hong Kong Planning Department 1988). The underlying rationale of the new planning strategy was the generation of growth in the territory. To consider the spatial restructuring of the metro area considered to connect new reclamation areas and the redevelopment of old areas. Both of them were identified as solution spaces for strengthening the centralities of Hong Kong.

Meanwhile, the new planning strategy focused on changes to the economy during the opening of China. The fact is that Hong Kong government could no longer rely on the development of secondary sector. Large amounts of industrial capital moved to the mainland region after the 1980s. The focus of development became the territory sector such as financial, banking and trading, property industries, port and service sectors. In this context, the restructuring of the urban core and the harbour front became the target of redevelopment, in order to maintain economic growth for the next decade.

In 1988 the government established the Land Development Corporation (LDC) to launch an urban renewal process in Hong Kong. The LDC was a tool of the government which was used to speed up the transformation of old urban areas. The idea of the LDC firstly came

from the Report of the Special Committee on Land Production in 1981, who suggested the possibility of the expansion of the role of private sector in land development of Hong Kong. The government would “subcontract” the work of urban renewal to the LDC, it established an ordinance and planning apparatus to intervene in urban redevelopment through the LDC mechanism and do joint ventures with private sectors. Since then, the LDC acquired the power to conduct land resumption when acquiring 90% of property resumption, and undertook profitable redevelopment projects on the prudent commercial principles in those main old urban areas. In 2002 the government passed the Urban Renewal Authority (URA) and this new Authority had sped up the pace of urban renewal after 2003 and eventually triggered resistance and struggles against urban renewal and displacement.

Besides this, the era of Ten Year Public Housing Scheme shifted attention towards the expansion of the private sector. The imaginary public housing policy had been realigned to the rising hegemony of homeownership in the 1980s and in the real estate boom of the 1990s, while its discourse and the basic function adjusted to focus on the containment of low-income families farther away from the main urban areas. As addressed by some scholars, the changes to policies refer to the process of “privatisation” to public housing policies since the early 1980s (Castells, Goh, and Kwok 1990; Chan 2000; La Grange and Pretorius 2014). This included the first Long Term Housing Strategy (LTHS) in 1986, and the second LTHS in 1998 which embodied the expansion of both private and public subsidised homeownership (HOS), while controlling the numbers of public rental housing (PRH). This involved a whole range of public policies and schemes such as the public homeownership scheme, the Private Participation Scheme, the Sandwich Class scheme, the anti-well-off tenant policy (1987-88), the Home Purchase Loan Scheme, the Tenant Purchase Scheme (1991) and the Home Starter Loan Scheme (Y. M. Yeung and Wong 2003). The target of the second LTHS was to expand the proportion of home ownership from 50% to 70% by 2007. On the one hand, the shift of government housing policy towards homeownership directly facilitated real estate development by encouraging more people and tenant households to buy properties. On the other hand, public housing had become a space for low-income and “dependent” families after driving well-off households through anti-well-off tenant policy (increase of the double rents) and through the promotion of homeownership in the HOS or the private housing sector. Since then, the discourse around public housing and social welfare in general became centred on it as “waste of public money” (Goodstadt, 2013). A set of disciplinary programmes (e.g. the threat of increase rent, the investigation of income and asset limits and then making scheme of tenants’ behaviour) was devised to discipline the public housing tenant households.

To rescue of the real estate market following the 1997 Financial Crisis (the fall of housing prices by 70 percent by 2003), the government dropped the previous high-profile post-handover programme of “Homes for Hong Kong People” and suspended sales of the HOS

in order to drive people to buy private apartments (Goodstadt 2005, 91). In 2005, despite heavy criticism and the “legal struggle” of a public pressure group which was filed to the court, the Housing Authority set up the Link Real Estate Investment Trust (The Link REIT, hereafter) for raising capital by the list on the stock exchange by privatising all of 151 shopping centres and 79,000 parking lots of public housing estates (Chung and Ngai 2007; Whiting 2007). It was the first launch of a REIT in Hong Kong. The Link REIT expanded into one of the largest REITs in the world. This privatisation of public housing assets also had a far-reaching impact on space and the everyday lives of residents, after a whole package of renovation programmes was launched to upgrade and reevaluate shopping centres and wet markets into high-end retail areas, and thereby displaced small shop enterprises with “big chain” and large enterprises through a dramatic increase in rents.

One major social consequence of urban restructuring was the further concentration of urban poverty and the displacement of low-income families to the periphery. This was achieved through the public housing mechanism on the one hand, and the rise of new condominiums along the harbour front and in the inner-city area through urban renewal project, the phenomenon of subdivision of apartments and the increase of rents.

2. Shenzhen

Shenzhen, after being designated as a pioneer of national economic reform, has grown rapidly from a periphery to beyond an export-oriented manufacturing zone, into a new international modernist city. The demography was tremendously increased from 314,000 locals ³ (majority was peasants) in 1979 to 10.37 million inhabitants in 2010 ⁴. Within this, non-locals currently form a majority in the city accounting for over 78% of the total population. The urban fabric extended from a small urban area of 3 square kilometres around the Shenzhen Town in 1978 to a total built up area of 927 square kilometres in 2010. A traditional town and village structure, therefore, quickly gave way to a metropolis in the course of industrialisation and urbanisation. In 2010, on the approval of the State Council, the boundary of the SEZ was redrawn from an original area of 327.5 square kilometres to cover the entire territory of 2,020 square kilometres. It aimed to integrate the dualistic administrative and legislative system into a single one under a greater SEZ (LAY-OUT Planning Consultants Ltd 2011), to prepare for a new round of development.

The rapid urbanisation of Shenzhen is inextricably linked to the changing roles and processes of the Chinese State during wider urbanisation, especially from a political

³ In 1979, Shenzhen had the population of 314,000 inhabitants in the entire territory including the SEZ and the outer territory. Majority of them were peasants.

⁴ This does not count the numbers of floating population who are not registered in the local government. Otherwise, the total population of Shenzhen would be estimated up to 14 to 17 million inhabitants.

economic perspective and China state's changing territorial regulations at different times. As mentioned by Cartier (2002b, 1513–14), "Shenzhen is Deng Xiaoping's city, envisioned by him and at precarious economic moments, promoted and defended by him". A general periodisation of Shenzhen began at the turning point of China's economic reform in 1978. It can be divided into three periods: 1) the reterritorialisation of a Special District, 1978-1986; 2) the expansion of the territory in the first sub-period of the territorial strategies and regulations from 1987 to 1993, and in the second sub-period of rapid expansion and the emergence of competitive regional economy from 1994 to 2003. I will reconstruct the periodisation from both historical and geographical processes, the impositions of the mode of regulations, and the wider contexts of changes.

2.1. The Territorialisation of a "Special District": 1978-1986

The first period can be seen as the territorialisation of the SEZ at the time of China's opening-up and economic reforms. This was first achieved through the imposition of various territorial strategies and regulations that allowed the demarcation of a bounded space for accumulation as well as the maintenance of the state control over land development. On the one hand, the devolution of power and the reorganisation of the territorial structure were necessary for Shenzhen at that time to overcome different institutional barriers embedded in the administrative system of China. A series of the institutional fix and territorial strategies allowed the municipality to propel its economic and social development in Shenzhen, with the aim of drawing the dynamics from Hong Kong. On the other hand, the state could maintain its control over the territory and development through the preservation of the rural administrative structure and state's land ownership. In this period, the state could mobilise different forces to build the city of Shenzhen. Yet it also created and allowed the juxtaposition of rural and urban territorial systems to develop Shenzhen. Different territorial systems involved different social and power relations that eventually triggered different urbanisation process and contestation in the next period.

2.1.1. Embedded in the Maoist rural system

The construction of Shenzhen SEZ was not built from scratch by the state planning. In fact, the beginning of changes was first embedded in the previous layer of rural administrative structure imposed by the Maoist regime. In 1979, only 3 square kilometres of urban area in the old Shenzhen Town existed, and it was surrounded by a vast rural hinterland and village settlements in the Bao'an County. The local population was organised by Hukou – the Household Registration System. There were approximately 312,600 locally registered people at that time, of which only 23,000 were living in the town registered as urban, the majority

were peasants bound to the soil as a rural hukou population. However, economic reform in China did not bring about the eradication of all the elements of the Maoist rural structure in Shenzhen. Rather, the Central State retained or preserved some elements of the rural administrative structure in order to maintain control over and stability in the rural territory during the reform era. This resulted in the preservation of rural forces, including the collective village organisation, the rural land system and rural administrative boundaries in parallel to the imposition of new urban structure in Shenzhen. In this sense, rural and urban relations co-existed and were intertwined into contested territories at different periods of urbanisation.

In 1979, the villages' economic development in Shenzhen was liberated from the political control of collective agricultural production, before the official announcement of national rural reform. The production responsibility was contracted down to individual households and peasants were granted freedom in their agricultural production and to sell surplus in the market. The reform liberated the economic incentives in all rural areas and resulted in the rapid increase of agricultural productivity. Peasants could start saving and improve their living conditions. This was the first fundamental change to the conditions in rural China. Since then, Shenzhen had also transformed from an agricultural base to export agricultural produces to Hong Kong to earn foreign currency income as the primary accumulation. Nevertheless, this rural reform did not totally remove the state's control in rural areas. The central state maintained its control over the collective land because the 1982 constitution stipulates that no private ownership is allowed in China. This constitution specified that village collectives own the collective land, while individual peasants only had the right to use land. The constitution also prohibited any transfer, exchange or lease of the collective land. This actually allowed the central state to maintain its ultimate control over the vast rural area. In 1983, all communes were abolished and replaced by the town and village structure in Shenzhen. The "administrative villages" were established to manage "natural villages". Each administrative village comprised of party committees, village committees and collective enterprises. On this basis, urbanisation of villages quickly transformed agricultural land into commercial, housing and industrial land within a short period of time.

2.1.2. Elevation to a City (Shi)

The fundamental condition underlying the territorial transformation of Shenzhen was its promotion to a higher administrative rank by the Party-State and provincial government. In 1978, Shenzhen was territorialised into a "Special District" and elevated into a municipality to propel the national economic reforms and land development. Today's Shenzhen was originally named "Bao'an", which refers to the area as a county, placing it as a rural administrative division before 1978. The name "Shenzhen" originally referred to "Shenzhen Town", which was the frontier town that occupied a small urban area in Bao'an. After 1978,

the idea to develop Bao'an, firstly designated as an export-processing zone, was soon redefined to be "a border city" in 1979, specifying an export-processing zone, commercial and tourist development. In doing so, this was necessary to change its rural administrative system. In 1979, the State Council (SC) promoted Shenzhen to a city (shi-level) first as a sub-prefectural city in March, and then a prefectural city in November. In 1980, the state adopted the title "Special Economic Zone" to replace the "export-processing zone" to define a wider scope of Shenzhen's development.

In fact, the change to the administrative rank was a fundamental factor in China's urbanisation because the administrative rank determines how much power and resources an administrative unit can possess regarding to the scale of development projects (Cartier 2011). Once Shenzhen was promoted to prefectural city level, the mayor was able to determine the large scale of development without the approval of the central government. Besides, Guangdong Provincial government also granted Shenzhen the same administrative level as Guangzhou City, which was the provincial capital. Despite little financial support from the Central State, Shenzhen could retain large portion of local revenue after paying a fixed lump sum to the state per year. All of these placed Shenzhen in a special position within the national administrative hierarchy. As a result, Shenzhen enjoyed a higher degree of devolved power. This enhanced its administrative and economic power and explains how Shenzhen took a leading role and steered fast pace urbanization at both national and regional levels in China during the 1980s and 1990s.

2.1.3. One City/Shi, two territorial systems

However, the urbanisation of Shenzhen was first placed into two territorial systems through the installation of a border, resulting in differences. Between 1978 and 1985, the whole territory of Shenzhen was separated into two portions by a border – officially named "the Shenzhen SEZ Administrative Line" or "the Frontier Management Line", and colloquially called "the Second Line". This is parallel to the First Line - the border was erected to separate Communist China and Capitalist Hong Kong during the colonial era.

The Second Line was the state's territorial strategy, in 1982, to physically partition and control the SEZ as an experimental bounded space for national reforms without spreading the influence of capitalism to the whole country (LAY-OUT Planning Consultants Ltd 2011, 8). The security fence passes through the mountain areas from the east to the west. The length of this fence varies according to different versions, but it is estimated to be 84.6 km, which was completed in 1985. This wire fence is 2.8m high and includes checkpoints, watchtowers and a highway patrol that demarcates the state's designated 327.5 square kilometres special zone, which is controlled by the central state and administered by the People's Liberation Army (PLA). Guangdong People's Congress and Shenzhen municipality

passed regulations to administer the movement between Shenzhen SEZ and the mainland under which every person crossing the border needed to have a frontier pass and a residence identity card with the aim at ensuring the state control over the flows and activities of people and goods in an out of the SEZ .

Partitioning by the Second Line meant that Shenzhen was essentially carved into two territories. The SEZ covers the bounded area in the southern part of the territory, bordering Hong Kong. The outer territory in the northern part of the territory beyond the Second Line has restored to become a “Bao’an County”. Both of these territories were subject to different jurisdictions of the governments, which were granted with different administrative and legislative powers, regarding the scale and the scope of development.

Firstly, the SEZ was subjugated to the urban administration by which the Shenzhen municipality was granted with “special policies”⁵ by the State to launch the development in the SEZ. National laws were enacted to empower the city to seize control over the development of urban land in the SEZ while restricting the village’s rights to use the collective land for exchanges, transfers or leases. This was intended to establish the state’s monopolistic role in urban development processes. The outer territory, on the other hand, fell outside the preferential special zone and was subject to the rural administration of the county government until 1993. Despite being placed under the city within the political hierarchy, the county was mainly following rural administration and policies from the provincial government of Guangdong. Like other rural areas, lower-level governments were active in the development of villages and towns, and village collectives had more leeway to use their collective land since economic reforms after 1980.

As a result, the political separation of the territory had a fundamental impact on the production of two different worlds under the two territorial governments. The city was granted special powers in the SEZ, but not in the outer territory. Until 1993, the state authorised the city to abolish the county system for urban expansion.

2.1.4. A border city on a linear city structure

The planning of Shenzhen never matched the speed of transformation in terms of demography and the construction land in reality. The construction took place alongside changes to the plans. Although it would be misleading to understand the transformation of Shenzhen from the master plans, planning was an extension to state control in local development process. This allows the understanding of the state logic in the city building process.

⁵ “Special policies” included a series of special institutional arrangement including imports and exports, and preferential taxation packages were given to foreign investors in the SEZs in comparison to the remaining part of China.

Shenzhen's masterplans were subject to several changes which defied the scale of development in Shenzhen. The first important change redefined the nature of Shenzhen: from an export-processing zone into a SEZ in 1982. This upscaled development from a town to a city level and promoted Shenzhen as a comprehensive-based development area which accommodated 800,000 inhabitants,⁶ and allowed it to develop export-processing industries, commercial, tourism and service sectors. This scale of development was further expanded in 1986, to cover an additional 1.1 million inhabitants across an area of 122.5 square kilometres of urban area within the SEZ.

At the beginning, Shenzhen was built by a military army, not by planners. Backed by the State Council and the military, the Central Military Commission of the PLA dispatched 20 thousand military infrastructural engineers, together with thousands of constructors from different provinces to build the city of Shenzhen. This included everything, including the levelling of terrain and grounds, regulating rivers, construction of industrial, commercial and residential buildings, and a vast programme of public works (sewage, electricity, main roads, school, hospitals and the like). Within a short period of time, the SEZ formed into several zones as state land. In 1984, there was 40 square kilometres of new urban land together with a 94km length of roads in Shenzhen, compared to only 3 square kilometres of urban land in 1979. Such fast construction was eventually put into check when the central state regulated the over-heated development in 1985 through macro-economic policy - including bank loans.

The first planning in Shenzhen began in 1982. The 1982 Plan laid down a basic territorial structure for the SEZ, introducing the concept of a clustered linear city and based on the theory of comprehensive development (Wang 2003; Shenzhen Urban Planning & Land Administration Bureau 1999). In other words, it was planned for a border city in a linear city structure next to Hong Kong. The territorial strategy to build the SEZ was to strategically tether the city centre and growth nodes at the border, in order to increase accessibility to Hong Kong, which was the main source of capital, customers and the only market at that time. The SEZ was based on the building of the city centre on the area of 24 square kilometres in Luohu around the old town, the expansion of the Kowloon-Canton Railway (KCR) and Luohu custom checkpoint. This was to build Luohu as a window for foreign capital and economic development. Shenzhen municipality was located on the west of Luohu, while Shangbu industrial zone was built on the west. Shuibei and Baquiling industrial zones were constructed to the north of Luohu and Liantong industrial zone was located on the east. New residential, service and public facilities were concentrated around the old town and industrial zones.

The plan also identified the Shekou industrial zone as a major node for connecting the west of Hong Kong. In 1979, before the establishment of the SEZ, the State Council granted

⁶ This scale of 800,000 people was considered to be the large scale of city in China at that time.

a large tract of administrative land to Hong Kong China Merchant Group (CMG), which was a state-owned enterprise under the Ministry of Communication to develop an export-processing industrial zone in Shekou. Another important node was to develop another industrial zone in Shatoujiao, a traditional border market town and a checkpoint on the northeast of Hong Kong. This development, however, was limited by its topography of mountain ranges in the east, and yet it was soon developed into a large container port of Shenzhen.

These centres and nodes were affixed at the border in order to re-establish a connection between Shenzhen and Hong Kong via rail, sea and roads, and to connect different clusters for the varieties of cross-border social and economic activities. New roads and expansion, new ports and checkpoints, warehouses, an airport, communication plants, water and electricity were under construction during the 1980s. The SEZ was therefore territorialised from west to east adjacent to Hong Kong, forming a linear structure along the main road – Shennan Road, and extended beyond the Second Line through improvement of the main road network: the central axis along the KCR, the two axes along the national roads, road 107 and 205 on the west to Guangzhou and on the east to Huizhou. This territorial configuration made perfect sense for the economic development in Shenzhen. It laid down the basic spatial structure for the take-off of export-processing industries in the SEZ and then to the outer territory during the mid-1980s.

2.1.5. State-owned enterprises (SOE): state-allocated, free tract of territories

Despite a unified state representation, the materialisation of the SEZ actually fell into different territories of the state-owned enterprises to pursue their own interests in the course of urbanization in Shenzhen. Most of the land supply for developing the SEZ, throughout the 1980s, came from the administrative distribution by the central state or the municipality to state-owned enterprises (SOEs). This was to follow the centralized land disposition system during the Maoist era and outside the fee system through the market. Between 1979 and 1987, there were 73.78 square kilometres of urban land from the administrative allocated land system in Shenzhen (Shenzhen Urban Planning and Design Institute 1998, 77).

In 1983, the central state offered some preferential policies (“neilian” – literally means the connection to the domestic) to SOEs from all the provinces - to encourage invest in Shenzhen. For the state, this was to guarantee the initiate development of the SEZ when Shenzhen failed to attract foreign capital in the beginning. For the city, given the shortage of budget, this was mobilised the SOEs in the collaboration with foreign capital, in the land and infrastructure development in Shenzhen. These enterprises were from varied ministries, bureaux and departments of the central and provincial governments in China. They brought capital and skills to Shenzhen, and enjoyed tax exemption and most importantly received

free tracts of state land. They could also acquire certain powers in planning and development, within their own territories.

The above involved the varieties of development models. In short, such a development model was to take advantage of the socialist administrative system to offer free state land to the domestic enterprises. Some enterprises were based in Hong Kong and mobilised their own capital to initiate the development and infrastructure construction on the free state land. They could profit a lot from land development by their own use, as well as leasing out developed land to other users. In other cases, enterprises involved in joint projects on granted land in exchange for considerable construction capital, skills and managements from foreign developers. The municipality offered a tax exemption, or charged only a nominal fee to the enterprises. This sometimes sacrificed the share of the tax revenue to the central state in order to realise the mobile capital in the local development. This actually involved a very complex land development process between the state, the municipality and SOEs, and raised conflicts on who realised those profits, and the issues of overall planning and the restructuring of land uses (Shenzhen Urban Planning and Design Institute 1998; Ng and Tang 2002). Such complexity was compounded by the reforms in the late-1980s, which attempted to “liberate” the SOEs from the state and to “legally” commodify the state land after the amendment of the Constitution in 1988.

2.1.6. The encirclement of villages

Initial development in the 1980s resulted in the encirclement of villages in the SEZ. The 1958 and 1982 laws around land acquisition required the municipality to provide compensation, relocation and job arrangements to affected villagers for their loss of farmland to the development. Due to insufficient budgets, the municipality was only able to expropriate farmland piece-by-piece, depending on specific development needs. Instead of paying the full amount of compensation, the government launched a new policy of “Reserved Land” in 1982, returning portions of “non-agricultural land” to collectives. This policy allowed the government to acquire cheap farmland whilst letting affected villagers develop enterprises on reserved land. Besides, most village residential areas were left untouched by the city in order to avoid costly relocation fees and possible opposition by villagers. Villages were also allowed to rebuild houses on new village land and improve their living conditions. Later they started to rent out places or build new houses for migrants. Village committees also developed collective enterprises by attracting investors from Hong Kong in assembly and processing industries. Many villages flourished and started to expand in line with the development in the SEZ.

Whether on reserved or new village land, the encirclement of villages provided a material base for the subsequent formation of “chengzhongcun” or urbanised villages - which literally means villages in the city. This will be fully addressed in the case study (Chapter 5).

2.1.7. Accelerated export-led industrialisation

The first construction boom and the economic downturn paved the way to the rapid export-led industrialisation in Shenzhen after 1985. Soon after the implementation of wider economic reforms and opening, China experience an overheated economy and inflation in 1985. Therefore, the municipality turned its attention towards foreign capital to drive the export-led economy (Shenzhen Museum 2009, 96). This new industrial strategy led to rapid industrialisation in Shenzhen, whilst Hong Kong was undergoing large scale deindustrialization and the relocation of factories to China. They were small to medium scale, export-oriented factories. It led to an industrial boom in different clusters after 1985. They were all soon connected through the expansion of infrastructure including ports, main roads, electricity power, water and communication. Meanwhile, Luohu became the city centre of Shenzhen, and was filled by new commercial and residential high-rise buildings. The built environment was ameliorated by the provision of city functions such as libraries, museums, theatres, and sports stadiums in Luohu. All these invigorated cross-border activities between Hong Kong and Shenzhen.

In 1980, the outer territory of approximately 1,673 square kilometres was resumed to the rural administration under Bao'an County. Xi'an, located in the western coastal side of Shenzhen, was the seat of the county government, which was followed by eighteen towns and 218 administrative villages in the government structure. There were 238,800 inhabitants, of which the majority were rural hukou peasants. Locating outside the Second Line, Bao'an did not have the privileged position of its counterpart the SEZ. It took a different pathway of industrialisation and urbanisation, which resulted in the production of different territories.

From the early-1980s, the de-collectivisation of agricultural production brought about great differences to Bao'an. As mentioned above, this reform immediately “liberated” all peasants' economic incentives that largely increased the rural production and hence savings in all rural areas. Bao'an first developed into a base for agricultural production to export to Hong Kong, in order to earn foreign currency. By the mid-1980s, within the context of wider national reform, industrial capital from Hong Kong began to spread into Bao'an to develop assembly and processing industries, colloquially called sanlaiyibu. Industrial growth was accompanied by an increasing supply of rural migrants from other provinces, after the relaxation of migration policy in 1985. Unlike the SEZ, migrants were not required to have a frontier permit to look for jobs in Bao'an. Due to a new hukou policy, they were registered as “temporary population” to feed themselves without having right to local welfare in Bao'an.

Between the mid-80s and the 1990s, there was an industrial boom in the county beyond the second line. This directly benefited from Hong Kong's deindustrialization in the late-80s and the SEZ's industrial restructuring policy in the early-1990s. Towns and villages became the loci of industrial urbanisation and this led to the dispersal of *sanlaiyibu* industries along the main roads to Hong Kong. Several industrial corridors began to develop. Transportation and infrastructure, therefore, became more important in shaping the territorial development and the economy of Shenzhen.

2.2. Urban Expansion of the Territory: 1987 – 2003

From 1987 to 2003, there was a rather long, rapid growth period when Shenzhen underwent large scale territorialisation and urban expansion into the outer territory. This period, to a large extent, was a continuation of the previous period, with a break between 1988-1990. It also began with a more radical change to regulations which marked Shenzhen in a new turning point of accelerating urbanisation and industrialisation.

This period could be seen to encompass two stages. The first was the empowerment of the city government and the implementation of two radical reforms. While the role of the city government became stronger and they were more active in the development of Shenzhen (when compared with the role of the central state in the SED in the early-1980s), due to the granting of more powers after 1988, the reforms in 1987 and 1988 radically released crucial elements for two productive forces of land and housing that led to the explosion of urbanisation in the early-1990s. These further allowed the city government to take a successive step of large scale territorial strategies for further expansion. After the Deng Xiaoping's 1992 Southern Tour and his push of bolder policies on wider reforms, a rapid pace of urbanisation and industrialisation was taking place throughout the territory. The era of urban expansion and rapid growth was even more intensive in the second stage, when a new regional strategy emerged in the Pearl River Delta and placed Shenzhen in an increasingly competitive context. This led to a new search for positions and strategies for Shenzhen in a regional context. Large scale territorialisation also triggered different waves of contestation from villages in the SED and the outer territory in Shenzhen. All these marked Shenzhen as a very dynamic but also as having a highly contested pathway of urbanisation in the 1990s.

2.2.1. Possession of economic and legislative power

Shenzhen underwent two major changes in the empowerment of its economic and legislative powers during this period. Firstly, in 1988, there was a turning point for Shenzhen when it was granted by the State Council to become a city government on the state plan's

separated list [jihua danlie shi] (MSL)⁷. Due to its promotion to a MSL, Shenzhen acquired the same power of the government at the provincial level, in terms of economic planning and development. Its economic development, any policies and measures of economic reforms, and fiscal burden were only responsible to the national state but not to the province. Secondly, in 1992, the National People's Congress authorised Shenzhen's local legislative power: the power to enact local laws and specific regulations according to the local context. This allowed the city government to test new laws in various aspects of city development and urban management system in Shenzhen as experimental implementation of the reforms. If the trial was successful in bringing good results, it would be applied to other places in China. This was also particularly important for Shenzhen as it could still take advantage of its privilege in development strategies within the increasing competitive wider context of the economy. As a result, Shenzhen was granted a high degree of decentralisation of power, yet this also raised questions about its high concentration of power and of its administrative rank in the province. Thus, in 1992, the state eventually confirmed that Shenzhen was politically subjugated to Guangdong provincial government as a sub-provincial city [fu shengji chengshi], while it could administer its own economy, law and fiscal burden directly under the central state. With the continuation of strong support of the central state, Shenzhen could take advantage of its special power and formulate its aggressive development agendas that could accelerate the scale and pace of its development in the 1990s and onwards.

2.2.2. Land reform

In 1987, land reform that started a new period of accelerated growth in Shenzhen was launched. Land was subject to new regulation (Cartier 2002b; G. C. S. Lin 2009) where the city government could transfer land-use rights in the leasehold system and sell development rights. This land reform⁸ aimed to accelerate economic growth through real estate development, without the privatisation of land. The land transaction system also replaced local policies of land-use rent which Shenzhen first adopted in 1982. In the next year, the central state officially legalised the transfers of land-use rights around urban land in the leasehold system in China through the amendments to the constitution. Accordingly, land became an asset and provided revenue for the state and city, through which they became the sole beneficiaries who profited from the difference between the values before and after

⁷ Shenzhen can formulate its own separate plans different from the province in terms of economic indices such as production, foreign trade and investment.

⁸ In 1987, the national regulation allowed the land use transfer rights of urban land and the conversion of collective land ownership into state-owned land. In this way, the central government could sell the development rights for urban development. Land became an asset for the state and city that became the sole beneficiaries to profit from the difference between low compensation fees to expropriate agricultural land and high value of urban land through the leasehold system (Keng 1996).

the conversion of agricultural to urban land (Keng 1996; Cartier 2002a). In addition, due to their status and relationship with various ministries and work units, the SOEs also profited from their development through the commodification of administrative land.

2.2.3. Massive scale territorialisation

After the early 1990s, the first master plan was no longer valid and was unable to meet the rapidly changing situation of Shenzhen. Urbanisation was not confined to the SED, but had already extended to the outer territory (Wang 2003). Meanwhile, Shenzhen witnessed the advent of a construction boom, as a result of the interwoven processes between the state/city and villagers in contesting and making claims over the territory. The city government started to launch the state project of territorialisation in Shenzhen in the late 1980s. The expansion of the city took place at the expense of the rights of villages from the booming economy. Nevertheless, this resulted in several waves of massive illegal construction and the production of different territories within and outside the SED. Three major changes of the administrative system is shown as follows,

The first change was the nationalisation of all remaining land, and the urbanisation of the village collective system in the SED. Land reform immediately prompted the city government to enact regulation around acquisition and in 1989 to nationalise the land in the SED, converting collective ownership into state land. Based on the 1982 Constitution, and land management regulation, the city government mobilised its power to acquire land and made claim to the land in the SED. This aimed to resolve all the problems of contested ownerships on collective land, which had already given rise to illegal construction and become the main obstacle to further development. Unifying all land ownership allowed the city government to strengthen its monopolistic position in the control of land supply and the primary land market in Shenzhen. This nationalisation was also accompanied by the “Return Land from Expropriation” land policy, a continuation of the old “Reserved Land” policy, which gave a proportion of land to affected villages. This saved the government from paying huge compensation in land acquisition. The land returned to affected villages was state land and subject to the redline policy, but village collectives remained to have the right to use this land for economic purposes. Meanwhile, the city government launched the project of urbanisation to convert the village collective system into the urban administration. By granting urban hukou status to 45,000 peasants who then officially became “residents”, establishing 100 residential committees to replace traditional village organisations, and setting up share-holding companies to run collective businesses. The aim was to “urbanise”, in the official term, the village into part of the urban administrative system.

The 1989 nationalisation policy exhibited the city’s power and determination to acquire all the remaining land in the SED at the expense of the villages. It also aimed to restructure the

villages under the control of urban management. This was in preparation of launching a fast urbanisation wave after 1993. This move, however, triggered a massive wave of illegal construction in the SED after 1989. Illegal construction mainly took place within the redline boundaries of residential land and non-agricultural construction land. Driven by the fear of losing land, both villagers and collectives built higher and bigger to claim their rights to the territorial land. Between 1991 and 2000, the migrant population within the SED increased from 0.77 million to 1.27 million (SSB, various years), causing a huge demand for affordable housing. As a result, many villagers built larger and higher to maximise their interests. Urbanised villages continued to grow denser and higher, resulting in “kissing buildings”, narrow alleys, small shops and enterprises, etc.

The second change to the administrative system was "abolishing county, establishing districts" in the outlying areas. In line with the changing regulations for land and housing development, and the changing national and regional contexts for a widening scope of reforms, Shenzhen sought urban expansion into the outer territory. This vast territory was subject to the county's administration and regulations. Upon the approval of the State Council, in 1993, the city government abolished the county government in the outer area and replaced the territorial administrative structure by two urban district governments.

This move was important for the city government in its claim to control the outer territory. It was achieved through the abolishment of the hierarchical land administrative and approval system in 1994: by setting up a three-tier vertical management structure under the city government to control over all the land in Shenzhen. Such changes to the administration, planning and land management aimed to integrate the outer area into the urban administration of the city, under the same roof as planning, housing and land administration. However, this integration effort did not achieve its goals. On the contrary, the territorial administrative change resulted in the explosion of illegal construction land and buildings in the outer territory. This appeared to be similar to the situation of the SED, where peasants were afraid of losing their land. Yet this process revealed the creation of contradictions derived from a complex process of territorialisation.

The third change to the administration was "abolishing towns, urbanising the village administration" in the outlying areas in 2002. After 2003, the city government adopted the same strategy of the urbanisation project and land conversion in order to remove territorial power from villages and towns in the two districts. Similar to the 1989 and 1992 policies, these strategies were the urbanisation project and the conversion of land ownership in Bao'an and Longgong Districts. This covered a vast territory of 1600 square kilometres. And this was a large scale of urbanisation project, which encompassed the “urbanising” of the rural status of 270,000 peasants, the removal of remaining rural territorial units of 16 town governments and 218 village committees, the installation of urban administration including urban sub-districts and residential committees, and the separation of economic power from

residential committees through setting up share-holding companies (Wang 2003; Hao et al. 2012).

The focus of such large-scale territorial change was converting all the land titles of the collective land into state land. It was estimated that there was approximately 956 square kilometres of collective land in these two districts. The land conversion involved different categories. Briefly, the city government appropriated all the forest and mountain areas (360 square kilometres) above 50m or the slope above 25 degrees, arable land (265 square kilometres) with compensation, and the collective construction land (300 square kilometres) whether legal or illegal (Luo 2014). Likewise, the villages received a portion of the state land as “non agricultural construction land” in return, with specified limited scope of time for their economic development, together with appropriate compensation in terms of the monetary and the social protection schemes from the city government.

Nevertheless, the strategy of land conversion could only be partially implemented. Different forms of contestation and conflicts began to counter the government’s actions. On the one hand, the city government could make further claim over the outer territory, which was supposed to be predominately owned by villagers. It was controversial whether the city government could have such power to do so. The government’s action already triggered another large wave of illegal occupation among the villages. Having learnt from the experiences in the SED, some of villages still retained much of their well-located land as part of the returned land scheme, whereas the city government acquired fragmented, remote or even already-built up areas through compensation(Luo 2014). For the government, this land conversion programme was originally considered as a sort of “package” to resolve all kinds of illegalities. Yet illegal construction still continued to happen because the land conversion seemed to be endless under fierce negotiation between the government and villagers.

2.2.4. Real estate and land development fever

As addressed by Cartier, the “SED” became the ideology of the national reform. The “zone” model was copied into different types of zone development (Cartier 2001) and a bounded space of capital accumulation in the wider territorial development of China. Likewise, the increasingly competitive environment turned into a big push for development of Shenzhen itself. As a pioneer of the land leasing system, the development fever in Shenzhen resulted in a rapid expansion of urban fabric in the 1990. The average growth in construction reached 40 square kilometres per year between 1990 and 1995. The built-up area increased dramatically, from 136.6 square kilometres to 299.5 square kilometres (Wang 2003), while the population surged from 2 to 3.4 million.

In the early-1990s, Shenzhen first underwent a real estate boom, resulting in the large scale construction and economic restructuring in the SED. Land became a commodity and

was quickly turned into speculation. This attracted many real-estate developers to invest in Shenzhen. The number of registered developers increased from 8 to 395 and now involved in massive construction and speculation, between 1983 and 1995. As a result, housing prices surged up to 6 times in the SED from 1988 to 1993 (Shenzhen Urban Planning and Design Institute 1998). One of the main forces leading to the real estate boom in the SED was due to the continuation of the two land prices during the 1990s. Even after the enactment of the new land policy in 1987, land transaction did not operate through so-called “market track” auctions, tenders and negotiation. Most land supply was actually derived from the free administrative land of the SOEs in the 1990s. Only a very small amount of land was taken to tender or auctions (UPRI 1998, 94). Large amount of the state land was administratively allocated to the SOEs until this land allocation system was officially terminated in 1988. Yet, many SOEs still had their administrative land in hand in the 1990s. Some of them turned their free land into capital and partnered with foreign developers. Land was also transferred between speculators for huge profit resulting in surging land prices in the early-1990s.

Besides, the 1994 fiscal reform changed the relationship between the state and local governments in profiting from the economic reforms that turned out to exacerbate the competitive relationship between cities within or across the region in China. In 1994, the state launched a fiscal policy to replace the favourable one of the “revenue contracts” by the tax-sharing system [fenshui zhi] in order to rescue the difficult fiscal situation of the central government. The reform made a proposal that the central government could extract large portions of revenue share from local governments that was a reversed situation of the fiscal arrangement in the 1980s. This was no exception for Shenzhen. Due to the large reduction of local revenue, local governments began to shift their attention to land development through which they could extract land-related revenue such as “city and township land use tax” and land-use right transfer fee. This began a vicious cycle of inter-city competition in land and property development to attract foreign and domestic capital to each jurisdiction.

Accordingly, there was a shift in the economy towards the commercial, financial and service sectors in the SED. The real estate boom brought about a rise in land rent and resulted in relocation of low-value added industries to the outer territory and Dongguan. The SOE developers could extract a huge surplus from turning the free administrative land into commodified land. However, the real estate boom also resulted in the overproduction of properties. There was about 13 per cent of vacancies in housing and 10.2 per cent in offices in 1996, whilst more new properties were still under construction (Shenzhen Urban Planning and Design Institute 1998).

2.2.5. New territorial expansion strategies

The 1986 master plan already lagged far behind reality. After the mid-1990s, a new discourse of a regional development emerged to instruct a new set of rules for local development in Guangdong. Cities were articulated as engines for economic growth as the national social and economic development in China (Cartier 2011) that further widened and deepened the previous state strategy. This was also in conjunction with the regional plan of the PRD Economic Region Modernisation at the Guangdong Province in 1995. Under this context, Shenzhen party and city government announced a new target to build Shenzhen as an international modern city within a span of 20 years. In 1993, Shenzhen began to produce a new master plan that Guangdong province requested Shenzhen to take a position in the regional plan, and the central state gave a mission to Shenzhen to support the prosperity of Hong Kong during the transition of the 1997 handover.

The 1996 comprehensive plan showed a different territorial development strategy. The plan envisaged a new representation of Shenzhen at different scales: one of the economic central city in the South China region, a comprehensive-based platform for modern industries, and an international, modern city ('Shenzhen Comprehensive Plan (1996-2010)' 2000). Besides, the plan exhibited its ambition of massive urban expansion, which considered the change of territorial structure from a clustered linear city to a cluster-based, hierarchical network city. It was the first master plan to extend the planning area into the entire territory of Shenzhen. This was because Bao'an and Longgong were already part of the urban administration. Crucially, this opted for urban expansion because Shenzhen had to maintain its competitiveness and high growth rate through the continuous acquisition of cheap land and the supply of cheap labour from the outer districts (China Academy of Urban Planning & Design 2003). Therefore, a new territorial structure was formed to facilitate a new stage of accumulation strategy, in which the SED was planned as an urban core from which three axes were radiating towards the outer districts along the western, central and eastern corridors through the infrastructural network.

Second to the Luohu commercial centre, building a new city centre – a Central Business District (CBD) in Futian was the focus of the 1996 plan. This project had a clear objective of transforming the image of Shenzhen from an export-oriented manufacturing city into an international modern city in China. The city government announced an international competition to design a new CBD in Futian. The new CBD could satisfy the aspirations of the central state in terms of national historical imagination and the internationalisation of the Chinese City. The production of this centrality, which had embarked an urban age of Shenzhen, encompasses a political centre in the north and a commercial centre in the south. It constructed a variety of architectural landmarks, for instance, a theatre, a conventional centre, a civic square, and a library, all of which were up to the international standard of city

level public facilities. The status of Deng Xiaoping on the top of the hill was facing this new city centre, showing an expression of Shenzhen as a successful SED model in the national reform of China.

The economic base of Shenzhen remained to be industrial which was mostly characterised by light, export-oriented, labour-intensive, foreign capital types. Having mentioned that the industrial areas in the SED were transforming into commercial uses to capture the increase of rent, villages and towns in the outer districts were rapidly expanding with *sanlaiyibu* industries. While the former was the planned, standardised industrial building blocks under the ownership of the state or the SOEs, the latter was concentrated along the main roads but dispersed in the villages and the towns without a unified planning. The 1996 plan specified the initiatives of the government in developing Shenzhen towards high-tech, high value-added industries and targeting the industrial upgrading to replace the *sanlaiyibu* industries. The city government began to undertake some industrial projects to build large tracts of industrial zones. In 2000, there were already ten large industrial zones in Shenzhen under the management of the city or district governments: two in the SED and eight were in the outer districts. The plan also initiated the restructuring of the old industrial zones in order to control the land supply for new uses. All these hoped to place the city's overarching planning mechanism to take the lead in industrial development whether the hi-tech or processing industries, to concentrate the manufacturing production to increase the scales of economy and to best utilise the land uses.

To achieve the goals of the industrial strategy and of Shenzhen's leading position in the region, the city government had an aggressive infrastructural plan to reconfigure the territory into the production network at the internal and inter-city scale. The transformation of Shenzhen was therefore following the expansion of hierarchical infrastructural networks since the mid-1990s, which anchored at the expanding logistic terminals such as border checkpoints, container ports, freight and passenger rails, and airport, and facilitated the massive circulation through highways, expressways and main roads.⁹ These were also accompanied by the construction of logistic centres and transport terminals at different strategic locations in Shenzhen. Among these, the eastern part of Shenzhen was put into the focus to further expand the international container port and related logistic industries in Yantian, which was closely linked to the entire network of Shenzhen to the eastern corridor to Huizhou and farther, to Dongguan's eastern production zone, to the airport and the ports on the west of Shenzhen, and most importantly to Hong Kong.

The industrialised zone of Shenzhen therefore was further consolidated in conjunction with the expansion of the production of infrastructure that became the cornerstone of the development strategy since the mid-1990s and onwards. There were not only crucial to the continuous growth of Shenzhen, but also to the position of Shenzhen as a regional logistic

centre to its neighbourhood cities and wider industrial production network in South China region that further boosted the city centre as a strategic node of the business and service sector.

Nevertheless, such overarching planning strategy was not operating without contestation. Having mentioned before that the city government was still not able to control the large amount of illegal land and construction in the whole territory. The plan suggested maintaining the control of the construction land within 480 square kilometres for the population of 4.3 million in 2010, but in 2000 the population was increased to 7 million and the expansion of urban fabric already reached to 467 square kilometres thanks to villages and towns in Bao'an and Longgong. While the chengzhongcun was being transformed into very dense and compact space, which drove its own economies to provide jobs and cheap rental housing for millions of migrants, the villages and towns were expanding into large manufacturing bases of mainly sanlaiyibu processing industries. All these limited the spatial extent of government to manipulate and dominate all the distribution of resources especially land and spatial development, and eventually to extract profits in the fast economic development.

2.2.6. Rapid industrialisation towns and villages

During the 1990s, there was the construction boom for industrialisation in the outer territory. Despite the change of urban administrative system in 1993, the city government was not able to control the massive illegal construction and land conversion in Bao'an and Longgong districts. Large amount of farmland was illegally converted into the construction land, or being cleared for speculation and occupied for future use of development, or simply sold to domestic or foreign developers to realise profit. It contributed to the decentralised forms of industrial urbanisation that fell out of the control hand of the city government.

Rapid industrialisation was taking place around different administrative centres along the main transportation routes. These centres were local governments, namely the county government, town governments and village collectives. Even after 1993, district governments replaced the county, but the town and village structure remained the same. The power relations were actually decentralised into this town and village structure because they were the agents of land development in the outer territory. While most of the land was the collective land under the ownership of village collectives, the county (or later district) government and town governments attempted to acquire more land from villages for expansion. Such decentralised form of industrial urbanisation was expanding and getting consolidated along the main transportation. All different land agents were striving for the attraction of capital from Hong Kong and soon from the domestic to invest in their land. This became the main revenue for their local development. This was due to the fiscal arrangement of villages and towns in accordance to the rural system.

During the late-80s and 90s, many of these land agents illegally sold the farmland for foreign and domestic investors in order to have primitive accumulation. Many of well-located land along the main transportation routes were fallen into the hands of developers that contributed to subsequent speculation in the 1990s. The revenue from selling land was then used by these agents in the construction of pro-business environments to attract further investment and hence to continue capital accumulation. They turned large amount of farmland into industrial zones. Some invested in building factories to lease to factory owners. Others leased or sold the land and investors built the factories and dormitories. Village collectives could profit from land fee and regular rentals. The income was partly put back to the village collectives for reinvestment in construction and infrastructure, as well as for the management expenditure, and partly redistributed to village members in forms of shares. Village collectives could also profit from selling land lots to their village members to build houses. These were turned into rental housing and neighbourhoods to accommodate the increasing numbers of migrant population, while they were the main source of income to many local villagers. Town governments were relying on the collection of processing fee from sanlaiyibu factories, or selling land to developers. These two were the major income for town development and road construction in the increasing competition for foreign capital. All these gave rise to the boom of sanlaiyibu industries and the rise of rentiers throughout the rural area.

Consequently, between 1994 and 2003 the most drastic transformation of Shenzhen in terms of demography, economic and social elements was shown. Shenzhen was undergoing the fastest growth of economy and population. Its GDP was more than a triple while the population was increased from 4.13 million to 7.78 million. Land was rapidly expanding for industrial and urban uses from 299.5 square kilometres in 1994 to 467 square kilometres in 2000.

3. Dongguan

The 1978 economic reform of Guangdong was the turning point to Dongguan to initiate a new mode of production where rural industrialisation was taking place to cause drastic changes in a vast rural territory. Regulations and the urbanisation of Dongguan are different from those of Shenzhen while Dongguan has been the prefecture-level city since 1987. Since 1985, Dongguan, together with Zhongshan, Punyu and Nanhai, were regarded as the “Four Tigers” in Guangdong that demonstrated the varied models of industrialisation and small town development to bring about the prosperity and stability to the rural areas in China. During this period, it was listed to be the fastest economic growth in the province and currently developed into a manufacturing metropolis in China. The periodisation of Dongguan began with the turning point of economic reform in China. It could be periodised into two

stages: 1) designated towns and restructuring into rural industrialisation, 1978-1991; 2) expansion in export-led industrialisation, 1992-2007.

3.1. The First Phase of Rural Industrialisation (1978-1992)

Dongguan was undergoing a remarkable progress in rural industrialisation in the 1980s. At this period, most of the industries were the labour-intensive, assembly and processing manufacturing, for example, textile, garment, knitting wool, toys, shoes, leather, clothes, handbags, plastics, and domestic electronic goods such as irons, hair dryers, radios, home phones, clocks, fans, etc.

The number of industrial establishments was largely increased from 1,293 in 1980 to 10,094 in 1991. Among them, most of which were owned by village collectives, were increased from 1,229 in 1980 to 6,404 in 1991. As mentioned, sanlaiyibu industries were the dominant form of industrialisation since the 1980s that the number of industries increased from 3,141 in 1985 to 7,066 in 1991. Joint venture enterprises (sanji jiye) and domestic private enterprises only emerged after 1985, sharing 754 and 2,855 establishments in 1991, respectively. In particular, the joint venture industries became a more important form of investment in terms of the total output value, which already surpassed that of sanlaiyibu after 1988.

Most of these industries were export oriented and based on foreign investment which final or semi-final products were exported to Hong Kong and then re-exported to the overseas market. There was the expansion of Foreign Direct Investment (FDI) from US\$ 29 million in 1985 to US\$ 243 million in 1990. During this period, FDI was mainly dependent on Hong Kong investment in the manufacturing sector whether on sanlaiyibu or joint venture form. The total value of export was also expanded from US\$ 78 million in 1980 to US\$ 1.7 billion in 1991. This enabled Hong Kong to extend its manufacturing base to the large rural territory of Dongguan in the 1980s.

In the 1980s, there were two sources of rural surplus labour that entered the production system in Dongguan. The first batch was the local surplus labour, who firstly became factory workers in the early-1980s. The local labour force arose from 140 thousand to 196 thousand persons between 1980 and 1985 (DSB, 1998). The second wave came after 1985 from migrant workers (which were colloquially called “nong-min-gong, literally meant “peasant worker”) from Guangdong or other provinces. Such changes were the outcome of the relaxation of migrant policy at the national level. In 1984, the State Council passed a policy to allow surplus rural workers going to industrialising towns as “temporary non-agricultural population” given that these migrant workers had to take care of their food supply (zili liang kou) without the welfare of local governments. This aimed at resolving the increasing number and problems of surplus rural labour in China since the mid-1980s. There were 100 thousand

migrants arriving in Dongguan per year. They were looking for jobs mainly in industrial or related service sectors through social and kinship networks. Between 1986 and 1990, their number was tripled from 156 thousands to 656 thousand, becoming an important labour force in the course of industrialisation in Dongguan. All of them were registered as rural households. They still identified them as peasants as sometimes they were also wearing an agricultural or rural hat and doing a variety of agricultural and non-agricultural activities (G. Lin 2006; G. C. S. Lin 2011).

3.1.1. Decentralisation of agricultural production

The fundamental change of the rural areas in Dongguan was the implementation of the Household Responsibility Production (HRP) at the moment of China's opening. The HRP was the local initiative of the decentralisation of the agricultural responsibility from the collectives to the households that was finally endorsed by the State Council in 1981. Under this policy, the collective production system was removed from the control of the communes. The collectives contracted the agricultural responsibility for certain duration to the households, which obtained a right to use a certain portion of collective farmland and have freedom to decide their agricultural production. The surplus of agricultural yields could be sold to the market for the contracted households after the contribution of the part of the state's responsible produces. This move resolved the contradictions caused from the Maoist collective policy in the rural area. This was mainly through the increase of the peasants' economic incentives that immediately led to the explosion of a huge potential productivity and resulted in the huge increase of the food supply in China. This reform was the first key that revitalised the rural economy and increased the household income in the rural areas. It led to the abolition of the commune system that fundamentally redefined the relations among the state, collectives and households or peasants in the course of urbanisation after 1980.

3.1.2. Sanlaiyibu, the first model of export-led, processing industries

While Guangdong provincial government began to establish the new sets of regulation to attract the foreign capital into the rural development in Guangdong, Dongguan came into the first contract with a Hong Kong investor to form the first model of assembly and processing industry in 1978. This was the handbag factory in the Humen Town, a historical port in Dongguan. This model was colloquially called "sanlaiyibu", which literally means "three supplies with one compensation". It stipulated the responsibilities of the two parties between Hong Kong and Dongguan: the former should supply three elements: raw material, equipment and machinery and samples while the latter should provide land, labour, buildings,

and the necessary infrastructure. At the end of production, the former should export all commodities and pay a processing fee (jaigongfei) to his counterpart.

Alongside Guangdong's favourable policies for rural development and foreign investment, the County government established the External Processing and Assembly Office to formalise the institutional procedures for sanlaiyibu industries. This new institution (G. Yeung 2001) was designed as a "one-step" with a simplified procedure, which involved different departments, in order to attract new capital from Hong Kong and Macau in Dongguan. Sub-offices were also established at the town level to facilitate the investment in the countryside. Accordingly, sailaiyibu became the first model for foreign investors to kick off the development of export-led industries in Dongguan – the processing of raw materials and the assembly of imported parts and components to produce finished goods for export.

3.1.3. Township and village enterprises

The scope of rural transformation was much larger than the initial thought when the township and village enterprises (TVEs) began to flourish in many rural areas in Guangdong. Such changes were partly resulted from the Guangdong's flexible policies granted by the State Council. Guangdong launched a series of favourable policies and began to relax different sorts of price control in the rural areas. It was also promoting the development of collective enterprises on the basis of developing the existing commune's enterprises¹⁰ [shidui-qiyue], which could merely survive from time to time during the Maoist era. The development of the TVEs was regarded as a significant breakthrough in rural industrialisation and small town development that had not happened due to various controls of the Maoist policies. The sanlaiyibu industries were one dominant type of the TVEs that made industrialisation possible in Dongguan through foreign investment from Hong Kong while domestic-based industries were taking place in other counties in the PRD. There was also rapid development of other sectors such as commercial, agriculture, manufacturing, construction, transportation, retailing and wholesaling, service sector and the like. All these formed the material basis to the subsequent development of industrial towns in Dongguan in the 1980s.

3.1.4. The village collective system

The mode of the regulation underlying rural industrialisation in Dongguan were built and organised by its dispersed social relations and networks across different scales. Firstly, the policy of sanlaiyibu industry was resulted from the involvement of inter-level government

¹⁰ Apart from the agricultural responsibility production as the primary task of the communes, the production brigades also ran small-scale industries such as agricultural-related production, food processing and traditional handicraft and livestock farming.

departments from the provincial to village levels to make the first institution fix for this sanlaiyibu industry. As aforementioned, rural industrialisation became a clear state strategy for the first phase of accumulation in the rural areas since 1979. This was also accompanied by the particular localities, such as a village or a town, to mobilise their social networks to attract new investment into their jurisdictions. Being identified itself as a large hometown of the overseas Chinese [qiao xiang], there was the widespread mobilisation of social and kinship networks at varied village, town and city levels to attract the Hong Kong investors into different places. "The policy of the overseas Chinese" was also launched to organise some festivals for their overseas relatives, to visit the hometown, to articulate the spirit of building hometown, and to promote favourable terms of investment. These all came together through different channels, establishing trust and making agreements that contributed such a dispersed form of rural industrialisation in Dongguan.

Besides, one of the significant changes under Deng's era was the restructuring of the power relations in the rural areas. It was firstly through the decentralisation of collective production to release rural labour power from the control of commune system. This immediately brought about the termination of the commune system in 1983 and eventually contributed to the boom of rural economies in Dongguan. This move aimed at separating or liberating economic forces from the political arena, and restoring the previous village and town administrative structure. In reality, the abolition of commune system did not totally throw away the collective system in governing the rural areas. This only brought about the reconfiguration of power relations because the new rural institution could adapt well to the new economic conditions to form a new structure for industrial takeoff in Dongguan.

In Dongguan, there was the persistence of the village collective system in governing new rural economy since the early-1980s. Although the official move of decentralisation and de-collectivisation immediately reduced some influences of local village cadres and towns officials, the rural collective structure continued to exist in the forms of village committees, township and town governments. Village committees, for example, were designated as a self-governing unit in the rural areas according to enactment of the constitution. Yet they were also assumed and thought to be an extension of the government in practice. Village-level party secretaries and party members remained to be important in their positions because they continued to operate some of the village affairs such as collective enterprises, redistribution of village benefits and collective land, family planning, and to execute the policies and administrative orders from town governments. Village committees were also designated as the owners of collective land according to the 1982 constitution while individual peasants and households only had the "rights to use" the contracted land after the HRS policy. Whereas many farmlands were contracted out to the households, village collectives remained to have certain administrative power to manage the existing collective properties such as ancestral hall, canteen hall, public hall or old factories and office buildings which

were used to reengineer new collective enterprises, especially through foreign investment. Village cadres shifted the attention to the development of the TVEs and became one of the stakeholders in the collective enterprises in their jurisdictions. Their positions, were strengthened by the boom of rural economies and administrative positions.

Accordingly, rural industrialisation in the 1980s and 1990s followed the rhythms of changing social relations in the rural areas. After economic reforms, the roles of local village cadres or town officials were multiple being a villager, an official and a stakeholder in the collective enterprises. At a lower level of administration, they were executing the administrative command from above to accelerate the pace of industrialisation and town development. As one of stakeholders, they were active in the whole process of social mobilisation and organisation to get foreign investors into their jurisdictions. Likewise, Hong Kong investors had to establish their social relations through Guanxi to secure their business in the rural areas. The ways of making decisions or regulations could be largely dependent on time, social relations and subjective situations. All these contributed to a quite flexible mode of regulation and widespread form of development throughout the whole territory in Dongguan in the next twenty years.

3.2. Expansion of Export-led Industrialisation: 1992-1997

The 1992 Southern Tour and the introduction of a much wider and deeper national economic reforms, marked a turning point to the urbanisation of China. Dongguan was no exception and became a part of the expansion of production space and an exporter at the national and regional level in the 1990s. Having mentioned that, this was following a period of a slower growth from 1988 to 1991, due to the economic and political crises. After taking a series of macro-economic control to cool down the overall economy, Deng's Southern Tour signed a new era of economic progress and fast growth in order to boost the national economy in China. This also launched a new era of development boom in China. Guangdong, in particular the PRD, was one of the regional economies arisen to serve the nation's economic interests in the 1990s. It simultaneously generated further contradictions, which began a keen competition among cities within or across regions in China.

Whereas the first period was largely characterised by the establishment of institutional fixes and regulations that enabled the incorporation of the rural into the production system, this period of transformation insofar was the continuation of the last period. It did not bring about the fundamental, structural change in Dongguan, but it brought about the explosion of massive transformation as the outcome of large influx of different capitals and labour into the local systems, resulting in the production of industrial towns and villages, as well as the formation of new social relations since the 1990s.

3.2.1. The strategy of the “second industrial revolution”

Under this context, Dongguan was ready to escalate its industrialisation strategy and expand its scope for foreign direct investment (FDI). In 1992, Dongguan municipality set its new social and economic goals to catch up the four Asian’s Tigers in a span of 15 years. It also promoted the construction of high-tech industrial development zones in order to target for transnational corporations in the high-value added and hi-tech industries. In 1994, the newly appointed mayor launched a new strategy of the second industrial revolution, restructuring the manufacturing industries to capital- and technology-intensive industries. Singapore was the model for Dongguan’s industrial restructuring at that time. The focus of this new policy was to attract foreign investment particularly in communication, high technology, computer and software and the like (G. Yeung 2001). This policy was spatially based on “a ladder industrial structural strategy”, which strategically located and distributed different types of industries in Dongguan. This means positioning hi-tech industries in the city and lower ones in towns and then in villages or sub-urban districts.

Without developing a city centre, industrialisation was spreading throughout the countryside. Different industrial towns and villages were developing into different centres of production space. From 1991 and 1997, the total number of industries surged from 10,094 to 16,857 establishments. While collective enterprises and sanlaiyibu industries continued to play a dominant role in the 1990s and its number grew from 64,00 to 9,949 establishments, the new industrial policy was shifted to promote the joint venture and foreign funded enterprises, which were respectively on the rise to 2,000 and 191 establishments. During this period, Dongguan was fully engaging in the processing production, which could be developed into a few principal industries such as textile, clothing, leather manufacturing (23.1%); electronic and communication applications (16.2%); mechanical, equipment manufacturing (9.7%); plastics (7.4%); food and drink processing industries (4.7%); and paper making (4.3%). This enabled Dongguan to become a global assembly hub for manufacturing shoes, toys, garments, furniture, computer and electronics, and food processing.

3.2.2. Influx of Taiwanese industrial capital

During the 1990s, Dongguan’s economic growth was becoming more dependent on the export production. The total export value expanded from US\$2.7 billion in 1992 to US\$12 billion in 1997. Such expansion of industrial production was built upon the expansion of the foreign investment in Dongguan, which the total amount was increased from US\$ 243 million in 1990 to US\$ 1 billion in 1994. After 1992, the growth of FDI reached to US\$ 30 million per year. Hong Kong remained to be the largest productive capital in Dongguan. For example,

the total investment of Hong Kong was more than a triple - US\$ 102 million in 1990 and US\$ 317 million in 1992. This number was further increased to US\$ 723 million in 1993.

Apart from Hong Kong, Taiwan was the second larger productive capital in Dongguan that subsequently enabled Dongguan to be enmeshed into the cross-border IT production network through Taiwan's transnational corporations. The Taiwanese capital became the new target of Dongguan to achieve the latter's industrial restructuring from labour-intensive to capital-intensive industries. Likewise, Taiwan was seeking for the lowest cost of production in the development of high-tech electronic and computer industries. This possibility was only be made by a new political situation after the re-opening of communication between Taiwan and China. After 1987, there was increasing number of investment from Taiwan due to the "China's Heat" and the relaxation of the stringent policy by the Taiwan government on sightseeing or visits in China. Meanwhile, the State Council also issued a policy to promote the investment from Taiwan. The number of investments were on a gradual rise until the first conversation between Taiwan and China in 1993, which improved the cross-strait relation. In 1994, the Taiwan government granted a favourable investment policy to the Taiwanese investors in China. This rapidly increased large amount of investment from Taiwan after 1994. Dongguan became one of the main production sites for the transnational corporations from Taiwan to reduce their production and labour cost. The investment of Taiwan enabled the expansion of the intra-regional production and trading networks: order-making, marketing, research and development while the core production remained in Taiwan; assembly and processing production was in Dongguan; circulation of raw materials and exports went through Hong Kong's international hub.

Hong Kong and Taiwan became the examples for other countries to follow. Since 1995, the investment from the US put up to the amount of US\$ 323 million in Dongguan in 1995. Singapore, Japan and Korea gradually invested in Dongguan. This made Dongguan the third largest site of FDI and exporter in Guangdong after Shenzhen and Guangzhou, and became the assembly hub in the global production network.

3.2.3. Production of industrialised towns

The mode of production also determined the production of space in Dongguan. The large influx of productive capital gave rise to the fast industrialisation of towns and villages. This was mainly through the construction of industrial districts throughout the towns and villages in the 1990s. According to Dongguan University of Technology¹¹, there were 255 newly built industrial districts of different scales between 1990 and 1999 in Dongguan. Among them, 43 industrial districts were constructed in 1995.

¹¹ http://news.sun0769.com/dg/video/201402/t20140227_3543529.shtml

There was the devolution of power to the local governments in Dongguan in the 1980s. Each of the town governments was responsible for their own planning and development and granted by certain approval power on land development in their jurisdictions. According to Yang and Wang (2008), the 1986 national Land Administrative Law seemed not to have impacts on the local development in Dongguan. Neither the land quota system of 1988 could implement to control the fast land conversion process in Dongguan. The construction activities would be more related to the financial policy such as bank loans and the climate of foreign investment. Under the loose regulation from above, the power was given to the town governments and management districts, which transformed large amounts of farmland for industrial development before the introduction of a stringent national land control in 1998.

Since the 1980s, some of the town governments began to invest in the construction of industrial districts. The first one was in Chashan Town in 1979 where the location was on the main economic corridor of the national road 107. The town government invested about 3 million yuan and transformed the hilly area of 20,000 m² to build twelve two to three-stories of factory blocks. The second and the third town-level industrial districts were also built in 1985 and 1987¹². Since the mid-1980s, many of the town governments also began to build their industrial districts and also “modernise” the town centre by the construction of infrastructures, schools, hospitals, and commercial streets. The scale of construction became larger in the 1990s when the town governments aimed at the attraction of higher value-added and hi-tech industries into the new model of modern industrial parks.

Meanwhile, village collectives also contributed to the production of industrial districts in the 1990s after the management districts were established in 1987 and granted administrative power to reorganise their village assets especially collective land. In the 1990s, many of the contracted farmland was gradually appropriated by the collectives to build industrial districts while only little compensation was given to the contracted households for the loss of crops. The transformation of the vast rural area became drastic when the village collectives became active in the construction of productive space, which became the means of accumulation in the rural areas in Dongguan.

3.2.4. The emergence of new social relations

The new mode of production and accumulation regime gradually generated new social relations in the rural area in Dongguan. Firstly, it created a system of multiple power centres that were crucial in the reorganisation of village life in Dongguan. The management districts became one of the main centres to be responsible for organising village’s affairs such as the allocation of land resources, common facilities, welfare and benefits. It was also the centre to allocate job opportunities to the villagers in the district office or to introduce them to the

¹² <http://www.dgca.gov.cn/dgca/cazz/201203/e01c3fe837f24a8598104ec86ef80d7e.shtml>

associated enterprises in their jurisdictions. The management district offices became the space of organised social life, which was partly a continuation of previous collective life under Mao's era, and became the medium to tie the common interests of all the villagers to the village cadres, as well as to the town main officers. This speeded up the process of accumulation in the rural areas during the reform period.

Secondly, rural industrialisation brought about the emergence of a new working class in Dongguan in the 1990s. As mentioned, the migration of rural workers was allowed by the national policy in 1984. In 1988, there was the first large influx of migrant workers from other provinces arriving in Guangdong to search for job opportunities. This process of migration lasted for a decade to provide abundance of labour supply for industrialisation until the advent of labour shortage in 2004. It was mainly through the large influx of rural migrant workers [nong-min-gong], whose majority was single, working girls from other provinces in China. In her ethnographic study in Shenzhen, Pun (2005) argues that the emergence of a new working class was not only subject to the production system for industrialisation, but also to the reproduction of subjectivities through institutional control, regulations, routines and identification of these migrant workers in the workplace. The politics of identity – “Dagongmei” which is literally meant “working girls” were being constituted on the basis of gender, ethnicity and rural-urban disparity. During this period, Dongguan was one of the main destinations for migrant workers, which increased from 1 million in 1992 to 2 million in 1998. This number was under reported because many of them were not officially registered. Yet the large supply of peasant workers, working girls and non-Cantonese outsiders, were becoming the majority to create surplus value and also to be subject to various labour control in the industrialising towns and villages in Dongguan.

Thirdly, the rural reform and industrialisation in the 1980s, as aforementioned, brought tremendous changes to the lives of local villagers. In the 1990s, there was the emergence of a “rentier class” in the countryside in Dongguan. The production of space took place through the construction of new peasant's houses or usage of old village houses as rental housing for the increasing number of migrant workers. In this process, large amounts of agricultural land was converted into industrial land and two to three storied apartment buildings for exchange value. Local villagers had to pay for the plot of land to the village collectives and to build their houses. In many cases, the conversion of agricultural land into construction land was regarded as “informal” while this might get the permit from local town officials but simultaneously violated the national land regulation of the quota system on land conversion. This redistribution of land was also very uneven. This would depend on particular situations of different villages, for example, the connection between local village cadres and town officials, the negotiation between the village collective and villagers, and also affordability of village households. This could also be seen as compensation from the collectives to villagers when the contracted land was appropriated and leased back from the villagers. This could

also be regarded as the exploitation of villagers by local village cadres in the process of land purchase. In short, the production of the industrial towns and villagers in the 1990s became the sites of contestation among different actors that became the driving forces to push such rapid land development for further accumulation in the economic boom of Dongguan.

Therefore, the relations between industrialists and rural migrant workers, between industrialists and local village cadres, and between village rentiers and migrant tenants, were formed and working alongside each other in the production of industrial towns and villages in Dongguan throughout the 1990s.

3.3. Specialised Towns - Specialisation of Industries: 1997-2006

The third period of industrial urbanisation in Dongguan can be considered to be the consolidation of the industrialised town in the 1990s. This period was characterised as rapid industrialisation through specialisation and clustering of the production system, as the driving force of the production and consolidation of the specialised towns in Dongguan after 2000. This period was also characterised by the most rapid expansion of production system in terms of the GDP, industrial output values and influx of migrant workers, all of which were taking place after the Asian Financial Crisis of 1997. Instead of encountering a crisis, Dongguan's economic growth was even reaching up to an unprecedented level during this period before it severely hit a crisis following the collapse of the international export market in 2008.

By referring to the numbers of factories, foreign investment, value output and migrant workers, Dongguan was undergoing the fastest and massive growth between 1997 and 2006. Firstly, the numbers of industries continued to grow from 16,857 establishments in 1997 to 22,447 establishments in 2006. Note that the increase of factories was mainly come from the growth of joint venture enterprises, especially the TNCs that was increased from 2,064 to 10,271 establishments, whereas the *sanlaiyibu*, collective enterprises, found difficulty to survive due to the removal of favourable policies especially the preferential tax arrangement. This was partly the outcome of the shift of industrial strategy to attract higher value-added and hi-tech industries, as well as to push to the restructuring of *sanlaiyibu* industries. Secondly, the expansion of the foreign investment was drastically tripled from US\$ 1.2 billion to US\$ 4.4 billion. Hong Kong remained to be the largest stakeholder, having US\$ 2.5 billion in 2006 that compared to the equally important one from Taiwan, which also grew rapidly from US\$ 317 million in 1997 to US\$ 1.3 billion in 2006. The other investors were from the US, Singapore, Korean and Japan with its increasing portion of the investment in Dongguan. Thirdly, there was a large increase in the amount of industrial value-added from 23 billion yuan in 1997 to 144 billion yuan in 2006. The growth rate stayed on the high level between 20 percent and 26 percent during this period. Lastly, there was the massive influx

of migrant workers in Dongguan. The number of migrant population was increased from 1.45 million in 1997 to 5.87 million in 2006. The percentage of the migrant population shared 40 percent of the total population in 1998 that became 70 percent in 2001 and 89 percent in 2005. Although this data was under estimated, it could still exemplify Dongguan's industrial expansion into the global production system.

3.3.1. Specialisation and clustering of manufacturing

After two decades, the industrial towns and villages were expanding into a much more complex manufacturing production system in Dongguan. A few related types of industries were clustered in a locality to form the vertical integration in the production system. The manifestation of specialisation was the production of specialised towns [zhuangye zhen], that became a characteristic of industrialisation in Dongguan from 1997 to the present, despite the encounter of a rupture due to the 2007 Financial Crisis.

As aforementioned, the massive influx of FDI contributed to the boom of industrial towns throughout the 1990s. In this period, the fastest growth of economy and foreign capital was also manifested in space through the production of industrial estates. At present, there are 503 industrial districts and 14,413 industrial establishments in Dongguan, and most of them were constructed before the 2007 financial crisis. It was reported that there were 26 towns, each of which owned more than ten industrial districts. For example, there were 34 industrial districts in Chang'an Town as the most industrialised town in Dongguan. The second and the third largest number of industrial districts were in Qishi Town and Zhongmutao Town. The scale of this industrial district also varied at different places. The largest one could accommodate 275 industrial enterprises. Accordingly, this contributed to the even larger expansion of urban fabric between 1997 and 2006.

Besides, rapid industrialisation and the massive foreign capital led to the reorganisation of the territory into the clustered and specialised form of the productive space. Firstly, this was closely related to the deployment of different industrial strategies by the town governments in the increasingly competitive environment within Dongguan and in the PRD region, for example, Fashion city and Zhongshan city. Some of them even had the policy supports of the city and the provincial governments. All the town officials promoted specialisation and clustering of the production system on the basis of their relative advantages developed in the past decades. It included the establishment of development companies to the promotion of specialised town economies and the construction of hardware and infrastructures. Second, the scales of economies became the concern of the foreign capital to locate their factories and to guarantee the efficient supplies of different parts and components in the expansion of cross-border production networks. Therefore, the specialisation and clustering of production in Dongguan rested on the increasing relations

between town officials and capitalists, in regulating the relations of production on one hand, and stabilising the productive forces on the other hand, respectively.

3.3.2. Electronic and communication: PC-related manufacturing cluster

Electronic industries were firstly developed in Dongguan since the 1980s when Hong Kong capital brought about the development of intensive-labour industries, mainly in the form of *sanlaiyibu*, in the manufacturing of domestic electronic products such as hair dryers, radios, irons, electric fans for the markets to Hong Kong and overseas. They were widely dispersed in the countryside at the first stage of industrialisation. In the 1990s, Taiwan capital brought about a new stage of industrialisation in Dongguan, particularly in the manufacturing of PC-related and peripheral products. According to the study of the PC industry in Dongguan, Yang and Liao pointed out that this type of industry had an increasing share in the total output value of industries, an increase from 14.3 percent in 1990 to 41.4 percent in 2005 (2010: 203). Dongguan evolved into a PC-hardware manufacturing production base and exporter, in which the majority of them were foreign-invested enterprises. Many important Taiwan-based PC-related manufacturing firms relocated their production base to Dongguan, especially between 1998-2000. Whereas Taiwan was undergoing the decrease in the output value of PC-related production, China, Dongguan as one of the sites, became the largest PC-related manufacturer in the world.

Since 2000, there were some specialised towns in the manufacturing of electronic and computer-related products. The most distinctive clusters were in Shilong Town, Shijie Town, Qishi Town and Chang'an Town, although these factories still were widely located in the whole territory. A few studies pointed out that the cluster of PC-related manufacturing was also closely related to the production strategies of the Taiwan TNCs. These industries created their own exclusive network of production with other Taiwan-based suppliers in order to ensure the supplies of all essential parts and components in Dongguan. It was said that these TNCs had access to these supplies within a timespan of one hour, and ensured the qualities of these supplies from their counterpart Taiwanese suppliers in Dongguan. Such exclusive network allowed these TNCs getting control over the production system and adapting the changing demands of the market. The remaining ten percent of high technology parts had to be sent from Taiwan headquarters or through the trading of the international markets. This facilitated the expansion of the cross-border production networks between Taiwan and Dongguan. Dongguan became more dependent on these Taiwanese TNCs who controlled the production forces. There was also little space to help the restructuring of the domestic-based electronic industries, which were outside of the exclusive production network of Taiwan-based PC industries.

3.3.3. Other examples

There were a few other examples of clustering of industries in Dongguan, for example: garment industries in Humen Town, woolen industries in Dalong Town, furniture industries in Dalingshan Town and Houjie Town, food processing industries in Chashan Town, automobile industries in Liaobu Town, and paper making industries in Chongtong Town. Many of these were developed on the basis of traditional, labour intensive industries from the 1980s. For example, the manufacturing of textile, clothes, fabrics and leathers became more important and shared from 10 to 16 percent in the total output value in Dongguan. Humen Town became one of the important clothing and garment industrial production and wholesaling markets in the Pearl River Delta region. Related to this production included specialised industries of garments, buttons, zippers and fabric, as well as the development of related industries and services such as the wholesaling and exhibition activities, hotel, trading and logistic industries in the 2000s. With the clustering of industrial activities, Dongguan could enhance its competitiveness in the regional economies on the one hand; it could also become more vulnerable to any crisis at the international trading and export market.

3.3.4. Decentralisation of power centres

In the past two decades before 2000, industrial urbanisation was the characteristic of urban transformation in Dongguan. Industrial capital was the main driving force in the process of accumulation and urbanisation. The production of the built environment was mainly driven by industrialisation through the creation of pro-business environment and infrastructural networks. Although the territory of Dongguan seemed to be fragmented into different assembly hubs, the production of space, as mentioned above, followed the logics behind the multifold of the power centres in Dongguan. For decades, the towns were the main engines of accumulation and development in Dongguan. As a result, most of them were becoming strong GDP towns, and the town governments had administrative power and sound financial incomes in their own jurisdictions.

In contrast to the strong designated towns, the municipality was considered to be relatively weak especially in terms of the GDP and incomes in its four subordinated urban districts. It also had limitation in the geographical extent of its jurisdiction and land for further expansion was almost impossible. Besides, most of the land in Dongguan has been taken up for industrialisation. The town governments were also concerned about their own future development due to land shortage. Under this context, this would create intense competition on land between the city and the town governments, and also between the town government and the villages. Although the power would be always given to those in a higher

administrative level, Dongguan's new development after 2000 required the reorganisation of space and territory, and conflicts and contradictions became inevitable.

3.3.5. Speculative urbanisation: new urban image and strategy

Since 2000, the municipality announced a new development project – “Five-Year New City Building Plan”. At the beginning, the first idea of this urban development project was mainly to construct the city at the centre of the industrial towns in Dongguan. It was hoped to revert the image and the perception of Dongguan – “a city without a centre”, and “a city does not look like a city; rural does not look like rural” [cheng bu xiang cheng; cun bu xiang cun], from the representation of an assembly hub into the one of a modern, hi-tech manufacturing and service metropolis.

Since 2000, the new Party Secretary of Dongguan expanded the investment in the making of new urban centres which became one important new source of capital accumulation and hence strengthened the power of the municipality in relation to the strong towns in Dongguan. After 2000, the municipality was interested in going further to reorganise the space and territory of Dongguan. City planning became the important tool in the process of spatial reconfiguration. A new development strategy was advanced to develop Dongguan into “one network, two districts, and three cards”. This meant: 1) the construction of ONE high-standard city network through city-wide territorial planning and infrastructural networks; 2) focusing on the development of TWO new districts, namely new CBD and Songshan lake project (Hi-tech industrial district); 3) undertaking THREE development strategies, including a new city project, foreign investment and domestic investment.

On the one hand, the ancient walled-city, Guanzhen, was an overlooked part of the city, undergoing decline and de-investment for decades, where shop houses and tenement buildings mixture of small enterprises and shops, and older commercial buildings, hotels and restaurants lacked repair. On the other hand, a large amount of investment was put on the construction of a new city, Nanzhen (literally meant: the City of the South), located on the South of the walled city Guanzhen. This was an aggressive project and the municipality played the “urban card” to construct a completely top-down, planned CBD. The representation of a “new urban centre” [xin-cheng] was based on the construction of urban landmarks to become the heart of Dongguan in the future. It was said that the city appropriated the budget of 29.6 billion yuan to build this new city centre, which comprised 164 items of city development projects, within a span of five years. This began a big city programme to construct a new heart of Dongguan in early-2000s: including a new political administrative centre, a library, an exhibition hall, a theatre, a historical museum and a science museum, and a huge public square. A new commercial and luxury condominium development were next to this cultural and political centre. It particularly paid attention to the

creation of new architectural landmarks to signal the modernity and internationalism of Dongguan and to bring the new cultures to the city.

"New urban centres" also became the mainstream thinking among the town governments as a new source of accumulation in the 2000s. Many of the town governments began to develop their own plans of new town centre development in their jurisdictions. In some cases, a new location of the town centre was selected because the existed town centre was already densely built without space. In doing so, forced land expropriation was taking place to acquire collective land from village collectives with certain compensation. For example, Tangxia's new town centre was developed from the expropriation of agricultural land from a village collective. The development of this new town centre actually followed a similar space like the new CBD, a new administrative space, a new government building, a museum and a library, together with a public square and lot of green areas. New town centre was also accompanied with the development of condominium towers and higher-end shopping malls. In parallel to the development of specialised towns, this new town centre project was conceived to the diversification of economies from manufacturing into the tertiary industries. In this case, real estate development was given priority to create business opportunities in the town.

Chapter 4 | Case Study: The Multi-layered Patchwork Urbanisation of Hong Kong - The Production of the New Territories

新界

“San gaai”

New Territory / New Territories

a new boundary

- a type of territorial unit administered differently
according to the customary and colonial laws -

1. Introduction

The aim of this chapter is to explore the production of a territorial space emerged between the two city centres of Hong Kong and Shenzhen. I argue that the urbanisation of the New Territories should not be understood simply as a centre-peripheral relationship in Hong Kong. Rather, the New Territories has been specifically conditioned by the historical production of territorial space with reference to changing geo-political regimes, territorial regulations and development strategies. In particular, the chapter suggests that the New Territories should be understood within its own historical conditions as a territory administered differently, if not separately, from the colonial regime of Hong Kong. Over time, as a frontier zone, the New Territories were subjected to changing geo-political regimes in relation to British colonialism and the rise of the Communist Party State in China.

The name the “New Territories”¹ implies its own distinctive political geography in the colonial past. The Chinese name “新界” (*san gaai*) literally means a new territory adding to the colony and the demarcation of a new boundary. The British government leased a part of San'on County (equivalent to Bao'an County before renaming from San'on to Bao'an in 1573, that is today Shenzhen *Shil*city after 1979) from the Qing government for colonial territorial extension in 1898. The establishment of the New Territories was based on a 99-year lease which would be used to strengthen the military defence of the colony in the midst of imperial rivalries emerged in the Far East. After signing the “Convention of Peking for the Extension of Hong Kong Territory”² in 1898, the colony was created under two different types of territorial jurisdictions, namely the ceded and leased territories. The New Territories was established under a special status of a leased territory. Despite this, the British government

¹ The name of New Territories could be also known as “New Territory” or “The Territory” (Hayes 2006).

² It is also known as the “Second Convention of Peking”.

decided to integrate the New Territories into the overall administrative and legal regime of the colony, instead of making it a separately leased territory. The New Territories was also governed by different administrative and land systems with reference to the Chinese customs, in accordance with the promulgation of the then governor and the promises of the Convention. On the one hand, the political dimensions of this territory remained unchanged. On the other, the New Territories was transformed by post-war geopolitics, spatial relations and socio-economic processes from both sides of the border. Due to the status of being a leased territory, the New Territories, together with the ceded areas of Hong Kong Island and Kowloon, were handed over to the PRC in accordance with the 1984 Sino-Anglo Agreement (Cheung 2016; Chun 2000). After 1997, the former Sino-Anglo border changed to be the border of “One-Country, Two Systems”, reflecting the relationship between Hong Kong and China. The New Territories turned into a strategic territorial space which integrate Hong Kong into the PRD region.

Against the above conditions, the case study highlights the importance of historical geographical processes in the production and transformation of the territory. I argue that the urbanisation of the New Territories is currently characterised by a multi-layered patchwork of urban space within which different centralities developed over time. This heterogeneous form of territorial urbanisation has arisen from its space of “in-betweenness”, through different historical and geo-political layers of territorial transformation. The study re-constructs the urban history of the New Territories through the revision of literature, mapping and information collection from government documents, planning, newspapers, field visits and interviews. It examines the issue of territorial transformation in three periods of change: first, the convergence of two territorialities in the formation of the New Territories from 1898 to the WWII; second, extended urbanisation through large scale territorial development strategies from post-WWII to 1980; and third, reterritorialisation of an integrated regional space from 1980s and onwards. In doing so, the study shows how ongoing processes of territorialisation associated with changing governmental rationalities and regulatory practices imprinted on this territory at different times, shaping social and power relations, and consequently affecting the politics of urbanisation under the post-1997 government regime.

2. The New Territories: Periphery or In-between?

On 11 November 2008, the officials of the Lands Department carried out a pre-clearance survey in Tsoi Yuen Tsuen, a non-indigenous village in Shek Kong, the New Territories, for the construction of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL). This generated substantial resistance and social movements in a new phase of urban development. The government selected site in the village of Tsoi Yuen Tsuen to construct an emergency rescue station along the line of the XRL. The Hong Kong section of

the XRL is a 26-km long underground high-speed railway running from the city centre of Hong Kong, at the West Kowloon terminus, to a boundary checkpoint in Huanggang, which connects to the neighbouring cities in Shenzhen, Dongguan and Guangzhou. The Hong Kong SAR government promoted the HK-section XRL for creating a “One-Hour-Living-Circle”. This was because of a 48-minute travel time from West Kowloon in Hong Kong, to Shibu in Guangzhou. This railway was also a part of the central state’s strategy for a national high-speed railway network. The construction of the XRL aimed to re-territorialise a new capitalist regional space through time-space compression, and an integrated political space between Hong Kong and the Mainland by transcending the existing border. This construction was heavily criticised by society for being a “white elephant project”, since construction cost a sky-high price of HKD 65 billions in 2010, and further increased to HKD 84.4 billions in 2015; it was the world’s most expensive railway construction in terms of length. It was highly contested because it led to the forceful demolition of a village in Tsoi Yuen Tsuen but not other areas, through compulsory land resumption in the name of “public interest” that destroyed 150 villagers’ homes (Ming Pao, 2009).³ This consequently triggered a series of resistance and social movements, including the Tsoi Yuen Tsuen villagers’ anti-demolition resistance in defence of their homes, “no removal, no demolition”, and also an “anti-high-speed-railway” alliance in a city-wide scale against this white elephant project. The Finance Committee forcefully passed the budget of construction amid considerable controversies and oppositions. This escalated widespread discontent into large scale fierce resistance where thousands of protestors surrounded the Legislative Council. As shown by the newspaper headline: “Tsoi Yuen villagers’ last stand before the bulldozers move in”(South China Morning Post 2010), the government mobilised a large amount of demolition workers and policemen to undertake evacuation and clearance on 24 January 2011. Tsoi Yuen’s resistance group continued to fight for their collective rights to relocation and the rebuilding of new homes.

Nevertheless, the resistance of Tsoi Yuen Tsuen villagers and the anti-high speed railway alliance was not the only issue in the New Territories. The XRL construction is only one of the “Ten Major Infrastructural Projects” in the 2007-08 Policy Address of Hong Kong. As shown in the map below (Figure 4.1), there were numerous cross-border infrastructural projects including the HK-section of XRL, Hong Kong-Zhuhai-Macau Bridge, Hong Kong-Shenzhen Western Corridor with the Shenzhen Bay Bridge and a new boundary checkpoint, Tuen Mun Western Bypass, another new boundary checkpoint in Heung Yuen Wai-Liantong on the East, and the extension of rapid transit lines, namely Lok Ma Chau Spur Line and the Northern Link for border crossing. The government also initiated large-scale of land

³ The total land resumption was private land about 17 hectares and government land about 10 hectares, whilst there were 520 inhabitants affected by this project, including 150 Tsoi Yuen villagers (Ming Pao, 13 November 2009).

development projects to maximise potential land uses in the New Territories, such as, new development areas in Hung Shui Kiu, Fanling North, Kwu Tung North and Ping Che-Ta Kwu Ling, the Hong Kong-Shenzhen cross-border high-tech park development of Lok Ma Chau Loop, the re-opening and planning of the Frontier Closed Area, and a range of high-end, low-density of private residential development adjacent to and on the ecological buffer zone and wetlands. As addressed by the then Chief Executive Donald Tsang, “These projects would lead Hong Kong into a new direction of a progressive development”. Taken together, they have led to an enormous scale of territorial transformation in the New Territories and achieved an integrated regional space with China.

Against the aforementioned context, a new round of urbanisation started to emerge in the New Territories under the SAR government's regime from 1997. The New Territories had long been regarded by planners or ordinary people as the countryside of Hong Kong. However, this chapter suggests that any understanding of the New Territories' urbanisation should be extended beyond merely a city and peripheral relationship defined by urban growth in population and socio-economic activities. I argue that the question of “territory” is a fundamental issue in the New Territories' urbanisation. As briefly mentioned in the introduction, the case study shows how the New Territories was established based on different historical conditions in the colonial territory. The status of this leased territory was ambiguous without the support of the international law and also different from the usual colonial practice of ceding a territory, and was therefore ambiguous at the international level of that time (Chun 1990, 2000; Hayes 2006). In practice, the colonial government treated this leased territory as a colonial expansion, but it governed this area differently in terms of the administrative and land system from the ceded part of the colony. The New Territories was physically located along the former Sino-British border, and formed a frontier separating and negotiating the relationship between the Chinese and the British empires. Based on these particular historical and territorial conditions, “in-between spaces” were able to emerge and evolve into great urban differences as witnessed in the New Territories. This in-between space formed its distinguished feature through the combination of the colonial and customary laws and the changing geopolitical and economic dynamics during the 20th century. This consequently transformed the New Territories into a multi-layered urban patchwork.

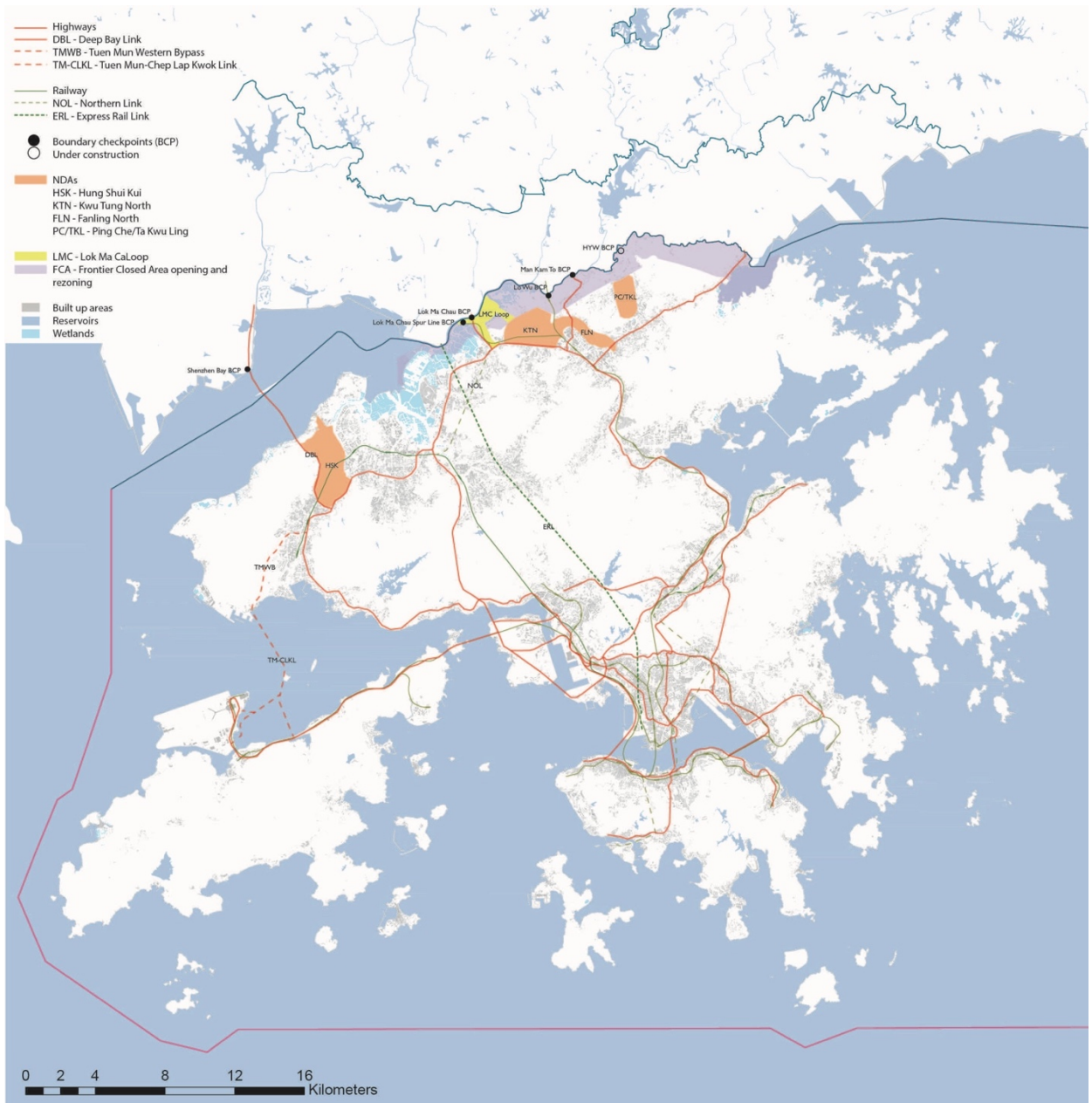


Figure 4.1. The new territorial strategies of the SAR government, Hong Kong (source: compiled from different sources from the government and consultation plans, and government websites)

The current urbanisation issue of the New Territories is examined in relation to historical geographies from the colonial past to the post-1997 present. The case study explores historical processes of territorialisation, based on the history of colonisation in Hong Kong. These processes were rooted in a historical moment of forming a leased territory and arisen from the convergence of two political territorialities between the British and the Chinese empires. This subsequently gave rise to the co-existence of two territorial and land systems within the colony which, interestingly, shared some similarities to the case of Shenzhen. This

historical analysis is important for understanding the subsequent development of the political and urban landscapes in the New Territories, in terms of the differentiated land system and distinctive social and power relations. In response to tremendous political, economic and social changes during the post-war period, the colonial government initiated large scale territorialisation to redevelop Hong Kong without depending on China. The New Territories, therefore, provided a strategic space for social change in the post-war governmental and development restructuring, whilst innovative land practices were formulated for negotiation with indigenous villagers as a territorial compromise in this new transformation process. In the rise of China's opening-up policies and economic reforms, the colonial government shifted its development strategies back to the redevelopment of the Harbour area, whilst Shenzhen and Dongguan were rapidly industrialised and urbanised through the transnational influx of capital through Hong Kong. Accordingly, the New Territories transformed into a multi-layered patchwork of urban space in the midst of a wider metropolitan region on the Eastern Pearl River Delta. After the return of Hong Kong's sovereignty to China, the SAR government has mobilised a new set of discourses and territorial strategies in the New Territories in the name of regional integration. The reterritorialisation of the New Territories has been a massive intervention of the SAR government in land development, territorial restructuring and upscaling of urbanisation towards regional territorial development in the PRD. The case study also considers the politics of territorialisation, in which the New Territories have been an unsettled frontier zone in terms of political, economic, social and cultural processes throughout its urbanisation. It also highlights its process as contested, as well as under the British mission of civilisation and colonialism, as the PRC mission of unification and territorial integration. Each round of territorialisation was induced by political changes and ensuing territorial development strategies.

3. Colonial Territorialisation: the Convergence of Two Territorialities (1898- WWII)

3.1. Colonial Territorial Acquisitions: a Leased Territory

Contemporary urbanisation in the New Territories has to be contextualised against the moment of the formation of the leased territory in the Colony of Hong Kong. To begin with, it is important to understand the nature of this leased territory, and how this led to a differentiated administration and land regime as well as the subsequent urbanisation which differs from the old part of the Hong Kong Colony.

In the late 1890s, territorial acquisitions were the rising imperialism in the Far East's major issues and as such they urged the British government to acquire a new territory to secure its political and economic interests through the entrepôt of Hong Kong. In 1898, the British

government acquired the New Territories from the Qing government. This was a leased territory for the “proper defence and protection of the colony” according to the Peking Convention. The nature of the New Territories was very different from the old Colony. As explained by Wesley-Smith (1998, 88–91), whilst the Hong Kong Island and the Kowloon Peninsular were ceded to the British Crown, and therefore subject to the “general prerogative authority of Her Majesty’s Government”, the leasehold nature of the New Territory was a political innovation amid imperial rivalries in China. For the latter, there was never any established constitutional principles, nor any precedent cases in international law which endorsed this type of international leasehold. There were debates between the British and colonial governments about whether the new government of the New Territories should be separated from or integrated into the old colony. The final resolution was its integration into the existing colonial system because of the opposition of the Colonial Office to treating this area separately. The Colonial Office contended that the Convention should be seen as a treaty that extends the colony, rather than a mere leased contract. There was a political assumption that this leased territory would eventually be fully integrated into the colony as a cession. Additionally, the resolution of integration would benefit the colonial government in the long term. As a result, the New Territories was subordinate to Hong Kong, through the order of Council on 20 October of 1898 and related legislation.

Another condition of this leased territory was the “non-expropriation clause” in the Convention which had a far reaching impact on the subsequent urbanisation of the New Territories (Wesley-Smith 1982, 2). The clause stated: “if land is required for public offices, fortifications, or the like official purposes, it should be brought at a fair price” (cited in Chun 2000, 91). It prevented the colonial government from undertaking any expulsion and expropriation within the territorial extension. The specificity of the Convention, coupled with the peasants’ uprising against the colonial take-over, made the then colonial governor promise to pay respect for customs and traditions of indigenous villages in the leased area.⁴ This was consequently stipulated in section 13 of the New Territories Ordinance: to establish a new administrative system with reference to local customs and traditions. The formation of this leased territory, therefore, was based on the integration of the existing colonial regime and customary law.

The colonial government also needed to settle debate around the geographical extent of the New Territories. In accordance with the “Memorandum on the Delimitation on the Northern Boundary of the New Territories”, the British government extended the political border of the colony from Boundary Street (1860 - 1898) to south of Shum Chun River (Shenzhen River), acquiring an additional area equivalent to twelve times the size of the old

⁴ The then governor Blake made the proclamation to the people in the New Territories “Your commercial and land interests will be safeguarded and that your usage and good customs will not in any way be interfered with”. The government also promised that the rights of the indigenous villagers to their long-established land will be confirmed even without titles (Hayes 2006, 25–26).

Colony. The acquisition of this leased territory was about the two-thirds of the original San'on (Hsin-an) county in the Guangdong province (Hayes 2012). Although the then registrar-general and colonial secretary, James Stewart Lockhart, attempted to further extend the colonial boundary beyond the Sham Chun River to the two neighbouring market towns, Sham Chun (Shenzhen) town and Sha Tau Kok town, and the surrounding fields, he was rejected by the Chinese Authority. As shown in Figure 4.2, the demarcation of the Sino-Anglo Border, therefore, began at Mires Bay in the East, cutting through Sha Tau Kok town, entering a stream, coming along the road and then Sham Chun River, and finally reaching the Deep Bay in the West (Hase 2008). In fact, this border was loose and arbitrary before the WWII, and it was left open for the free movement of the Chinese residents travelling between the Colony and the Mainland. Additionally, the colonial government carved out a part of the leased territory, "New Kowloon", the area between Boundary Street and the Kowloon Hills (Figure 4.3). New Kowloon was treated as an outlet for the urban expansion of Old Kowloon and was finally integrated into the existing legal and administrative system in the colony; whilst the geographical extent of the New Territories thereafter was delineated by the Kowloon Hills instead of Boundary Street up to south of the Sham Chun River, together with 235 small and large islands with the total area of 365.5 square miles (Hayes, 2012).

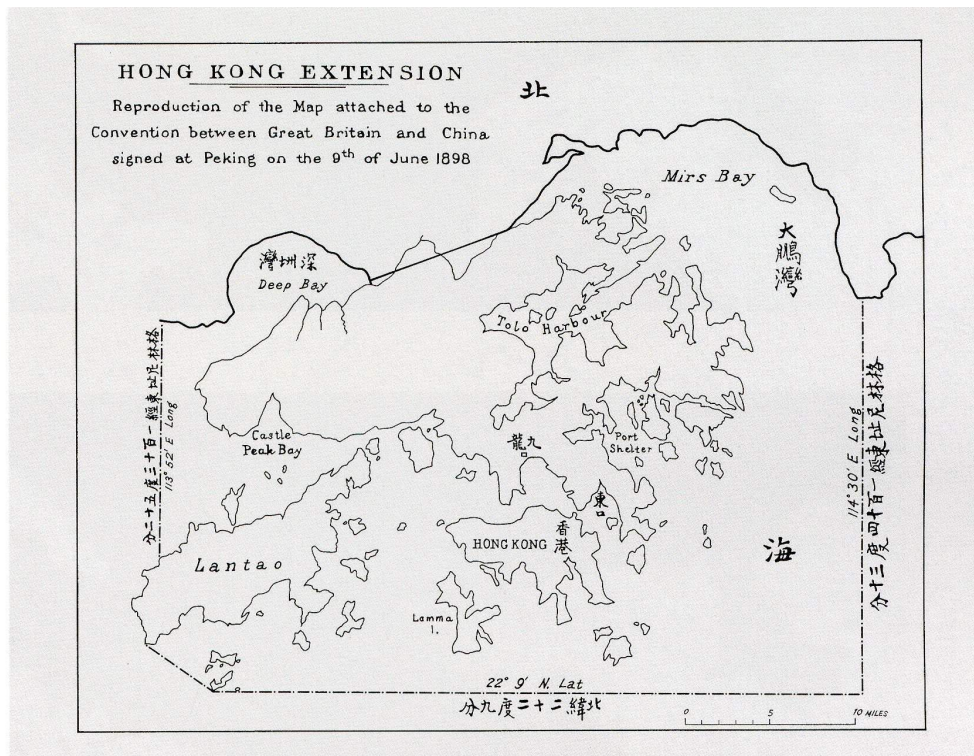


Figure 4.2. The reproduction of the map attached to the Convention of Peking 1898 (source: He 2016)

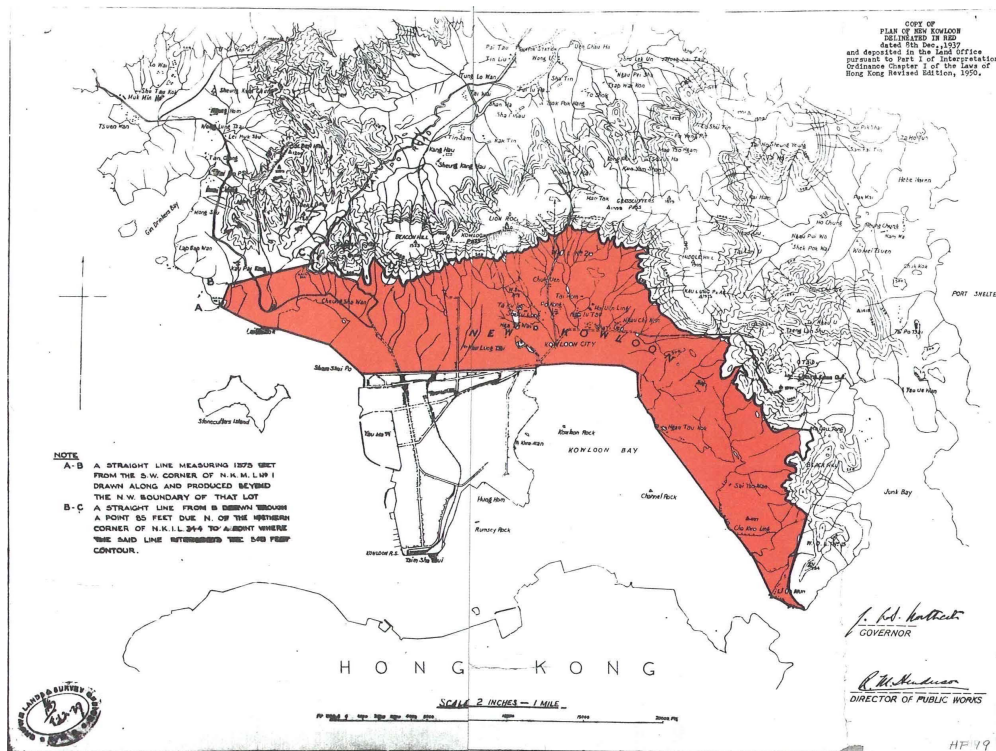


Figure 4.3. The integration of a part of the leased land (red) between Boundary Street and the Kowloon Hills to form “New Kowloon” as a part of the Old Colony (source: He 2016)

3.2. Problems of Government: Perpetual Landholding and Indigenous Villages

Nevertheless, the colonial government realised that a new administrative and land system could not be simply imposed on existing customs and traditions. The problems of government, which Lockhart addressed as the “great differences”, in the New Territories, referred to the “perpetual lease landholding” based on a two-tier land ownership system and the existing power structures of family clans and lineage villages (Chun 2000; Hayes 2012). It was also because of these differences, in terms of the landholding system, that prompted the need for a specific practice of governing the land and villages in the New Territories.

The first problem of government was the complexity of the pre-1898 landholding in the New Territories. It was a two-tier landownership system and was developed over a long time in accordance with the Chinese Imperial system and the local customary system (Chun 1990, 2000; Hayes 2012; Palmer 1987). This was a perpetual landownership and widely known as “One-Field, Two Owners”. It separated the rights of landholding into sub-soil and top-soil. Sub-soil holders were known as “taxlords”, who had right to collect tax from top-soil holders. They had red deeds which were officially recorded in the San’On Registry. Top-soil holders had the right of “perpetual tenancy”. They had to pay tax to sub-soil holders who issued white deeds, a form of unregistered customary deeds, in return. This perpetual tenancy allowed them to occupy, use or sublease land to others.

Nevertheless, there were three major problems for the government behind this two-tier landholding systems (Chun 1990, 408; Hayes 2012, 30–32; Wesley-Smith 1982). Firstly, the Chinese legal system became obscured by the dual land systems between imperial and customary law, and also between taxlordism and perpetual tenancy. Many disputes and complications resulted from multiple claims on the same land between top-soil and sub-soil holders. Secondly, the San'On registry was only a deed registry - not the title to land. The registry was inadequate and inaccurate because red deeds were rarely updated, and white deeds under customary law were never registered. Thirdly, the imperial land system was widely abused by sub-soil taxlords to collect rents on land even if they did not have red deeds.

Besides, the pre-1989 power structure of the New Territories was dominated by the well-known “Five Great Clans” (the Tangs, the Haus, the Pangs, the Lius and the Mans) (Baker 1966, 199). They were also known as “*Punti* people”, literally meaning “the locals”, who were the longest settlers in the New Territories, dating back to the Song Dynasty. They were sub-soil and top-soil holders, who acquired land from imperial grants or who had purchased land from authorities in the past. They owned the best cultivated land throughout the colony, and had widespread segments in different localities in the New Territories, particularly in the North (for example, Kam Tin, Fanling, Sheung Shui, Ho Sheung Heung and San Tin). They also had the power to monopolise land tax and rights to control markets and run ferry businesses. Apart from the *Punti* people, another group of villagers, known as “Hakka people”, literally means “the guests”, arrived later than the *Punti* people in the aftermath of the coastal evacuation policy. They were usually top-soil tenants and occupied less fertile cultivated land or hilly land. They were white deed holders who paid rent to the *Punti* people in the form of silver or a portion of produces. Therefore, there were unequal power relations between the *Punti* (sub-soil holders) and the Hakka (top-soil holders) villagers due to the co-existence of imperial and customary systems in the New Territories.

3.3. Instruments of Government: the Colonial System Versus the Customary System

The colonial government decided to integrate the New Territories into the overall colonial regime of Hong Kong while making reference to local customs. The problems of the landholding system and the existing local powers mentioned above were urgent issues for the government who had to establish a new colonial administrative and land system in the New Territories.

Since the existence of the two-tier landholding system was outdated and there was a deliberate falsification of deed records, the colonial government deployed a new approach for establishing land registration (Wesley-Smith 1982, 8). The government launched a large-scale cadastral survey, and set up land registration and recording. It also established a Land Court and passed the relevant ordinances to deal with all claims to landownership. Finally,

the colonial leasehold system was established to replace the two-tier landholding system. By passing the New Territories (Land Court) Ordinance⁵ in 1900, the government granted the Block Crown Leases to sole owners, in which priority was given to recognised top-soil holders over sub-soil ones (Chun 2000). These land leases were granted within the 99-year leasehold of the New Territories - 75 years from 1 July 1898 until 1973 and subject to renewal for further 24 years minus three days. They expired on 30 June 1996. Unregistered land was declared Crown land. The imposition of this leasehold system brought an end to perpetual landownership, and effectively abolished the class of taxlords and tenants. As put it by Wesley-Smith (1998, 94–96), after the government passed the Ordinance, “in legal fact only the Crown, not the inhabitants, had rights to land” in the New Territories. Furthermore, the powerful *Punti* lineages lost their ownership status, whilst many poor Hakka landholders, who were originally top-soil tenants, became leaseholders of their cultivated land. This weakened the power of *Punti* villagers, and changed the previously unequal power relations in the New Territories. Accordingly, a modern, rational land registry was established to allow for the extension of the colonial authority into this leased territory, and thereby imposing the taxation system to finance the new administration.

In addition, the establishment of the leasehold system was made with consideration of villages’ customs and their ancestral right. Concern about Chinese “usages and good customs” was stipulated as a concern in the New Territories Ordinance (Section 13). The government introduced a trust-trustee system to legalise ancestral land, known as “tsu” and “tong” in the New Territories. In this system, male villagers⁶ were legitimated legal persons, called “managers” or “trustees” on behalf of their lineage groups to register and initiate transactions of their ancestral land. This land practice was actually made with reference to customary law⁷, recognising the ancestral right and the material existence of ancestral land, and it enabled lineage villages to be sustained through the management of their communal land and properties, providing funding for their traditional activities and customs. Despite the fact that the government attempted to rationalise and institutionalise the perpetual form of ancestral land into a legal framework, the legal process was not based on the modification of the colonial policy of maintaining local customs, but on the submission of local customs to the colonial system. As put this by Chun (2000, 441), “The institution of trusteeship in administrative terms transformed the perpetuity into the status of a legal person by making

⁵ It is noted that the original content of this Ordinance was to grant the title of certificates to landowners. But the government finally decided to establish the leasehold system during the third reading of the Ordinance, granting land leases from the Crown.

⁶ This happened until 1994 that the amendment of the Ordinance allowed the female success to ancestral or family properties (Hayes 2012, 38).

⁷ It is noted that the government only consider and incorporate the customary law into the leasehold system, while those elements of the Chinese imperial system such as sub-soil landholding and taxlord system were invalidated.

the trustee legally responsible for actions of the entire group.” Thereafter, the custom of perpetuities was completely transformed into the colonial land regime.

Another intriguing question for the government was the operation and maintenance of local customs. This issue was actually related to how the colonial government established the local administrative system to manage villages and population in the New Territories. The issue of the New Territories’ administrative system, however, cannot be adequately explained through the perspective of indirect rule adopted in other British colonies such as India. In 1906, the colonial government established the District Office System to administer the New Territories. This new system replaced the idea of the incorporation of local gentries run on a limited civil and criminal jurisdiction stipulated in the Local Communities Ordinance of 1899 (Hayes 2012, 44). The District Office system was a different local administration from the old colony. The New Territories was managed by district officers in the Northern and the Southern Districts, “Yuek”, as an administrative unit with sub-districts.

District Offices were local centres of colonial government in the New Territories. As noted by David Akers-Jones (2004, 14), one of the most influential colonial administrators in the New Territories, “[a]t the height of their [district officers’] powers they were police officers, magistrates and Land Officers...with heavy responsibility which reached into the heart of the traditions of society wherever they were to work”. According to James Hayes, another influential district officer, the District Office system was a powerful executive department in the New Territories until 1994. It was almost an “all-in-one” administrative office in charge of general administration, certain aspects of civil jurisdiction, registry and land matters, police and criminal cases, Crown rent and revenue collection (Hayes 1993, 117, 2012, 43). According to law, one important role of district officers was to maintain and uphold the customs of the New Territories. Ironically, these expatriate officers became arbiters and had authority over the legality of all land issues and which customs should be adopted. This was especially controversial whether they followed majority rules or the advice of village elders. Therefore, to say that the New Territories was governed by an indirect ruling system is not accurate. Local villagers viewed district officers as the government. The District Office system was actually a product of the colonial ruling system within the British empire. As noted by Akers-Jones (2004, 14), this system was “a creature of Imperial British...on the globe...in Africa, South-East Asia, on remote islands, in the West Indies and in India”. Before he arrived in Hong Kong, Akers-Jones had been a district officer in Alor Gajah in the Malacca settlement. After twenty years of working in the district offices in Tsuen Wan, Yuen Long and outlying islands, he became the secretary of the New Territories and had a great deal of influence on its development between the 1950s and the 1980s.

The establishment of colonial power in the New Territories, however, would not have been possible without incorporation of, or collusion with, local gentries and village elders. According to David Faure (1986), their roles and influences were already important for local

administration during the Chinese imperial era. They had authority and power in their areas, where they helped the county magistrates dealing with local affairs, collect tax, settle local disputes and maintain peace. As noted by James Hayes (2012, 44), the colonial government needed their co-option and cooperation in local administration, village affairs and customs, and used their “traditional” authorities in order to “domesticate” the mass indigenous villagers in the New Territories⁸. This collaborative relationship nevertheless perpetuated and reinforced a male-dominated, patriarchal system as equally important local power centres in the New Territories (Cheung 2016). It was through these patriarchal authorities that “local customs and traditions” were maintained, these only considered male villagers in the succession of their ancestral and parents’ properties, and only men had the right to vote in villages. Cheung echoes Law Wing Sing’s argument (2009) on the notion of “collaborative colonialism” to characterise a political-cultural formation in the colonial society of Hong Kong, he addresses how the particular form of power to rule the New Territories for 99 years was “patriarchal colonialism”, which combined the Chinese patriarchal lineage and British power (Cheung 2016). Additionally, there was a rise in rural power through the formation of the Rural Council - Heung Yee Kuk since 1926. Villagers established a Rural Council and united villagers to oppose the government’s policy of collecting a premium on house construction on farmland (Sit and Kwong 2011). The relationship between the government and villagers was never settled: it was sometimes collaborative, but antagonistic at other times.

The establishment of the leasehold system and the District Office system subsequently led to the development of particular colonial practices in the New Territories. The issue of cultures, customs and traditions became important instruments in the New Territories. One might question which customs were adopted and preserved in the system and in reality. On the one hand, the colonial government had to manage local customs efficiently and therefore only respected the meanings and contents of local customs and cultural practices dated back to the time of 1898. Welsey-Smith poses a paradox around the government of customs and cultures, “the Chinese customary law in the New Territories was not forwards in response to modernisation but backward to the Ch’ing dynasty” (1982, 12–13). Accordingly, the local customs of the New Territories were perceived as “a thing” and were practiced as a “frozen” collection of rules, instead of a process according to social changes. On the other hand, as mentioned above, extirpate district officers were arbiters or arbitrators of local customs and land practices, whilst village elders and later the Rural Council were cultural interpreters or translators of them. This opened a space of negotiation and for political conflicts in local government issues, village affairs and customs, and subsequent development issues. As noted by Tang (2014), rural and urban (colonial) forces have “co-existed, becoming each other”, and dialectically shaped the distinctive form of patriarchal colonialism in the New

⁸ For example, the District Officers since 1926 appointed some village elites as “Tsz Yi”, or “Head boroughs” to be the advisors for the administration in the New Territories (Hayes 2012, 45).

Territories. This made this leased territory different from, but also related to, the ceded territory in this process.

Finally, the introduction of the leasehold system replaced villagers' perpetual rights to land in the New Territories. The colonial government introduced the Crown Lands Resumption Ordinance in 1910 to justify the resumption of land in the name of public purposes. Villagers regarded these actions as a violation of the non-expropriation clause in the 1889 Convention, which restricted land resumption for purposes such as public offices, fortifications and the like, as long as they offered compensation at a fair price. Land development and resumption became very complicated and contested in the New Territories during the post-war period. The government had to be innovative about ancestral rights and customs surrounding land issues in order to make changes in the New Territories, whilst the rural council evolved to be an institutional organisation through which villagers could make claims to land in the course of urbanisation. This will be mentioned in the next section, on the launch of territorial urbanisation after WWII.

4. The Extended Territorialisation: a Process of Territorial Anchoring (1945-1980)

After WWII, Hong Kong was immediately made subject to precarious geo-political processes and the new international situations of the Cold War period. As mentioned in Chapter three, there was a division of international powers during the rise of the Sino-American rivalries, threats of spreading communism and the development of containment strategies, and the launch of international embargoes on China. The Cold War geopolitics prompted the colonial government to change the new territorial development strategy from the city centre to the New Territories. The New Territories were located on the frontline of the western power, positioned against the rising threat from China, and became a strategic space through bordering, a frontier area, planning, reclamation and land exchange for industrial and public housing development. This process of territorial development was accelerated during the MacLehose era through new town expansion. Nevertheless, the government had to negotiate with indigenous villagers and their rural council, which had increasing power over issues of land in the shift of territorial strategies, to develop the New Territories.

4.1. Territorial Bordering: the Fortified Boundary and the Frontier Closed Area

During the post-war period, the New Territories became a frontier zone separating two international power blocks: capitalism and communism. In response to the rising threat from Communist China, the colonial government fortified the border and created an "frontier closed area" in the 1950s. Before the war, the Sino-Anglo border was open for Chinese

residents and visitors to cross without border control and immigration regulations. After the Communist Party came to power, both governments started to strengthen their defence at the border. The colonial government initiated immigration policies against the massive influx of immigrants and refugees from China⁹. It sealed the border with a 35km long security fence. Then in 1951, it designated a “Frontier Closed Area” under the Public Order Ordinance, which was further expanded in 1962.¹⁰ This frontier area imposed a long patchwork along the Northern boundary of Hong Kong. It comprised of an area about 28 square kilometres and had border defence at seven observation posts (Tse 2006). The government froze any urban development within the frontier closed area, including twenty-four pre-1898 villages and their agricultural land. Police checkpoints were established to control entry and limited villagers with the permits of the frontier area¹¹. This frontier zone was artificially made through the creation of a natural buffer under the zoning of a designated conservation area. It was turned into a long diverse patchwork of a historical, ecological and conservation landscape in the New Territories. There were some village settlements, farmland, fishponds, barracks, observation posts, cemetery, roads, checkpoints, wetland, rivers and mountain areas.

Despite the fact that the colonial government considered the Hong Kong border as indefensible in the case of any attack by Communist armies, the establishment of border defence and a frontier closed zone increased the British security forces who tracked illegal immigration, smuggling and spies activities, and hoped to maintain the integrity of the colonial boundary. In fact, closing the border marked the beginning of a new era in Hong Kong during which it adopted new development strategies to survive and officially terminated relationships with China. This spatial containment led to enormous differences between Hong Kong and the Mainland in all aspects, especially the development of a “Hong Kong” identity. In the midst of large scale development, the existence of the frontier closed area was the most silent natural patchwork bordering on the northern landscape of the New Territories, but it was subsequently subject to changes after 1980 and 1997, when the frontier which was a closed area was reopened to give way to political economic integration of Hong Kong into a wider region.

4.2. Territorial Expansion: Industrialisation and Public Housing Resettlement

In response to the enormous post-war changes from the cold-war geopolitics, the shrinking of the British empire, embargoes on China and the ensuing economic crisis, large immigration influx and the mushrooming of illegal squatters, and social unrest, there was a

⁹ Hong Kong received several waves of immigrants and refugees since the Chinese Civil War in 1946, and then the rise of Communist power in China in 1949, and the beginning of the Cold war and embargoes.

¹⁰ Hong Kong Legislative Council, 1951. <http://www.legco.gov.hk.hk/1951/h510627.pdf>

¹¹ Hong Kong Legislative Council, 2001. <http://www.legco.gov.hk/yr01-02/english/panels/se/papers/se0502cb2-1713-6e.pdf>

new territorial development strategy in the colony in the 1950s. The New Territories became a strategic space for industrialisation and the implementation of public housing resettlement. Industrialisation was conditioned by the influx of industrial capital from Canton and Shanghai, coupled with a large number of Chinese immigrants. In 1954, the government developed the first industrial satellite town in Kwun Tong, located on the urban fringe of New Kowloon. The Kwun Tong industrial satellite town became a prototype for large scale extended urbanisation in the New Territories. In 1958, the government prepared Planning Memorandum No. 4, which provided future development strategies for constructing satellite towns (Bristow 1989, 67), and drew up various blueprints for the development of Tsuen Wan, Tuen Mun and Shatin. The change in territorial strategies to the New Territories was followed by the restructuring of land development apparatus in Hong Kong (Ho, 2004). In 1958, the Public Works Department (PWD) created a new unit in the Development Division which was charged with planning and land formation for satellite towns in the New Territories. In 1964, the PWD merged four administrative divisions into the civil engineering office. Whilst the Town Planning Board prepared new blueprints for development, the Land Development Planning Committee produced the Colonial Outline Plan, looking at potential sites for industrial, housing and resettlement development.

Nevertheless, there was a different land and administrative system in the New Territories. Most of developable land was held by lineage villages, whose land rights were protected by the Ordinance of the New Territories. To avoid paying a large amount of compensation for land resumption, the colonial government developed industrial satellite towns, also known as new towns, reclaimed land as a solution to the lack of physical space in the New Territories. Accordingly, the sites of industrial satellite towns were developed near to old market towns, but were constructed on newly reclaimed land from shallow sea with available fill materials from nearby hills (Ho 2004). Large scale reclamation of the Tsuen Wan Bay and the Gin Drinkers Bay was launched to the west of the New Territories during the late 1950s and 60s and it transformed the urbanising market town of Hakka village settlements into a predominately “working-class city” in Tsuen Wan with a town centre, industrial zones, and low-cost public housing and resettlement estates (Hayes 1993). During the 1960s, Sha Tin in the north of the Kowloon Hills, and Castle Peak in the north-west of the territory were also constructed on newly reclaimed land from the Sha Tin Valley and the Castle Peak Bay.

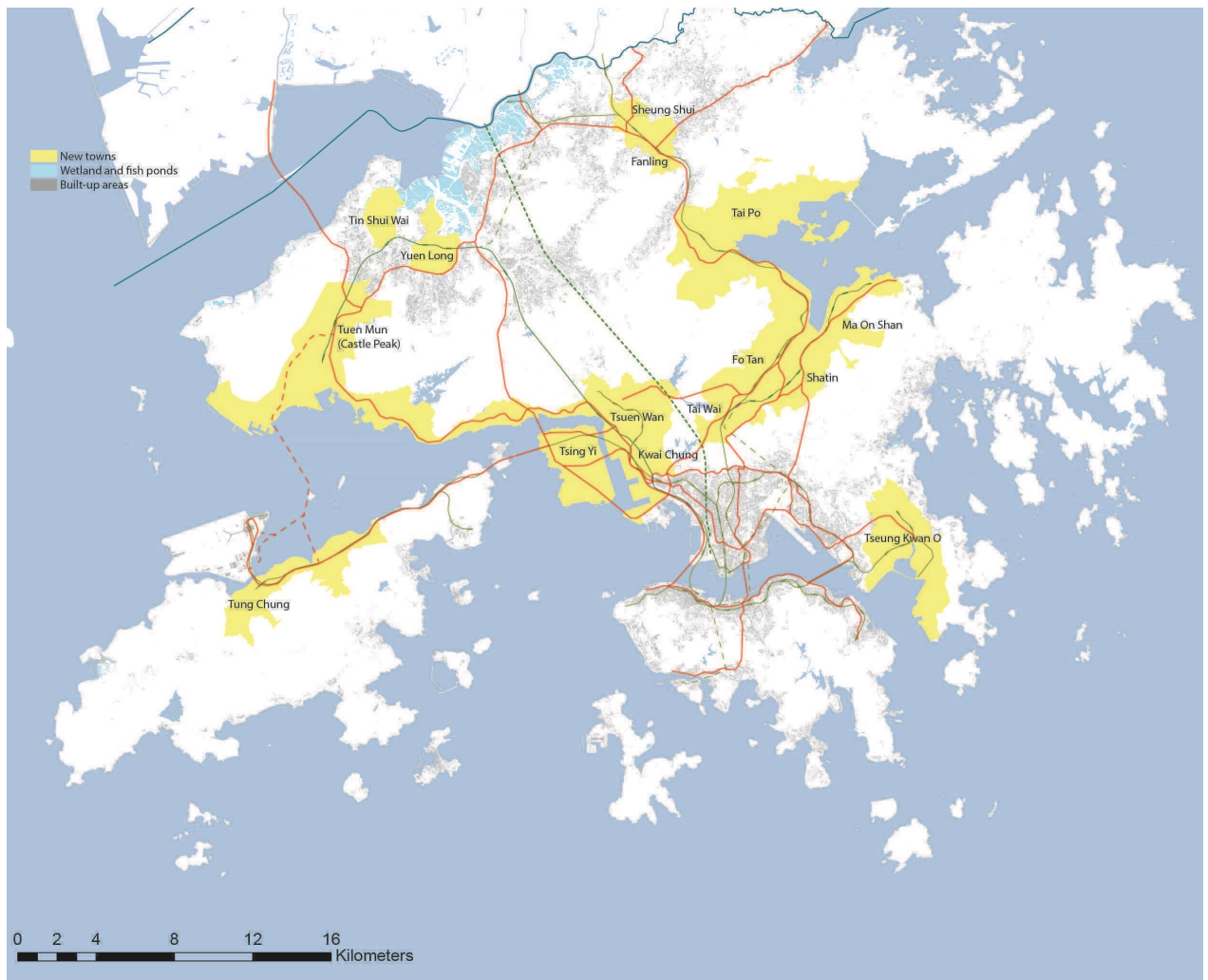


Figure 4.4. Hong Kong's new towns and the transport network (source: various government documents)

Reclamation did not resolve all the problems of land development. For instance, 80,000 inhabitants were affected by land resumption in the Tsuen Wan development project. The government faced opposition from villagers and the rural council against land resumption and development. To restore order in the colony, the government had to absorb the rural power into the local administration during the rise of the Communist China. It institutionalised village representatives and subsequently turned the rural council - the Heung Yee Kuk - into a statutory advisory body under law (Hayes 1996; Sit and Kwong 2011). The government's divide and rule policy also led to the split of villages' power into pro-development and anti-development groups (1999, 81). However, the Heung Yee Kuk developed into a powerful village force which lobbied the government to advance their interests in the new development process in the New Territories.

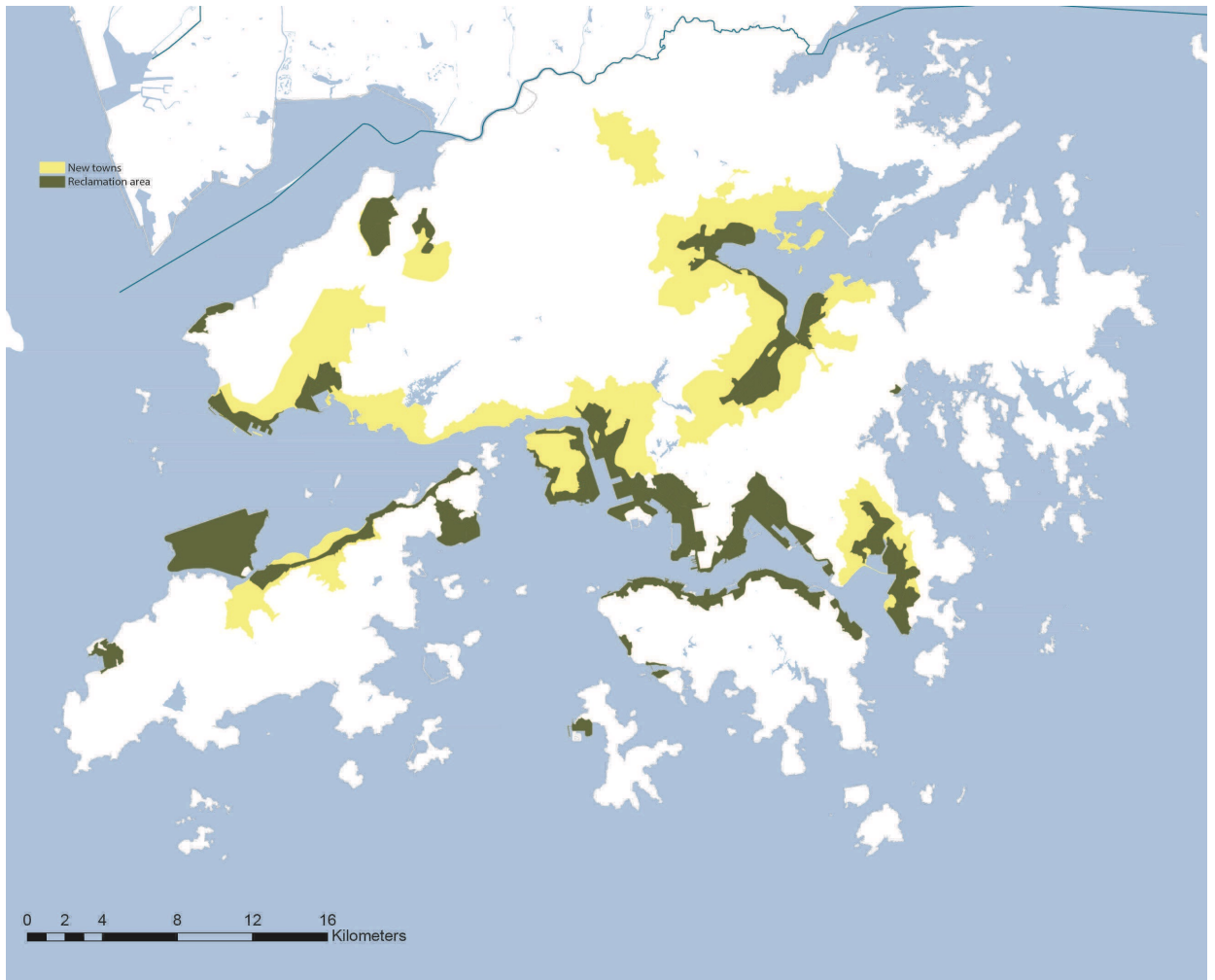


Figure 4.5. Reclamation and new towns in Hong Kong over time (source: compiled from the government documents)

The government also realised that the new development strategies required major reorganisation of institutional apparatus for land assembly within the New Territories (Bristow 1989, 118). It introduced a very innovative land practice to resolve issues around the acquisition from villages: a land entitlement system, known as “Letter A” and “Letter B”, which granted leaseholders the right of entitlement for future grant of land (Bristow 1989; Castells, Goh, and Kwok 1990; Nissim 2012). During the 1950s, there was a policy of land exchange between the government and leaseholders for the resumption of agricultural land, in exchange for built land at a given ratio. In 1961, the government formalised this land exchange policy into the “Letter A/B” system. The “Letter A” was designed for leaseholders who surrendered vacant land to the government to use for public purposes, without a process of statutory resumption whilst the “Letter B” was issued to surrendered land subject to resumption affected by development. In this land exchange policy, the government exchanged each five square feet of agricultural land for two square feet of built land (industrial or residential), and the same size of built land for that of built land in a near future within the

town or elsewhere in the New Territories. A grantee had to pay a premium for the difference in land values at the date of surrender. The certificates for Letter B were transferable and grouped together for land exchange so certificate holders could trade them for a speculative future in land or acquire the right to participate in future development. To deal with all this, the government established the District Land Committees to handle land resumption and exchange in the New Territories.

The policy of the Letter A/B system lasted from 1961 to 1983. It facilitated land development and the resumption process in the New Territories, through which the government saved a great deal of compensation and prevented delay in land acquisition from affected villages. As James Hayes (Hayes 1993, 68), the then district office in Tsuen Wan, put it: "Letters of Exchange issued for land affected by resumption became negotiable instruments". It provided an important governing instrument and enabled district officers to negotiate and settle terms with affected villagers, especially with respect to the relocation of a whole village affected by development. When the Heung Yee Kuk continued to criticise the government about the issue of low compensation rates and the unjust nature of land exchange policy, Letter B provided an alternative option for affected leaseholders. Many cases of land resumption involved considerable ancestral land which affected villages preferred land to monetary compensation (Nissim 2012, 125). However, Letter B certificates were also turned into traded products for land speculation in the New Territories. This was because the government did not deliver enough land lots for certificate holders and therefore accumulated many "land debts" (ibid.). Large amounts of certificates were purchased by a few developers. Since older Letter B certificates were more valuable, because land premium was calculated at the date of surrender, developers accumulated these certificates and submitted their development during the 1980s and 1990s. Therefore, they profited a lot from the difference of land values between the date of certificate and the date of development at the period of real estate boom in Hong Kong

4.3. Territorial Compromise: New Town Expansion and Village Housing Development

The decade after 1971 was the era of Sir Murray MacLehose, who was the new Hong Kong Governor charged with preparing for the negotiation with China over the expiry of the 99-year leasehold of the New Territories and the future of Hong Kong. Many of the reform proposals from the 1966 and 1967 riots were gradually put into practice during his era. The outbreak of these two riots upset the legitimation of the government in the colony. As the Hong Kong historian John Carroll (2007) notes, these riots revealed widespread discontent generated by the social and economic conditions and fuelled these issues as political crises with instigation of local communists and those from China¹². At that time, social stability was

¹² For example, the PRC government, Red Guards, leftists.

a central concern of the new government, as it was key for economic take-off and political deals in negotiation with China, making new terms of the lease of the Colony, or maintaining a status quo of Hong Kong.

New circumstances in the 1970s marked a turning point in the new mentality and practices of government who launched a series of social reforms¹³. The process of urbanisation was one of the key elements of these emerging governmentalities in Hong Kong. MacLehose accelerated the extended urbanisation in the New Territories through the Ten Year Housing Scheme in 1972 and the New Town Programme in 1973. Through these policies, the government promised mass housing production with an annual target of 40,000 self-contained housing units, to accommodate 1.8 million people in ten years (Yeung and Wong 2003, 22). The New Town Programme focused on the upscaling of development of industrial satellite towns in two decades. The government reconsidered a new spatial setting for the improvement of living environment. The previous prototype of housing resettlements and industrial development were designed as spatial containers for a kind of “social alchemy” to change mentalities from farmers into industrious workers, and from refugees or immigrants into good citizens (Hong Kong Government 1956). Nevertheless, the physical space of resettlement estates were transformed into areas with a high concentration of low-wage workers and became a breeding ground of social problems. As suggested by the Inquiry Commission of Kowloon Disturbances (Hong Kong Government 1967), space needed to be redesigned to resolve problems of overcrowding, “non-belonging” by youths and the lack of recreational outlets. New town space, therefore, was designed to create a new condition for social changes in the 1970s. This new spatial design of new town living provided self-contained communities, housing, employment, commercial and service areas, public facilities and green space. In a speech in the 1972 Legislative Council¹⁴, MacLehose addressed, “the inadequacy and scarcity of housing ... and the harsh situation ... the major and most constant sources of frictions and unhappiness between the government and the population. It offends alike our humanity, our civic pride and our political good sense”. In an interview, MacLehose acknowledged that “we were determined to build [new towns] not just dormitories but communities” (The Guardian 2016). Indeed, the government paid much attention to new town production in the New Territories because it was seen as important in shaping the sense of belonging to “Hong Kong” - the creation of an identity which differed from that of the Mainland Chinese. New towns, together with the programme of Hong Kong Festival, and Clean Hong Kong Campaign, symbolised an era of modernisation that created a sense of civic pride and responsibility. They were essential elements for the political

¹³ These included the improvement of labour relations, education and medical services, and the changes of living and housing conditions. The only reform was declined by the British government was the Constitutional reforms suggested by the Governor Trench due to the diplomatic relation between the British and the Chinese governments.

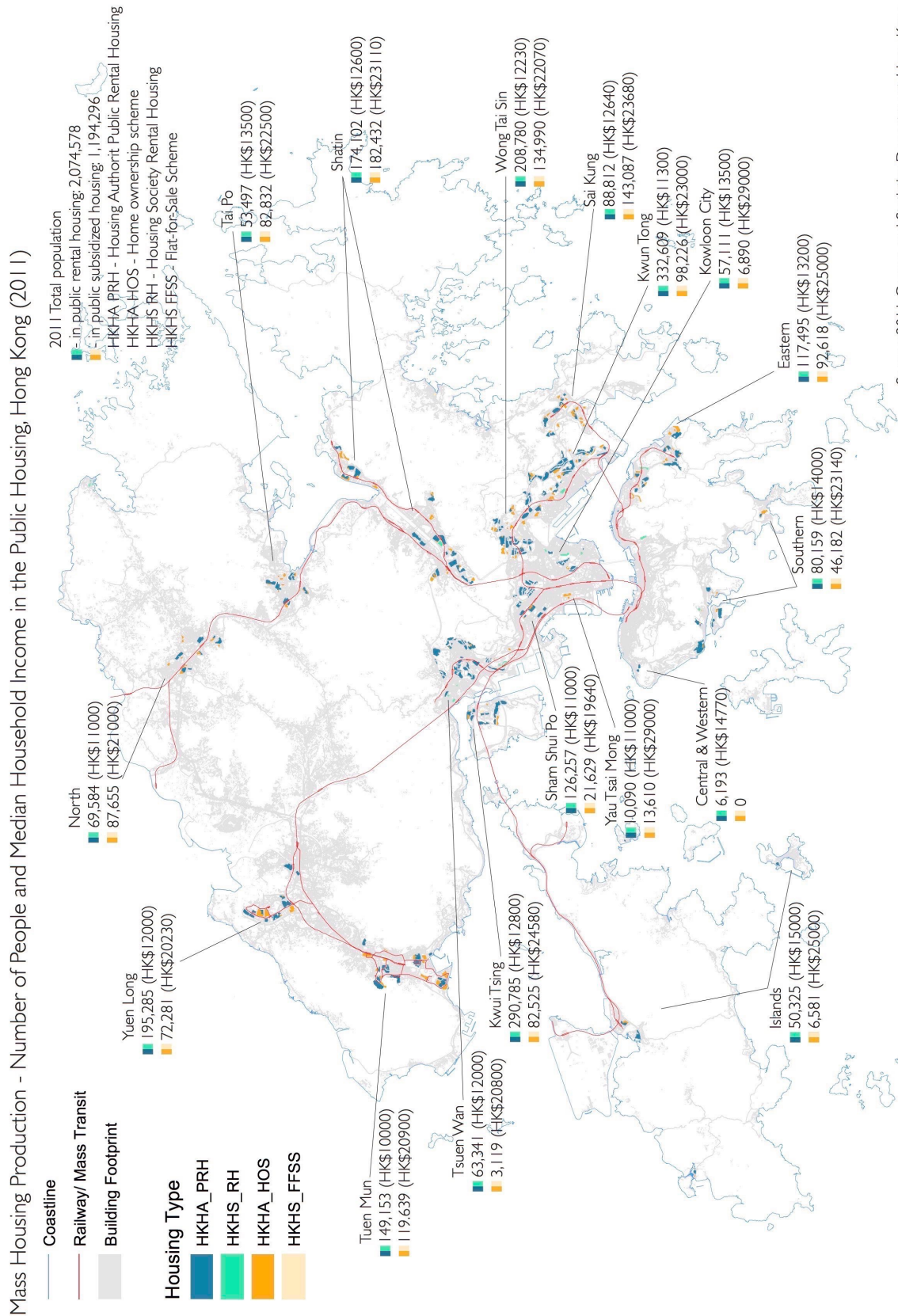
¹⁴ Hong Kong Legislative Council, 18 October 1972.

legitimation that MacLehose wanted and could use to negotiate with China about the future of Hong Kong.

The production of mass housing and new towns was accelerated through the consolidation of the government development apparatus in the 1970s. The government established the New Territories Development Department by combining several administrative divisions. The Housing Authority was established by merging numerous housing agents, and became a single institution under the Housing Ordinance. More importantly, the Housing Authority had financial support from the Development Loan Fund, and was no longer required to pay land premiums (Castells, 1990, 28). This restructuring, accelerated public housing development. There was rapid population growth in the New Territories. Tsuen Wan's population grew into 270,000 people and Tuen Mun (Castle Peak) accommodated 344,000 public housing residents (Ho 2004). While Shatin's development was extended to Ma On Shan, the government launched a new generation of new towns in three market towns - Tai Po, Yuen Long and Fanling-Sheung Shi to provide new homes for 580,000 residents. Although the government was not able to meet the original housing target, the MacLehose government showed a strong political will to construct a new Hong Kong. 220,527 housing units were constructed between 1973 and 1982, which completely transformed the urban landscape of the New Territories.

Treating space as a social transformation also gave rise to the designation of a range of country parks as leisure and recreational spaces which catered to the increasing population of Hong Kong. Following the advice of the Commission Inquiry, the government provided more recreational outlets for youths, especially outdoor recreation, to divert energy away from riots and reduce anti-social feelings. During the 1960s, the function of country parks was to protect the catchment areas of mountains and collected rainwater in reservoirs so the colonial government could maintain the supply of water on a self-contained basis, instead of importing it from China. After the riots of the 1960s, the proposal of country parks was put back on the government's agenda. In 1976, the Country Parks Ordinance was passed by the Legislative Council, imposing a new set of conservation regulations. The designation of country parks transformed 40 percent of the total territory into conservation and ecological areas¹⁵. They provided new open space and recreational outlets to meet social needs from population growth and rising living standards. The Ordinance extended the government's statutory power over a large coverage of the New Territories. Thus, these country parks served as an extensive fixed space to stop squatting and urban sprawl.

¹⁵ The country parks and the special (ecological) areas cover the total area of 44 300 hectares in Hong Kong.



Source: 2011 Census and Statistics Department, Hong Kong
Hong Kong Housing Authority, Hong Kong Housing Society

Figure 4.6. Public housing production, its population and the median household income, 2011 (Sources: Census and Statistics Department of Hong Kong, and Hong Kong Housing Authority and Hong Kong Housing Society)



Figure 4.7. Hong Kong's country parks (source: Lands Department of Hong Kong)

During this period, the colonial government needed to reach a compromise with the rural group over the massive scale of urban transformation in the New Territories. In 1972, the government launched the “Small Housing Policy” in parallel with the New Town and Public Housing programme. The small housing policy was also known as “ding” rights, literally meaning a male’s right to indigenous villages as “descended from the male line from a resident in 1898 of a recognised village in the New Territories”¹⁶, and was the entitlement to a once-in-a-lifetime grant for village house construction in the village zone, village environs, or village extension area of a recognised village.¹⁷ These small houses, or “ding houses”¹⁸, are three-storied village houses - 27 feet high and not exceeding 700 square feet in area - were built throughout the countryside of the New Territories. Grantees can either build their

¹⁶ It should be on the list of recognised villages approved by the Director of Lands.

¹⁷ According to the SHP, applications for sites within a “village zone” refer to areas in a Development Permission Area or Outline Zoning Plan. Village environs refers to “a 300 feet distance surrounding a recognised village”.

¹⁸ Hong Kong Lands Department. www.landsd.gov.hk/en/images/doc/NTSHP_E_text.pdf, and Hong Kong Legislative Council. <http://www.legco.gov.hk/research-publications/english/essentials-1516ise10-small-house-policy.htm>

houses on their private land through the Free Building Licence at no premium, or on the government land through Private Treaty Grant at a concessionary premium. They are granted Certificates of Exemption from the employment of professionals and the submission of formal building approval in the New Territories under the Building Ordinance. The implementation of the Small Housing Policy immediately led to the urbanisation of these village areas through the production of three-storied houses in the New Territories. Since then, the government granted 10,000 land lots for eligible villagers to build houses between 1972 and 1984 (Sit and Kwong 2011, 200–201). As noted by Nissim (2012, 128), the policy enabled “these houses to be built very quickly with a significant saving in professional fees”.

The introduction of the Small Housing Policy was actually a moment of territorial compromise by the government, the Heung Yee Kuk and indigenous villages. For the government, granting indigenous villagers’ right to build houses was a way to pay back a debt to the Heung Yee Kuk whose assistance in keeping order in the New Territories during the 1967 riot (Lai 2000, 212; Nissim 2012, 132). This was a measure of pacification for the rural council and indigenous villagers, because the government had to carry out its ambitious new town and housing programme and also maintain social stability. Villagers perceived this policy as an entitlement to build houses on their land, and as a form of compensation from the government to villagers affected by land resumption from the 1950s (Sit and Kwong 2011). Whilst the Small Housing Policy immediately benefited individual village households who can apply for a free building licence, the previous policy of Letter B subsequently benefited private developers who purchased and grouped large amounts of certificates from small landholders for large scale property development in the New Territories. The Small Housing Policy was therefore the product of territorial compromise, since villagers and the Heung Yee Kuk opposed the government’s development policies and negotiated on the issues of better compensation in the New Territories. Consequently, the government made an administrative decision to launch the Small Housing Policy, which officially created a different identity of “indigenous villagers” from “non-indigenous villages” in terms of rights of land and housing in the New Territories.

5. Integration and Reterritorialisation: Multi-patchwork Urbanisation and Contestation (1980-present)

In this section, the process of urbanisation in the New Territories after 1980 will be evaluated against a number of political-economic shifts which arose from China’s opening-up policies since 1978, the Sino-Anglo Agreement in 1984, and then changes in the government regime after 1997. New circumstances significantly destabilised previous territorial strategies and opened up new dual processes of harbour redevelopment in Hong Kong and extended urbanisation to China. Given the shift of development, the New

Territories gradually developed into a “in-between space” in the midst of a larger metropolitan region, between a globalising Hong Kong and industrialising Shenzhen on the north of the border. Given new towns and mass housing production persisted, the New Territories gradually developed into a polycentric, heterogeneous, multi-layered urban patchwork to serve increasing demands of socio-economic activities across the border. The return of sovereignty and the change of government renewed the strategic significance of the New Territories. This gave rise to new politics of re-territorialisation under a hegemonic discourse and strategy of “regional integration”. The politics seemed to justify on one hand new development areas and numerous cross-border urban developments but on the other hand led to a wave of conflicts and struggles against the displacement.

5.1. Towards the Poly-Centric, Multi-layered Patchwork of Urbanisation (1980-1997)

During the decades following the signing of the Sino-British Joint Declaration, Hong Kong entered a new stage of urbanisation at the confluence of political, economic and social changes. As noted by Tang (2008), “this was a new decade ushered in the compelling need to maintain economic prosperity in the last colony”. Since the 1980s, new urbanisation processes started to form an extended metropolitan region including the consolidation of the financial and trading centres in Hong Kong as well as also industrialisation in Shenzhen and Dongguan. The New Territories emerged as a multi-layered urban patchwork in the midst of this dual movement of urbanisation.

During the MacLehose era, the development of new towns formed a range of high-density housing complexes established and connected along the main roads and within distance of a rail network in the New Territories. This extent of urban patchwork began in Tsuen Wan-Kwai Chung and Tsing Yi in the West, to Tuen Mun and Yuen Long in the North-west, and extended from Shatian, Ma On Shan, Tai Po, Fanling and Sheung Shi along the Kowloon-Canton Railway. This ambitious aim resulted in the improvement of housing for an overall population and also a high-profile vision to create civic pride and a new Hong Kong in the 1970s. Unfortunately, from the 1980s onwards, there was a shift of housing policy from the development of public rental housing to homeownership in which the government delegated a significant part of housing production to the private sector and the subsidised Home Ownership Scheme (Chan 2000; Chung and Ngai 2007). Meanwhile, the Housing Authority started to exercise a prudent financial budget to undertake public housing development. Its vision also degenerated into a spatial setback for low-income, immigrant, and single-parent families. Public rental housing therefore became a technocratic machine for tackling housing problems: affecting low-income, immigrant families living in cubicle rooms situated in old urban areas, and relocating families affected by urban renewal, which consequently decentralised many families from the city centre. Large numbers of low-income families were

involuntarily relocated to public housing farther away from the city centre, and hence the main employment area for them and their families. New towns no longer provided enough jobs to local residents like before during industrialisation. This resulted in a large influx of commuters travelling to the main urban areas daily.

A new generation of town developed in Tin Shui Wai, Tseung Kwan O and Tung Chung during the 1980s and 1990s. The erection of these towns followed a new economic logic working against the rise of a property development regime in Hong Kong. The construction of Tin Shui Wai was the outcome of a deal between the government and a Beijing-backed consortium. The latter engaged in land speculation and initiated cooperation with the government to launch a private-sector city project for 500,000 residents. It eventually faced financial difficulties during the 1982 property slump. As Roger Bristow ((1989, 215–20)) noted, for political reasons, the government rescued the consortium from financial crisis by taking over this project and purchasing land from the consortium at an unprecedentedly high price. The new town was constructed for 135,000 people under a public sector framework in the farthest area in the North-west of the New Territories. The Housing Authority moved a large amount of low-income families to public housing in this area since the early-1990s. The consortium was also granted a large land site, which became the largest private housing estate attracting many young homeowners.

Tseung Kwan O was another new town development on the reclaimed Junk Bay area. The town was built as a high-density residential development alongside the Mass Transit Railway. The production of this new town not only aimed at fulfilling the number of housing targets, but also dealt with the outstanding Letter B certificates, which had to be cleared by June 1997 in accordance with the agreement of the Sino-British Land Committee (Nissim 2012, 122). The outstanding certificate holdings were mainly held by the most influential developers in Hong Kong who started speculating about the New Territories' land from the 1970s and managed to keep many Letter B certificates for future land exchange and development. To revoke the certificates, eight private housing estates were developed at the centre of this new town. They formed a cluster of high-density, skyscraper-like buildings with residential units on the top and shopping malls at the base which connect to the metro system¹⁹. As mentioned in the last section, certificate holders paid land premium calculated based on the difference in value between the land surrendered and the land granted at the date the original land was surrendered to the government (Castells, et al. 1990; Nissim, 2012). Therefore, the certificates with the oldest date were the most valuable. By grouping these certificates together in a development, developers just paid a minimal differential value to acquire land at the central area of the new town from the government. For example,

¹⁹ Tseung Kwan O Urban Planning Changes, <https://had1516.huluhk.org/en/heritage/tseung-kwan-o-urban-planning-changes/>

according to Yiu's findings (Yiu, Chan, and Chung 2016), developers paid the premium at a cost ranging from HKD 21 to HKD 87 per square foot, comparing to the premiums at auction at the cost of HKD 2000 per square foot in the same area. The total amount of land acquired through this land exchange was about 1.2 million square feet, which was developed into more than 10 million square feet of floor area and resulted in maximised profits for these developers.

The New Territories developed into a transient zone in the midst of a larger metropolitan region in the PRD. There was the opening of land and railway crossings and the construction of more boundary checkpoints to meet increasing flows of passengers and freight vehicles between the two places. In 1979, the Kowloon-Canton Railway resumed its through-train service to connect Hong Kong and Guangzhou. This was followed by the expansion and the construction of checkpoints including Lowu (Luohu), Man Kam To, Sha Tau Kok, Lo Ma Chau/Huanggang, Lok Ma Spur and the Shenzhen Bay. This cross-border infrastructure and transport network was constructed above the wetlands, the ecological areas and the frontier closed area. The transport network opened up three economic corridors including the areas along the railway around the Luohu area and the Futian area, in the East at Shatoujiao, and the West in Shekou. This connects Hong Kong to its neighbouring cities through the "Front-Shop, Back-Factory" system and accelerated the development of a regional division of labour and a larger metropolitan region in the PRD during the first and second decades of China's economic reform.

The New Territories are located along the Hong Kong-China corridor; a large area of agricultural land was transformed into open storage uses, currently referred to as brownfield sites, including open storage facilities, port back-up land, container yards, car parks, car dump areas, recycling yards, electronic wastes, industrial workshops and damaged agricultural land²⁰. This led to land fragmentation and urban patchwork landscapes throughout the vast areas in the New Territories. These brownfield areas emerged rapidly after the court case of *Melhado Investment Ltd v Attorney General* in 1982 in which the Court ruled that the leaseholders of agricultural land have the right to use their farmland for open storages provided that no building structure is erected on these sites²¹ (Nissim 2012, 10). Instead of using their land for farming, indigenous villages and individual villagers leased their land to commercial or industrial operators to run businesses for vehicle parking, container storage and recycling. Before the court case, the government only used land leases and the building ordinance to exercise development control in areas outside the new towns in the New Territories. There was no planning enforcement provision in these areas under

²⁰ Hong Kong Government, Press Release. 6 November 2013 and 3 February 2016.

<http://www.info.gov.hk/gia/general/201311/06/P201311060448.htm>;

<http://www.info.gov.hk/gia/general/201602/03/P201602030683.htm>

²¹ The High Court ruled that the Block Crown Leases are only descriptive but not restrictive in term of land uses. Therefore, leaseholders should have right to use their farmland for open storage sites.

the Town Planning Ordinance. In the aftermath of the court case, many farmlands were turned into brownfield sites, especially container yards. In 1991, the government passed the Town Planning (Amendment) Ordinance to re-impose control over the use of agricultural and village land in the New Territories. As explained by Nissim (*ibid.*), this Ordinance empowered the government with the necessary statutory power to nullify common law rights to open storage sites ruled by the court. The imposition of the Ordinance was contested by the Heung Yee Kuk and indigenous villagers, because the 1982 court case ruled that they had rights to use their farmland for open storage sites. Moreover, many of the brownfield areas were ancestral land and leased as the main source for collective income. Without effective implementation of law, many farmlands were divided up and transformed into different uses as brownfield sites to meet the growing demands of cross-border economic activities since the 1990s.

This period of urbanisation has two important changes to power relations in the New Territories. The first change was the restructuring of the political and administrative system in the 1980s and 1990s (Hayes 2008, 152, 2012, 163–64). As I mentioned in sections 4.2 and 4.3, due to the differential administrative and land system in the New Territories, district officers performed like a government. During the 1980s, the District Office System was integrated into a territorial-wide administrative structure in Hong Kong. The traditional authorities and functions of district officers were replaced and divided into different administrative departments, for example, land matters were transferred to the centrally-organised Lands Department local management duties were replaced by city-wide District Boards with limited democratic practices by local administration. The latter became responsible for the increasing population in the New Territories, instead of merely for a small group of indigenous villagers. In 1993, the “City and the New Territories Administration” was replaced by a city-wide “Home Affairs Department”. The New Territories no longer had a separated administrative system to deal with the affairs of indigenous villagers.

The second change was the relationship between the colonial government and the indigenous villagers. The Heung Yee Kuk grew into a powerful organisation representing the interests of indigenous villagers. After the administrative restructuring of the New Territories as noted above, it became an important means of political representation for indigenous villagers. It lobbied the government to guarantee seats on District Boards, the Regional Council and consequently the Legislative Council as a functional constituency. A new cooperation and alliance also emerged between the Heung Yee Kuk and the Chinese government. A few important village members of the Kuk were present in the working committee of the post-1997 administrative institution. Their “ding rights” (the male villagers’ rights of entitlement for small housing), which were a mere political invention of the colonial government instead of an “original custom” traced back to the first day of the Convention, were protected as “the lawful rights and interests” under the Sino-British Joint Agreement of

1984, and afterwards were enshrined in the Basic Law of the HKSAR approved by the Chinese People's National Congress in 1990 (Hayes 2006, 155). In short, during the government's transition towards the handover in 1997, the Heung Yee Kuk significantly influenced urban development in the New Territories. They represented a local political authority inherited from the colonial administration and endorsed as a new partnership with the SAR (and the Chinese) government over the issues of the New Territories in a near future.

5.2. Reterritorialisation of Political and Economic Space in a Regional Integration (1997-now)

Hong Kong, as the last British colony, was finally changed into the "Special Administrative Region" under the Chinese sovereignty. The return of sovereignty however did not close the historical question of indigenous villagers' customary land rights induced by the 1898 Peking Convention for the 99-year leasehold of the New Territories. Their customs and land rights persisted under the auspice of China. The Heung Yee Kuk continued to represent and defend their customary rights in the New Territories, while its relationship with the government changed from an antagonistic relationship during the colonial government towards a collaborative relationship with the SAR government. This change of relationship happened under a big umbrella of a pro-Beijing alliance. During the post-1997 period, the government renewed the strategic importance of the New Territories within the changing political and economic territorial configuration. It launched a series of large-scale urban and cross-border infrastructure development in the New Territories. This new round of re-territorialisation aimed to identify new spaces for growth and the transformation of the fragmented space in the New Territories, in a centrally organised manner to accelerate the development of a regional integrated space between Hong Kong and its neighbouring cities. It also triggered successive urban struggles and social movements resisting and reshaping the policies of this process.

5.2.1. New strategic growth areas: New Development Areas

After 1997, the New Territories were renewed as a strategic space within the changed territorial development of Hong Kong. The new SAR government adopted the final report of the Territorial Development Strategy Review and created a strategy for maximum population growth and development as a future blueprint of Hong Kong beyond 2011. In 1998, the planning department and Territorial Development Department commissioned a series of studies to identify new growth areas in the north-east and the north-west of the New Territories. These studies led to a proposal of "New Development Areas" (NDA), including a

“three-in-one-scheme” to develop Kwu Tung North, Fanling North, and Ping Che/Ta Kwu Ling in the Northeast of the New Territories, and another NDA in Hung Shui Kiu in the Northwest (Figure 4.8). The government suggested these NDAs could open up new land about 1,261 hectares for 340,000 people and 47,800 job opportunities.

The first SAR government under Chief Executive Tung Chee-hwa initiated ambitious development plans in his first Policy Address. He announced a new annual target of 85,000 housing units, whilst the Secretary for Planning, Environment and Lands launched “low-carbon, eco-city” projects to develop NDAs to house 1.5 million people. The Asian Financial Crisis which was blamed for the collapse of the property market in Hong Kong also led to the changes in government policies in the economy (Goodstadt 2013). The “85,000-housing project” and the proposals for the new development areas were shelved due to a prolonged economic recession (six years). The second government, under Donald Tsang, launched a series of urban and infrastructure development projects to stimulate economic growth. The NDAs were included as one of the “Ten Major Infrastructural Development and designated strategic growth areas to meet a long term housing target. They were also incorporated into the “Hong Kong 2030 Planning Vision and Strategy”, and therefore gathered momentum after 2007.

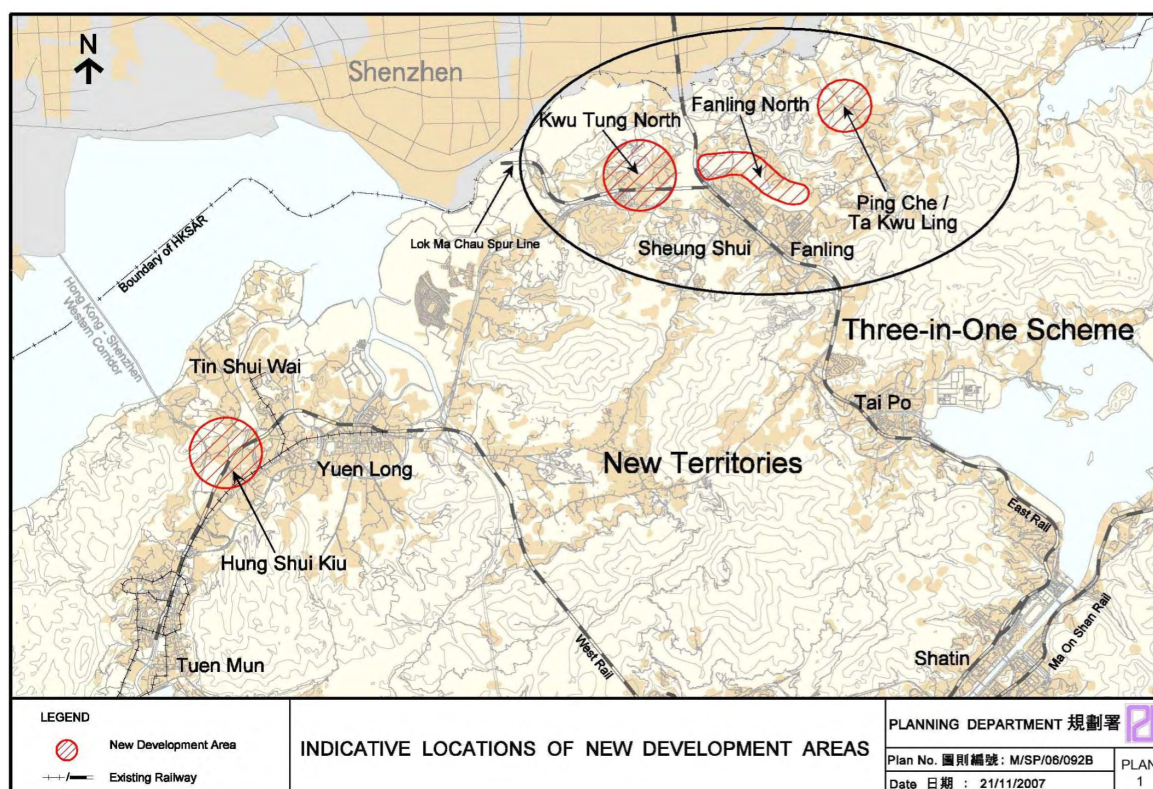


Figure 4.8. The proposed NDAs, 2007 (source: Planning Department of Hong Kong)

The development of the NDAs was highly contentious. The planning initiatives of the NDAs therefore continually evolved in response to public criticism and opposition. The NDAs were framed as a conventional policy of “new towns” in Hong Kong in accordance to the

projection of population growth and the numbers of housing needs. Since the conventional framework of new towns in Hong Kong was public housing-led developments with predominately low-income families relocated in some peripheral areas, this increased public criticism because the development of the NDAs could reproduce new spatial clusters of urban poverty such as the Tin Shui Wai new town, regarded as “the City of Sorrow” arising from the outbreak of social crises from 1998 onwards during a prolonged period of unemployment. In response to this concern, the Secretary for Development Carrie Lam, redefined the NDAs as a smaller scale and lower density development than the conventional new towns, and the ratio of public housing production was scaled down to below 50 percent in order to avoid the spatial effect of urban poverty (Ming Pao, 17 June 2012). The concern about the Tin Shui Wai effect was made to justify the participation of the private sector in the development of the NDAs. The first Outline Zoning Plan was sketched out to approve 40 percent of public housing and 60 percent of private housing to provide the total of 46,000 housing units. The government at the same time needed to justify such large scale development (about 1000 hectares) for public interests. The development plan raised a new wave of opposition among activists, concerned groups and legislators. It was argued that the development of NDAs with a total public budget of HKD 120 billion was “a public loss, and a private gain” as a subsidy for private developers’ housing development (Now 2013). With 60 percent of total housing as private property, protestors argued that the NDAs would become a “backyard” of luxury apartments for those buyers and speculators from mainland China to bring out cash from China and buy properties in Hong Kong.

More importantly, this development required large scale land resumption of non-indigenous villages, which led to opposition and collective action by villagers and concerned groups. In response to this increasing opposition and widespread discontent, the new Secretary for Development Bureau introduced “Hong Kong Property for Hong Kong People”, repackaging the NDAs within a new title “a New Town for Hong Kong People”(South China Morning Post 2013a). The Outline Zoning Plan was revised to increase the ratio of public housing units to 60 percent and increase the number of houses from 54,000 to 60,000 units. To reduce the forces of opposition, the government continued the development in Fanling North and Kwun Tung North, while splitting the Ping Che/Ta Kwu Ling development for new planning.

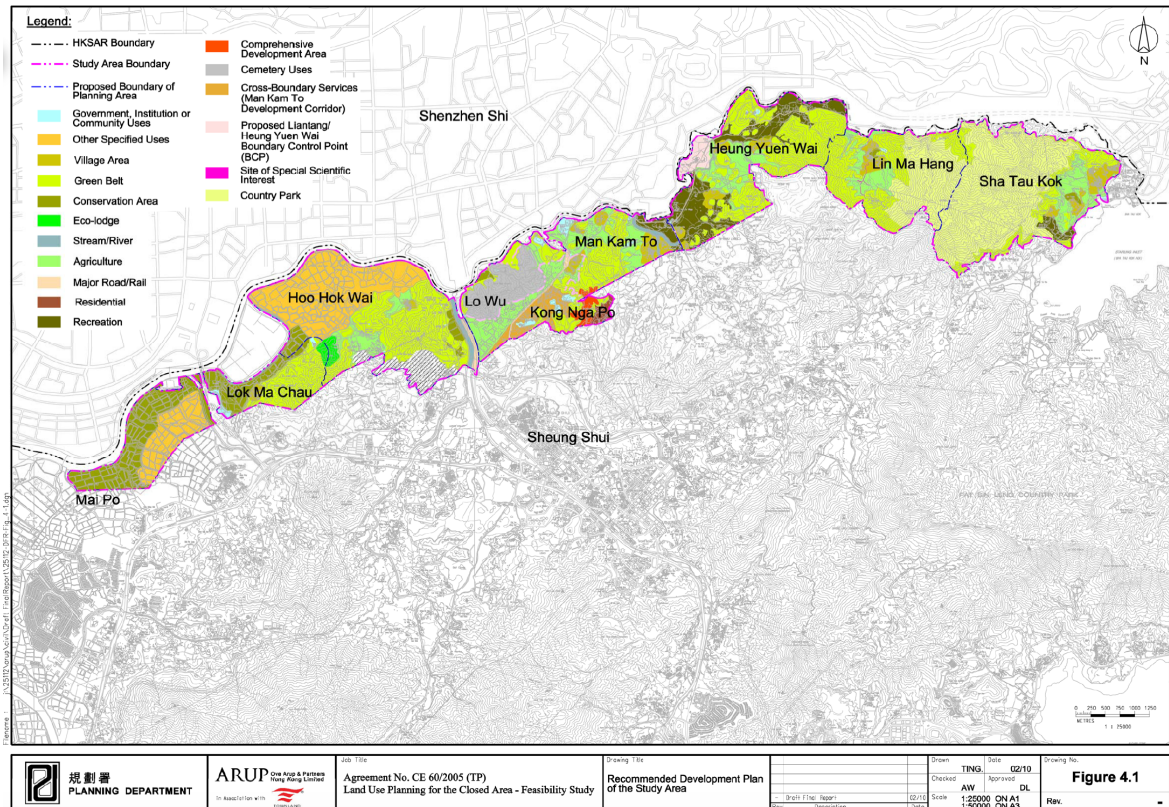


Figure 4.9. The study of opening and rezoning the Frontier Closed Area, 2005 (source: Planning Department of Hong Kong)

Another contentious issue around the NDA development was the land development mechanism. In the first stage of development, the government employed a “Private Sector Participation Approach”. In the development of Fanling North and Kwu Tung North, half of the land was private. After the 1996 announcement of NDA projects, private developers purchased land and evicted tenants within development sites. As unveiled by the media (South China Morning Post 2013b), Henderson Land Development was the largest landholding among property developers, with land reserves about 42.8 million square feet in the New Territories. This developer became the largest stakeholder in the NDA of Fanling North which gave rise to resistance against tenant evictions and the demolition of non-indigenous villages. Due to the large scale resistance and the delay of development, the government changed the mechanism of development from a “private section participation approach” to “enhanced conventional new town approach”. In the latter, the government took the lead in NDA development including land resumption and clearance, planning, land preparation, construction of infrastructure and public facilities. The important issue of this new “enhanced new town approach” was the introduction of a new land exchange and development policy: If private leaseholders held 4,000 square metres of contiguous land they could develop their land within a certain time frame through a lease modification called “in-situ land exchange” at agreed premium.

The government explained to the public that the policy of “in-situ land exchange” was a response to “public consultation” which raised concerns about the deprivation of private land properties within the NDAs. Ironically, this land exchange was criticised by protestors for being “tailor-made” for large developers, like Henderson, who accumulated a large land reserve. Nevertheless, 70 percent of private land was owned by individual land leaseholders facing the compulsory land resumption for the public housing production, construction of infrastructure and public facilities in the name of public interests. In an interview, protestors²² pointed out that the projects of NDAs were just introduced to facilitate a new round of land development in the New Territories. The enhanced approach was even more effective in “synchronising various public and private development” in such large scales of development through the application of the Land Resumption Ordinance and use of police force for clearance, in addition to the introduction of in-situ land exchange policy. This development mechanism was made to accelerate the pace of land development and maximise private developers’ profit.

5.2.2. The new conception of regional integrated space

The large scale urbanisation in the New Territories has been increasingly affected by the territorial logic of the “Chinese turn” once Hong Kong’s sovereignty was returned to China. The spatial strategy became not only economic, but also political in assisting the state vision of regional integration between Hong Kong and the Mainland region.

The development of NDAs is geographically connected to a range of cross-border urban and infrastructure developments in order to consolidate urban development corridors between Hong Kong and Shenzhen as shown below:

- In the Northwest of the New Territories, the Hung Shui Kui NDA was proposed as a new regional development node to achieve an integrated space along the coast of the Pearl River Delta. The proposed NDA was to connect to existing new towns - Tuen Mun, Tin Shui Wai and Yuen Long - to form a western urban corridor. This was achieved through the construction of a strategic transport infrastructure network which connects all these places through the Hong Kong-Shenzhen western highway to the new financial centre of Shenzhen in Qianhai. There was also a proposed Tuen Mun western bypass, and a new road link between the New Territories and the Hong Kong airport. Another construction was a 42-kilometre sea-crossing bridge, spanning from Hong Kong to other two cities, Macau and Zhuhai on another coastal side of the Pearl River Delta.

²² Interview with a concerned group - Land Justice Alliance (Kwu Tung North, 2015), <https://landjusticehk.org/2016/04/02/ntne/>

- In the Northeast of the New Territories, the NDAs development of “three-in-one” includes Fanling North, Kwu Tung North, and Ping Che/Ta Kwu Ling. Spatially, the three proposed NDAs was to connect the existing new town areas to form the greater new town extension zone. First, the Fanling North NDA plan was to extend the central urban corridor between Sheung Shui and Fanling new towns along the East Rail Line to the boundary checkpoint in Lowu (Luohu). Second, the Kwu Tung North NDA plan proposed a new railway station linking Lok Ma Chau Spur at the boundary checkpoint in Futian. This NDA also includes a cross-border development project between Hong Kong and Shenzhen to construct a high-technology zone - Lok Ma Chau Loop. Third, the Ping Che/Ta Kwu Ling NDA²³ was originally proposed as a means of connecting a new boundary checkpoint in Heung Yuen Wai (Hong Kong) and Liantang (Shenzhen) to open up the eastern urban corridor to Shenzhen.

Additionally, the re-territorialisation of the New Territories for regional integration included the opening and rezoning of the Frontier Closed Area as mentioned in the last section. The government and the Security Bureau of Hong Kong, after 2008, had a plan to gradually release the closed area while maintaining the integrity of the border. The planning department commissioned a planning study to formulate a concept plan for land uses and explore the development potential of the closed area.

The new development areas and cross-border infrastructure networks constitute a newly conceived regional space under the SAR government, and in the political economy of the PRD development. The new idea of conceptualising included how regional space was to integrate Hong Kong into Shenzhen. The planning vision was to further develop this cross-border metropolitan region through three development corridors: “East in-East out”, “Centre in-Centre out”, and “West in-West out”. This aimed at accelerating people and capital flows and capitalist accumulation. Through spatial planning, the New Territories was rescaled to a higher and abstract level of space, in correspondence with national and regional territorial strategies, instead of being grounded at the local or for the local.

The process of reterritorialisation in the New Territories has to be contextualised against the changes to institutional arrangements under the SAR government. Since 1997, there have been different studies conducted by governments, experts and academics from Hong Kong and China with regard to regional integration strategies. For instance, the One-Country Two-Systems Research Institute was established to produce studies on controversial cross-border issues. The research institute promotes itself as an NGO, but its advisory board includes the first Chief Executive, government officers, property tycoons, business magnates, pro-government legislators, academic and professionals. Back in 2000, the

²³ The government made a split of the Ping Che/Ta Kwu Ling NDA development under the further planning of the New Territories North from the original “three-in-one scheme”.

institute produced the “Study of Hong Kong-Shenzhen Border Development Strategies” to propose how to bring about changes in the New Territories. In fact, many concepts of regional integration were put into practice through policies and cross-border development and infrastructure projects: for example, the Mainland and Hong Kong Closer Economic Partnership Arrangement, the vision of “One Hour Living Circle” (traveling in the PRD), the notion of “twin cities” (Hong Kong and Shenzhen) and the concept of Tongchenghua (a merger of an administrative government system of two neighbouring cities). In 2004, cross-border governmental arrangements were established between Hong Kong and Shenzhen. The two governments signed a “Memorandum of Closer Cooperation”. In 2008, they formed the “Hong Kong-Shenzhen Joint Task Force on Boundary District Development”, which was a cross-border governance institution for the planning and development of the border areas. Throughout the 2000s, there has been the emergence of hegemonic knowledge to advance the regional integration as the pathway of the Hong Kong future.

5.2.3. The politics of urbanisation: collaboration and resistance

There have been significant changes to the politics of urbanisation in Hong Kong. Social movements and urban struggles have shifted from urban development and renewal projects in the old urban areas, to new development projects in the New Territories. The issues of New Territories marked a new political agenda of contestation regarding non-indigenous villagers who faced eviction and the demolition of their houses. The social movements and political resistance spiralled from the initially individual issues into a wider scale territorial struggle against political and economic processes of regional integration.

In the aftermath of the 1997 handover, the issues of urban development were increasingly politicised. During the first part of the 2000s, the development issues of Hong Kong formed a contested terrain through social mobilisation against urban renewal projects conducted by the Urban Renewal Authority and also against undemocratic planning undertaken by the Hong Kong government. Social movements and concern groups were organised through networks such as the redevelopment project of Wedding Card Street, and the demolition of the Star Ferry and the Queen’s Pier, and a development project in the Central. After 2007, when the second SAR Chief Executive announced the “Ten Major Infrastructural Developments” and designated strategic growth areas in the New Territories, anti-demolition groups were gradually formed to defend homes of affected non-indigenous villages, and further developed as a wider network of resistance that shaped the politics of urbanisation in the New Territories.

A large scale of resistance included the anti-demolition movement of the Tsoi Yuen Village against the construction of the high-speed railway. Another resistance group began in Ma Shi Po Village, which was affected by continuous evictions and various threats from a private

developer, in the development of the Fanling North NDA. Ma Shui Po Village was also linked to other affected villages in the proposed NDAs in Kwu Tung North and Ping Che. They were all non-indigenous villages. Whilst Tsoi Yuen Village was home to 500 villagers in Shek Kong, Ma Shi Po Village among other villages in Fanling North, Kwu Tung North and Ping Che, were home to 10,000 villagers in the north-east area.

In this new round of territorial development, “non-indigenous villages” were the target of demolition. They were different from the “indigenous villages” in the New Territories. As I noted earlier in the section 4.3, indigenous villages were officially recognised as pre-1898 villages, claimed their interests through the Heung Yee Kuk, and had “ding rights” to build houses in the New Territories. In contrast, non-indigenous villagers were a political identity constructed in contrast to indigenous villages. They were “new comers”, and their voices and rights were ignored and deprived during the history of development. Many non-indigenous villages were formed scattered in different areas during the post-war period when peasants settled down and became the tenants of indigenous villagers. These affected non-indigenous villages cannot be lumped into a homogenous social group. Among the affected villages, there were individual landholders who bought their land from indigenous villagers, registered squatters whose houses on private or government land were allowed to exist because of the squatter policy of 1984, and peasant households or small workshop owners who rented land from landowners for decades.

The political landscape of the New Territories was defined by this dualistic division of identities, between “indigenous” and “non-indigenous” villages, in the latest round of urbanisation. To advance the interests of indigenous villages, the Heung Yee Kuk maintained its “traditional” prerogative and political power in the SAR government system and Basic Law. After 1997, it became a statutory body which advised the government in their decision making over the issues of the New Territories, whilst some key village leaders have seats in the Legislative Council and District Councils where they are able to influence government’s proposals. Contrarily, the residents affected by the high-speed railways and NDA development were officially classified as non-indigenous villages, whose rights were ignored by the government. For example, the issue of site selection for an emergency rescue station in Tsoi Yuen Tsuen along the high-speed railway was contentious. It was not clear why the selection was finally on a non-indigenous village instead of the nearby areas. Even when an alternative proposal for the high-speed railway was suggested, the government rejected changing to the new site. During the Kwu Tung North NDA’s development, a non-indigenous village, Kwu Tung Tsuen was subject to land resumption, whereas nearby indigenous villages were marked as “village zones” on the new zoning plan and so were not affected. In an interview, an activist cited, “the interests of indigenous villagers would have been consulted in advance through the Heung Yee Kuk, District Boards, and village committees by the government in the current development projects...”.

The rights of non-indigenous villages were excluded from the Heung Yee Kuk and the government bureaucratic system. The “rights” of affected villagers were restricted to either the option of monetary compensation or the offer of public housing which were imposed by the government and the mainstream media. The resistance by villagers in Tsoi Yuen Tsuen counteracted the conventional “rights talk” and collectively defended their “homes” - “no removal, no demolition” - during the negotiation with the government officials over the construction of the high-speed railway. The mobilisation forces of Ma Shi Po, the village affected by continuous evictions by a private developer in the Fanling North NDA, were able to generate an alternative view for the community against the hegemony of land development in Hong Kong.

The political mobilisation of affected villagers was organised into an extensive social movement, including affected inhabitants, activists, students, academics, professionals and ordinary citizens. The resistance of Tsoi Yuen Tsuen was consequently up-scaled into a wider mobilisation force of the “anti-high-speed railway alliance”. It called into question a dualistic view of the debate around whether Hong Kong could afford for marginalising if not integrating into the PRD without the construction of the high-speed railway. As a social movement, it managed to mobilise various groups in the society to make issue of the discourse around regional integration and unfold the new geography of real estate development along this high-speed railway construction, as well as the underlying undemocratic urban planning process. Although Tsoi Yuen Village was finally cleared to give way to the construction of the high-speed railway, the resistance group continued to negotiate with the government for the collective removal of the village into another site. The resistance by villages affected by the NDA development lasted for a longer period. There was a joint resistance among the villages affected by three NDA projects focusing on the underlying land development mechanism. The “Land Justice Alliance” formed to organise local villagers who resisted the collusion of government and private developers in land property development in the NDAs. In particular, the policy of “in situ land exchange” as noted above was strongly opposed by protestors which was “tailor-made” for respective large developers’ land interests in the sites while the government could employ the Land Resumption Ordinance to resume the land from small landholders and displace tenants. It is beyond doubt that the rise of these struggles and the social movements have been important in shaping the politics of urbanisation in the New Territories. These mobilisations and resistances have rescaled individuals’ concern towards community and territorial levels of resistance and actions, and more importantly, they have called for thinking of alternatives and land justices to reimagine the future communities of the New Territories as well as Hong Kong.

Chapter 5 | Case Study: The Plotted Urbanisation of Shenzhen

- The Contestation of Urbanised Villages

城中村

"chengzhongcun"

"village-in-the-city"

[城 - city; 村 - villages]

- the lowest level of a rural administrative unit in China
in the large-scale of state territorialisation and urbanisation-

1. Introduction

The objective of this chapter is to re-examine the urbanisation of villages in China, which has been known as "chengzhongcun" in Chinese, and has been also translated by scholars into "urban villages", or "villages-in-the-city". Urbanised villages have mushroomed in the Chinese landscape. The conventional understanding of this particular urban phenomenon is interpreted dualistically as informal, spontaneous, village-led urbanisation in contrast to the state-led urbanisation in China. In this chapter, I argue the urbanisation of villages should be understood in terms of the changing state space in the rapid "city-making" process in Shenzhen. Urbanised villages had been "village collectives", the lowest level rural administrative unit under the People's Communes inherited from Mao's time, and their rural institutional space and collective land have since been converted into state land and shareholding companies. They have also arisen out of the massive scale of state territorialisation, and emergent contradictions and conflicts underlying the extension of state power in the rapid city-making process. Following each round of state territorialisation, local villagers have quickly plotted bigger land and higher buildings in order to claim their constitutional, customary and economic rights to their land and territories. "Plotting" therefore is interpreted as a highly contested form of urbanisation process in the ongoing changing territorial and land development regime in Shenzhen. Thus, this study hopes to shed light on a different means of analysing urbanised villages from conventional economic stories to the specific territorial processes of urbanisation in China.

This study will examine the rapid urbanisation of villages during large scale state territorialisation in Shenzhen. It will explore the territorial dimension of this urbanisation process. It is important to note that taking a territorial analysis is different from a city-wide approach. In my view, the latter would give the overall picture of village transformation in a city without necessarily paying attention to the territorial process, while the former would interrogate the issue of territory as conditions and processes of change from which urbanised

villages have proliferated in the city. Instead of conducting a micro-level of study, the processes of urbanised villages will be analysed through their historical context of Shenzhen, the changing modes of regulations in the government of village collectives and landownership in the rise of this Chinese City. The research method included the collection of information from government's policy reports, local research and publications, interviews with Shenzhen planners and scholars, field trips and observation in different village sites in city centres, outlying districts and peripheries.

2. The Dual-Track Urbanisation of China?

Urbanised villages have emerged and developed rapidly and massively across the Chinese landscape, over the past few decades during the reform era. Conventional literature interprets this process dualistically: while there is urbanisation in the common forms of cities and towns, usually state-led, there is urbanisation in rural areas in the form of urbanised villages. From this perspective of dual-track urbanisation, urbanised villages are analysed as a form of village-led urbanisation, self-organised, high density, informal housing for rural migrants in contrast to state-led urbanisation (Chan, Yao, and Zhao 2003; Hang and Iseman 2009; Hao et al. 2012; Tian 2008; Wu, Zhang, and Webster 2013; L. Zhang, Zhao, and Tian 2003; Y. Zhang 2003). For example, as addressed by Wu et al. (2013), the informality of urbanised villages in China can be defined by the legal ambiguity and informal land market arising from the dual land market system, lax land management control, informal service provision and the ambiguous status of village governance. Some studies focus on the study of urbanised villages as self-organised housing development in China. Local villagers built houses which have become affordable rental accommodation to meet the rapid growth of migrants living in cities, in the absence of government rental and subsidised housing (Hao et al. 2012; Song, Zenou, and Ding 2008; Wang, Wang, and Wu 2009; L. Zhang, Zhao, and Tian 2003). In short, as noted by Hsing (2012), these urbanised villages have emerged as a spatial process by which the city government acquired farmland to develop the city, while leaving behind those existing village settlements for local villages, resulting in the distinctive phenomenon of "villages-in-the-city" in China.

Nevertheless, it is doubtful whether the concept of informality or bottom-up urbanisation is needed to understand Chinese urbanisation processes. The concept of dual-track urbanisation arbitrarily divides the process of urbanisation into state-led and the village-led, urban and rural, formal and informal, legal and illegal. From this perspective, urbanised villages which are regarded as a rural realm, have developed outside the initial master plan, not following urban policies and regulations and therefore transforming into haphazard, illegal, super-dense and sub-standard forms of housing in the city. In a sense, they are represented as the "residual" of the previous Maoist system, as "the other" in contrast to the state form of

modernisation, or as mere economic entities in response to the changing economy. This explanation therefore simplifies the complexity of the history, and is therefore problematic in taking a linear historical view of modernisation from the “Maoist” to the “Post-Maoist” period. As argued by Tang (2014), many empirical studies of China were often made to be an object in the western-bias urban theories that he referred to “random appropriation of concepts”. The wide application of informality on urbanised villages otherwise is to reinforce the dualist thinking of urbanisation to believe state power outside the realm of villages.

Accordingly, this dualistic thinking about urbanisation is implicated on the state-village division, informing the Chinese urban processes. The issue of urbanised villages is understood as independent of the question of changing state space and power. In my view, this over-simplifies the relationship between the state and village collectives into two clear-cut realms of outsider and insider, or two independent actors between top-down and bottom-up. Instead, historical development is a continuous and overlying process that cannot be simply divided into two stages of change from one to another. In the 1950s, the CCP came to power to reconstruct society and the economy through territorialisation, centralisation, and collectivisation; villages were forcefully organised into village collectives and subjected to the central power under the People’s Communes, facilitating a national strategy of industrialisation. How have these village collectives changed in relation to their relationships to the state and the shift of state’s strategy towards cities, urbanisation and urban expansion? This should be understood to understand the ongoing change of the relationship between the state and villages, instead of assuming these villages have been free or independent from the state power after 1978.

When I raise the question of the state in this case study, I do not suggest a singular notion of a powerful state in China. It is important to stress that the state has continued to be the central actor in changing society and the economy (Ma 2002, 2005; Lin 2009; Cartier 2001, 2002; Tang 2014). Nevertheless, I am concerned that state space and power have been changing rapidly in relation to the central-local relations, state apparatus and institutional arrangements in addition to developmental strategies and policies during the course of urbanisation. I am equally concerned about how the shift of the development regime and its strategies triggered contradictions and conflicts. When the central government designated Shenzhen as a city and a Special Economic District (SED), it had also controlled the means of production in defining and governing urban and rural elements and relations. Despite the repeal of the People Commune System, village collectives continue to exist under state authorities, institutions and landownership during the rise of cities. For this reason, these villages are neither a residual element from the previous Maoist era, nor the autonomous actors outside of the state realm. This case study explores the rapid urbanisation of villages in relation to the changing geography of state power, advocating to develop Shenzhen and propel territorial expansion. It will unravel the changing relations between the state and village

collectives on the basis of historical continuity, instead of separation in the processes of territorialisation and urbanisation in Shenzhen.

3. Defining the Terms: Urbanised Villages in Shenzhen

The Chinese term for urbanised villages is *chengzhongcun*, which literally means villages in the city. It has been frequently rendered by scholars as “urban villages” or “villages-in-the-city”. The application of these terms is usually subjected to different interpretations in the academy. There has also been no discussion as to whether these terms are adequately translated to capture this particular phenomenon in China.

The first term “urban villages”, has been widely adopted by scholars in Chinese urban studies. However, this term has not been helpful because while it is misinterpreted by a very different process of urban villages. This term is referred to the formation of ethnic urban enclaves in inner-city areas, for example, Large American city of Chicago. The latter process is primarily induced by rural-urban migration where ethnic migrants live together based on their shared “culture” and “identities” which links them to their (or their ancestors’) “original” heritage, and their mutual support network in cities.

The second term, “villages-in-the-cities”, is the English translation of the Chinese term *chengzhongcun*. This translated phrase denotes a situation in which urbanised villages are engulfed by a city. The emergence of urbanised villages in Chinese cities is very different from urban villages in the western cities as mentioned above. In a Chinese context, this process refers to the in situ urbanisation of villages that is simultaneously complicated by large scale rural migration. It is based on the specific context of the Chinese government’s regime and its institutional structures. “Villages” (*cun*) in China are referred to as “village collectives” beyond a western context of a village settlement. They are embedded in a whole set of political, institutional and regulatory arrangements evolving from the previous era of Mao Zedong. Likewise, “migrants” are officially classified as non-local, rural hukou migrants, in contrast to local and urban hukou city dwellers. Their identities and welfare are defined by the rural Hukou System, the Chinese Household Registration. The word “city” can convey two meanings: firstly, a “city” can refer to the physical form composed of skyscrapers and urban functions. Urbanised villages are engulfed by high-dense, urban development in city centres (*shi qu* or main urban areas). Secondly, a “city” can specifically refer to an administrative space where a city government has power to propel urban development. This space could include the city centre and countryside within the same government jurisdiction.

Given the rural and urban differences, many scholars address the phenomenon of “villages-in-the-city” as the outcome of a dualistic form of development between state-owned and collective-owned landownership, or between urban and rural districts in the course of the Chinese urban process. Nevertheless, as addressed before, this way of dualistic thinking

simplifies the Chinese urbanisation process. Within China, the process of “chengzhongcun” has been debated among local scholars beyond a simple dualistic thinking between the state and villages, or between urban and rural categories. Urbanised villages have been regarded as “a city is not a city, a village is not a village” (cheng bu cheng, xiang bu xiang), or as the “co-constitution of city and villages” (chengxiang jian you), or “inextricability of city and villages” (chengxiang bu fen). These Chinese phrases are not adequately translated into the phrase “villages in the city” or “villages engulfed by the city”. In short, this co-constituting process should be interpreted as a whole, instead of two separated processes.

Additionally, the term “villages-in-the-city” is not specific to the particular geographical processes of urbanisation. The term itself only represents a physical form of space, a snapshot or an outcome of urbanisation, without taking into wider context and complexities of an urban process. Urbanised villages emerged in the midst of city centres, where a new city is rapidly developed on a rural landscape, or a new centrality is developed through urban expansion into the countryside. Urbanised villages also take the form of industrialised towns and villages in the outlying territory of a city. In this sense, their emergence and development need to be understood in relation to specific geographical processes at different places and time, and local contexts. Understanding different processes of urbanised villages require a wider perspective of how new governments and emergent urban regimes re-defining rural and urban elements, governing and developing territories, and thereby affecting the dynamics of local governments and villages. Therefore, simplified interpretation of this term in a narrow sense of a physical form or in a dualistic view, flatten the complexities of urbanisation processes in China.

4. The Context of Urbanised Villages in Shenzhen

In Shenzhen, urbanised villages experienced tremendous changes during China’s reform era. These changes were taken place during the shift of political and economic regimes, from the development of the socialist system when Mao Zedong came to power in 1949. This led to an era of large-scale urbanisation under the power of Deng Xiaoping, who opened up the country and launched economic reforms in 1978. This enabled the transition from a centralisation of state power towards decentralisation of power to local governments to urbanise the nation. Bao’an (Shenzhen) peasants have witnessed and experienced such tremendous changes in the state from the Maoist era of “liberation” to the new era of “China’s opening”. In particular, Bao’an had a specific geo-political change in relation to neighbouring Hong Kong. Before being designated as a SED, Bao’an had been a county with two towns and 49 rural townships. Bao’an was also a political frontier district with the aim to stop the spread of capitalism from and via Hong Kong into the Chinese territory. The central state had established this frontier restricted area and blocked cross-border social and economic

activities, trading and communication to and from Hong Kong. People's daily movement was largely restricted within this frontier district and village life was subjected to the People's Communes to fulfil the collective agricultural responsibility. The People's Communes and the collective production system gradually collapsed, especially during the Cultural Revolution. This led to widespread poverty throughout rural areas and triggered several large-scale waves of illegal immigration to Hong Kong. The River Shunchun (Shenzhen) separated the two different political systems of Bao'an and Hong Kong, and hence maintained the disparity in geographical development. The launch of the economic reforms brought about new conditions of change to Bao'an. Nevertheless, social contradictions between the state and villagers were not resolved in the new era. Nor were villages freed from state apparatus, despite the abolishment of the People Commune System in 1983. Rather, the village collectives and the collective land system have continued to exist and have evolved within the emergent urban regime. Additionally, former contradictions arisen from the People's Commune System during Mao's time has just shifted to a new form of contradictions in the changes of the national development regime towards the massive scale of city making process.

Like in other Chinese cities, the urbanisation of villages in Shenzhen is embedded in the nationwide policy of land development regimes for speedier urbanisation. The central state reinforced the dualistic landownership system through the 1982 constitutional revision. The state remains the sole owner of urban land and rules out any possibility of other non-state means of urban development, while it upholds collective landownership and prohibits any leasing, transferring or selling of the collective land in rural areas. Only the state and government are entitled to acquire land from village collectives, converting rural land into a state landownership for urban development. Meanwhile, the central government has allowed village collectives to manage collective land and therefore maintain stability in rural society. Based on this dualistic form of a development system, a city government takes charge of urban development and the existing villages within its territorial jurisdiction. This has subsequently led to the proliferation of urbanised villages which build on the co-constitution of rural and urban institutions in emergent city and urban regimes.

Since China turns its attention to urbanisation as a spatial development strategy, the most obvious contradictions and conflicts were arisen out of the relationship between governments, village collectives and peasants over the course of land development. In 1978, Bao'an was renamed Shenzhen and was designated a SED, as a "window of capitalism" to attract foreign capital, expertise in technology and management from and via Hong Kong. The transformation of Shenzhen began with the reshuffling of state power, where Bao'an County was elevated to a higher rank within the Shenzhen Municipality. The new city government subsequently acquired more political and economic power from the central state to implement special policies and to accelerate the development of the SED. Soon, the state implemented

land reform to establish a leasehold system for state land development which confirmed the monopoly of the state and governments in urban land development. The land reform deepened the contradictions in urban development. This move significantly increased the incentives for the city government to accelerate land development and expansion to gain land revenue from selling land development rights to private developers. This case study focuses on a wider context which the city government accelerated the pace of land acquisition with the intention to develop the city and unify the planning and development power over the territory and expansion. This became a source of resentment among local villagers who suffered the loss of their farmland and subsequently “contested” their rights through plotted urbanisation.

Moreover, urbanised villages developed through the consolidation of power developing from changes to the administrative and institutional systems of Shenzhen. As noted before, these urbanised villages are composed of individual villagers and households, as well as village collectives inherited from the previous era. These village collectives and village cadres, despite the abolishment of People’s Communes, maintained the power to manage collective land within their jurisdiction. Their roles become more important because their land was turned out to be the means to generate rent and surplus for collectives and individual village households in the changing economy. This study will show that this is not simply a matter of economic power. The authority of village collectives was developed on their territories and the village collective system was changed by administrative restructuring during the course of Shenzhen's urbanisation. Village collectives became more complicated urban entities. The city government respectively converted village collectives and collective land into shareholding companies and state landownership for the unification of the government and territorial power in Shenzhen. The result was that these shareholding companies built their authority over their own territories, where large amounts of illegal urbanised villages developed.

There was the co-constitution of rural and urban institutional systems during Shenzhen’s urbanisation. Plotted urbanisation was caused by contradictions arising from the changing territorial governments and regulations in the emergent city regime of Shenzhen. During the transition from county to the higher rank of city, Shenzhen was governed by different territorial administrative systems at different stages. In the 1980s, Shenzhen was governed by the administrative structure of the “city administering county” through which the territory was divided into two territorial governments, administrative, legal and land systems between the SED and the outlying rural territories. In the 1990s, the county system beyond the Second Line was repealed by two urban system (districts) directly under the city government, but the actual governing power of these two districts was still left to town governments and village committees with regards to their social and economic development. In 2002, the city government launched an administrative restructuring to convert town governments and

village collectives (village committees) into an urban administrative system. In addition, there were two different legislative systems in the SED and the outlying districts. It was not until 2010 that the city government unified legislative power to govern the whole territory. During the past three decades, different territorial governing systems and their changes created enormous contradictions in the administration and urbanisation at different places and times. During this process, a massive plotted development of urbanised villages emerged and evolved in a particular pathway of changing territorial governing and development in Shenzhen.

In short, urbanised villages was developed as a consequence of particular changes of the territorial and institutional systems during the rapid urbanisation of Shenzhen. The transformation of the material space of these villages has been embedded in the intertwined systems of changing political, economic, and social realms in Shenzhen. The case study will elaborate on the above-mentioned arguments to unravel the forces of transformation, contradictions and contestation, which resulted in a new spatial process of urbanising villages in the city through the maximisation of plotted development.

5. The Territorial Patterns of Urbanised Villages

The geography of Shenzhen is unfolded into a constellation of different urban territories whereby plotted villages, along with the economic development land at their disposal, have actually produced half of the whole territory (Figure 5.1). These urbanised villages were vast tracts of unauthorised material structures in the forms of dwelling, workshops and business. In general, at least half of the migrants in Shenzhen have lived in these urbanised villages. They have always been the majority: 75 percent or above of the total population in the city¹. Local news reported that the number of migrants living in these urbanised villages increased to seven million people in 2016². This section will identify three distinctive geographical characteristics of these urbanised villages in relation to the particular territorial processes, due to the changes to administrative systems in Shenzhen.

¹ The official number of population excluded large numbers of unregistered floating population.

² Shenzhen wanbao (28 July 2016) Seven millions inhabitants lived in urbanised villages. http://wb.sznews.com/html/2016-07/28/content_3580908.htm

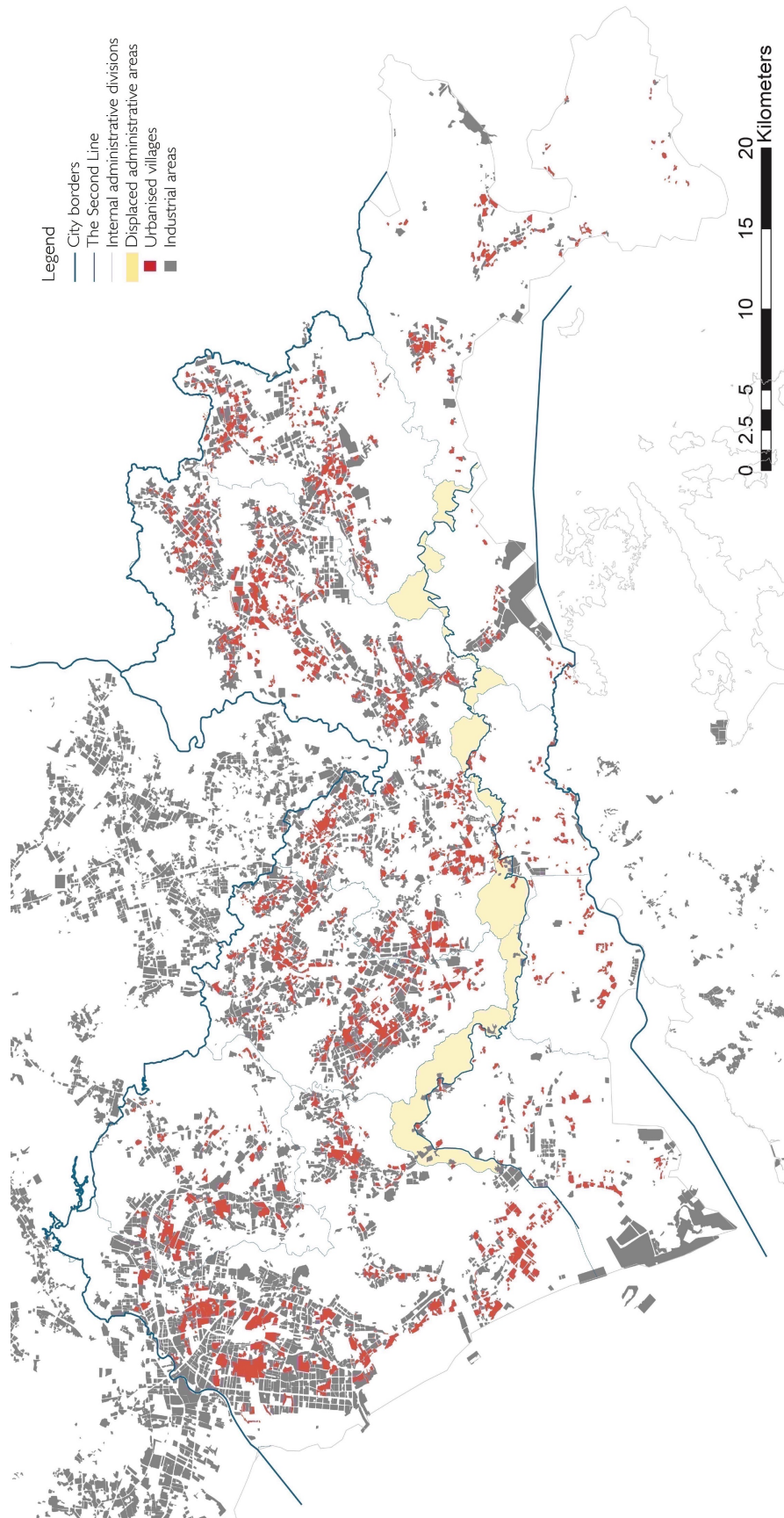
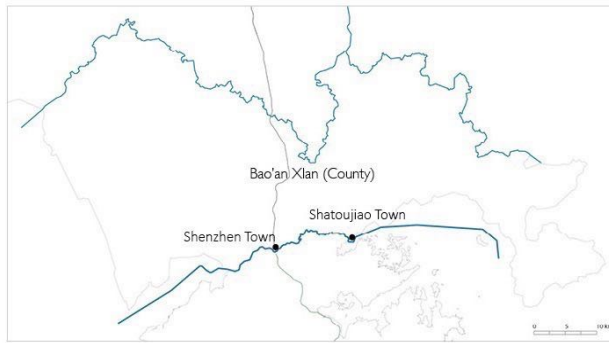
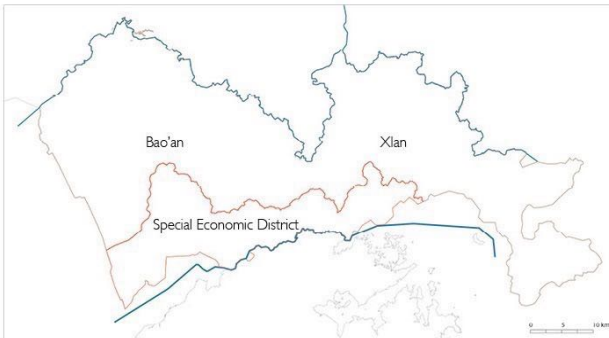


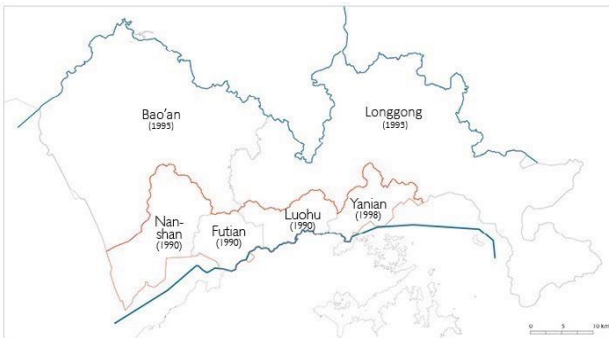
Figure 5.1. The geography of urbanised villages in Shenzhen (source: Google Earth, Hong Kong - Shenzhen Atlas (2011) and fieldworks)



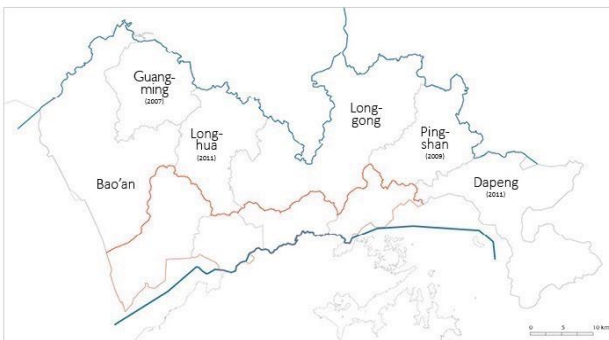
Before 1979 - Bao'an County
 Two designated towns - Shenzhen Town and Shatoujiao Town were connected to Hong Kong. One of the two main passages was through Luohu, a train stop along the Kowloon-Canton railway.



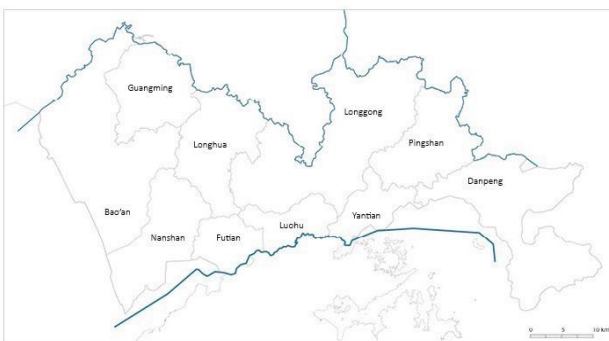
The 1980s - Establishing Shenzhen Special Economic District
 Shenzhen was reterritorialized into two territorial governments through two administrative changes: 1) Chexian Sheshi - Abolishing Bao'an County, Establishing Shenzhen City; 2) Fuxian - Restoring Bao'an County in the Outer District Beyond the Second Line.



The 1990s - Urban Expansion to the Outer District
 Shenzhen was undergoing a fast and large scale of urban expansion through two administrative changes: 1) Establishing three District Governments in the SED; 2) Chexian Shequ - Abolishing Bao'an County, Establishing (Urban) Districts, renamed as Bao'an and Longgong Districts



The 2000s - Intensification of the Urban Areas
 Shenzhen was switching to the land development strategy of intensification of using land and urban space. It was not only undertaking "Chengzhongcun Gaizao" (reconstruction of urbanized villages), but also established new administrative districts in Guangming, Pingshan, Longhua and Dapeng through setting up new centres of governments.



The 2010s - Integration of the two territories
 Shenzhen was approved to extend the Special District to the whole city and to overcome the problems of the two territorial regulations between the former SED and the outer districts. The Second Line was no longer a physical or a legal barrier for the City government to execute its policies and programmes.

Figure 5.2. The changes of the territorial administrative divisions in Shenzhen over time

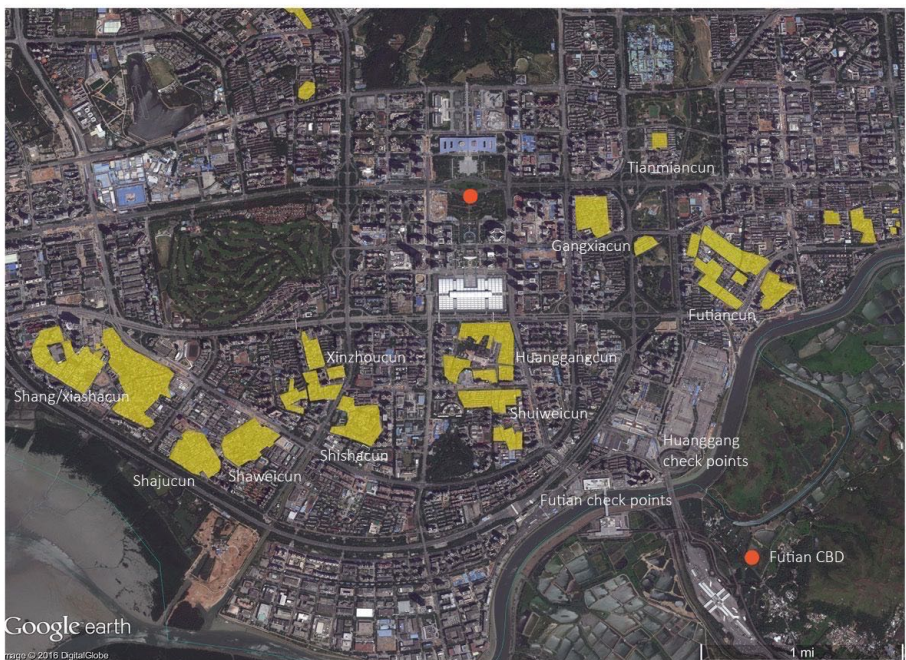
5.1. Within the SED: Densification and Intensification

Located between the First Line (the first border between Hong Kong and Shenzhen) and the Second Line (the second border between the former SED and the non-SED), are 91 Administrative Villages ("xingzheng cun", the administrative title of village collectives) inside the former SED, which are currently regarded as the main urban areas in Shenzhen. Due to their location within the SED, these villages were subject to the power of the new city government according to the Ordinance of the SED, since 1980. In the early 1990s, Shenzhen was elevated to a higher administrative rank: a sub-provincial city, and the city government also acquired a special legislative power to enact laws within the SED to accelerate urban development. In 1992, the government immediately started to convert these village collectives into an urban collective system known as "shareholding companies", reclassifying the status of peasant's household registration from rural to urban Hukou. The government acquired the farmland from village collectives and converted the title of collective landownership into state owned. Consequently, former village collectives were turned from landowners into users (leaseholders), together with individual village households, only holding the "right of use" to their land.

Due to their location within the area of special policies, villages generally benefited from a large influx of capital through the networks of transnational villagers, particularly from Hong Kong. Village collectives. This transformed their collective farmland into industrial areas or undertaken some trading business. In fact, the urbanisation of villages went hand in hand with the development of the SED, where a polycentric urban structure was gradually formed along the border beginning from the East, to the West: the first construction being the commercial centre in Luohu, the second being the CBD in Futian, and the most recent and constructing one in Nanshan. Over times, Shenzhen SED has undergone a rapid land development and urban expansion particularly after land-use rights could be transferred as a commodity in the leasehold system. This accelerated the changes to the local economy, from industry to a developing service sector. On the one hand, villagers were facing the acquisition of farmland from the city government to build city centres, infrastructures and facilities. On the other hand, many villages located close to the checkpoints of Hong Kong, industrial estates and theme park areas were rapidly grown through intensification and densification; using land and space to accommodate the increasing numbers of migrants in the city.



The distribution of urbanized villages (housing plots) in the city centre of Luohu



The distribution of urbanized villages (housing plots) in the city centre of Futian

Figure 5.3. The images of urbanised villages within the SED of Shenzhen (sources: photos from author, images from Google Earth and Hong Kong-Shenzhen Atlas)

Today, urbanised villages are constituted a part of city centres in Shenzhen. These urbanised villages are characterised by a mixed, dense, and compact urban structure. For example, right behind Dongmen shopping area, in the core of the commercial centre in Luohu, is Hubei ancient village which has 500 hundred years of history (from the Ming Dynasty). Due to this location, during the 1980s and 1990s, the areas around the ancient village settlement were developed into small wholesale markets, seafood markets, hotels, restaurants, rental housing for migrants, a park and a theatre, and the properties of different administrative units. Another example is Caiwuwei, at the core of the Luohu financial centre. In 1995, the tallest building - Shun Hing Square - was constructed on land acquired from Caiwuwei, together with other banking and insurance industries in the area. In 2007, another tall building - Kingkey 100 Financial Tower was constructed through the redevelopment project of Caiwuwei. Looking from the top 100th floor of the Kingkey Financial Tower, Caiwuwei looks like an urban island engulfed by many skyscrapers in the city. Located next to a large theme-park development area, the “Window of the World”, Baishizhou is currently the largest urbanised village within the SED. This urbanised village now houses 150,000 migrants in a total of 2700 rentals, with many small shops, enterprises, workshops and food markets.

5.2. Beyond the Second Line: Industrialisation and Urban Expansion

Beyond the Second Line, there were 18 towns and 229 administrative villages, outside the former SED. The Second Line, as officially known as “Shenzhen SED Management Line”, divided the city into two territories and regulations, but was demolished in 2010. It was the border of the SED, with 13 check-points and security fences, which have operated since the mid-1980s and maintain the security of the SED, preventing smuggling and illegal border crossing to Hong Kong. Plotting was different in character beyond the Second Line. From the 1980s, plotting occurred in the outlying areas (Bao’an County, 1980-1992), where industrialised towns and villages started to flourish along the highway network. Villages lying outside the special district were not merely outside the district of special policies, but more importantly they were subject to different governments and policies, and also underwent administrative restructuring. Bao’an was subject to the county government, instead of the city government. This political territorial arrangement was mentioned in previous chapters. The government structure of Shenzhen arranged by the State Council was the “city (Shi) administering county (Xian)”, by which the outlying territory was governed by the county. Lower levels of governments, namely town governments and village collectives took part in land transformation for industrialisation within their territorial jurisdictions. These areas were also outside the scope of the Master Plan of the SED. In 1993, the State Council approved the changes to Shenzhen’s territorial system by “abolishing the county (Xian), establishing districts (Qu)” (chexianjianqu). This repealed the county governing system and re-demarcated

the area into two urban administrative units, known as Bao'an and Longgong districts. This move allowed the city government to extend its sphere of influence into these two districts, and integrate the planning system in the whole territory. Despite this, the reshuffling of administrative power did not undermine the "area-based" power relations centred on town governments and village collectives, which officially remained in place until 2002 for the stable transition of new governments and social stability. In 2002, the city government implemented another administrative restructuring to convert the town and village system into the urban administrative system and therefore integrated the governance in the city. In addition, there were two different legal systems in the SED and the non-SED. The city government was unable to apply the SED laws in these two districts to resolve problems of illegal plotting, which had already transformed the vast rural areas into urban construction land. This was only until the State Council approved the extension of Shenzhen's SED into the whole territory in 2010, so that the city government could unify the legal system in Shenzhen.

Given the leaderships and strategies of different town governments and village cadres, towns and villages throughout the outlying areas quickly underwent industrialisation and urban expansion. Large scale plotting took place to convert farmland into the urban and industrial construction land. This process took place particularly during the 1990s. There was a large influx of industrial capital and migrants in the area, when the SED started the real-estate development which increased land rent and pushed small and polluting industries out of the district. The growth of the urban fabric mainly extended along the main transport network and formed three industrial corridors in the region. Industrialised towns and villages rapidly expanded along the eastern corridor along the national road (N107), where the towns in Fuyong, Shajin and Songgang eventually joined together to become the most active manufacturing area (especially through export-processing industries) in connection to the West of Dongguan and then Guangzhou. The towns along the Kowloon-Canton Railway from the South to the North were transformed into commuting areas, logistic and warehouse functions, and manufacturing industries. In particular, Buji, located just outside the checkpoint of the Second Line has become a commuter town with cheaper rental housing and private properties that people commute from to work in the city centre of Luohu. Towns and villages towards the Northeast undertook a slower pace of industrialisation along the national road (N215). For the two decades of the reform, there was high economic growth along the eastern corridor from Hong Kong, Shenzhen, Dongguan and Guangzhou, whereas the economic relationship with Huizhou, the city on the east of Shenzhen, was weaker. During the mid-2000s, the city government built a new centre in the Longgong district for an international sport event (the Universiade) and constructed a metro line to connect the city centre to the district. This started another phase of urbanisation in the area, where some urbanised villages and old factories underwent redevelopment through the construction of condominium along the new metro line.

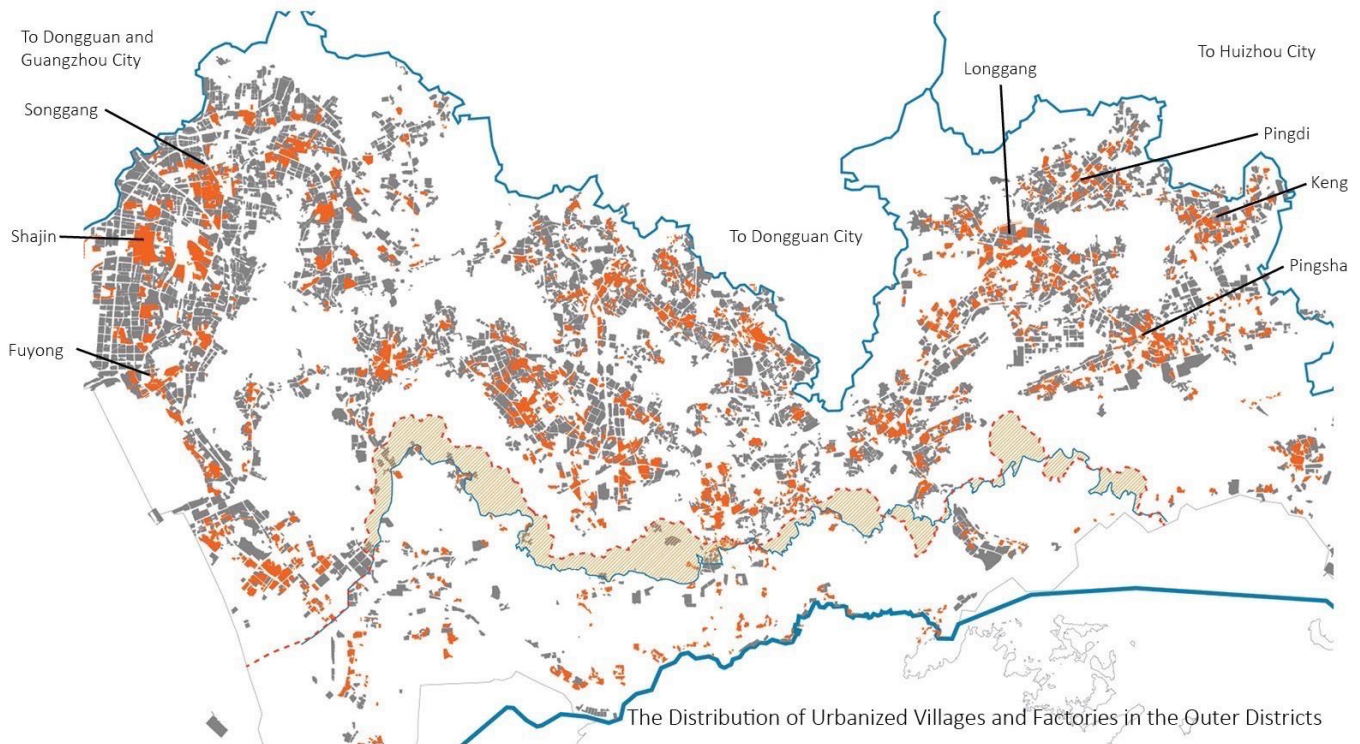


Figure 5.4. The distribution of urbanised villages and images in the outlying districts of Shenzhen (sources: photos from author, images from Google Earth and Hong Kong-Shenzhen Atlas)

Further away towards the city fringe, new development processes are taking place, for example in Guangming and Pingshan, which were chosen by the city government as locations for new sub-centres, to be created through a land integration process for high-speed railway, new centre construction, new condominiums, industrial parks and urban renewal. However, there were also many traditional village settlements such as Hakka walled villages and ancestral halls, old town centres, markets, old industrial estates, recycling industries and farmland.

5.3. Inside the Interwoven Areas (“Chahu Di”): the Displacement of the Second Line

There were thirteen enclaves located within the local administrative vacuum created by the displacement of the Second Line between the former SED (guannei, inside the border) and the outlying districts (guanwei, outside the border). These enclaves are traditionally known as “chahu di”, which can be translated as “an interwoven area”, caused when two administrative units are interwoven with each other to form scattered areas outside a proper administrative boundary. In the case of Shenzhen, chahu di areas were produced by the changing territorial administrative boundaries. The Second Line played a political function to demarcate the border of the SED and also differentiate different administrative power. The problem of displacement to the Second Line (Figure 5.5) was created because the security fences were actually constructed following the topography from West to the East, and were therefore displaced from the official border of the SED, and created several power vacuum enclaves, neither belonging to the guannei, inside the border, nor to the guanwei, outside the border. Therefore, this administrative displacement gave rise to widespread illegal plotting in these areas over time. As shown in the figure, many of these enclaves in theory should belong to the districts inside the former SED, but they were displaced behind the Second Line, outside the border.

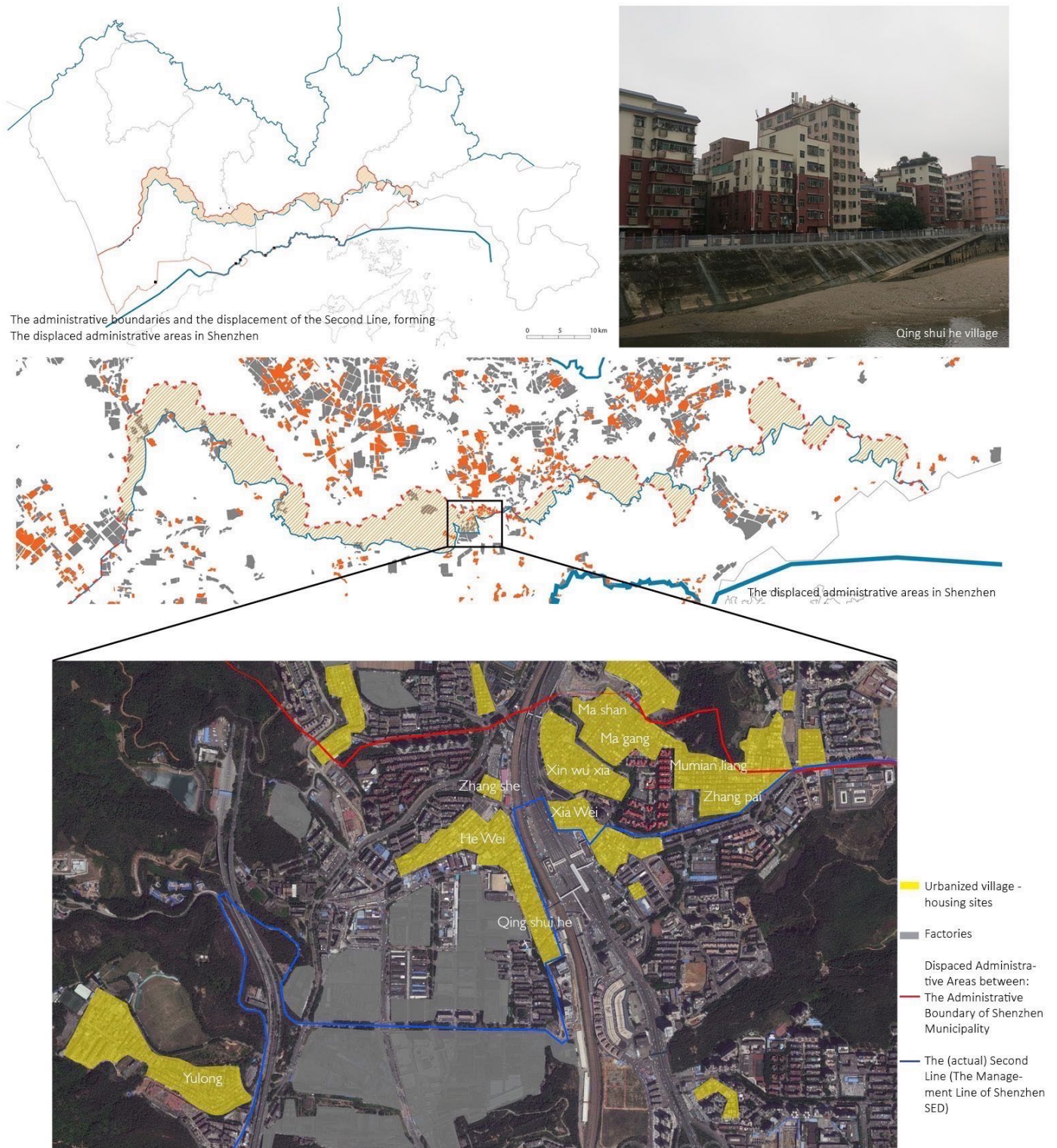


Figure 5.5. The urbanised villages inside the interwoven area (“chahu di”) - displaced administrative areas in Shenzhen (sources: photos from author; the map and information from interviews, newspapers, the government website of the Luhou district, Google Earth)

For example, the largest chahu di enclave was created between Luohu and Longgong Districts. This area was supposed to be subject to the government of Luohu district, and yet it was actually located in the guanwei, outside the Second Line. It therefore lies outside the administrative power of the Luohu government. The Longgong government could also not manage it because this area was not administratively subject to itself. For more than twenty years, until 2005, the problem of displacement created a power vacuum and widespread illegal plotting. Because of its proximity to the city centre, this area transformed into a place for communities of migrants who commute to work in Luohu. I found that there were at least six urbanised villages in this area, for example, xinwuxiacun, xiawucun, xiaweicun, buxincun, caobucun, and qingshuihucun (Figure 5.5). The government reported that there was a total of 136700 inhabitants, 1800 unauthorised rental housings, 2153 illegal individual enterprises, 10 illegal private schools and 18 illegal kindergartens, and 40 illegal clinics. These services were opened to meet the needs of the floating population, without local household registration. The security fence also separated a village partly inside the fence and partly outside. Some villagers actually cut the fence to pass through the two areas and build houses on the other side. Some of these urbanised villages were constructed along the hill area and are vulnerable to the risk of landslides. After the occurrence of landslides in 2005, the city government took actions to clear those buildings built on dangerous slopes and resumed this area to formal administration under the Luohu government.

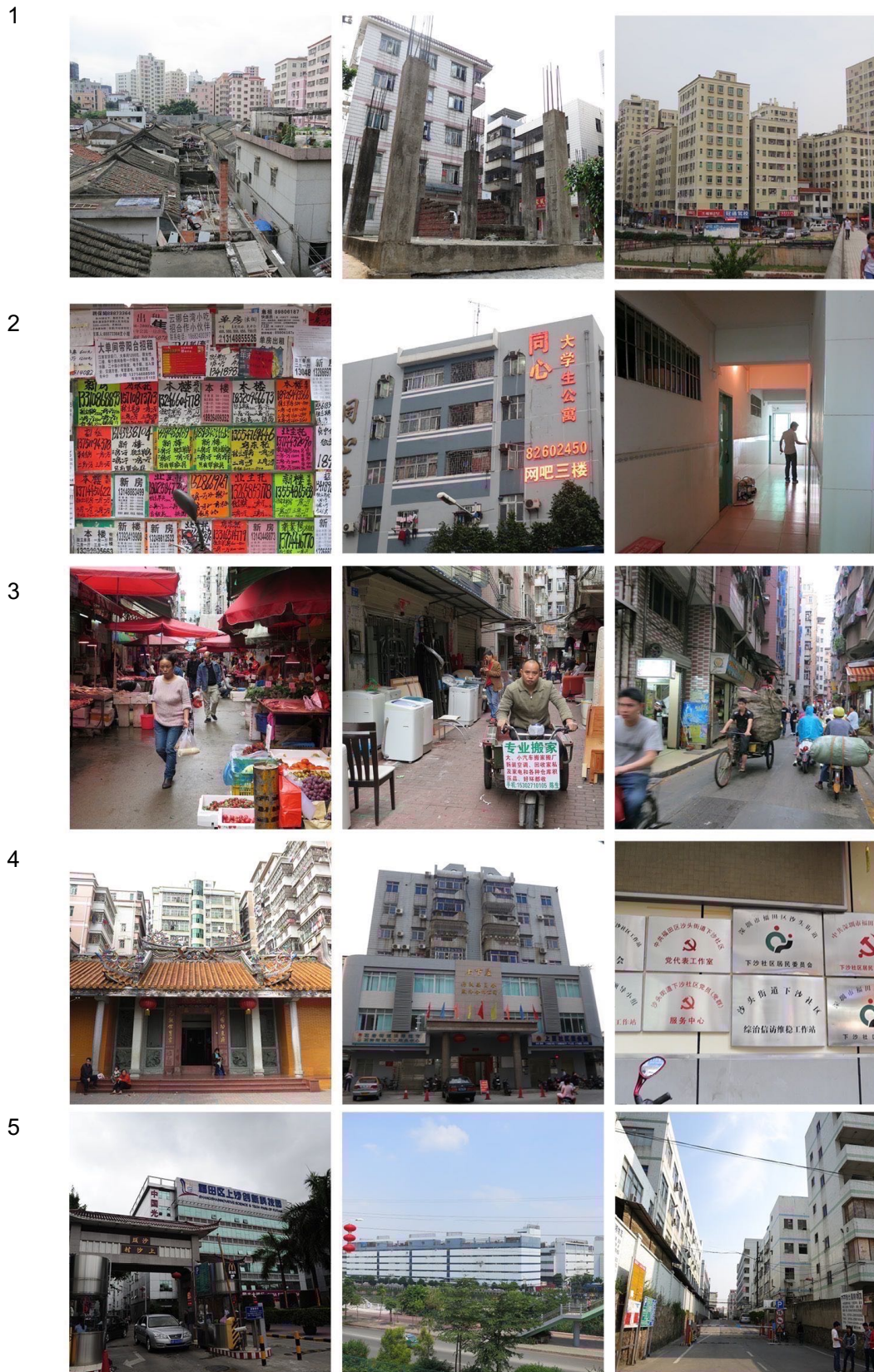


Figure 5.6. Fieldwork images of urbanised villages in Shenzhen (source: author)
 1, 2, Homesteads and rental housing 3. Street activities 4. An ancestral, the office of a shareholding company, the party sub -branch and administration offices. 5. Collective land development land

6. Plot Maximisation of Urbanised Villages

In Shenzhen, plot maximisation eventually led to a very high density of urbanised villages which are colloquially known as “kissing buildings”, “hand-shaking” buildings, or “buildings with a line of the sky”. This representation of space is usually used by officials, planners and the media, and has negative connotations with regards to the lack of city planning, violation of building regulations, substandard architecture, poor and unhygienic living environments, and other socio-economic problems. Because there is two territorial governments and regulations, these plotted urbanised villages have taken different forms in the city centres through densification and verticalisation, and in the outlying districts through expansion. Over the past three decades, urbanised villages underwent dramatic plotting and each of them became a centre of neighbourhoods in Shenzhen. Without any overarching planning, the social and economic development of these neighbourhoods varies according with their locations with specific social and economic situations. Nevertheless, they amount to a similar spatial structure because of the institutional and regulatory arrangements. They were developed on the basis of the collective land system, which can be divided into two types of rural land uses: rural construction land (including village houses, ancestral hall and communal areas, etc) and agricultural land (farmland, orchards and fish ponds, etc.). Most agricultural land in Shenzhen was either acquired by the government for urban development, or converted into collective (non-agricultural) construction land (“jiti jianshe yongdi”), typically divided into homesteads (zhai jidi), communal land, and economic construction land (“fazhan jianshe yongdi”). According to the fieldwork and interviews, this section shows the transformation of material space from which plotted villages developed.

6.1. Homesteads Becoming Rental Housing

According to official data from 2004, there was a total of 42,300 and 306,600 rental buildings in the former SED and in outlying districts. The dominant form of urbanised village structure is multi-storied buildings which were built so closely and developed densely through the processes of intensification and verticalisation alongside old village settlements. Old village houses were characterised by the pre-1978 traditional form of single-story brick houses, with tile roofs³. It is difficult for village households to change these traditional houses because of their indivisible architectural complex from one unit to another. The redevelopment of old villages is usually done collectively, on the basis of each owner’s consensus. Therefore, some of these old villages survived and are used as the cheapest form of rental units for

³ There was rarely the construction of single-storey houses in Shenzhen during the reform era. This type of houses has a long history in Bao’an. Due to its indivisible structures and small in size, these housing complexes could not be individually redeveloped. this required an unanimously agreement among all respective village households in case of redevelopment.

migrant families. Multi-storied houses were the most active form of plotted development emerging during the reform era. Some of these buildings were built with bricks and cement, and other larger ones were constructed with reinforced concrete. These buildings are normally about four to six stories high, or occasionally built up to more than ten storeys. The height and size of these buildings increased from time to time by adding additional stories and occasionally entirely rebuilt to higher ones.

These housing plots are administratively known as “zhai jidi”, or homesteads. These homesteads were originally owned by village collectives and were eventually converted to state-owned land. To begin with, it is important to understand the nature of collective landownership in China and how this ownership changed with the development of a city. According to the National Land Management Ordinance, land and housing are separately managed. The collective land, including homesteads, household plots (e.g. farmland), and hill areas, are owned by village collectives. Village households only have “rights to use” (shi yong quan), not “ownership” (suo you quan). For the central government, this land right is a type of welfare for peasants who are members of village collectives to be able to acquire a housing plot. This land is administratively owned by the respective collective, but the house built on the plot is individually owned by the villager. Nevertheless, in Shenzhen, this ownership (suo you quan) of collective land in the SED and the outlying districts was respectively converted into state-owned property in 1992 and 2004. Since then, village collectives which were simultaneously converted into shareholding companies, have only the “rights to use” the land (as leaseholders), whilst their land became the state land and are reclassified as “administrative allocated housing land” by the city government. Despite this change, the properties on these plots are still owned by individual owners. They are usually former village members whose Hukou was also converted into an urban one.

In the first two decades of reforms, the collectives subdivided and converted their land into residential land in the name of new village construction, and distributed land to their village households to build their houses. The building construction depended on the situations of individual owners, including their uses and budget. Typically, villagers paid a certain amount of money to their village collectives to acquire a piece of land, despite the fact that it was supposed to be welfare without fee according to the law. Male married villagers, who are members of the village collective, were eligible to acquire their housing plot. If a male villager’s Hukou was already changed to an urban one, or he returned to his village from Hong Kong or overseas, or his family or relatives were still in the village, he needed to have a good relationship (“guanxi”) with the village, particularly with village leaders, in order to acquire a housing plot. Afterwards, villagers paid cash for housing construction. They just needed to make an agreement about construction fees with a foreman, who brought workers, construction materials and machines. There were many construction workers in Shenzhen because of the large pool of migrants so this housing construction could be accomplished in

a very short time. I was informed by a village elder that no mortgage was provided by banks for their house construction. Despite the increasing and changing regulations imposed by city government, most villagers have built beyond what is required.

The policy of these housing plots is the protection of villagers' housing rights in the city. It eventually provided a space for village households to take part in the process of urbanisation and accumulate wealth during the boom of the rental market in Shenzhen. These multi-storied buildings were built for self-use, to partially lease to migrants, or simply built for the purpose of renting. For example, in Shiyan, a former town beyond the Second Line, a village elder said that his family owns two five-storied buildings. In 1994, he paid RMB 200,000 yuan for the construction of the first building. In 2002, the construction fee, for the second one, increased to RMB 700,000 yuan. Villagers like him paid the construction fee from their own savings, or some borrowed money from their overseas relatives, while some households had money from the compensation of their farmland paid by the government. It was during the time of rapid economic development that the village collective, where this village elder belonged to, commenced new village (xin cun) construction in 1994 and 2002. There was a certain housing construction plan with a standard of building codes for individual households to follow. Thus, all village houses were built in a designated area in a more systematic manner.

Renting has been a common practice among ordinary households. As the case shown above, the village elder managed to rent out a floor in his house to a migrant family. Nevertheless, many other village buildings were built to rent. Plotting was taken place in the name of "new village construction", and eventually buildings were illegally constructed up to seven or ten floors high and converted into workers' dormitories. This process gained momentum in the outlying towns during the late 1990s and the early 2000s. For example, many of housing, if not all, in Qinghu new village was rebuilt and converted into workers' dormitories especially for Foxconn Technology Group, a Taiwanese multinational electronic contract factory who employ young workers to produce iPhones, Kindles, Blackberry and so on. At the time of my fieldwork and interviews with an advocacy group for workers' right in 2013, this village had been completely transformed into a community for Foxconn workers. Most of them were single and in their twenties, some had just graduated from universities and high schools and became workers in the assembly line. In this village, many buildings had been built up to seven and ten storeys. Each building requires an entrance code to enter. Without an elevator, tenants walk up to their units. For example, walking into one building with ten storeys, the internal space is subdivided into single person units (danjian, or a single room), a total of six units per floor, where a unit contains a folding bed, a cooking corner, a squat toilet cum shower area, and a window with security bars. There is no Wi-Fi and the owner asks for a monthly rent of RMB 400 yuan, with no deposit required. The space is subdivided into ten units. It is always dependent on the size of the plot. In addition, another form of renting is daily based for those young people coming to the Foxconn for a job interview.

During the “golden time” of production, there was always a long queue outside Foxconn in the morning, with many young people waiting to get a ticket for a job interview. The daily basis of renting business therefore became profitable over those years. Apart from single rooms, there was some rental housing for workers’ families on the second floor, which used to be lived by the original village households living, while other space of other floors was rented out. These family units are rented out to migrants after the owners’ families moved out to live in other places.

The above case can be seen to be plotted urbanisation in relation to the changes of local economy. The transformation of Qinghu new village followed the expansion of Foxconn, which started to establish an electronic factory in Shenzhen in the late 1980s. During the mid-1990s, Foxconn managed to expand through the acquisition of more agricultural land in Longhua town, and built the second factory in Guanlan town (these towns are currently sub-districts of the city). The former transformed land into the largest production campus of the company in China. In 2011-12, there was a total of 430,000 workers in this manufacturing campus. In their participatory research, Ngai and Chan (2012) note that this “Foxconn City” has a 2.3-square-kilometer campus including all kinds of production facilities and also the varieties of facilities and services for workers, such as dormitories, a counselling clinic, an employee care centre, banks, hospitals, a library, a post office, a fire brigade, bookstores, soccer fields, basketball courts, swimming pools, cyber theatres, supermarkets, restaurants, cafeterias and even a wedding dress shop. Foxconn was just one of many examples to give the impetus to the extensive plotting in many urbanised villages in outlying towns. Meanwhile, the period since the mid-1990s was the heyday of Longhua, under leadership of the Longhua town government, through new development strategies, preferential industrial and investment policies particularly to attract larger scale of foreign investment like Foxconn, and the expansion of highways and infrastructure. In this context, Qinghu new village was completely rebuilt into dormitories during the early 2000s. The village has become the space of workers’ reproduction, including grocery shops, furniture shops, internet cafes, a street market, hair salon, internet cafes, food stalls, a library, etc.

In addition, low rent is always key for migrants arriving in the city. Some advertisements posted at the entry gate (pailou) of Sunggang village illustrated the average rent in the North of Luohu District. A bed-space dormitory, including Wi-Fi and basic management, was between RMB 10 and 15 yuan per day, or RMB 260 to 400 yuan per month. A single-person room was about RMB 36 to 70 yuan per day, or RMB 750 to 1400 yuan per month. Another village, Baishizhou, which is located next to the Overseas Chinese Town, a large theme-park city in Shenzhen, and centrally located between the Futian CBD and the Nantou Peninsula, is currently the largest urbanised village in the city centre. Renting a unit in this village was generally higher than the aforementioned Sunggang village. A single person room cost RMB 500 yuan, a unit with a bedroom costs RMB 1100 to 1300 yuan, two bedrooms costs RMB

1600 to 1800 yuan, three bedrooms costs RM 2600 to 3000 yuan. The cheapest rental housing is the traditional single-storey houses, ranging from RMB 500 yuan for a small unit in the main urban area of Luohu (Hubei Village), to RMB 300 yuan in the outlying district of Shiyuan (Shang Wu Village), to RMB 1100 yuan for a larger space to run a family-based shoe making workshop in the peripheral area of Longgong. Although a minimal wage of full-time workers in Shenzhen was increased from RMB 1801 yuan in 2014 to 2030 yuan in 2015, these migrants still needed to pay for high cost such as schooling and medical to live in the city.

It is important to note that the composition of tenants living in these urbanised villages became much diverse in Shenzhen; not all of them are part of the “urban poor”. There was a large number of low-wage migrant workers in industrial and the service sector, such as restaurants, clubs, massage and sauna parlours, construction sites, transportation, recycling and other casual jobs. There were also many white collared young professionals, small entrepreneurs, self-employed people, and university students in urbanised villages. Enormous demand for cheaper rental housing was always the main reason for the boom of rental housing in urbanised villages. Since the mid-2000s, apart from speculators, general society has suffered from a rapid surge in house prices and even young professionals have difficulties “settling” in Shenzhen as homeowners. Even though the city was able to accumulate much more wealth, the rental housing in urbanised villages was still an important means by which many migrants and the ordinary households have been able to live in Shenzhen.

6.2. *Collective Farmland Becoming the Collective Economic Development Land*

Apart from homesteads, collective farmland was another type of the rural collective land. Some of collective farmland was quickly transformed into the “collective construction land” used for industries, whilst other was converted into state-owned land development either by the city government, or the former town governments in the outlying areas. This type of collective construction land is a form of land exchange by local governments who acquired farmland from village collectives in exchange for a given proportion (usually 10 to 15 percent) of the expropriated land as village construction land. Village collectives used this land to run their collective business without paying land premium to the government. Thus, it was also regarded as a form of compensation from the government and only granted to affected collectives as a solution of generating collective incomes for the loss of farmland and livelihoods leading to social instability. Individual households were only compensated by the crop fee. This land policy is officially known as “the reserved land policy” (liu yongdi). This land exchange was implemented during the 1980s, and formalised after 1989 in order to

facilitate a larger scale of acquisition of farmland from village collectives in the SED and outlying areas.

The implementation of this policy allowed the conversion of all landownership into the urban system in which, as noted before, the state and city government is the owner of the land in Shenzhen, whilst village collectives have right to use and benefit from the construction land and own economic properties above the land. However, there have been continuous conflicts and disagreement over land transformation. Whilst much of the reserved land, as promised at an earlier time has not yet been realised within the SED, large scale land plotting was undertaken by village collectives and households themselves in areas of the outlying towns which did not conform to the city government's land acquisition and exchange policy. These became the so-called "historical problems" for illegal plotting during the rise of urbanised villages in Shenzhen.

Nevertheless, the land exchange policy for the construction land was the basis of power consolidation in village collectives during the rise of the city. The village collectives were restructured into "shareholding companies" in the SED in 1992, and in the outlying districts in 2002. They provided the institutional space and actual territorial jurisdictions on which new urban collectives accumulated wealth through land transformation. Villagers could ride on the wave of the changing economy first of all from the export-led processing industries (in the form of *sanlaiyibu*⁴) through the investment network of transnational villagers and urban transformation was accelerated from piecemeal plotting for a factory on a farmland to systematic and extensive plotting for industrial estates in their areas. Plotting was also through illegal sale of the collective land use rights (informal land leases) to developers. This form of collectively-owned economic development has been increasingly dependent on rental property and the consumer economy for offices, hotels, restaurants in the SED, while many in the outlying areas have currently undergone restructuring to upgrade industries and follow those in the urban areas developing hotels, shopping streets and consumer economy. In addition to bank loans, an increasing amount of collective income has been reinvested through the construction of new buildings, facilities and infrastructure in order to increase the overall value of properties in the area. A portion of the properties' rental income has been regularly redistributed to eligible shareholders as a form of bonus, allowances and welfare to maintain a good relationship between the former village collectives and households on the basis of shared economic interests, and to facilitate a collective identity among these villages in the city.

6.3. Space of Authorities and Relative Autonomy

⁴ *Sanlaiyibu* refers to a trading and processing industrial model that was firstly created in Dongguan in 1978 and then widely developed as a strategy of rural industrialisation through the attraction of foreign capital from and via Hong Kong and Taiwan, or other countries.

Extensive and continuous plotting is dependent on the authorities and the relative autonomy of village collectives which developed on their territories over time. As argued by O'Donnell (2008), the cultural identities of these villages have not diminished but rather have been strengthened by the rapid changes of Shenzhen. Village identities are always based on kinship, by tracing their ancestors and lineage histories, and relationships with Bao'an, organising customary practices and cultural events. Their authorities were derived from the Mao's time of People's Communes and production brigades. Afterwards, village collectives were changed to shareholding companies during the reform period. These changes reflect the development of these customary, political and administrative economic and social roles and practices on which shareholding companies strengthened their authority and relative autonomy over their territories.

It is difficult to demarcate the boundaries of village power because it is historical, political, economic, social and also territorial. For example, the role of an ancestral hall remains important in upholding lineage identities and in organising social and cultural activities in relation to births, deaths, marriage, festivals, inter-village and transnational village networks. Many shareholding companies have invested several millions yuan to renovate their ancestral halls and build entry gates - pailou - to re-articulate their histories and cultures in relation to Bao'an's past and Shenzhen's present. Shareholding companies and their leaders are the current power centre in regard to decision making, management and development of collective properties within their territories. The built environment of urbanised villages demarcates an economic territory within which shareholding companies have profited from rental properties, toll parking lots and market areas. Facilities and infrastructures were first invested in by village collectives to improve their living and economic environment. It is only later that the city government agreed to underwrite the construction of all public facilities and infrastructure in Shenzhen. Meanwhile, the territories' development contributed to their relative autonomy and authority, where companies have their own security teams to patrol and manage areas. An outsider might think that these security guards were policemen. In fact, the City government had depended on the authority and resources of villages collectives to maintain social order and security within their territories. As noted by Bach (2010), this space of security would reinforce these villages' "own codes of conduct and justice". Although their administrative power was subordinated to the city government, village collectives' authority and relative autonomy were not easily undermined in their areas. They continued to develop their territories through plotting, which was not simply in violation of building codes, but actually posed challenges to the city authority in the course of development.

7. The Consolidation of Urbanised Village Collectives

The main agents of plotting should not be merely seen as individualised actors, but more importantly as a complicated form of collectives arisen in the specific context of Shenzhen. In 2004, the city government and media announced that Shenzhen become “the first city without villages” in China. Administratively, the city government converted the rural collective system into an emergent urban system, firstly in the former SED in 1992, and then in the outlying districts in 2002. Thereafter, these villages were officially called “communities” instead of “villages”. Nevertheless, as argued by Bach (ibid., 423), although the institutional system of these villages was forcibly converted from rural to urban, they persisted “discursively and spatially” in the city. These urbanised villages are highly visible on the landscape. Comprehensive local research in 2004 showed that these villages occupied about 93.5 square kilometre of housing land, with a total of 350 thousands buildings. In addition, through administrative restructuring, these villages have been changed from rural into urban collectives in the form of shareholding companies. They have actually become inextricable from the city, and have continued to grow and consolidate in different dimensions. As mentioned in the last section, plotting is dependent on the authority and relative autonomy which these village collectives further developed their territories in the fast-growing economy. This section will show how these urbanised villages have actually been shaped and complicated by the particular changes of the administrative and institutional system in Shenzhen.

7.1. The Evolution of Village Collectives

Village collectives were a political product of the Maoist regime, when Mao Zedong established People’s Communes in rural areas to develop China’s agriculture and industries. To begin with, it is worth noting the basic form of village collectives (cun jiti) in China. There were three main features inherited from this system which continued to persist and further developed during the post-Maoist reform era. Firstly, village collectives during Mao’s time were a kind of all-encompassing model to govern vast rural areas through “party-government integration” (dang-zheng heyi) and “government-cooperatives integration” (zheng-she heyi). The former refers to the party and government dual administrative system as the basic form of state apparatus. The Party and government of the PRC are the two political and leadership systems, and the party has a higher level of power over the government. During Mao’s time, the Party and the government became a unified political system to govern the nation. The latter refers to the Party State’s power was fully extended to society and the economy in order to control all means of production and reproduction during the period of the People’s Communes. In other words, this was a mode of government based on the integration of the political and social forces. Against this wider political context, village collectivisation (People’s Communes) was a form of public ownership in rural areas, collectively organising all the

means of production and social forces of reproduction. Therefore, village collectives were highly institutionalised into a trinity of the rural collective ownership system of agricultural cooperatives, rural collective landownership, and the agricultural Hukou (household registration) system. The three of these were tied together and changed in relation to each other as a trinity of the rural system. Thirdly, village collectives were composed of three-tier rural administrative units: People Communes on the top, Production Brigades as middle larger units, and Production Teams as smaller units at the bottom. This three-tier administrative system was very hierarchical and centralised, in which commands and power were operated from the top to mobilise people and resource to fulfil the state quota of the collective agricultural responsibility. Therefore, the term ‘village collectives’ is actually an abstract political concept since they were neither a legal person nor a single legal entity. They were concurrently political, economic and social, and therefore became complicated and ambiguous in the course of an emergent city (Shi) regime and urbanisation in China.

The nature and status of village collectives became ambiguous during the rise of the city, in terms of their administrative power, organisation and ownership when Shenzhen was designated as a city, or “Shi” and changed from rural into an urban system. As noted by Bach (2010), the officials and outsiders regarded village collectives as a kind of “feudal” system. The constitution does not clarify the term “village collective”, which in reality can refer to any unit in the three-tier administrative system. Nor can the term “collective ownership” be legally defined. And yet, village collectives have been changed into an urban system and take part in the process of urban development in Shenzhen. Instead of seeing this as a change from “tradition” to “something modern”, the transformation of village collectives has rather taken a non-linear pattern from its past to present (Figure 5.7). Without real autonomy, their transformations have been deeply rooted in their original core, changing from lineage villages with hundreds of years of history into village collectives during Mao’s period, and restructured into urban collectives in form of sharing-holding companies in the city.

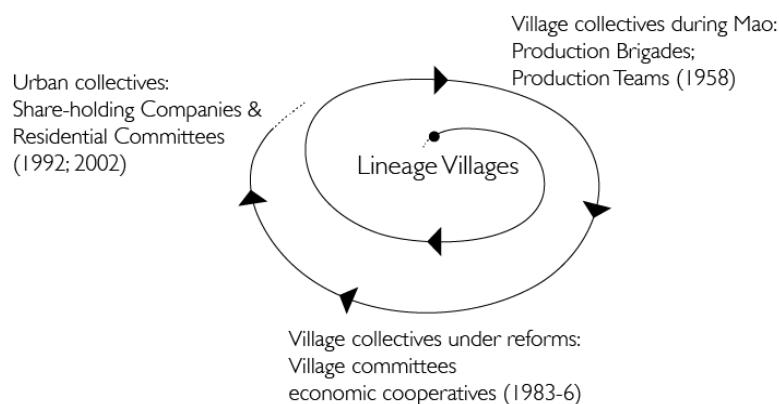


Figure 5.7. The changes of village collectives in Shenzhen (source: author)

When the central state decided to open up the country to foreign investment and development, it preserved the role of village collectives in China, to maintain social stability and most importantly to uphold the public ownership system and therefore the one party-ruling power in China. In the face of the collapse of the previous collective agricultural production system, with widespread rural poverty and famine, the central government decided in 1983 to abolish the People's Communes and the unified collective operation of agricultural production. This institutional change removed the collective operation of agriculture in China, separating "co-operatives" (she) from the control of government (zheng). This was important at that time because Party leaders wanted to increase local energies and incentives, especially from individual households to revitalise rural economy and production. However, they also decided to maintain the collective ownership and the roles of village collectives in rural society. The persistence of village collectives is embedded in the party and government dual administrative system. During the first decade of reforms, village collectives fulfilled the important role of carrying out party and administrative functions in the development in Shenzhen. Shown in Figure 5.8, they performed multi-functions in the society. The composition of a village collective includes a grassroots-level CPC sub-branch, a village committee (a residential committee after 1992 and 2002) and an agricultural cooperative (a shareholding company). Typically, village the Party Secretary would be the first leader to manage the overall village development and construction within a given boundary.

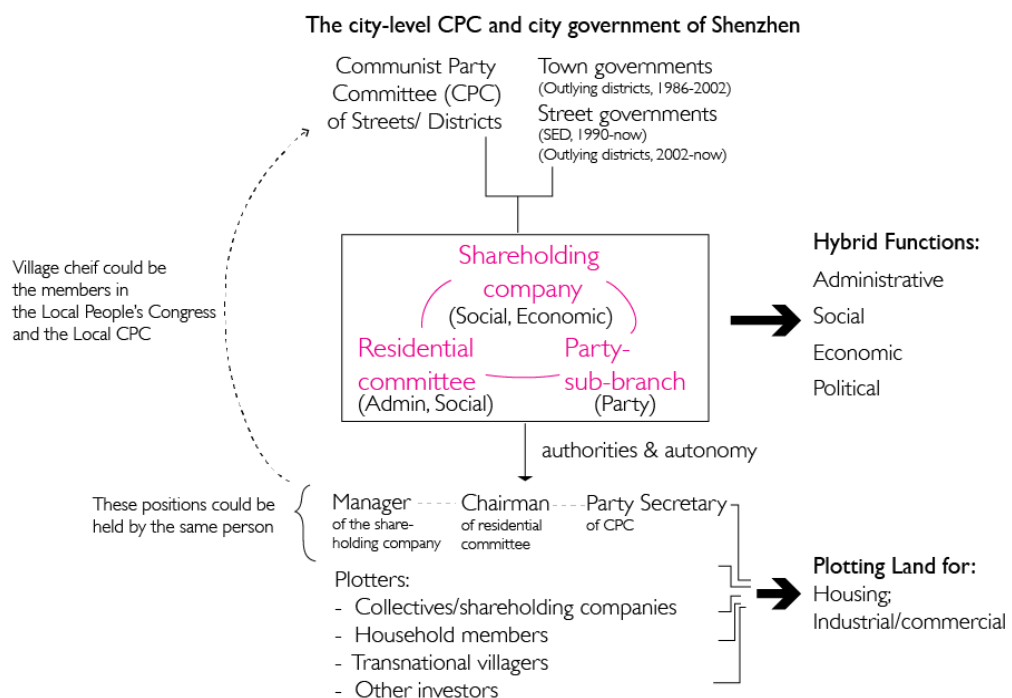


Figure 5.8. The structure and functions of village collectives in the dual party-government administrative system in Shenzhen (source: author)

At the city level, as previously mentioned, the Shenzhen City government launched large scale administrative restructuring to convert village collectives and collective ownership into the urban system. The aim of this administrative change was to modernise, or urbanise in official terms, village collectives in the city. The underlying logic of this change was to separate the economic space of village collectives from the administrative space. In order to achieve it, the economic function of former village collectives was passed to newly-established shareholding companies, which take charge of collective businesses and development, property and land management, within their areas. Share-holding companies were defined as a kind of “urban collective ownership enterprises” (chengshi jiti suoyou zhi qiye) and were made independent of the administrative system of the government. In addition, the administrative functions of former village collectives have been taken over by “residential committees” who have replaced village committees, while the party sub-branch offices continue to run the party policies at the neighbourhood level.

Nevertheless, this administrative change from rural to urban was implemented without fundamental changes to the collective structure or ownership in the city. The separation of administrative and economic power was never achieved. In reality, shareholding companies, with their increasing amount of revenue and investment, have continued to perform multiple functions in local management and development, and as noted before, established authority in their territories. Even after the administrative change, the three divisions (shareholding company, residential committee and party sub-branch) had the same group of people holding the positions, working in the same office and carrying out different but interrelated tasks. For example, the first leader of an urbanised village is usually a manager, a chairman and a party secretary at the same period. This practice of one group of cadres with two to three functioning roles is a common administrative practice in China, not only at the village level but also at higher government levels. Urbanised villages were the lowest administrative unit where party leaders or government mobilised to promote and implement policies at a grassroots level. In addition, these leaders established their authority in the society. Many of them hold important positions as members of the People’s Congress of Shenzhen and as representatives of the local-level CPC. As a result, their authority and influences are highly recognised by government officials and at a local level, which creates a sense of ambiguity for outsiders⁵.

The above explanation attempts to locate the changing roles and power of village collectives in the wider context of changing political and government structures. I argue that these urbanised villages should not be seen as informal or autonomous, or governed independently outside the state apparatus. It is common to say that these former village cadres are outside the government’s civil service system, hence they are thought of as

⁵ This refers to those government officials who are usually come from other provinces or cities, and new residents in Shenzhen, and also scholars and researchers.

“informal”. Or these urbanised villages are regarded as “autonomous grassroots organisations”, as stipulated in the constitution and the 1987 Ordinance.⁶ However, the nature and structure of these urban collectives is still deeply rooted in the political structure system and the collective ownership system, both of which remain cornerstones of the one-ruling party in China. Thus, the perspective of informality misses the important point of how village collectives were transformed through the complexities of institutional changes and power relations in Shenzhen City. Lastly, instead of immediately submitting to the state or the city government, these urbanised villages have managed to consolidate their power and authority in the territories during the changes to the system, where plotting grew out of control against the regulations and authority of the city government.

7.2. Urban Hukou in Exchange for the Collective Land Ownership

Village households have become the major agents in the process of plotted urbanisation, because their Hukou status in the rise of the city. As noted before, village households who are the members of village collectives were able to acquire their plots to build new houses as the improvement of peasants’ livelihoods during the first and second decades. In the beginning, the standard form of a new house was usually two to three stories with a small courtyard in 100 square meters of land. Later on, plotting was achieved by adding more stories, and replacing courtyards with higher buildings for letting (to migrants). In order to claim more land for construction, some original households were split into small family units. Therefore, many households had more than one housing plot, which was later stipulated by the state policy “One Household, One Housing Site”⁷ (yihu yizhai). These buildings, through appropriation of rent, became an important means of survival and later means for the accumulation of wealth, in the changing economy of Shenzhen.

By taking the opportunity to rent houses to the large influx of migrants, the relationship between owners and tenants gradually developed in Shenzhen. But this relationship evolved from the existing Hukou (household registration) system, and the changing status of peasants during urbanisation. During Mao’s time, the state propagated the idea that peasants were the masters of the nation. In reality, as criticised by the then party leader Zhao Ziyang (2010, 264), the state’s view of peasants was actually that they were “objects to be changed and controlled”. In rural areas, power had been highly concentrated in a few hands of the village cadres. They controlled the peasants as objects in their collective agricultural system in accordance to the central state’s commands and policies. The situations of Bao’an peasants

⁶ This refers to the Ordinance of Village Committee Organisation” in 1987, stipulating village committees as autonomous grassroots organisation through the election of their village chiefs.

⁷ This refers to the Land Administration Law of the PRC (Article 62).

was not very different from other places all suffering from widespread poverty and famine, and the catastrophe of the Cultural Revolution.

Nevertheless, it is still important to understand the situation of Bao'an peasants before 1978. In the beginning of land reforms (since 1950), the CCP targeted overthrowing the class of landlords, in order to redistribute farmland equally among all village households following the promise of peasants' land to farm, while private landownership had been still allowed to exist. Later on, in 1958, Mao established the People's Communes. This was a turning point in the sense that the state established a new order through a rural collective production and ownership system, which eradicated private ownership and broke up small peasant households. Therefore, land became inalienable and peasants did not have their land and ownership belonged to village collectives. Most of the grains produced were handed over to the state through low procurement price of agricultural produces and fixed payment for grains. Peasants did not have enough grains to feed themselves and families. Like a former villager said, social stratification was not merely based on the difference between a landlord family or a peasant family, but by the new classification of social classes in Bao'an (Interview, 2015). If families had the status of landlord, their properties and assets were confiscated by the state. Their household registrations' status remained as landlord, at the lowest level in the society. In this way, the status of "peasants" was further subdivided into several classes. Generally, former poor peasant households had a higher status whilst former wealthy peasant households had a lower status. This stratification within a rural Hukou status had a significant impact on the livelihood of village households in Bao'an, not to mention those households with an urban Hukou status which had previously claimed a much higher social status and better material living in cities or towns. Accordingly, this led to a massive exodus of peasants fleeing to Hong Kong to become residents.

The launch of China's economic reform and the designation of the SED immediately "revolutionised" the status of Bao'an peasants. Because of a local rural (agricultural) Hukou, villagers could have two kids in the city, and claim their own plots to build houses, appropriating rents from migrants. Meanwhile, they became shareholders, regularly receiving bonuses and enjoy different welfare and facilities offered by their shareholding companies (Shenzhen Museum 2009). Thus, they were commonly regarded as a local privileged class in the city. Their new social status was defined by a new land relation during the boom of the property market in Shenzhen.

Plotting has been an exclusive process for to those villagers who were members of a village collective and who had access to housing plots. However, there was an exception for some of "transnational villagers" in the wider network of overseas compatriots from Hong Kong, Macau and Taiwan, etc. As noted by Bach (2010), transnational villagers could maintain their residence in Shenzhen and the identity card of Hong Kong, which is not officially allowed in China. They moved between the two systems to negotiate and manage business

deals. As exemplified in this case, a former villager returned to his home village in Shenzhen after 1980 when his mother was still living in his village. Due to his network with the former village leader, he restored his Hukou and membership in this village collective, and hence acquire a plot to build his house and another plot to build a factory in the area. This case would not be unusual in other villages during the early stage of the reform, when many village leaders attracted their overseas relatives to invest and develop their villages.

Because of the link between rural Hukou and the landownership rights, the city government implemented a policy of rural urbanisation to convert local villagers' rural Hukou into an urban one. By doing this, the government could further proceed to convert the ownership of the collective land into state land. The motivation of this policy was to grant urban Hukou to local villagers in exchange for their rights of collective landownership. As briefly addressed before, the city government applied this administrative change to unify the state's "right of landownership" (*suo you quan*) in Shenzhen, whilst the former collectives and village households became just users to have "right to use" the land (*shi yong quan*) and the owners of their properties above (Figure 5.9). In addition, this policy allowed the city government to acquire a larger share of the remaining farmland by returning a portion of the construction land to the villagers.

Although the conversion of ownership rights could, in theory, empower the city government to advance the planning and management of all the land resources in Shenzhen, the separation of these two rights (ownership and use) continued to recognise these village households as "de facto landlords", so that they could continue benefiting from their plots in the form of housing rent. Urbanised villages also further densified and expanded through this plotting and investment. Former peasants lost their collective farm land but they learnt to become plotters and de facto landlords. Today, these rental housings have already brought these plotters a handsome amount of regular income to have a better standard of living (on rents, shares and welfares) in the city, and the potential value of their buildings has grown rapidly in the new stage of urban renewal process, the shortage of developable land, and the ever-increasing housing prices in Shenzhen.

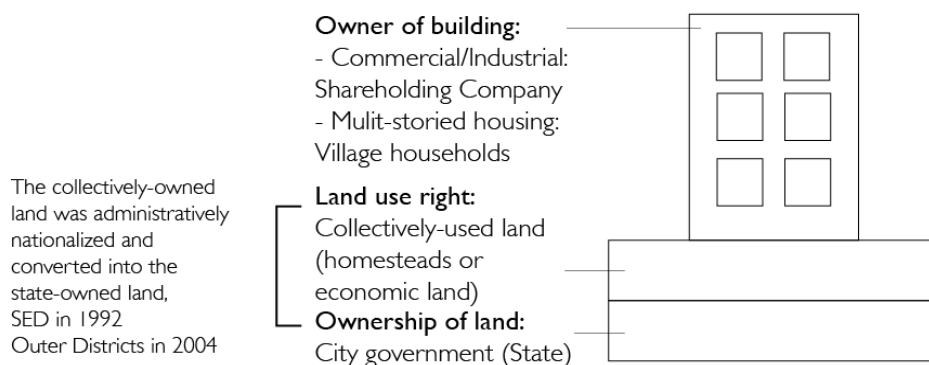


Figure 5.9. The separation of land ownership rights to land-use rights after the policy of rural urbanisation in Shenzhen (source: author)

7.3. Rural Migrants (Non-Local Hukou) in the City

The persistence of the Chinese Hukou system in the city created a local privileged class on the one hand, and reproduced the class of working poor on the other. Many rural migrants have been administratively excluded from the local welfare and services in Shenzhen. During my fieldwork, I found that many migrants have been in the city for between five and twenty years. Many of them arrived in Shenzhen through their hometown village networks. For example, a female migrant originally from Qianhai, in the Northwest of China, arrived in Sunggang village of Luohu District in 2002. Due to her family network, she started a noodle shop in this village where she paid a monthly rent of about RMB 4000 yuan for a ground floor shop and a dwelling unit on the second floor. In fact, Sunggang village has become known as “Little Chongqing”, because many migrants living in the village come from rural areas in Chongqing. Upon asking how they settled in this village and in Shenzhen, these migrants said that they arrived through the rural fellow network of Chongqing in Shenzhen. Thus, many shops in this village are run by the Chongqing migrants. Migrants can identify those from the same home township by speaking the same dialect. This has produced different groups of migrants in this village area. While some young migrant mothers with kids gathered in a small public square adjoined to an elementary school, a group of casual male workers were standing at a street corner waiting for their jobs while talking to each other, and a few of the older men and women were squatting at the entry gate to get their customers by providing services like carpenter work, fixing electricity devices, home moving and home renovation.

I also visited many outlying towns and villages. In Longgong, there are many old Hakka walled villages where recycling industries operated in this kind of old single-storey village complex. During my visit, there was a group of migrants playing chess in a public corner of an old village. They came from a few provinces: Hubei, Hunan and Sichuan. Most of them

arrived in that particular village after the early 1990s, and today their families have two to three generations living in Shenzhen. They knew each other for a quite long time. The place where they played chess was a makeshift structure with some bamboos fixing cloth providing a shade from the sun. When they get older and are unable to work, they go back to their home townships. None of them would ever think about transferring their Hukou to Shenzhen. The reason for this became more obvious after asking further migrants that their rural Hukou, it allows them the right to use rural land in their villages when they return in their old age. It is also because the Hukou Transfer Policy implemented by the city government only aimed to attract professional and educated migrants to Shenzhen. Besides, the success of a Hukou transfer is always linked to the possession of a property and a stable job in Shenzhen. The policy of buying a house and getting local Hukou in Shenzhen during the 1990s, once attracted many investors to buy properties and to live in Shenzhen. Therefore, many low-wage migrants and families rarely transferred their Hukou to Shenzhen and therefore paid for a higher cost of living.

During the last decade, the city government increased the minimum wage to 2030 yuan and enforced the workers' social insurance scheme. Despite this, the Hukou system remained a barrier for rural migrants, preventing them from settle down in Shenzhen. If a worker's wage is about RMB 3500 per month working in an electronic factory, they pay rent of 400 yuan for an old village house, and a term's tuition fee of 4800 yuan for her son to attend a private kindergarten, it still remains a doubt whether this family could have an average living level in Shenzhen. In addition, their future of living has been uncertain because the government has launched a large scale of urban renewal policy in the outlying districts, the expansion of metro lines, new condominium apartments, and industrial restructuring towards high value-added industries. These would lead to the displacement of low-wage migrant workers in the city.

8. The Pathway of Plotted Urbanisation: Emergent Contradictions in the Changing Territorial Regime

This section traces the pathway of plotted urbanisation in relation to the emergent contradictions arising from the large scale of state territorialisation. As shown in the previous sections, plotting has been a dominant process in the rapid urbanisation in Shenzhen. This process has been the main engine of change and the means of accumulation in the fast-growing economy. It is also related to the consolidation of village collectives and the changing status of peasants in the emergent city regime. In this section, I will synthesise essential elements and processes previously mentioned to construct the pathway of plotted urbanisation in the wider context of transformation over time. It shows that urbanised villages are an outcome of contradictions and conflicts within the massive scale of state

territorialisation. Plotting has produced half of the constructed territory that drew the collective actions and strategies to contest for their rights to the land development in Shenzhen.

8.1. The first Stage of Formation: the Co-constitution of Rural and Urban Forces

Shenzhen's chengzhongcun arose from the dualistic institutional space and structure, and was further mediated by the concurrent processes of state and collective land development in the first stage of urbanisation. In 1979-80, Bao'an was designated as Shenzhen SED, and the new city government acquired a higher level of administrative power, re-ranking from a rural county level to a city/shi level, to propel urban development. However, this power was limited by the dualistic rural and urban administrative and land systems of China. The vast territory of Bao'an (Shenzhen) was owned by village collectives, while the state-owned urban land was roughly three-square kilometres in the former Shenzhen Town and Lowu (Luoho) market town, near the old railway state in Luohu (Shenzhen Urban Planning & Land Administration Bureau 1999, 13). According to the national law of 1982, governments should compensate peasants affected by land acquisition. The forms of compensation could have included monetary compensation, relocation subsidies and job arrangement in government units for those affected peasants who lost farmland to the state. Neither having sufficient capital to acquire farmland, nor the availability of job positions in the administrative units, the new government initiated a land exchange policy known as "the return land from land acquisition" (zhengdi fanhuan yongdi) in 1982. As mentioned in the previous section, this policy enabled the government to acquire land from village collectives, while returning to affected collectives a proportional size of the expropriated land with permits to develop "construction land" for collective income. "Construction land" is a category of "non-agricultural use of farmland", on which village collectives could partake in local economic development in Shenzhen, and in so doing, turned a green light on for the co-production of rural and urban development in the city. This policy solved the problems of affected peasants' livelihood from the loss of farmland to the city and facilitated the process of land acquisition and urban development, without a large amount of compensation. During the first stage of the SED, the government acquired a rather limited amount of the collective farmland piece by piece, and it tried to avoid areas of original village settlements due to the costly relocation fee. Nevertheless, an increasing amount of collective farmland was gradually acquired by governments or transformed by village collectives and villagers. This ushered the co-evolution of rural and urban land development and subsequently gave rise to the particular form of "villages in the city".

Plotting was subject to the emergent urban system and building regulations in Shenzhen. Particularly during the early stages of reforms, the attitude and practices of the state was sometimes flexible and open (fang, letting go strategy), and also cautious and regulatory

(shou, tightening up strategy) in other times (Baum 1994, 5). In this context, the Party leader initiated new local policies and formulated regulations to develop the SED. In addition to the aforementioned land exchange policy, the government initiated the “new village construction” to accelerate the improvement of peasants’ livelihood as the primary agenda during the Chinese modernisation in the new age. There were also new regulations about village development. The first generation of new villages were built on farmland and usually located next to their old village settlements. They were mainly two to three-storey buildings with courtyards which the city government standardised the building codes with a 80-square metre house base on a 180-square metre land. In 1986, the government substantialised the details of village construction and land-use control, and authorised collectives to develop some of their areas for factories, facilities and infrastructures (Shenzhen Urban Planning and Design Institute 2004). Another far-reaching policy was the demarcation of all village boundaries within the SED, known as “the Red Line Management Policy”, to contain village expansion and preventing plotting to interrupt the Master Plan implemented in the SED.

These local policies and regulations were the first was the new government operated rural land-use control during the course of urban development. In effect, they all prescribed and established the spatial and institutional setting for the subsequent rapid urbanisation of villages in Shenzhen. To a certain extent, this new institutional fix enabled, rather than controlled, the growth of urbanised villages in the city. The new urban government still had limited power to intervene in the rural administrative and land arrangement, and therefore it encountered difficulty in controlling unauthorised plotting. Probably, in reality, authority was still in the hand of these village collectives. Through the land exchange policy, village collectives and individual villagers could take part in the land transformation, in the fast-changing economy. This might reflect an unspoken consensus between the new government and villages. Yet tensions emerged from land acquisition and control, especially in 1984 when the Shenzhen government turned to the foreign-led economy to speed up urban development in the SED. Nevertheless, nothing was done to overcome the dualistic rural-urban system⁸ during the first phase of urbanisation. Accordingly, the state and the collective land development were dialectically developing and constituting each other, and that shaped the pathway of Shenzhen’s urbanisation.

Plotting occurred beyond the Second Line from the 1980s, as mentioned in section 4.2. It is worth highlighting the main points: this plotting occurred in the form of urban expansion around the outlying industrialising towns and villages, along the main transportation network. What ushered in the extensive plotting was the new territorial government system and therefore new development strategies in the outlying areas. In 1979, the original system of

⁸ The rural and urban systems have co-existed and co-developed in the course of Shenzhen’s urbanisation that their differences were manifested in the administration, landownership, land-use control, economic activities, and the hukou status, etc.

“Bao’an County” was repealed, due to the newly designated Shenzhen City. One year later, the state re-established a small area of “Bao’an County” outside the SED border (guanwei) (the area beyond the Second Line). This Bao’an County government (1980-1992), in accordance with national law, had its independent planning and development power within its territorial jurisdiction. Bao’an was therefore outside the SED and special policies, the jurisdiction of the city government, the Master Plan and urban regulations. Local power was actually concentrated at the lower level of town governments (1986-2002) and village collectives (1986-2002). There were 18 designated towns established in 1986. These town governments engineered different land development strategies, regulations and financial situations to attract foreign capital. Therefore, this plotting was a very piecemeal and resulted in uneven land development, building factories, and houses along the main roads and adjacent to the collective farmland. Piecemeal plotting was a widespread means of land transformation for the improvement of villages’ livelihood in the age of China’s opening.

8.2. The Second Stage of Expansion: the “Rural-Urban Integration”

The second phase of plotting was larger in scale and political, where tensions and contradictions exploded between the city government and village collectives and households. Contradictions emerged in the aftermath of the land reform of 1987, when the central government revised the Constitution and Ordinances to legalise the transfer of land-use rights by the separation of land-use right from the landownership right in China (Cartier 2002; Keng 1996; Lin 2009). As mentioned above, this land reform largely encouraged local governments towards land acquisition and the sale of land-use rights⁹ to private developers. Indeed, prior to this change, the leasehold system had already been put into practice in Shenzhen in 1987. This land reform escalated land development fever, and the contradictions arisen in land transformation in China. In parallel with the change to the land regime, Shenzhen entered another stage of development due to the change of national development strategies. Shenzhen lost the advantages of its special policies in the widening and deepening of opening-up policies. In order to maintain its leading role in the nation, the Shenzhen City government expedited faster urbanisation and expansion, such that Shenzhen acquired a higher level of economic power in 1988 (the city with the state plan's separated list on economic development), and became a sub-provincial level city in 1992, together with the special legislative power in the SED.

Following the above context of changes, the turning point of urbanisation was the shift of development strategies against which the city government undertook a larger scale of territorialisation from the early 1990s. This differed significantly from the earlier practice of the

⁹ The land leases (the transfer of land-use right) for residential, industrial, and commercial are 70 years, 50 years and 40 years respectively.

1980s, of using rural land control to manage villages in the city. Given the approval of the State Council, the changes to strategies was through the massive scale of territorial administrative restructuring to achieve the "integration of rural and urban areas" (chengxian yeti hua). More specifically, the policy was the conversion and integration of rural institutional space into the city administrative system. This included: 1) changes to territorial governments through the changes to administrative divisions, 2) the restructuring of village collectives and the establishment of shareholding companies, 3) the granting of urban Hukou, 4) the conversion of right of landownership into the state land. The rationale for this restructuring was to eradicate the rural-urban division and unify the city government's territorial and development power, in order to accelerate the urban development expansion into the entire city-territory. These changes have been addressed in the previous sections. Below I focus on the dynamics and interactions of governments and village collectives (and villagers), which gave rise to the massive plotted urbanisation in this period.

The first extensive wave of plotting occurred within the SED when the city government implemented the changes to the rural administrative and land system in 1992. This policy was imposed ambitiously in a total of 68 village collectives and impacted 450,000 village members. As noted above, it was through the grant of urban hukou to peasants in exchange of the rights of landownership, and through reclaiming administrative power from shareholding companies. The city government was undertaking the changes of the system for a decade, because villagers were reluctant to give up their farmlands and their right of landownership in exchange for an urban hukou. Therefore, there was the emergence of widespread discontents and fear among villagers, and therefore extensive plotting in the SED. Plotting occurred through the transformation of farmland into built-up areas, the verticalisation of buildings beyond three stories, and through land intensification by replacing courtyards into buildings. Additionally, the changes of landownership right caused much ambiguity when shareholding companies and village households were still the defacto landowners through the possession of properties above the land, and through the appropriation of rents. Extensive plotting can be explained by the mentality of "fabuzhezong", meaning the law does not punish everyone (Hsing 2012, 120). Villagers claimed their constitutional and economic rights over land through their "collective" plotting. There were still abundant village buildings without documents which were required by the government. Plotting became a kind of "collective boycott" through material practices during the period of increasing bonding of collective identities among former villagers in the city.

Plotting also occurred undetected under the shield of shareholding companies. Although village collectives were officially transformed into shareholding companies and stripped of political power in the new administrative system¹⁰, their multiple roles and established

¹⁰ Under the new administrative and functional division, shareholding companies were only in charge of economic affairs to manage collective properties and economic development, whilst the

authority could not be simply removed from their territories. Many shareholding companies gained economic power through the accumulation of wealth from land rents in the 1980s. They continuously invested enormous capital to develop their territories and thereby to establish authority within their jurisdictions. To smoothen and resolve villagers' oppositions, the then mayor mobilised the party network to gain the support of village cadres in order to implement the policy of 1992 (Shenzhen Museum 2009). In theory, lower level party cadres (at the neighbourhood level), were supposed to comply with Party authorities. However, it is not unusual that village cadres "paid lip service" (yangfengyinwei), especially when the issue of their land interests were at stake. Plotting and widespread discontent among villagers persisted through "collective boycott" by not following the government's policies. Many of these buildings were not registered, as required by the policy. In Chinese sayings, this is "government policies, local countermeasures" (shangyouzhengce, xiayouduice), meaning local counter practices to figure out ways around policies. Plotting became the way villagers resisted the policies imposed unilaterally from above.

Extensive plotting, beyond the Second Line, occurred from the early-1990s, when the city government propelled large scale of territorialisation through changes to the government system. In 1993, the State Council approved the changes to Shenzhen's territorial system through "abolishing the county (Xian), establishing districts (Qu)" (chexianjianqu). This repealed the County governing system¹¹ and re-demarcate the area into two urban territorial units (Bao'an and Longgong districts¹²). The city government extended its sphere of influence into these two urban districts and integrated the territorial governing and planning powers in Shenzhen. Despite this, the reshuffling of administrative power did not undermine the "area-based" power relations centred on town governments and village collectives¹³, in which administrative powers remained in place, until 2002, for the stable transition of new governments and social stability. This move likewise led to the rush of plotting through which many villagers took advantage of this power vacuum to subdivide farmland and to build houses and factories. Local officials issued blank permits to local villagers during the shift in governments. In 2002, the city government implemented the changes to administrative and land systems in Bao'an and Longgong¹⁴, similar to the 1992 policy of the SED. It was a large-scale administrative restructuring that encompassed a forceful conversion of landownership

city government took over the administrative, planning and development apparatuses at the neighbourhood level. This was known as the policy of separating the administrative (political) and economic space of former village collectives, and the city government could also unify the administrative/political powers in the SED.

¹¹ Bao'an County, the historic administrative unit, was eventually abolished in 1993.

¹² These two urban districts - Bao'an and Longgong are subject to the urban administration under the city government. The name of "Bao'an" after 1993 refers to an urban district instead of a county anymore.

¹³ This entailed 18 town governments and 191 village committees (i.e. village collectives) in the two districts.

¹⁴ This was based on the Policy of Accelerating the Pace of Urbanisation in Bao'an and Longgong Districts.

rights - from collective to state land, the replacement of 18 town governments and 218 village collectives with the urban administration (street/sub-district governments and residential committees), and the conversion of 270,000 peasants' Hukou into an urban status. The conversion of landownership rights was likewise contentious and triggered a large wave of plotting. This plotting was a counter-strategy by villagers to defend their collective lands before the government started to acquire them and implemented new policies¹⁵. Consequently, extensive plotting successfully posed significant obstacles for the city government to acquire land especially at some prime locations. Neither the government could enact special laws to resolve a widespread illegal plotting due to the difference of legislative power between inside and outside the SED.

In the face of extensive illegally plotted land and buildings, the government introduced a policy of legalisation (*que quan*) in 1999. This policy indicated a concession by the government towards villagers, but the villagers viewed it as an opportunity to maximise floor space for legalisation. This plotting contributed to the twofold increase in urbanised village areas, where illegal buildings grew from a total of 240,000 to 350,000 between 1999 and 2004 (Shenzhen Urban Planning Bureau, 2005). Chengzhongcun neighbourhoods in the SED drastically densified alongside the state-owned urban development around city centres, and consolidated the spatial form of "villages in the city". Those beyond the Second Line have grown into large industrialised towns and urbanised villages. Dense and compact structures of multi-storied buildings completely replaced the early form of village houses with courtyards. Some of the buildings were built up to seven storeys in the SED, and four to five storeys in Bao'an and Longgong. The government eventually issued new stringent measures to deal with the sudden surge of new plotted buildings, only legally recognising the older ones built before 1999.

8.3. The Third Stage of Confrontation: Urban Renewal Policy

The latest round of plotting began with direct confrontation between the city government and villages. Plotting during this time was subject to the contemporary condition of the government and economy in Shenzhen. After a visit by the then President Wen Jaibao, the new city mayor cum Party secretary, Li Hongzhong (2003-2007), at the 25th anniversary of the SED, announced a policy of urban renewal as the new development strategy for further economic growth in Shenzhen. This began a new phase of urbanisation and during this, Shenzhen shifted its urban strategy from urban expansion to urban intensification, changing from the goal of "Shenzhen's Speed" to "Harmonious, Efficient, and International City of

¹⁵ Many villagers were mainly discontented about the conversion of collective landownership which the government did not conform the national law of land management to compensate affected village collectives.

Shenzhen". Meanwhile, discourses around urbanised villages have been widely produced and disseminated through government, planning documents and the media. Chengzhongcun was represented as the scars, cancers and diseases of the city. As the vice mayor said in a press conference: "illegal construction was the concomitant of Shenzhen's fast development pathway. Their existence not only severely affected the urban landscape and environment, but also related to public safety and a series of social problems. They were all disrespect to the law, not only occupying large amount of land resources and also rapidly swallowing urban space, like eroding the social body and framework" (Feng 2005, 200). From 2004, the government has taken the most belligerent of attitudes urbanised villages, and launched a series of demolitions to eradicate new plotting and illegal buildings. This is coupled with the new policy of urban renewal to allow private developers roles to participate in the redevelopment of urbanised villages.

The shift of the development strategy has intensified conflicts between the government and urbanised villagers, and eventually turned many neighbourhoods into battlefields. As addressed by Li Hongzhong, the city government was launching "a battle" to eradicate illegal plotting and plotted buildings in Shenzhen. There were two kinds of action: the first one was a series of "hard actions" to stop further plotting that the government enforced through the inspection and the clearance of illegal buildings. The second was a set of "soft policies" around the "reconstruction of urbanised villages" (or chengzhongcun gaizao, or urban renewal), which welcomed the role of private developers to participate and speed up this process. Li and his government referred this as "a hard battle" because the illegal plotting of urbanised villages occupied half the developable land and that severely impeded further development. Using Li's words, the government had three steps: 1) prepare for battle by stopping new plotting, 2) start a hard battle on existing illegal structures through comprehensive inspection, clearance and reconstruction, 3) clear battlefields through transformation with green areas, beautification like "wearing clothes, hats and make-up". This escalated the issue of urbanised villages to the political level and triggered direct confrontation on sites.

A series of government actions dramatically turned many urbanised villages into battlefields in a short period of time. The first action - "Comb-Out Action" (shuli hangdong) in 2004, aimed to demolish the illegal village buildings covering about a 38-square kilometre area near highways, national roads, railways, airport (Daily Sunshine, 2005). A few months later, the action of "Empty Houses" (kong lou hangdong) was carried out to evacuate a total of 1649 households living in plotted buildings in the interwoven area (chahu di). It was immediately followed by the action of "the Storm of Dismantle" (weijian fengbao), when the government demolished a total of 728 buildings either in construction or newly built ones in a 32-hectare area. A related action, Clearance (qing wu hangdong), was launched to clear small enterprises without licences in urbanised villages - a total of 210,000 stalls and 586 markets

were affected by this (Ye et al. 2006). Consequently, direct confrontation and conflicts arose from such large scale of demolition and clearance. There was inadequate information to know whether people could get compensation. It would probably depend on who and how they negotiated with the government. However, this process was like a hide and seek game that could not stop plotting, and unlicensed stall owners or tenants always found a way to come back or moved into other villages.

The example of Yunongcun (the Fishermen village) illustrates how “collective” action of plotting led to confrontation and then a kind of territorial compromise between the government and urbanised villagers. In 2006, the government took actions to stop large-scale plotting in Yunongcun, where a total of 52 low-rise buildings with five to six storeys was illegally rebuilt into 37 taller buildings up to 15 storeys. This plotting evolved from individualised to collective actions with the involvement of many village households. Among the plotters, was the shareholding company director who originally owned a 5000 square-metre rental space; he rebuilt his and his mother’s buildings. Villagers employed a contractor to reconstruct their buildings within their areas. In fact, plotting also occurred in many other urbanised villages under the shield of their shareholding companies. As described by Bach (2010), these villagers were “establishing facts on the ground”, building bigger properties, and maximising their rental space in the territories. Yunongcun villagers’ plotting was eventually turned into “a collective resistance”, in which villagers resisted government officials and police from entering their villages, stopping construction, cutting off the water and power supply in the area. This conflict became a deadlock when even high-ranking officials failed to get the cooperation of the director who represented 260 villagers. And a compromise could only be reached after several rounds of negotiation; the government agreed to the villagers’ terms of compensation and the promise of their interests in a future redevelopment project. Therefore, Yunongcun became a model of urban renewal in the city. This plotted village became the famous instance of “China’s first blast” that fifteen plotted buildings were exploded like toys in a Godzilla movie (Bach 2010, 440) (Figure 5.11).

The first blast completely destroyed a total of 117 multi-storied buildings in a 3-hectare area and led to the redevelopment of a modern, comprehensive development area at the cost of RMB seven hundred millions yuan. A private developer invested capital to build a commercial-residential complex of nine condominium towers with 25 to 32 storeys, with a shopping mall, a hotel and other facilities. The government was in charge of improving the built environment and infrastructure. The compensation for the illegal plotted buildings agreed between the government and villagers was one to one ratio to exchange old properties to new ones. These villagers could “trade” their illegal buildings for new housing apartments with a property lease of 70 years. They eventually became new “homeowners” in the thriving property market, where housing price has increased rapidly since 2004. Today they could rent out their properties from RMB 5000 to 7000 yuan, or sell them for between RMB 45,000

and 60,000 yuan per square metre. Yunongcun has been completely transformed from the once-so-called “second wives village” into the “Gateway” - the name of this property development.



5.10. The first blast of China: Yunongcun, 2005 (source: Shenzhen Museum, 2009)

Yunongcun was a model and also an exception. The city government showed this successful model and the will of government to tackle illegal plotting in the society. It initiated urban renewal policy that aimed to eradicate illegal plotted villages and eventually put the redevelopment of urbanised villages as the list of annual land supply in Shenzhen. Nevertheless, Yunongcun was just one of 320 urbanised villages. Plotting has persisted, albeit not as dramatically as it was, and illegal chengzhongcun remains very visible. Urban renewal has complicated the existing situations of these plotted neighbourhoods because villagers have negotiated and competed for higher compensation by adding more floors in the real estate frenzy during this period. Many villagers saw this as an opportunity to “trade” their illegal buildings to developers for several units of new apartment blocks. This has resulted in the production of “nail houses” in the process of redevelopment in the city. The housing prices have doubled since the mid-2000s. Thus, housing became unaffordable for the ordinary professional class, not to mention low-wage migrant families.

Chapter 6 | Case Study: The Industrial Urbanisation of Dongguan

- The Production of an Industrialised Town in Tangxia

建制鎮

“jianzhi zhen”

a designated town

- a type of urban administrative division
according to the Chinese territorial governing system -

1. Introduction:

The objective of this chapter is to explore the development of an industrialised town in Dongguan. Rural industrialisation can be seen as the driving force of the emerging PRD economies. In 1978, industrialisation in China had not begun in the existing cities, for example, the historic provincial-capital city in Guangzhou, or the county's historic city of Guancheng in Dongguan. Nor was it merely confined to the Special Economic District of Shenzhen. Rather, the first influx of foreign capital occurred in rural areas resulted in the dispersed and decentralised processes of rural industrialisation. Dongguan is a typical example of this process. There are twenty-eight industrialised towns. Among them, Tangxia has evolved from a market town to an industrialised town over the past three decades (Figure 6.1). Tangxia has become the fourth largest town in Dongguan (Figure 6.2). There was a total of 481 thousand people in the “permanent population” (*changzhu renkou*) in 2011, including 47,000 of local hukou population and 363 thousands of non-local hukou migrant population (Dongguan Statistical Bureau 2011). Rural migrants shared 72 percent of the total population that became the main labour force in Tangxia. The economy was mainly driven by export-oriented processing and assembly industries, led by transnational foreign capitals. This production system led to a cross-border social and economic space between Tangxia or Dongguan, as a whole and Hong Kong, Taiwan and other countries.

It is tempting to suggest that this model of Dongguan's industrialisation can be seen as a “bottom-up” urbanisation, in contrast to the “top-down” or “state-led” process in China. Nevertheless, this perspective of a top-down and bottom-up division falls short in explaining how the rapid industrialisation of Tangxia is so closely related to the process of state's territorialisation by which the “town-leading village” administrative system has led the re-centralisation of state power at the local level to town officials and village cadres with respect to land development process within their jurisdictions. This chapter investigates the question of rapid industrialisation and urbanisation in relation to a wider process of state's territorialisation in China. These industrialised towns are known as “designated towns”. The

conversion of this administrative space in 1986-86 was built on former “large rural townships” (*da xiang*) in Dongguan and officially defined as urban status to allow and empower lower levels of government to urbanise rural areas. In this chapter, I argue that the reshuffling of administrative space gave rise to a new intervention of space to propel rapid rural industrialisation. It examines the processes of this rural industrialisation in relation to the production of space through the transformation of land uses, land regulations, land relations as well as social relations in Tangxia.

The research method for this case study is qualitative and is based on the conduction of fieldwork and interviews in several villages in Tangxia town. This includes three major fieldwork trips in 2013, 2014 and 2016, during which I stayed in a village for one to two weeks. The method of data and information collection for this case study differed from those in Hong Kong and Shenzhen since they could only be acquired through local fieldwork and interviews by building a good rapport with local people. I entered this field through a senior social worker from Hong Kong who introduced me some local social workers in the town. These social workers are local villagers, or from other towns in Dongguan. They offered me voluntary assistance to contact and interview local villagers, which were conducted on the basis of trust between them and interviewees, and the assistance of translators since local villagers speak the Dongguan dialect, similar to Cantonese, my mother tongue. These social workers are also my interviewees who have their local knowledge about villages, the town and village landscape and social lives. It is necessary to stay in the field to collect information. The scale of this town and the villages is quite large, and it took time to know the built environment and to understand the underlying meanings and processes, from which the means of fieldwork was usually walking through these villages. Equally, I needed to develop trust and relationship with the social workers. This local network provided a necessary basis on which I could conduct fieldwork and interviews: a snow-balling processes through which I contacted one and then another, and also access village gazettes about their places and histories. Photographing and mapping were used to reconstruct the space and landscape in Tangxia. Otherwise, without this network, it would be difficult to conduct fieldwork like photographing and taking interviews within their territories. Some residential areas of villages are also gated for outsiders. Many local villagers were reluctant to accept conversation (interviews) with outsiders without a researcher’s background from a work unit of authorities. In particular, the topic of land transformation was sensitive for some local villagers because of the illegal transactions, different interests and relations at stake behind this process.

This chapter first elaborates on the characteristics of this rural industrialisation with a high dependence of foreign capital and export-oriented processing industries. Secondly, it interrogates the changes to administrative space in Tangxia over time. Numerous administrative changes were made to reshuffle the territorial space and power that formed local political space with respect to land development. Thirdly, it explores how the process

of re-collectivisation transformed a vast amount of collective land, and how this process actually occurred at the expense of peasant households' land-use rights to farmland. Fourthly, it examines how the production of space is developed on the basis of the collective landownership. Under the authorities and leadership of village cadres, the collective farmland has been transformed into industrial estates, villages' multi-storey buildings, collective housing apartments, shopping centres and even real estates. This particular land process completely transformed space and social relations in this industrialised town and villages. Lastly, it shows some examples of migrants in these villages with regard to their livelihoods, opportunities and precariousness.

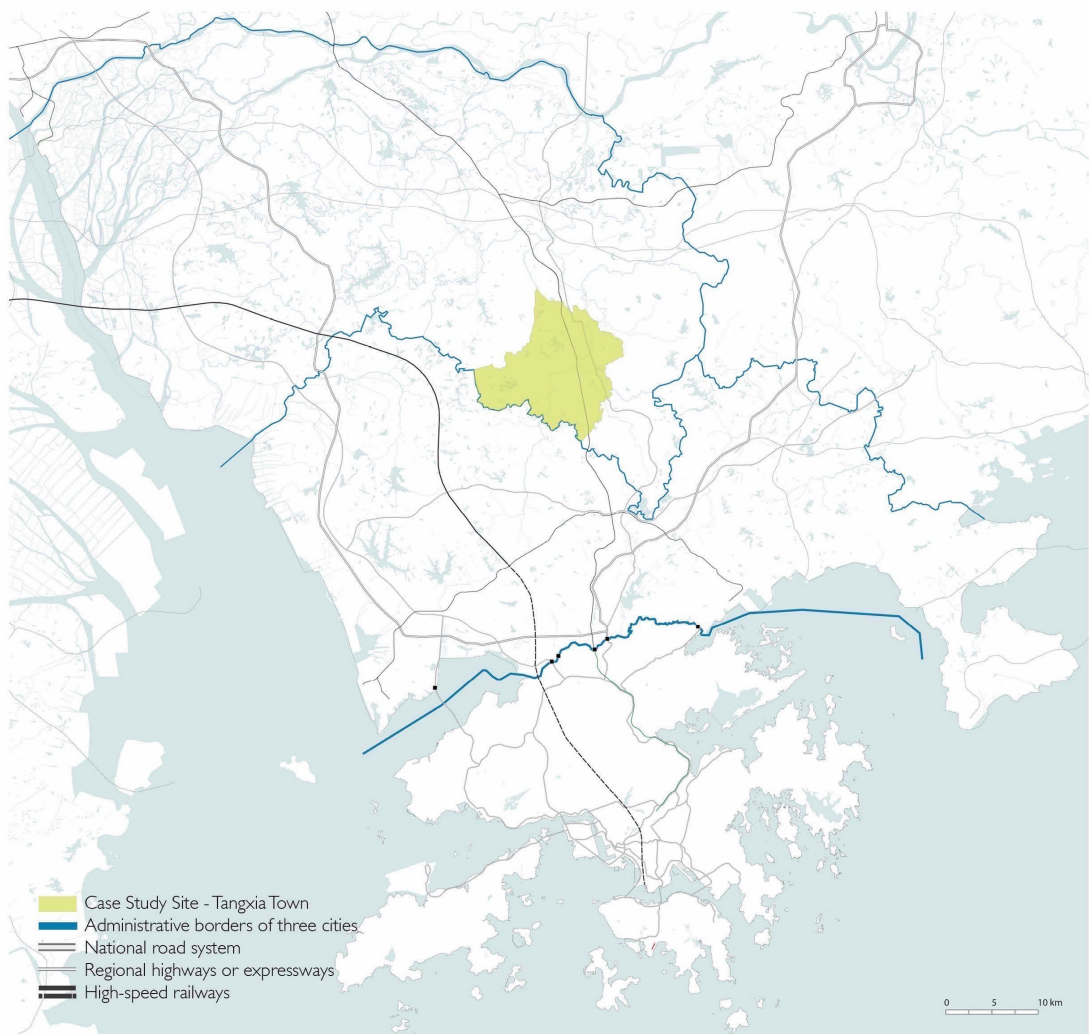


Figure 6.1: The location of the case study site - Tangxia town in Dongguan

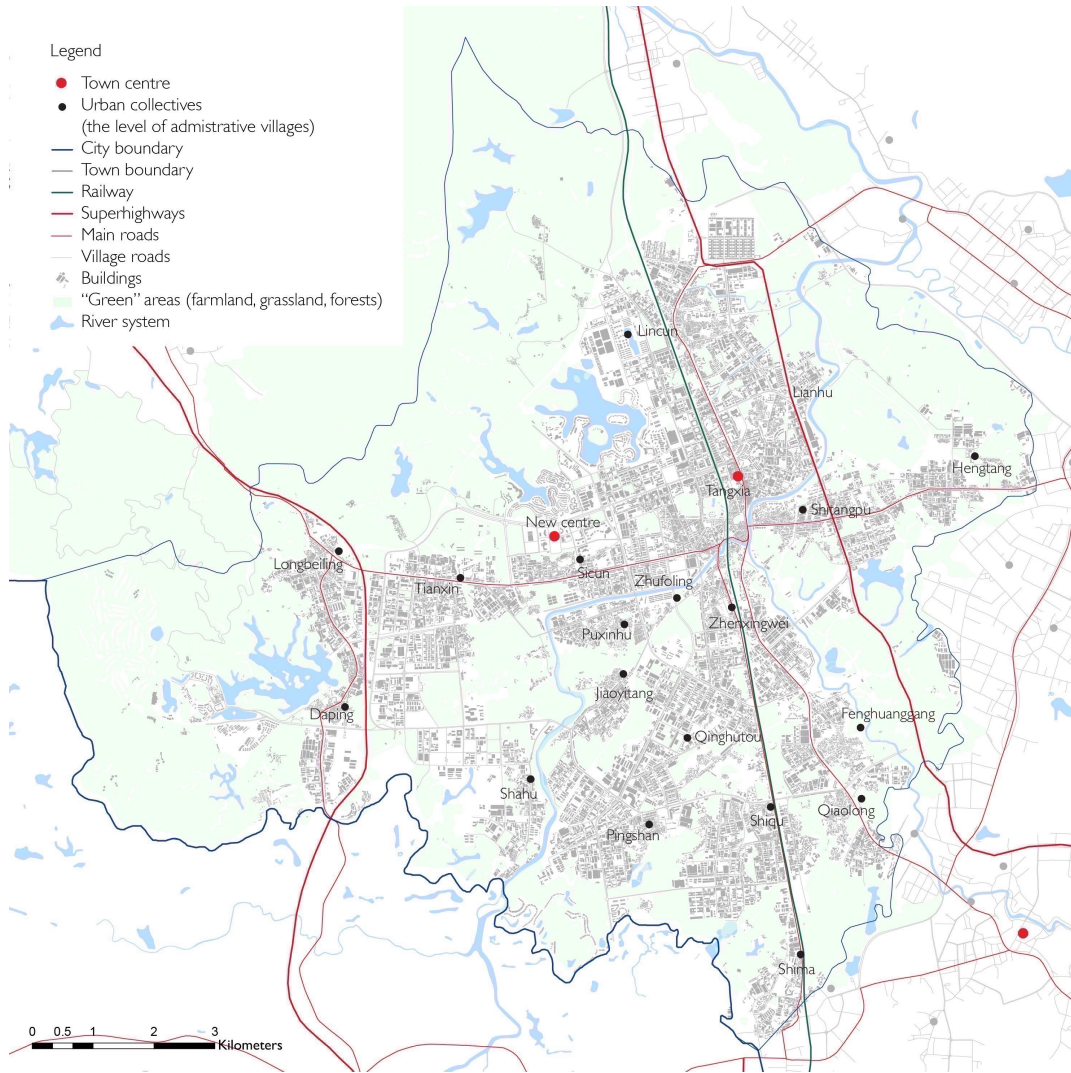


Figure 6.2: The distribution of villages (village collectives) in Tangxia town



Tangxia - old town centre



Tangxia - new town centre



Sicun - old village houses - pre-1978



Sicun - tenement housing - after 1997



Lianhu - mixed housing



Zhufuling - new village (villas)



Sicun - new village (apartments)



Daping - new village (apartments)



Puxinhu - an industrial area



Sicun - market & shopping centre



Lianhu - small (illegal) real estate



Sicun - migrants' houses

Figure 6.3. Fieldwork images of Tangxia town and villages (source: author)

2. Industrialisation of the Market Town and Villages

During the last two decades, Dongguan acquired the reputation of one of “Asia’s Tigers” in the Pearl River Delta (PRD). Tangxia is one of “strong towns” which significantly contributes to the rapid industrialisation in Dongguan. It is located on the southeast of the city, where an original train station was located on the Kowloon-Canton Railway (KCR), connecting to Hong Kong in the South and Guangzhou in the north-west (Figure 6.1). Tangxia was a large rural township and home to many Hong Kong residents who fled from their villages during the post-war period. Some villages had their kinship with other villages in Shenzhen and Hong Kong. During the past three decades, this market town and villages surrounding it have been transformed into an industrialised town as part of the international division of labour. On a national level, Tangxia has ranked twenty-second of the best performing towns in 2015, which is officially known as “Top Hundred Towns” according to the “annual report on development of small and medium-sized cities in China”. The city of Dongguan has other eleven towns on this ranking list¹. Tangxia town has also played a leading role in the economy of the city as a whole. In 2011, this town was ranked the sixth by the total GDP, the third by the GDP in the secondary sector, the fifth by the town’s disposable income, and the seventh by the total value of exports and imports (Dongguan Statistical Bureau 2011). This section will elaborate on some of the important characteristics of this rural industrialisation, in which export-processing industries have developed as a result of the inflow of foreign capital, translocal migrant workers and the international market. Thus, it made this transformation in close relation to the processes of economic restructuring particularly in Asia, including Hong Kong, Taiwan, Japan and Korea.

2.1. Expansion of the Construction Land

During the 1980s, Tangxia like other rural areas in China, adopted the aforementioned Household Agricultural Responsible System (HARS, *baochan dao hu*), which the central government initiated. This rural reform decentralised agricultural production from previous production teams over to individual households as the units of production, harvesting and profit from selling products to markets. Given the persistence of collective landownership, individual households became subcontractors for collective farmland, while village collectives continued to play administrative roles in managing their own affairs, properties and land. Thanks to a series of rural reforms and state policy adjustments, local incentives and production were dramatically increased, and the agricultural section began to flourish and diversify alongside the development of individual enterprises. This led subsequently to the

¹ “Dongguan shares twelve seats of Hundred Top Towns in 2015”.
<http://dg.people.com.cn/n/2015/1126/c102744-27857492.html>

opening of markets across rural areas. However, the HARS was only in practice for a decade in Tangxia, during which one saw the percentage of GDP from the primary sector rapidly dropped from 34 percent in 1991 to eight percent in 1994. Meanwhile, the importance of the secondary sector increased to 51 percent of total GDP in 1991 and then 81 percent in 1994, surpassing the primary sector. Therefore, Tangxia was developing a new urban configuration through rural industrialisation. The agrarian economy became insignificant, albeit unevenly at different locations. Local farmland practice also changed from paddy fields to the commercial production for vegetables and orchards at the fringe of the town and on the hill

GDP (10000yuan) Year	Primary Sector	%	Secondary Sector	%	Tertiary Sector	%	GDP (total)
1991	6128	34%	9049	51%	2649	15%	17826
1992	6300	21%	19988	66%	4166	14%	30454
1993	4353	10%	31001	74%	6281	15%	41635
1994	6396	8%	65620	81%	8854	11%	80870
1995	6909	6%	90588	81%	14661	13%	112158
1996	9900	7%	112916	81%	17087	12%	139903
1997	11467	6%	140870	79%	26420	15%	178757
1998	12121	5%	177569	77%	40890	18%	230580
1999	12783	4%	217897	76%	57430	20%	288110
2000	13486	4%	272234	75%	78251	21%	363971
2001	13796	3%	335872	73%	107507	24%	457175
2002	13603	2%	425078	74%	135266	24%	573947
2003	13565	2%	526730	74%	169735	24%	710030

slopes.

Table 6.1. The changes of the GDP in Tangxia, from 1991 to 2011 (Source: Dongguan Statistic Bureau, various years)

In the aftermath of Deng Xiaoping's southern trip in 1992 and the launch of a bolder and wider national economic reform in 1991-92, the central government promoted a larger scale and a rapid pace of transformation in China. Throughout the 1990s, Tangxia's industrialisation rapidly transformed the vast rural areas into a factory and road system. According to the local authority, the total construction area was increased to 26.92 square kilometres in 2000, while this size of the area doubled to 56.9 square kilometre in 2011. It is noted that the total area of Tangxia town is 128.2 square kilometres, but half of the area, about 60.84 square kilometres, is forest and conservation areas. In this sense, Tangxia has used 94 percent of developable land. In particular, industrial land has swallowed up 45 percent of the total built-up areas, increased from 12.5 to 27.03 square metres of area. In 2010, there was a total of six town-level and 28 village-level industrial parks and estates within the town (Figure 6.4). The former type of industrial estates was planned by the town government, and the latter was initiated by village collectives, both have been major local agents in land transformation for industrialisation.

In addition, the geographical distribution of industries illustrates that industrialisation occurred in a decentralised and fragmented form of space, without domination by a single centre. Most of these industries were located in villages, where many migrants also lived there. There was a total of 19 administrative villages in Tangxia. In 2010, there was a total of 5,818 enterprises, including 2,028 industrial enterprises, and a total of 244,106 migrants living in these villages. These industries were dominated by light manufacturing, for example, textiles, leather, handbags, shoes, plastics, toys, electric appliances, papers and furniture. They were processing and assembly industries led by foreign enterprises from Hong Kong and Taiwan; the major players in this production region. In 2005, there was a total of 1983 foreign enterprises: 48 percent from Hong Kong, 45.8 percent from Taiwan, and a few others from Japan, Korea, Singapore, Canada and the United States (Dongguan Town Government 2005).

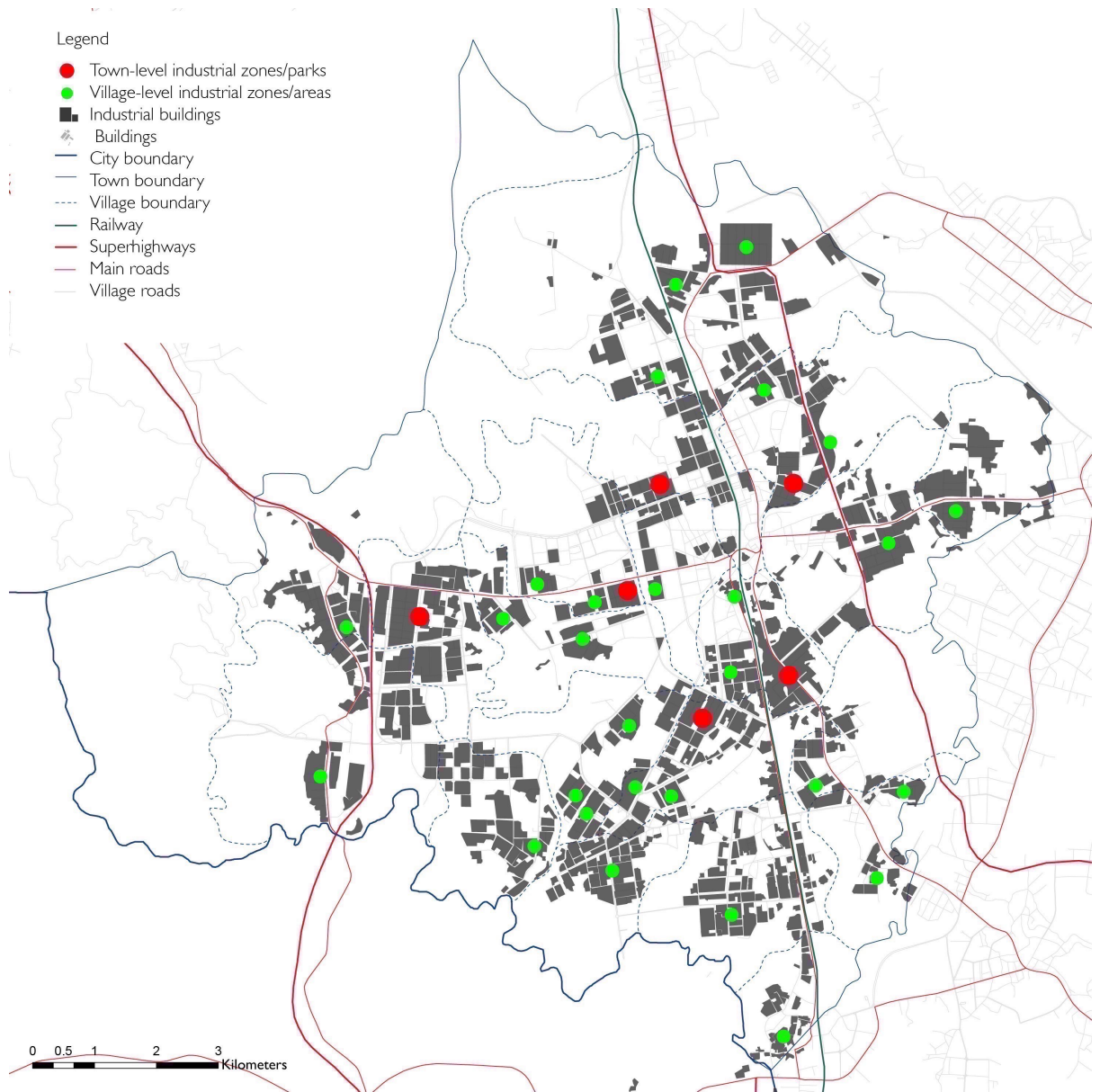


Figure 6.4. The distribution of industrial parks or zones in Tangxia in terms of the town and village levels (source: data from Google Earth and the Town Government)

2.2. Four Types of Industries

Tangxia's industrialisation has been mainly driven by four types of industries: the sanlaiyibu industries, foreign direct investment enterprises, collective-owned enterprises, and individual-owned enterprises. The earliest form of industrial development was the sanlaiyibu industries. As mentioned in the preceding chapter, sanlaiyibu is a partnership model between a foreign enterprise and a village collective. The term of sanlaiyibu literally means "three inputs (raw material, samples, parts), and one compensation". According to this model, the processing work is done in China with inputs imported from Hong Kong or other foreign enterprises via Hong Kong. Foreign partners pay the processing fee to their Chinese partners and export semi-finished or finished products to the international market via Hong Kong. In terms of ownership, village collectives are the legal owners of sanlaiyibu industries, and they could claim the entire factory properties at the end of contracts with their foreign partners. In reality, their foreign partners are "de facto" owners, taking charge of production, management and export processes, while village collectives are usually only owners in name. In Tangxia, the number of sanlaiyibu increased to 208 establishments in 1991, and subsequently 728 establishments by 2000. The data after 2000 shows some frustrations when the government tightened policies for sanlaiyibu industries and initiated industrial restructuring to convert them into foreign direct investment enterprises. Therefore, the number of these industries was gradually reduced over the last decade.

The second type of industries emerging since 1988 in Tangxia were foreign direct investment enterprises. These foreign enterprises invest directly in China without the intermediation of village collectives. They own industrial properties and operate production and management independently, while they only needed to strike a deal with a village collective on the lease of land to build factories and a regular amount of management fee. The number of these industries grew to 115 establishments in 1994, and increased rapidly to 419 establishments in 2003 and 709 establishments in 2007 (Table 6.2). The town government promoted this type of industries and restructured them towards capital-intensive industries.

The other types of industries are domestic ones, and they began to develop since 1985 when the town government introduced some preferential policies on tax and land fee. These domestic industries were a form of collective investment owned by the town government or village collectives, or an individual investment by private owners. However, collectively

owned industries were rarely sustainable due to management problems or a shift of the interest by the town government or village collectives from production to land and property development. Accordingly, most domestic industries were owned by individual owners, like home-based enterprises. In 2005, there was a total of 1205 domestic industrial enterprises in the town. Except for the foreign direct investment enterprises (the second type), home-based enterprises and sanlaiyibu industries, known as “township and village enterprises” (TVEs), have flourished and revitalised rural areas. This contributed to the overall improvement of village households in Tangxia and rural China as a whole.

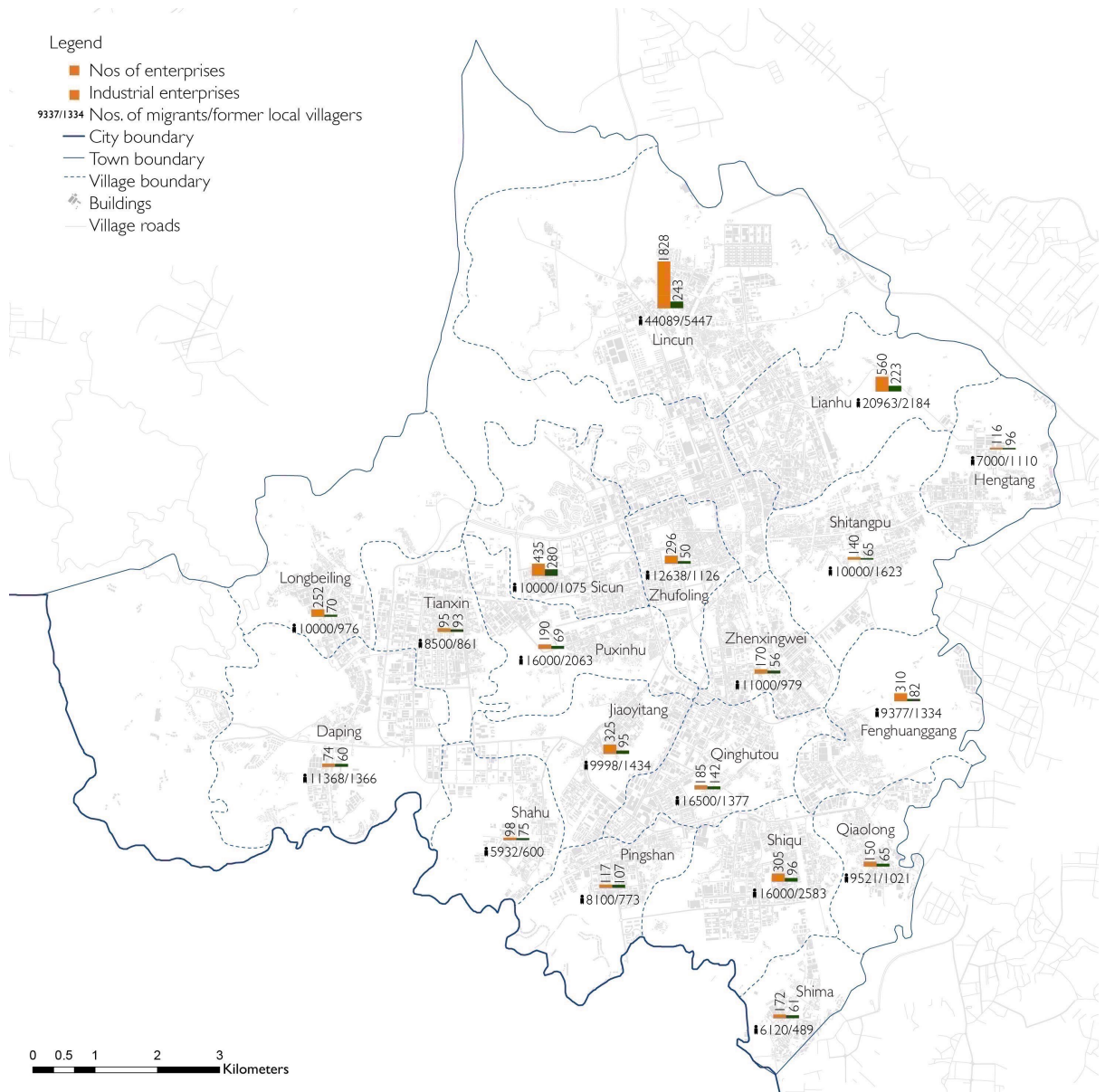


Figure 6.5. The socio-economic map of Tangxia: the numbers of total enterprises and industrial enterprises, the numbers of migrant and local villagers, 2010 (source: Dongguan Statistic Bureau)

Year	Sanlaiyibu enterprises (Numbers)	Processing fee (Export value) (USD10,000)	Directly-invested foreign enterprises (Numbers)	Total value (10,000)	Private domestic enterprises*	Total value (10,000)
1980	21	81.85	-	-	-	-
1985	52	171.92	-	-	47	38
1986	58	370	-	-	75	248
1987	88	124.56	1	31	72	539
1988	123	189.21	2	44	90	884
1989	163	322.96	-	-	90	994
1990	170	463.02	9	207	84	1098
1991	208	710.14	21	673	60*	860
1992	242	1157.16	58	5500	70	1347
1993	-	-	-	-	64	1710
1994	479	1256.27	115	9169	83	1710
1995	549	148.08	118	10605	50	3820
1996	558	1108.72	118	9162	74	4934
1997	640	3293	216	31668	79	6800
1998	653	3957	201	65359		
1999	653	4892	219	74428		
2000	728	5503	252	95071		
2001	483	6539	229	132437		
2002	641	6314	337	169101		
2003	665	(51800)	418	157310		
2004	605	(54525)	478	226595		
2005	1126	(52335)	533	261181		
2006	590	(57472)	659	258075		
2007	560	(77100)	709	318240		
2008	490	(81664)	519	305354		
2009	409	(62019)	617	247625		

Table 6.2. The changes of numbers of industries and the total value of production in Tangxia over time (Source: Dongguan Statistic Department, various years)

2.3. Cross-Border Production Network

Foreign enterprises have played a leading role in the process of Tangxia's rural industrialisation. The first inflow of foreign enterprises began with the network of "transnational villagers" in Hong Kong, Taiwan and other countries. As noted before, the first sanlaiyibu industry of China, in 1978, occurred in the Humen Town on the western coastal area of Dongguan. This industry actually occurred parallel to the one invested in in the Sicun village in Tangxia Town. As recalled by a village senior, "I asked him [his overseas

compatriot] to come back to establish an industry in the village". This village senior was eighty-one years old when I met him. He was one of former Party Secretaries of the Sicun village, where he operated land reform in Tangxia in 1950, and pioneered sanlaiyibu industry in 1978. In this interview, he repeatedly said, "peasants were too poor...". Most likely because of this very reason, he invited this compatriot from Hong Kong to develop industries hoping to improve peasants' livelihoods in the town. This overseas compatriot fled to Hong Kong post-WWII and was running a small wool processing and knitting factory there. He depended on production orders received from some larger enterprises which possessed export quotas (interview, 2015)². The background of his business was during the industrial take-off in Hong Kong in the late-1960s and 1970s in which many small processing enterprises survived and profited from the subcontracting system. On the basis of his production network in Hong Kong, he invested a processing sanlaiyibu industry in a village in the name of his Hong Kong company. He had an agreement with Sicun's village collective, using an administrative office as the production site, where he imported new machines, raw materials and samples from Hong Kong. His investment was soon expanded due to an increase in workers: from 400 to 800, and subsequently expanded the production with three additional factories invested in the mid-1980s (Sicun village 2005). He was also highly regarded as a good villager because he contributed to the improvement of the village including the construction of a village school, and the donation of automobiles and other electric appliances. He also invited small entrepreneurs from Hong Kong to establish another wool and knitting factory. This was one of the earliest industries with cooperation between foreign enterprises and the town government. Production occurred in the old town hall in the town. Likewise, other village collectives (for example, Daiping village, Lianhu village and Zhufoling village) established their sanlaiyibu industries through networks with overseas compatriots. These small Hong Kong entrepreneurs who pioneered Tangxia's rural industrialisation were "petty capitalists", as coined by Alan Smart (1999), during the emergence of a cross-border production system.

The dominant form of industries were labour-intensive ones. These processing and assembly industries required low-wage, unskilled and semi-skilled workers. During the 1980s, the source of factory workers mainly came local villagers who were surplus labour arising from increasing productivity in agricultural production. They worked in factories and sometimes assisted their families additionally on the farm. In addition, sanlaiyibu industries required foreign partners to employ a local villager to be a factory head and oversee the production process in order to protect the interests of the respective village collective in a partnership. The employment of workers was given priority to local villagers. During the 1980s, rural industrialisation effectively absorbed the increasing surplus labour from agriculture. After 1990, industries grew rapidly by riding on the wave of rural migrant workers from other provinces in Dongguan. Due to their hukou, these rural migrants were not

² An interview with his business client, 2015.

protected by the insurance or pension system, nor could they have local welfare or public services. Nevertheless, rural migrants became the majority of the labour force and engineered high economic growth for more than two decades in Tangxia.

Industrialisation soon diversified into different kinds of light manufacturing. In 2005, there were twenty-three types of manufacturing industries in the town: plastic-related industries (19.75 percent), metal and hardware (15.97 percent), furniture making (4.52 percent), paper making and related industries (5.44 percent), textiles (4.89 percent), electronic and electric appliances (31.49 percent), sport equipment (2.58 percent) and others (10.56 percent) (Dongguan Town Government 2005, 190). Due to its proximity to Hong Kong, Tangxia town developed into a production area in connection to Hong Kong. The improvement and expansion of the transport system has given rise to a cross-border division of labour including the import of raw material and accessories from and via Hong Kong, and the export of semi-finished and finished products to Hong Kong and the international market. Against this context, the Hong Kong international terminal port has dramatically expanded and related trading and logistic industries have flourished. For example, the wool-knitting manufacturing production in Tangxia has given rise to wholesale markets in Sham Shui Po, an old inner city area in Hong Kong, where raw materials and accessories can be found by merchandisers and imported to Tangxia for processing and assembling. Final products are exported to Hong Kong as a market, or via Hong Kong to the international markets through export quotas to the United States and the Europe.

Tangxia's rural industrialisation rapidly developed, thanks to the emergence of subcontracting system between factories in the town. Processing and assembly factories were small scale and flexible in the production process. With raw materials and samples from Hong Kong, the manufacturing procedure were subdivided into many small parts, such as knitting, cutting, sewing, linking, hand-stitching, washing, ironing, labelling, inspection and packing. This facilitated the management of workers within a factory and the subcontracting system between factories. For example, some wool and knitting enterprises did not have export quotas in Hong Kong and therefore relied on production orders and quotas purchased from larger enterprises. During the peak production season, foreign-owned processing industries further subcontracted a part of production to home-based domestic industries so profits could be extracted. Domestic enterprises relied on this business network with foreign enterprises on the basis of an informal mechanism of mutual trust and agreement. This flexible and informal system resolved the shortage of labour during the peak season. Likewise, many of home-based enterprises flourished in the town and villages. Many of them were not registered by the town government, and hence no accurate data on their numbers was available. Like an owner of a home-based, wool and knitting factory in Sicun village said, "opportunities were everywhere throughout villages [in the past]". He is a Sicun villager who built two three-storied factories on original housing plots, located next to other village

buildings. He expanded his business through the subcontracting system with foreign enterprises and the development of a local production network, while his factory was fully mechanised to save on the increasing cost of labour. Unfortunately, his business has been affected by the wider changes to international markets and economic restructuring, which has led to a general displacement of small-scale industrial enterprises.

Some domestic enterprises managed to develop and expand their production over time. Domestic enterprises were allowed, by policy, to use local raw material, accessories, samples, and sell their semi-finished or finished products at local markets. This was not allowed for sanlaiyibu industries or foreign direct investment enterprises. In addition to receiving orders from foreign partners, some domestic enterprises have developed their own products by imitating design and technologies, and using raw material and accessories at a lower cost from local wholesaling markets in nearby cities such as Guangzhou. Likewise, they have more opportunities to sell their products in local markets. In general, these enterprises started with small amount of capital for example to rent a village building as a production site. They took advantage of low-wage rural migrants from other provinces. They were also small and flexible to adapt the rapidly changing economy and markets in their localities. Some domestic enterprises have been promoted by the government's policy to upscale their production through design and research development, marketing and branding in order to compete in the increasing importance of local consumption markets in China.

The subcontracting system between foreign and domestic enterprises, however, did not occur in the IT and computer industries. According to the findings of Yan and Wan (2007), IT and computer industries have relocated from Taiwan to Dongguan, since 1999. They developed their own internal production network that guaranteed supplies of raw materials, parts, production, and the technology transfer within the exclusive network of Taiwanese enterprises. The establishment of this industrial network aims to protect Taiwanese business interests and prevent the transfer of technology from Taiwanese enterprises to domestic ones. They also established their own concern group to negotiate collective interests and their families' living and education. Therefore, they built their own schools and facilities for families and children in Dongguan.

3. Reshuffling of Administrative Space: Town and Village Collectivisation

In the preceding chapters, I argued the state has changed its territorial governing system to be able to designate new cities and towns, and expanding urban space and to engineer economic growth during the post-Maoist reform era. While the case study of Shenzhen in Chapter five examined this territorial process through the re-centralisation of political and economic power at the city-level, the case of Dongguan's urbanisation in this chapter will show the reshuffling of different administrative space into the "town-leading-village" system

that decentralised power at lower levels of governments. The process of decentralisation of state power eventually facilitated the re-centralisation of power by the Party, and town government on a higher level and village cadres on a lower level, especially in relation to land transformation and development. Village cadres are not part of the civil service system, but they continued to function like territorial governments. Their administrative power has not vanished in the new urban age of China; on the contrary, they have been empowered to accelerate rural industrialisation and urbanisation. I argue that the territorial reconfiguration of the Tangxia town and villages could be understood as a new intervention in local space to urbanise rural areas into a part of the cross-border production region in the EPRD.

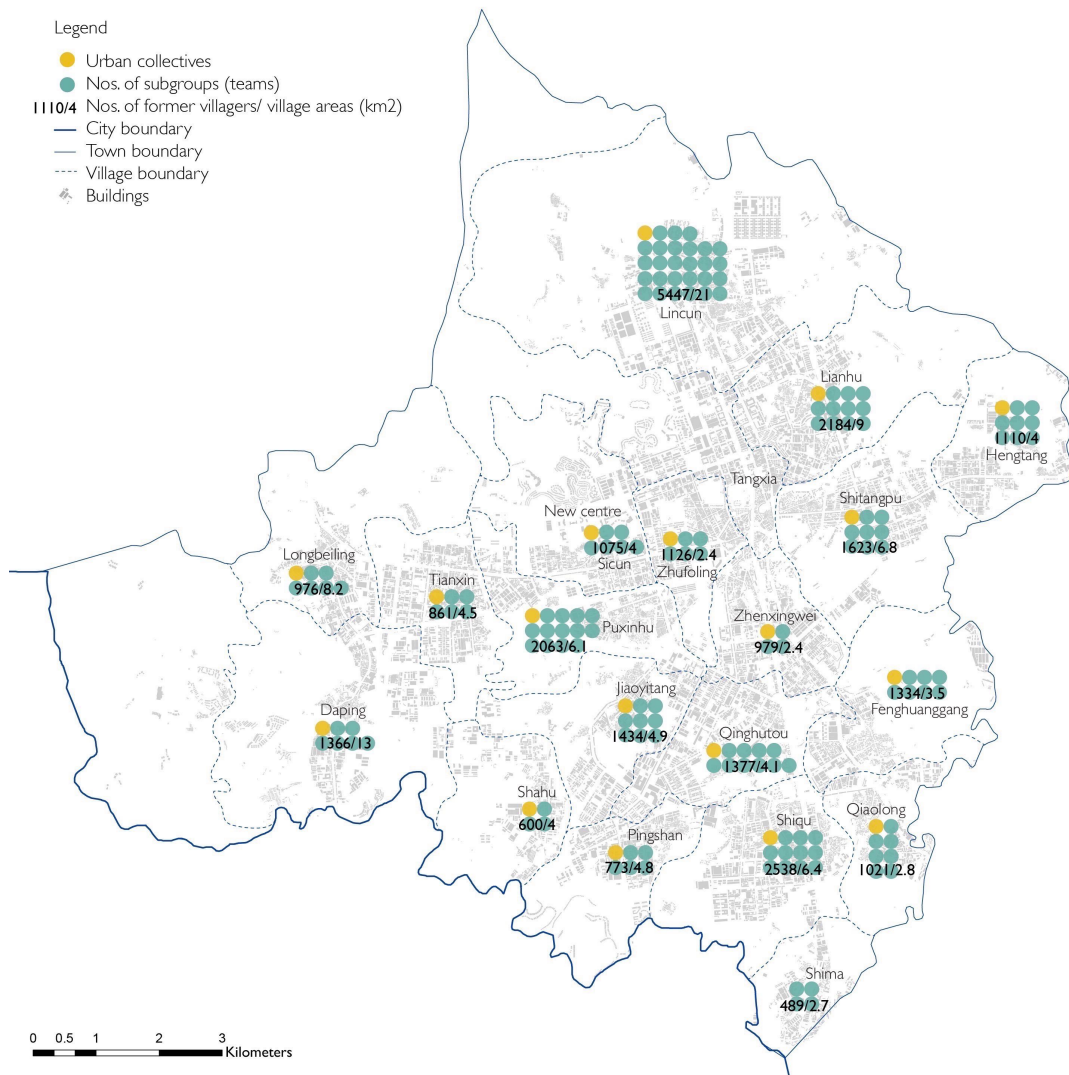


Figure 6.6. The geographic distribution of the two-tier administrative system of village (urban) collectives in the Tangxia town (source: data from Dongguan Statistical Bureau, 2010; the village boundary was drawn on the basis of local village gazettes and the Master Plan of Tangxia)

3.1. Specificities of Village Collectives in Tangxia

To begin with, the following discussion will provide a wider picture of "village collectives" in the Tangxia town which underwent administrative restructuring into "urban collectives" in 2004, now known as "residential committees" (*jumin weiyuanhui*). Figure 6.6 shows a map of the geographical distribution of these urban collectives, including the number of residential committees, residential subgroups and village members, and the size of their territories. It also shows village boundaries, where the collectives have their land and management powers in the area. I traced these boundaries by referring to the information from some villages and the town planning authority. These boundaries do not reflect the current situation because of an inconsistency in information and ongoing changes to land and acquisition. Nevertheless, village boundaries are important for the fieldwork and as the basis for understanding the land transformation process. They are also the representation of village collectives' power over a given size of territories in the town.

There was a total of 19 village collectives inherited from the Maoist system Tangxia. Since 2004, administratively speaking, they have been converted by the government into "residential committees" leading their own subgroups or small teams. For example, the Lincun village is the largest village in the town with 27 subgroups, whereas the Shima village is the smallest one with only four subgroups. All these committees have had administrative and economic power over the management of land and village members within their territorial jurisdictions. Whereas Lincun's residential committee has managed a total of 5,447 village members and land of about 21 square kilometres, Shima's committee has managed a total of 489 village members and land of about 2.7 square kilometres.

The main finding of my fieldwork is that these urban collectives have been the main agents of rapid industrialisation and urbanisation in the Tangxia town, since 1978. The general characteristics of village collectives can be traced back to Mao's regime was shown in the case study of Shenzhen. Nevertheless, the role of and changes to village collectives in Dongguan's administrative and urban space since 1978 are very different from those in Shenzhen. This is not merely a matter of different locations, but more specifically due to the different political and territorial processes in these two cities during economic reforms, resulting in different urbanisation processes. I will examine the roles of these village collectives in the wider context of political space in the Tangxia town. The turning point of rural industrialisation was the reshuffling of local political space and power when village collectives were systematically changed into "management districts" under the "town-leading-villages" administrative system in 1986. Whilst this change did not occur in Shenzhen, it did empower the roles of village cadres in local land transformation process.

As well as this, village collectives were undergoing several administrative changes over time. At each period of change, village collectives would have different names, administrative

organisations and power, and economic functions (see Figure 6.7). During Mao's time, villages were collectivised in a three-tiered system of People's Communes, production brigades and production teams. After 1983, this three-tier system was changed into rural district offices, townships and production teams. Between 1985-88, rural district offices were converted into designated towns, while village collectives became management districts on a higher level and production teams on a lower level, to speed up urban transformation process in Guangdong. In 1997, the latter were changed into village committees and village teams in accordance with the national law for developing villages as self-autonomous organisation. Since 2004, village collectives were administratively urbanised into "residential committees" and "teams" through Guangdong provincial policy to reform the shareholding system. Village collectives, at different times, had different administrative names, and therefore had various political positions, functions and powers to initiate local changes, although ordinary villagers seldom knew the reasons for administrative changes and even what changes had been made to their village collectives. I argue that understanding these changes could unfold the complexities of changing social and power relations underlying the rapid industrialisation and urbanisation of Tangxia. To make the following discussion clear, I will use the term of "village (urban) collectives" in a general situation, while I will use a particular name, such as "management districts" to specify the specific context of village collectives at given period.

3.2. From Lineage Villages to Village Collectives

Lineages and family clans have played an important role in the course of rural urbanisation in South China. These lineages have a long history of communal land and property management, family businesses, land and income distribution operated in the names of their ancestors. Subsequently, rural collectivisation developed on the basis of lineage organisation and relations. It is not surprising that village cooperatives, and later shareholding companies, were managed by lineages and family clans. This has made the distinguishing features of villages in Guangdong and Southern China from those in the North. In Tangxia, village collectives are composed of a family clan or multi-surnamed clan lineages. For example, Sicun's village collective consists of four "natural villages" (*ziran*, officially defined as natural village settlements) under four respective family clans. Daiping's village collective consists of several family clans, in which the Yip lineage has been the largest and most dominant one in the issue of village development since the reform era. This can be traced back to how Yip's villagers have occupied many positions in the administration over the past three decades. Their power of influence can be seen in the Yip ancestral hall, where the family clan and village households have invested more than one million yuan in the full renovation of the entire architecture.

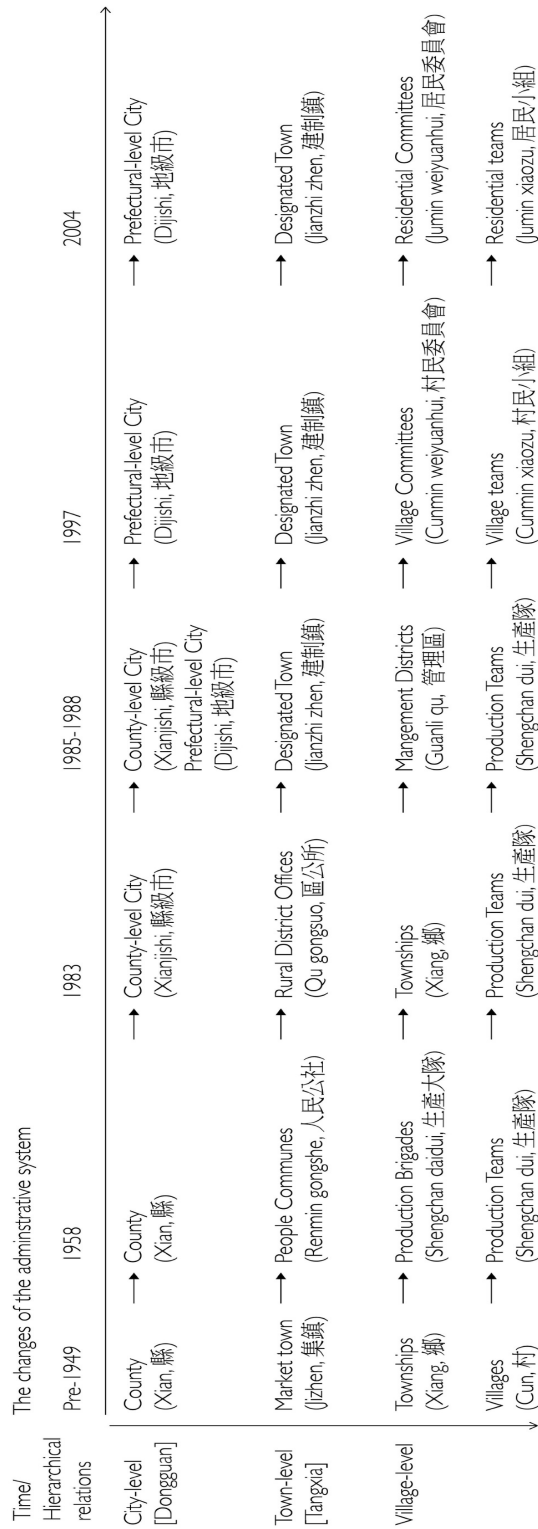


Figure 6.7. The changes of administrative system in Tangxia (source: data from various sources of the town government)

Nevertheless, there were the fundamental changes to the lineage villages during Mao's period of rural collectivisation. Prior to this, the rural areas of Tangxia, like elsewhere, followed the rural administrative system with small townships (*xiao xiang*) and natural villages (*cun*) as the lowest levels of self-autonomous rural communities in China. The agrarian society had been mainly the small peasant economy, and rural land had been either owned by lineages as ancestral, or as private land. During the 1950s, the CCP gradually regrouped several small townships into a large township (*da xiang*) to initiate the early form of collectivisation. In 1958, the large township of Tangxia was forcefully turned into a People's Commune in Dongguan, while lineage villages were grouped into production brigades and teams. Village collectives therefore become highly political and institutional. The political space of Tangxia was changed into a three-tier administrative system (Figure 6.7).

This system could mobilise people, resources, and land for collective agricultural production to subsidise the state's strategy of rapid industrialisation and in turn to build the socialist nation. Collectivisation was tied to related policies such as the hukou system, fixed food ration, mobility and welfares. This resulted in the militarisation of space in the vast area of rural China. This was the moment when the CCP successfully established its territorial power directly over the soil of rural areas, and it completely destroyed the previous township system and the private and ancestral landownership. As a consequence, the CCP could maintain the one-party ruling system in rural areas.

3.3. Decentralisation and Recentralisation of Power

If rural collectivisation was an important strategy for the maintenance of the state regime, how was this changed in Tangxia when the state regime was changed to develop urban as the national development strategy after 1978? What are the relationships between the changes of administrative space and the production of space in this locality during the past three decades?

In the 1980s, Tangxia underwent two major reshuffles of local administrative space and power. Firstly, the town experienced a downward shift in state power to local governments and individual peasant households in the Guangdong province, pioneering the early stage of economic reforms. Secondly, the process of decentralisation of state power led to the recentralisation of local power through the process of industrial urbanisation in Dongguan.

The first administrative change was the decentralisation of state power to the local level. This was achieved through the abolition of People's Communes, production brigades and the collective agricultural production system. This moment was the turning point for rural areas since the state decentralised power to peasant households there in order to enhance local incentives and agricultural production through the HARs, therefore revitalising their economy. In 1983, the Tangxia People Commune on the top administrative level was

changed into a rural district office under the county government of Dongguan, while production brigades on the middle level was replaced by (small) township governments to manage villages within their areas. During this period, the administrative space remained in a rural status of development to engage in farming and light industries like rural township and village enterprises (TVEs). While a certain amount of economic power was returned to individual households to produce their own food, the Tangxia rural district office was simply like a district office of the county government, without authority over planning and development (Liu and Fan, 2015: 255). Given this set up, new township governments, which replaced the position of production brigades, took charge of the collective land and farmland subcontracted to individual village households within their areas.

The second change was the recentralisation of state power to the local governments. This followed a combination of administrative restructuring from 1985. Tangxia has undergone several revolutionary changes to reshuffle the administrative space from rural into "urban". In 1985, Dongguan's administrative system was elevated into Shi status - a county-level city. In 1986, Tangxia among other rural district offices were designated as "towns", with an urban status. In 1987, all village collectives were demarcated as "management districts", by repealing rural township governments in order to accelerate industrialisation. In 1988, the State Council further elevated the administrative rank of Dongguan to a "prefectural-level city". Understanding such changes to the administrative system are important in seeing the reshuffling of local territorial and governing powers at the town and villages. The administrative form, namely "town-leading-villages", therefore, was established to accelerate the transformation of rural areas in Tangxia.

3.4. The Town-Leading-Village System

A new administrative space of Tangxia - "town-leading-village" has greatly accelerated land transformation. After the designation of a town administration, Tangxia established its own party and town government system and therefore acquired a much larger scope of administrative and economic power for its own planning and urban development. There was not an intermediate administrative level (e.g. a county-level administration) between the city government and town governments in Dongguan. Therefore, the latter could enjoy decentralisation of some administrative and economic power, the equivalent of a county-level government. Tangxia town could undertake planning and development, financial budgeting, revenue and expenditure within its own jurisdiction. On the village level, there was the system of "management districts" from 1987, which functioned as local offices which were responsible to the town government. This administrative system, however, did not occur in Shenzhen. It was part of a wider governing strategy to accelerate the pace of rural urbanisation in relation to the development of small towns and villages in the Guangdong

Province. There were 19 management districts in Tangxia, each of them was administered by a committee of village cadres, who initiated village development. Under this administrative arrangement, the roles of village cadres, therefore, were more empowered to take part in industrial and urban development.

Following the changes to the administrative space, the political space of Tangxia was subjected to a party-government dual administrative system (see Figure 6.8). The “town-level CPC” and the “town government” were established, while the “village branch CPC” and “village committee” were further strengthened by management districts. This dual administrative system has two different institutions, where the Party leads the government, but more often not, the two institutions have the same group of Party leaders holding administrative positions. Likewise, the village branch CPC and village committees have been held by the same group of village cadres, who decide village affairs and development.

Within a dual administrative system, the power of the CPC is higher than that of the government. The administrative rank of the town-level Party Secretary is “first leader”, while the rank of the town magistrate (if he/she is a different person) is the Deputy Party Secretary, the “second leader”. Thus, the former’s rank is higher than the latter’s. Likewise, the village-level Party Secretary is the “first leader”. This position is only offered to CCP Party members, when he or she is elected within the CCP committee and recommended by the town-level Party Secretary. In theory, village members have the right to vote for their village chairmen and small team leaders. However, bribing usually occurs during elections where village households receive red packets from candidates running for chairman. Additionally, the position of chairman is usually subordinated to and circumscribed by the village first leader - the village Party Secretary. Sometimes chairmen are also the Deputy Party Secretary if he/she can win the election within the CCP. In short, from the perspective of ordinary villagers, this village cadre system did not differ from the direct appointment from the town-level Party Secretary. Power has been highly centralised among the few hands of village cadres, and the Secretary can make all kinds of decisions on village affairs.

Interestingly, Tangxia developed local politics built on the town-village administrative structure. A candidate running for the town-level Party Secretary needed the recommendation of his or her senior Secretaries at a city level, and enough votes at the town-level election. Likewise, a candidate of the town magistrate needed to have votes from village representatives in the town People’s Congress. Most of these votes were held by village representatives, who were also village cadres. Accordingly, this complicated the close relationship of local politics between the town-level leaders on the one hand, and village cadres on the other hand. Their relationships were sometimes seen by villagers at the time of election and also in the land development process.

Village cadres were greatly empowered with respect to land development within their areas. The administrative unit of management districts were actually an extension of the town

government into rural areas. The objective of this arrangement was to make village development subject to the leadership of the town government, and to coordinate the integration of rural and urban areas in the course of town development. The leadership of the town government was not necessarily based on submission by village development to the whole. Rather, this administrative arrangement largely empowered village cadres to manage development within their jurisdictions, and immediately accelerated rural urbanisation process.

Following the above development, village collectives have been de facto village governments and fully embedded in the Party and government dual administrative system in Tangxia. This perspective is in contrast to the common understanding of village collectives as “autonomous” and “informal”, or as “bottom-up urbanisation”. Although they were operating outside of the government civil service system or designated as “autonomous” community organisation stipulated in the Constitution, their roles granted by the administrative arrangement as mentioned above have been legitimated in the process of rural urbanisation. This made a significant difference to those former village collectives in Shenzhen, which were struggling with their power over land against the domination of the city government.

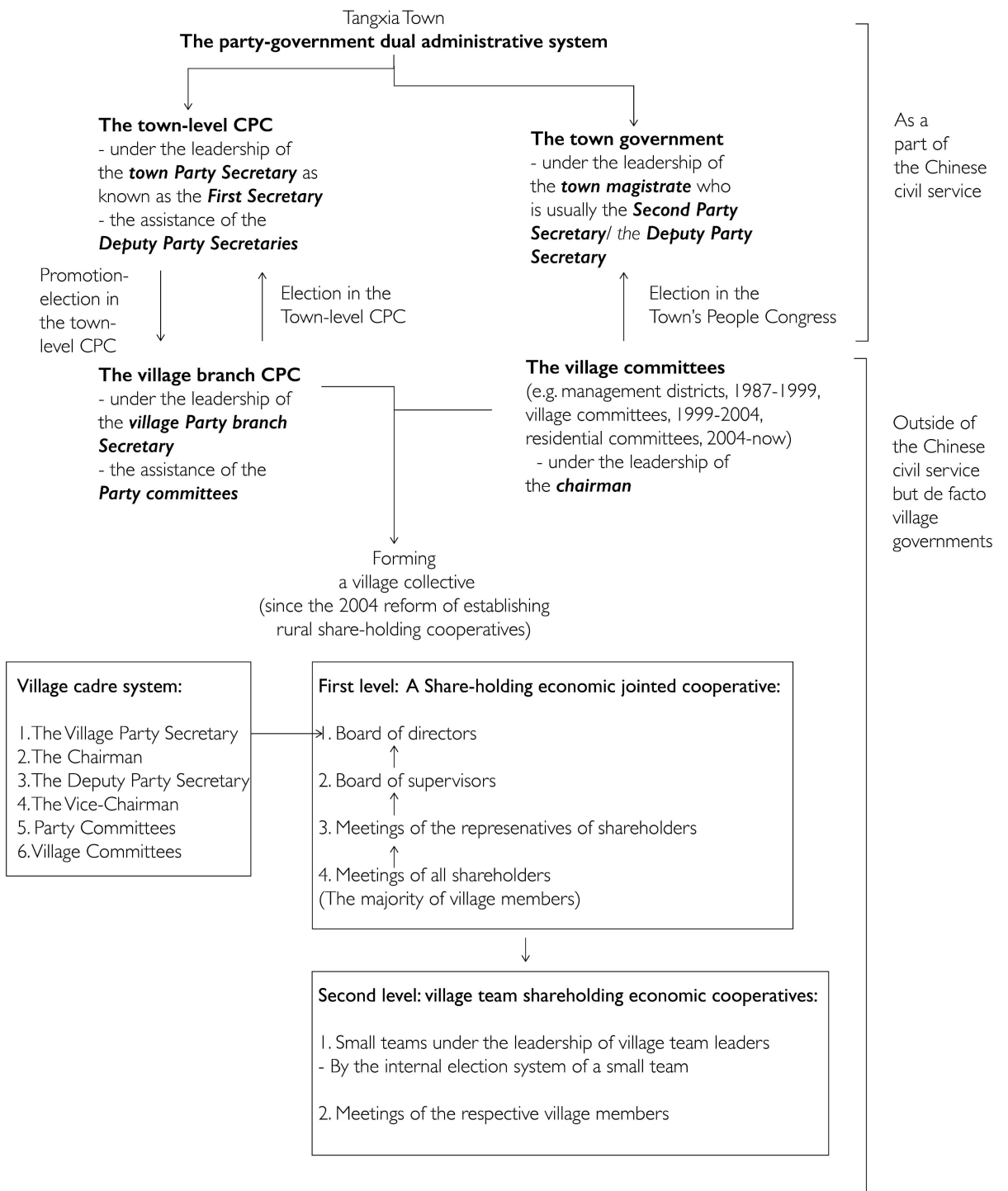


Figure 6.8. Tangxia's "town-leading-villages" system under the party-government dual administrative system (source: data from fieldwork and various government documents)

3.5. The Adjustments to the Administrative Space in 1997 and 2004

In 1997, the Guangdong Government had readjusted the administrative division of village collectives in the province. It repealed the “management districts” and established “village committees” as “autonomous village organisations”, as stipulated in the Constitution and under the National Ordinance of the Village Committee Organisation. The objective of this administrative change was to improve the relationships among governments, village cadres and individual households in the course of urbanisation and the issue of land interest.

The latest change to the administrative space occurred in 2004. Village committees were converted to “residential committees” through the reform of rural shareholding system. This was also a provincial policy, enacted through the “Ordinance of the Rural Collective Asset Management in the Guangdong Province”. On the city level, the Dongguan City government initiated “the Decision of the Reform of Implementing the Rural Shareholding System”. Tangxia was selected as a pilot study for this reform. There were two main aspects of changes: firstly, all village collectives were restructured into residential committees with small teams, officially reclassified into urban administrative units - “communities” (*she qu*), instead of “villages”. The town government also converted the rural Hukou of local villagers into an urban one. In other words, a total of 28,376 local villagers was administratively converted into “urban residents”. Secondly, new shareholding companies were established in every village to manage collective properties, development and redistribution. The first level is “shareholding economic joint co-operatives”, taking charge of the overall economic and social development, while the second level is the “shareholding economic cooperatives” in small residential teams. There was also a re-classification of communal property rights, the conversion of communal assets into shares, and the re-organisation of the distribution mechanism among village members.

The 2004 administrative system formalised the organisation of urban collectives in Tangxia. It includes a board of directors, a group of supervision, villagers’ representatives, and shareholders. As I was informed by a young villager: the new system enabled the group of supervision and representatives to observe and inspect the operation of residential committees and shareholding companies. The policymakers announced that villagers became shareholders, whose rights in the issue of land development and redistribution should be protected. This is applied to eligible villagers, except females and those were born after 2004. Shareholders has received a certain amount of regular income as “bonus” from a certain proportion of annual income distributed from joint co-operatives and also small team co-operatives. For instance, in Sicun Village, for example, the residential committee has employed ten percent of villagers in the expansion of the administrative in the 2000s. This partly resolved the problems of unemployed villagers and poor households in the village. When the Sicun villagers moved into their exclusive residential area, a larger portion of

collective expenditures has been paid for the construction of better facilities and infrastructures, the provision of welfares, security and management, and public hygiene in place.

Nevertheless, there has been significant change in term of social and power relations. As a village elder said, “the administrative changes [of the village collective] were only in name ...” Residential committees and shareholding companies have been operated by a common practice called “two institutions, one group of leaders”. This meant the positions of directors, managers and chairmen were held by the same group of people. This contrasts with the views of younger villagers, who would think the groups of representatives and supervision should counteract the decisions of village leaders. However, conflicts and tension have occurred between village cadres and village households during the course of land development, particularly around decisions over the sale of the collective land to developers and the government

4. Re-Collectivisation and Dispossession of Peasants’ Land-Use Right of Farming

As noted by Yang and Wang (2007; 2008), Dongguan developed a different, flexible and localised land development mechanism to accelerate industrialisation and urbanisation. Their arguments are supported by my fieldwork in Tangxia. This study also found that the state policy of “agricultural land-use balance” was rarely implemented at the local level to control the conversion of farmland into the construction land. Neither the town government nor village collectives followed the quotas around construction land stipulated in the national land regulation. This section contextualises these arguments during the first and second decades of Tangxia town. In only a short period of time, agricultural land was almost exhausted and converted into industrial and urban land. Although the town government is the legal agent of urban development in China and the conversion of the collective land should be firstly acquired by the town government and changed into state-owned urban land, it is found that the motor of industrial urbanisation was driven by two local agents: the town government and village collectives. The following discussion explores the local land practices developed behind a very rapid pace of land transformation process, and in doing so, Tangxia town and villages was completely industrialised and urbanised as one of the major export-processing area in Dongguan.

4.1. Redistribution of Collective Land-use Right

One important achievement of the state policy was the Household Agricultural Responsible System (HARS), which was implemented across rural China. The policy announced that individual peasant households have “right to use” the collective farmland in

their village areas, which had previously been used for the collective agricultural production. Agricultural land and mountain areas were redistributed and subcontracted to individual peasant households. Peasants could grow a variety of economic crops, plant fruit trees on mountain areas, and operate commercial fish and poultry farming for profit. This policy was implemented in Tangxia in 1980 that marked the watershed of rural development, and won popular support among peasants. Peasant households were no longer tied to the collective means of agricultural production; they could have subcontracted farmland, and profit from what they grew and sold to markets. This largely unleashed rural energies and Dongguan, soon became a main agricultural region supplying vegetables and fruits to Hong Kong.

In the early 1980s, there was limited land conversion of farmland for urban construction. The vast area of rural land was agricultural, which was already subcontracted to individual peasant households. The early form of industrialisation was limited to a scale which operated in old buildings, such as meeting halls, communal canteens, ancestral halls, warehouses or administrative offices. Village collectives were striving for foreign investment in their areas. They reused existing buildings for production, and the processing fee was known as “the first bucket of gold” in the accumulation of collective wealth. For example, Daping’s village collective used their ancestral hall as the production site of the first sanlaiyibu factory. This production space was about 200 square metres, it eventually allowed workers to increase from 80 to 180. This sanlaiyibu industry immediately brought about 200 thousands yuan, in a processing fee, to the village collective in a year.

Since the abolition of People’s Communes and the collective agricultural system, the roles of village cadres (at the level of the administrative village) have been largely reduced to simple administrators of issues around family planning, social security, and village improvement construction. The coordination and redistribution of collective land was actually in the hands of small village teams, dealing with subcontracted peasant households and the allocation of housing plots within their areas. Following changes to state policies, administrative power was decentralised to different levels of administration during the early part of the 1980s, and peasants became the main users and beneficiaries of their farmland.

4.2. The Dispossession of Sub-Contracted Farmland

In the late-1980s, there was a much larger scale of land requisition throughout the rural areas of Tangxia. The town government and village cadres came to power after the restructuring of the town and village administration. They became the main agents of land development, through their acquisition of subcontracted farmland. This primarily occurred between 1988 and 1995, when a great deal of agricultural land was acquired and transformed into factories, industrial zones, housing and for transportation. In Sicun village, farmland was

reduced from 1,956 *mu*³ in 1983 to 1,605 *mu* in 1991, and further dropped to 430 *mu* in 1994. In Lianhu village, located near to the old town centre, village cadres leased farmland of about 959 *mu* for industrial construction in 1988. According to the Lianhu village gazette, the village lost a total of 2,943 *mu* farmland to the development of industry, housing and transportation. Another example is Zhufoling village, where agricultural land greatly decreased from 1,951 *mu* in 1983 to 833 *mu* in 1991, and to 113 *mu* in 1994. Most agricultural land was leased from peasant households, who were deprived of their right to farmland as promised by the state. Land was also re-centralised to management districts or the town government, to propel rapid industrialisation during the 1990s.

To begin with, the expansion of Tangxia town centre was built on the acquisition of collective land. The old market town of Tangxia was originally very small in size. To expand its urban territory, the town government needed to acquire agricultural land from village collectives and peasant households. In the 1990s, the town government expanded the area of the old town centre. Lianhu Village, located next to the old market area, immediately lost about 673 *mu* of agricultural land to the town government, to initiate town improvement and the expansion project. In 2000, a more aggressive development project occurred with the construction of a new centre, for which the town government acquired almost half of the land from Sicun village. The new town centre project took away a total of 2,591 *mu* of village land, most of which was a vast area of a *fengshui* hill behind the village, and contained with many lychee and longan trees (Sicun Village, 2005: 160-161). The town government initiated the town centre project by taking advantage of the time in parallel with the city government's the "Five-Year City-Making" project in Dongguan's city centre. Through the levelling of this *fengshui* hill, a new town centrality has been constructed which is connected via a new superhighway to government offices, a town-level library, a museum, and a residential and commercial area with villas, condominiums, a five star hotel and a resort area.

Likewise, there was large scale of "land acquisition" within villages since 1988. Village collectives under the leadership of village Party secretaries were empowered by the system of management districts. Many village cadres started to resume the land-use right of farmland from individual households. For example, Daping's village cadres immediately borrowed bank loans to pay affected peasants a small amount of crop fees for resuming farmland in the village. This process also involved the transfer of collective landownership, from the hands of small village team leaders, to the higher administrative level of management districts. Because of the unification of administrative power and land management, this enabled village cadres to propel rapid land transformation and attract foreign capital investment. Rural land transformation was going parallel to the national "development fever" during the 1990s ensued from the southern trip of Deng Xiaoping calling for a bolder reform

³ *mu*, a local unit of land measurement. For 1 *mu* = 0.066666666666667 ha. In this case, 1956 *mu* is equivalent to 130.4 hectares.

and speedier urbanisation. As a result, peasants, whose means of subsistence was farming, only had rights to farm for less than a decade and again lost their farmland to authorities.

4.3. Administrative Powers versus Peasants' Resistance

At the national level, the persistence of collective landownership was upheld to protect agricultural land and social stability during China's opening to foreign investment. In reality, however, most agricultural land in Tangxia was almost exhausted in urban and industrial construction within a decade. The town government and village cadres manipulated the local system to propel rapid industrial urbanisation, while peasant households were deprived of their right to farm as promised in state policy. Although discontent and opposition by village households occurred from time to time, new mentalities and administrative power emerged and dominated land transformation in the name of the so-called "collective benefits".

The Tangxia town government has the legal power to acquire the collective land through planning and development projects, which mandates the acquisition of land for urban construction in the name of "public interests". After state reform of the land leasehold system in 1987, the town government - as the legal agent - could fill the coffers by capturing the differences in land value between the sale of a state-land development right to private developers and the compensation cost of farmland to affected villagers. The sales of a development right is a "land conveyance fee", which is classified as a local revenue to be shared between the city and the town government, without sharing with the central government. Therefore, the leasehold system created the greatest motivation for the Tangxia town government (and actually for all local governments) in the pursuit of this game of urban development. Meanwhile, the level of local development and urban construction has been tied to the career promotion of the town-level Party secretary and high-level leaders. Thus, the GDP has become the only measure of economic growth, and their promotion to a higher rank in the national administrative system has been grounded on the level of GDP within their five-year terms at the local. In Tangxia, without exception, as informed by villagers, new Party secretaries initiated their ambitious urban land development plans, disregarding what their predecessors did and local interests, to boost the high level of the GDP for their own sake.

Village collectives are not governments, and do not have a legal power to undertake urban construction. Nevertheless, village collectives not individual households are the owners of collective land according to the Constitution. Their administrative power was legitimated in the context of local development when the administrative system was changed to "management districts" in 1987. These districts were officially demarcated as local development areas for foreign investment. Therefore, village collectives became key players in the course of industrial urbanisation in Tangxia. There have been two means of

accumulation for village collectives. First, village collectives, on behalf of their village members, could capture all the of the 'land fee" compensated by the town government during land acquisition within their area. This compensation is considered communal revenue without redistribution, whereas affected peasant households could only be compensated by an amount of "crop fee" calculated on the requisitioned farmland. It is surprisingly to find that the local practice of compensation for land acquisition in Tangxia was not calculated based on the size of the requisitioned land; it was based on a fixed proportion, which usually ranged from ten to fifteen percent, of a land conveyance fee shared with the town government. As said by a villager, "the amount of compensation has been always a close-door decision making process among village leaders, private developers and the town government". Second, village collectives could profit directly from selling "land leases" to investors, to develop industries for a given period of time. This was a grey zone in the national law that village cadres took advantage of leasing, but not selling, their land to investors to transform land within their territories. In fact, this local practice became a common state of affairs in villages without the intervention of higher level of governments. Due to the town government turning a blind eye to this "informal" type of land leases for investors, or turning on a green light to village cadres because of personal interests at stake, the result was a certain degree of autonomy given to village-level Party secretaries.

For ordinary villagers, the state power could be effectively mobilised by those who were part of the administrative system. A town-level Party secretary and officials are one level of state power, and village-level Party secretary and village cadres are another level, both of which could decide the affairs of village development without accountability. "They could just change a place by pointing a finger on a map". Power has been highly concentrated in a few hands of village cadres in land development process. Discontent and opposition occurred when village leaders sold the collective land to developers and the town government without consultation or discussion with village members. There were cases when village leaders sold their land for an unacceptably low value land fee. Since many villagers depended on collective incomes generated from rent in the long run, they opposed and were conflicted with the decision of village leaders to sell their land, not to mention selling it at a very low cost. They became suspicious, since they could receive kickbacks or a so-called "yam cha" fee (an amount of "drinking tea" money) from developers. "These [village] leaders paid for their current [administrative] positions [by red packets], and thus did try to take back what they have paid during their terms". There seems to have an unspoken consensus - as long as their leaders could still balance the interests of villagers as a whole, misusing their administrative powers could still be expected or tolerated by some villagers.

Nevertheless, there were some occasions of conflict and protests among villagers against their leaders' decisions over land issues. The peaceful and legitimate way of protesting was through "*shangfang*" (a collective appeal), which is when the ordinary people in China seek

help and solutions from a higher level of administrative authorities and bypass a lower-level one where conflicts occurred. In 1992, Sicun villagers appealed to the then town-level Party secretary about a land conflict in their village. They opposed their Party secretary acquiring a large amount of contracted farmland from peasants and selling it as housing plots to outsiders. Speaking out against the domination of the then village secretary, a village elder said, “one should also concern about the precarious livelihoods of peasants”. It was this village elder that led many villagers to protest outside the town government at that time. They were able to speak for their collective right to housing plots, improving their living conditions in old brick houses without proper facilities, instead of selling land to outsiders for profits. For the sake of social stability, the then town-level Party secretary intervened in this conflict where he had authority over village cadres. The final decision was that Sicun village households could be allocated housing plots at a village’s price, while the remaining plots were sold to outsiders at an outsider’s price.

What local villagers opposed was not the land development itself, nor did they mean to overthrow the unjust system of village cadres in Tangxia. Rather, villagers demanded a fairer redistribution system of land and collective income generated from land development within their areas. This land system actually presupposed and enabled the ordering of power relations based on the level of authority of the administrative space in Tangxia. Villagers’ protests were still restricted to the town government which had its vested land interests at stake. The case of the Sicun villagers’ protest was not the only instance of local resistance. In a recent case, Daping villagers collectively organised protests against the town government over the value of a land conveyance fee. Their village leader, who was supposed to be in charge of this land issue, was suspicious of receiving money. “We [villagers] were opposing this for several years and taking shifts to sleep outside the town government”. At the end of the conflict, villagers pressurised the town government and their leader to return the amount of the difference as a form of subsidies for households in their project of peasant apartments. In fact, it has been difficult for villagers to gather or organise a collective opposition force against their leaders or a higher level of authority such as town officials. There was vested local interests during the course of land development favour those with administrative power.

Small village teams were present as a counter-balance to the domination of the village Party secretary on a higher level. These small teams’ leaders are usually elected by their members and thus reflect villagers’ common interests. They negotiated for some construction land and organise their team members to invest in land for accumulation. Many of these small village teams, therefore, have also become an important administrative unit for land investment in villages. Today they are also the units of supervision who observe and overwatch the board of directors who in turn operate shareholding companies. On an individual level, village households have developed some tactics to claim their interests in

land acquisition. For example, in the anticipation of land acquisition for the new town centre project, many Sicun villagers managed to maximise the numbers of lychee plants on their land and thereby maximise the value of the crop fee from the government. Accordingly, villagers used this compensation to pay the construction fee for their multi-storied buildings, or some paid for new apartments in a collective housing project.

In 1998, the central government initiated a stringent land policy to control the conversion of farmland into urban construction land. In 1999, it also launched a rural land policy to strengthen the protection of peasants' right to farmland, with a renewable land-use right to farm for thirty years. Between 1997 and 98, the Guangdong government abolished the system of management districts and established village committees in which villagers could elect their leaders. Nevertheless, these policies have done nothing to rescue the problems in Tangxia where most of the farmland has already been built for urban construction. Since many peasant households lost their farmland to the town government or village collectives, their means of subsistence has been gradually tied to collective land development. Peasant households have bound together as shareholders and are now dependent on land development. Little could be done to challenge the domination of power of village cadres. During my fieldwork, land was a politically sensitive topic among villagers, and many of them were reluctant to speak about it or of further details about conflicts. Stories behind this urban transformation could be more complicated, but villagers did not know what actually happened behind complicated interests and relations.

5. Land Transfer System and Rental Property Economy

The previous section shows the large scale of dispossession of peasants' land-use rights to farmland, the administrative power of town officials and village cadres, and emergent conflicts and resistance in the land development process in Tangxia. This section contextualises the production of space and explores the formation of the local land development mechanism. How did village cadres manage and develop their land for industry, housing, commercial uses and real estate for the accumulation of collective income? How was this land transformation related to the land tenure system developed locally which resulted in a boom of the rental economy during the 2000s? It also explores the village redistribution system through which collective incomes, generated from rent, were redistributed among eligible village shareholders.

5.1. Construction of Industrial Zones

The vast areas of farmland have been transformed into factories and industrial zones to attract foreign industrial capital. Today, there are six town-level industrial parks and 28

village-level industrial estates in Tangxia. These industries take up a total area of 2,183 hectares. Villages have been the main engine for rural industrialisation, which was quickly transformed from an agrarian economy into an export-led manufacturing economy. According to my fieldwork, local development mechanisms emerged to engineer rapid rural industrialisation. The first mechanism is a form of land lease agreement issued by village collectives, leasing a land plot to investors to build factories, while the second one is a form of collective financing which is raised among villagers, through constructing factories for letting. These two land practices for industrial development were undertaken in a grey zone within national law which does not explicitly prohibit village collectives from using the collective land for rental properties.

The first land development mechanism is a form of land lease agreement where village collectives leased their land to private developers. Typically, village collectives directly sold the land-use rights for a plot to foreign investors with a limit of 50 years. This land lease is based on collective landownership that differs from the state's leasehold system, where urban land should be developed on state-owned land. Although the land lease agreement is not legitimate in national law, it is recognised by local governments. Surprisingly, the city and town governments endorsed this form of village's land development with their stamps on the leases sold to investors for industrial development. In this model, individual village collectives directly strike deals with foreign investors. The terms of a land lease agreement are negotiated between the two parties, focusing on different fees, such as a land fee, land permit fee, management and security fee. The duration of a land lease is negotiable, ranging from 20 to 50 years. Investors pay a certain amount to the respective village collective, and construct their industrial areas of two-three storey industrial buildings, an office, dormitories, parking and loading space, a cafeteria and some public areas. Village collectives pay for the construction of related facilities and infrastructures such as roads, drainage, water and electricity. During the 1980s and 90s, these industries were usually developed piecemeal without an overarching planning. This land lease can be transferred provided that a new lessee has the approval of respective collectives and does not change land uses. A village said, "there is a halfway until the land lease expiry when the collective could resume the leased land together with buildings on the land".

The second mechanism of land development is a form of the collective financing among village household members to construct factories for letting. Since village collectives had accumulated enough income through the sale of land leases, they started to construct rental industrial properties to let to smaller entrepreneurs. For example, Sicun village has an industrial area, where land was subdivided equally among four village teams as a compensation to affected peasants returning their farmland to the collective. Individual village teams and members could collectively develop their own rental properties, build factories for collecting rents. This is an example of one village team. Individual members invested 8,000

yuan at 1,000 yuan a share, and the remaining construction fee was paid by the village team. Through this collective financing system, former peasants became shareholders who could collect regular incomes from their shares through profits earned from property rents and management fees.

Using collective financing was an efficient means of funding the construction of rental industrial properties in the face of intensive competition for large influxes of foreign investment during the 1990s. This practice mobilised more capital from village households in the collective land development. Rental properties of factories have been widely regarded among villagers as a “sustainable” means of accumulation through appropriation of rent to guarantee the main source of household incomes on a regular basis. Collective financing for land development was also seen as a strategy used by village collectives to try to contain the problems of unemployment and widespread discontent among landless peasants. In this respect, it pacified peasants who lost farmland and became shareholders. This collective financing also had some positive consequence: it strengthened the roles of small village teams as an alternative and a counter-balance to the domination of village cadres. Nevertheless, it did not resolve the precariousness of peasant households. The amount of income from the land was insufficient to make a livelihood. Due to their increasingly dependent on land incomes, villagers have become vulnerable to the risks of a foreign-led economy, which led the wave of factory shutdown and migrants leaving the town in 2008.

5.2. The Production of New Village Housing

Village collectives in Tangxia have also turned their attention to the “commodification” of housing plots selling for outsiders within their areas. Prior to economic reform, villagers lived in traditional brick houses, the so-called “ancestor houses” inherited from the past. Today these village houses still exist as a part of urban landscape. Every family clan has their own village settlement, where houses were built next to each other, a fish pond in front of an ancestral hall located at the centre of a village, and a hill or mountain behind the settlement and surrounded by *fengshi* trees. These village houses are mainly one-storey with a tiled roof, built with mixed materials of sand, mud and bricks. The communal land had been directly owned and managed by production teams, and some had been in charged by production brigades. Each married male villager would be allocated a housing plot to build his house. The expansion of a lineage village would extend towards the two sides of the settlement.

In the late 1970s and early 1980s, village households could still acquire their housing plots from production teams at the use value. They paid a small amount to their teams for housing plots that were actually very symbolic. Here it is a story of a Sicun villager. In 1979-80, he acquired three housing plots: one plot was freely allocated by the production team, one plot

was a small grain-drying area, and another was additional one, which he paid 180 yuan. They are altogether more than 300 square metres. In the mid-1980s, he built new brick houses on these plots that later received rent of 20 residential units. During the mid-1980s, a Daping villager already paid 800 yuan to his village team for a housing plot. He rebuilt two one-storey houses into multi-storied buildings, one for his family and another for his son. During the 1980s, despite some variations between villages, communal land was still considered a non-alienable and non-transferable ownership. However, this started to change when the town government and village collectives turned this land into commodities.

Since the early 1990s, village collective started to diversify their sources of incomes by “commodifying” housing plots for local village households and non-local ones. This new type of urbanised villages is brick-and-concrete multi-storied tenements, varying from three to six floors. These urbanised villages look similar and are relatively uniform due to materials and heights. Sicun and Daping built their tenement buildings in the second part of the 1990s. Sicun’s village collective parcelised farmland into housing plots of three sizes: 40, 80 and 120 square metres; while Daping’s village collective divided up all plots into 120 square metres. As addressed before, the commodification of housing plots provoked conflicts and resistance in Sicun village. The consequence of the collective appeal to the town government was to reallocate housing plots into two units of price: first, eligible villagers paid for these plots, ranging from 70 to 200 yuan per square meter, and second, non-villagers paid for 500 yuan per square metre. This was a gesture of “welfare housing” by the collective to village households. Many ordinary households could manage to pay for a housing plot using savings or by borrowing money from relatives. Others could not pay for housing construction, until they received an amount of compensation from the town government in the early 2000s. Their lychee fields on the hill behind the village were acquired by the government for the new town centre project. Through maximising their crop fee, they received a good amount of compensation to build their houses. In contrast, Daping’s village collective subdivided 400 housing plots and sold them to village households at 350 yuan per square metre. In fact, this commodification of housing plots excluded many households’ right to housing plots. By contrast, only some village households could buy more than a housing plot, where they constructed houses and even transferred to non-villagers.

Consequently, village’s housing plots were turned to be “alienable” for non-villagers. At that time, there was also a local practice through which village collectives provided an administrative service to transfer the household names to non-villagers in the transaction of housing plots. In other words, non-local owners of village tenements could have their property certificates issued by local authorities. This certificate is an official paper to endorse the land-use rights of a village housing plot on a permanent basis. From the first place, the commodification of village housing plots was already a violation of national law, which stipulates the conditions of these housing as non-alienable and a protection for peasants’

housing rights. And yet, these commodified housing were once endorsed by the town government.

Since the 2000s, there has been the boom of the rental market in Tangxia. This was driven by new influxes of industries from Taiwan and Shenzhen and followed by the dramatic increase of rural migrants. For many villagers, this period was a turning point for their livelihoods where appropriation of rents became the main household income. They leased out their multi-storied tenements and ancestral houses, including both residential and commercial spaces. Here, it is one example of a villager. He has 20 residential units of one-storey houses, and one five-storied tenement with a ground-floor shop. He leased out all of these units and appropriated rent of about 8,000 yuan per month, while he and his wife earned wages and live in the village apartment which will be mentioned below. In comparison to his village counterparts: his family has already attained a better level of living. Those villagers, who did not have many rental units, could only depend on their salaries of about 4,000 to 5,000 yuan on average. An official data shows that there was a total of 19,799 rental village tenements, which provided 177,183 housing units for 142,010 migrant households in 2010 (Tangxia Town Government). Due to a restriction on property certificates, there was rarely the subdivision of housing plots. Nevertheless, internal spaces of buildings could be subdivided to individual residential units. The uses of these space are multiple and flexible so that they could be transformed into rental housing, workers' dormitories, hotels, small workshops, wholesale and retail shops, eateries. These rental houses are much cheaper and more spacious than those in Shenzhen which attracted migrants staying in Tangxia, instead of going to Shenzhen for a job. This led to very vibrant neighbourhoods and lively streets within all village areas in the town.

The latest form of village housing production is known as "Peasants' Apartments" (*nongmin gongyu*). This is a state project of "new village construction" (*xin nongcun jianshe*) in China that has become a "collective aspiration"; a living style among local villagers in Tangxia. The objective of this state project is the "development of villages towards urbanisation" (*nongcun xiang chengshi*). The promulgation of peasants' apartments, due to the land shortage, emphasizes the change of the current residential pattern from the dispersed and extensive form of individual housing plots to the concentrated and intensive form of housing apartments. The first idea of a new village construction in Tangxia was emerged from a villas development by Zhufoling's village collective in 1994. This project relocated village households into a gated villas area of 380 three-storied detached houses. Other examples of new village construction that emerged after 2000 were the high-rise, intensive form of housing apartments. For example, Sicun's housing project has six residential towers with 192 units, and the second phase is still under construction. Lincun's village development project comprises of 35 detached houses and 1195 high-rise residential units, and its third-

phase development is under planning. Daping's housing apartments are also under construction.

New village construction requires a permit for planning and construction from the city government. Housing units are sold to village households at construction cost, with subsidies offered by their village collectives. This village collective housing project is a kind of welfare for village households and differs from a private type of "commodity housing" in China. Only eligible village households could buy one residential unit, which is non-alienable to non-member households. Sicun's village collective invested a total cost of RMB 120 million yuan to build six residential towers for 356 households. Within this there are three sizes of units: 197 square metres, 367 square metres and 420 square metres. The cost which households paid ranged from RMB 800 to 888 yuan per square metre. This project involved the collective financing between individual households and their collectives to support the planning and construction fee for consultants and contractors. While individual households paid for their flats, the collective covered the cost of communal facilities and infrastructure through collective incomes and a bank loan. Since peasants' villas or apartments are built on collective landownership, respective village collectives (or later shareholding companies) have the right to landownership (*suo you quan*), whilst individual households have the "right to use" (*shi you quan*) through a signed agreement to their collectives. Mortgages are also offered to households from local banks, as guaranteed by the respective collectives, who are also the manager of housing estates in charge of security, maintenance, public hygiene and green area.

For the central state, the development project of Peasants' Housing is the realisation of the state-aspiration, "Social Harmony" (*weiwen*), in rural areas. As a Lincun villager said, "Peasants' Apartments are the state's face construction...", that is the state's image construction. This is a representation of state space, where local Party and government leaders establish the authority and reputation of the state through the creation of a harmonious society in these village development projects. New village construction also serves local officials' personal political ambitions since local achievements can lead to promotion to a higher administrative rank. From my observation and interviews, this state project has been successfully carried out in Tangxia. Now, peasants' apartments have become a common aspiration of a living style pursued by local villagers. They offer a model of a residential space for villagers living in a well-planned, well-equipped and safe community. There is retail space and an exclusive club house, such as administrative offices, meeting rooms, elder and youth centres, a library, a gym centre, an entertainment room, sports ground, car parks, retail space, a garden and open space. As said by a village, "my place is like a luxury mansion in Hong Kong". This villager's apartment is a "penthouse suite": two floors with 367 square metres of floor area. This sense of pride is commonly found among villagers. The aspiration for such a living space is contextualised not simply in terms of a

better living space as such, but a change of spatialities as a result of a hegemony of living in a gated and exclusive community in the midst of a large number of migrants at the locality, and also in a modern, high-rise apartment instead of a traditional or multi-storied village houses. Indeed, many village collectives in Tangxia have already showed their preferences for constructing these apartments to the city government. I do not know whether this housing project could achieve a harmonious society in Tangxia, but the aspiration of having this living style became popular among local villagers. However, this also physically widened the existing social segregation between local villagers and rural migrants as a result of the Hukou system.

5.3. Retail and Real Estate Development

The rapid growth of this industrialised town also resulted from retail and real estate development. Village collectives developed rental commercial properties in their area. During the 2000s, every village's neighbourhood economy has flourished due to the influx of rural migrants and numerous small entrepreneurs. There are shopping centres, wholesale and retail markets, karaoke lounges, saunas and massage parlours, and hotels. Sicun's village collective has collectively financed the construction of a two-storied shopping centre at the cost of RMB eight million yuan in 2000. This shopping centre is located at the centre of the village, and leased to a chain supermarket and a market with 120 stalls and 20 shops. More leasing space has been created from numerous makeshift stalls along the two sides of the streets selling daily necessities and services. A villager became a middleman, holding a lease for an open space from the collective, and subletting to market stallholders or carts selling fruits, cooked food, vegetables and snacks. Individual owners of multi-storied tenements have also let the ground-floor shops to migrants to run small businesses. In their project of peasant apartments, there is a two-storied retail complex that is currently leased to restaurants, banking and retail stores. The annual rents of these lease premises, for example, brought about one million yuan to the collective's income in 2004. Therefore, these neighbourhood have flourished that could offer opportunities for small entrepreneurs and meet the changing needs of villagers and migrants.

In addition, village collectives have become real estate developers. In China, there have been emergent illegal real estates on the collective land. This illegal housing construction on the collective land for sales to non-village members is in violation of the Land Administration Law and other national regulations. Without paying a land transaction fee, this real estate is built without a certificate of land-use right or a seller permit from the city government. This illegal housing is known as "small-property-rights housing" (*xiao chanquan fang*) (SPRS), for which buyers usually pay cash and purchase an entire building or a residential unit without a property certificate. During my fieldwork, illegal real estate in Lianhu village was constructed.

Vast segments of the village were plotted into a commercial and housing development. This plotting entailed the construction of 18 six-storey housing blocks with a total of 1,868 residential units. There are also two shopping streets - a "street of tea art" and a "food street", which act as a selling point for the real estate. The project was constructed in a collaboration between Lianhu's village collective and a local developer. The latter financed the construction and implemented marketing, sales and management. The real estate is illegal but equipped by electricity and water supply. It was also advertised on local newspaper and some websites of local property agents, but remains highly visible in place that local authorities turned a blind eye from this illegal construction and housing sales. Due to "sky-high property prices" in cities, demands for the SPRS in this industrialised town close to Shenzhen would be still considerable as housing prices are about half of legally-built ones, and people have hopes that the SPRS would be legalised by the state.

By contrast, another village could have the housing sales in the village. In 1985, Zhufoling's village collective built and sold their first real estate. As I was informed by a Zhufoling villager, "this housing has property certificates from the state". A larger scale of real estate with twelve residential blocks, office and commercial areas, car parking, were developed in this village from 1995 to 2002. This was done through a partnership between Zhufoling village and the Tangxia Real Estate Development Company in a five-phase commercial and residential development project. Villagers said that they were built for sales and leasing: "They are not small small-property-rights housing... Homeowners have property certificates issued from the government". When I questioned why could the village committee develop a real estate, no explanation could be acquired from the conversation with the villager. As addressed above, villagers have no land development rights on collective (rural) land. One possible explanation is that Zhufoling's village committee struck a deal with the company, which is actually owned by the town government. Probably due to this relationship, those real estates built in Zhufoling village land have property certificates. Besides, the village's Party Secretary was promoted to the manager of the development company in 2000. This could indicate an ambiguous relationship between the village leader, the company and the town government. This in turn could explain why real estates constructed in this village was given permits by the local authority.

5.4. Redistribution of Collective Incomes

After 2000, Dongguan rapidly developed, and Tangxia town entered a period of prosperity. As shown above, industrialisation, land and rental property economy interwove to produce high economic growth in Tangxia. Individual village collectives accumulated a great deal of collective revenues from their rental properties. For instance, Sicun village have disposable income which increased from RMB 9.7 million yuan in 1997 to RMB 48.3 million yuan in 2003, albeit this was rather unstable and reduced to RMB 25.3 million yuan in 2005.

This great increase in accumulation generated a stronger economic impulse which in turn enticed village cadres towards the process of land development.

How were collective incomes redistributed between village households? In 2004, the city government initiated a reform of the Rural Shareholding Cooperative System in Tangxia. The reform stipulated a new redistribution mechanism, in which a village committee reorganised collective properties and incomes, and converted them into shares equally redistributed among eligible villagers. To uphold villagers' rights, a certain proportion of collective revenues had to be redistributed among shareholders on a regular basis. Villagers were eligible to be shareholders if they were the existing members with rural hukou in that village. Female villagers, whose hukou were transferred from other villages via marriage, are not eligible. The new policy also froze eligible shareholders who were born before 2004. The transfer of shares to non-members are prohibited, but it is allowed via inheritance. These collective incomes are also known as "grain money"; the name embodies a rural practice inherited from Mao's time through which production teams redistributed grains to individual households based on the outputs of collective agricultural production. Nowadays, the grain money became collective incomes earned from land rents and rental properties (factories, commercial and retail space), selling lands to the government or developers, or selling land leases to industrialists, and other regular income from management fee, social security fee and cleaning fee. The two sources of grain money are redistributed from village (residential) committees and small village (residential) teams. For instance, Sicun residential committee has redistributed the grain money about 1,700 yuan to every shareholder in 2015. Meanwhile, one of small teams, which has already accumulated about one million yuan as the collective wealth, has allocated about RMB 4,100 yuan to every member, while keeping 25 percent of total revenue for saving.

Many non-local villagers have regarded these local villagers as a local privileged class. They are landlords and shareholders dependent on the exchange value of land, and could also enjoy the local Hukou and welfare system. Nevertheless, there is a greater polarisation within local village households. As noted by a retired villager who was a school principal, "the rapid economic growth did not equally bring about the collective wealth for all village households... it has only in favour to a small group of people...". Indeed, many village households' lives have still been precarious. "We lost our farmland to the town government. ...now, we have become dependent on renting houses. ... A little bit of the grain money is not sufficient for household expenses". Many younger villagers have also depended on employment offered by residential committees. Last but not least, the rapid economic growth of Tangxia have been based on a great deal of surplus value created by migrant workers in the production system. However, they have been the majority but they have been systemically excluded from public services and socially segregated in the town. This will be addressed in the next section.



Figure 6.9. The industrial zones in Sicun Village, Lianhu Village, Daiping Village

6. Social Transformation and Segregation

6.1. Successive Waves of Rural Migrant Workers

Mass rural migration was the driving force of industrial urbanisation. They formed an abundant supply of unskilled and semi-skilled labour for the export-led processing and assembly industries. The number of local-hukou residents and migrants is shown in the figure above. This highlights population growth across the different types of Hukou in Tangxia, from

1993 to 2011. The number of local-Hukou residents has slightly increased; from 30,000 to 50,000 during these two decades. Rapid population growth was mainly fuelled by the influx of rural migrants. During the 1990s, the number of migrants showed a steady increase in the town, doubling from 50,000 persons in 1993 to 100,000 persons by 2000. Thereafter, there was an enormous growth especially between 2000 to 2006. The number of migrants dramatically increased to 240,000 persons in 2001, and rose to 350,000 persons in 2006. Due to the 2007-8 crisis in the international export market and the ensuing closure of factories, many migrants left the town and the population immediately plunged to 200,000 persons. But it gently increased to 350,000 by 2010. In general, the number of migrant workers followed the changes to Tangxia's economy. Among migrants, the number of unregistered migrants - the "floating population" (*liudong renkou*) was equally high but completely absent in the official census, as well as in policy consideration.

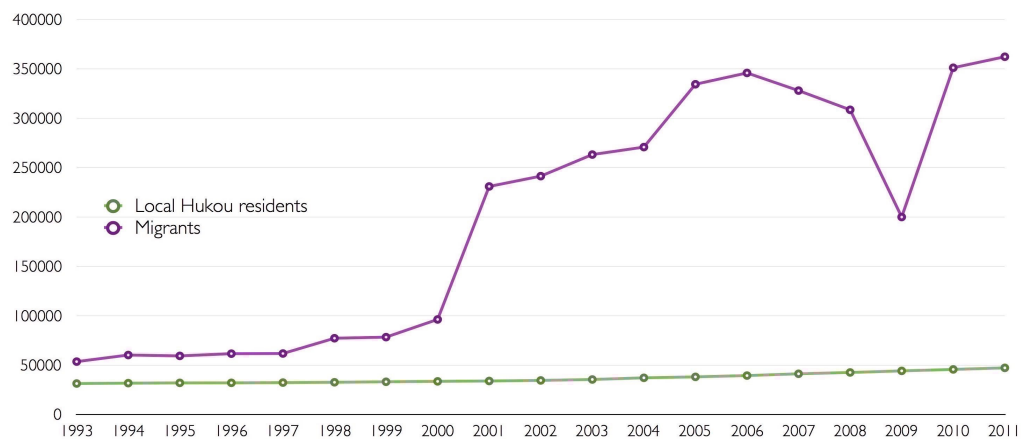


Figure: 6.10. The changing numbers of local (hukou) residents and non-local migrants in Tangxia from 1993 to 2011 (source: Dongguan Statistics and Census, various years)

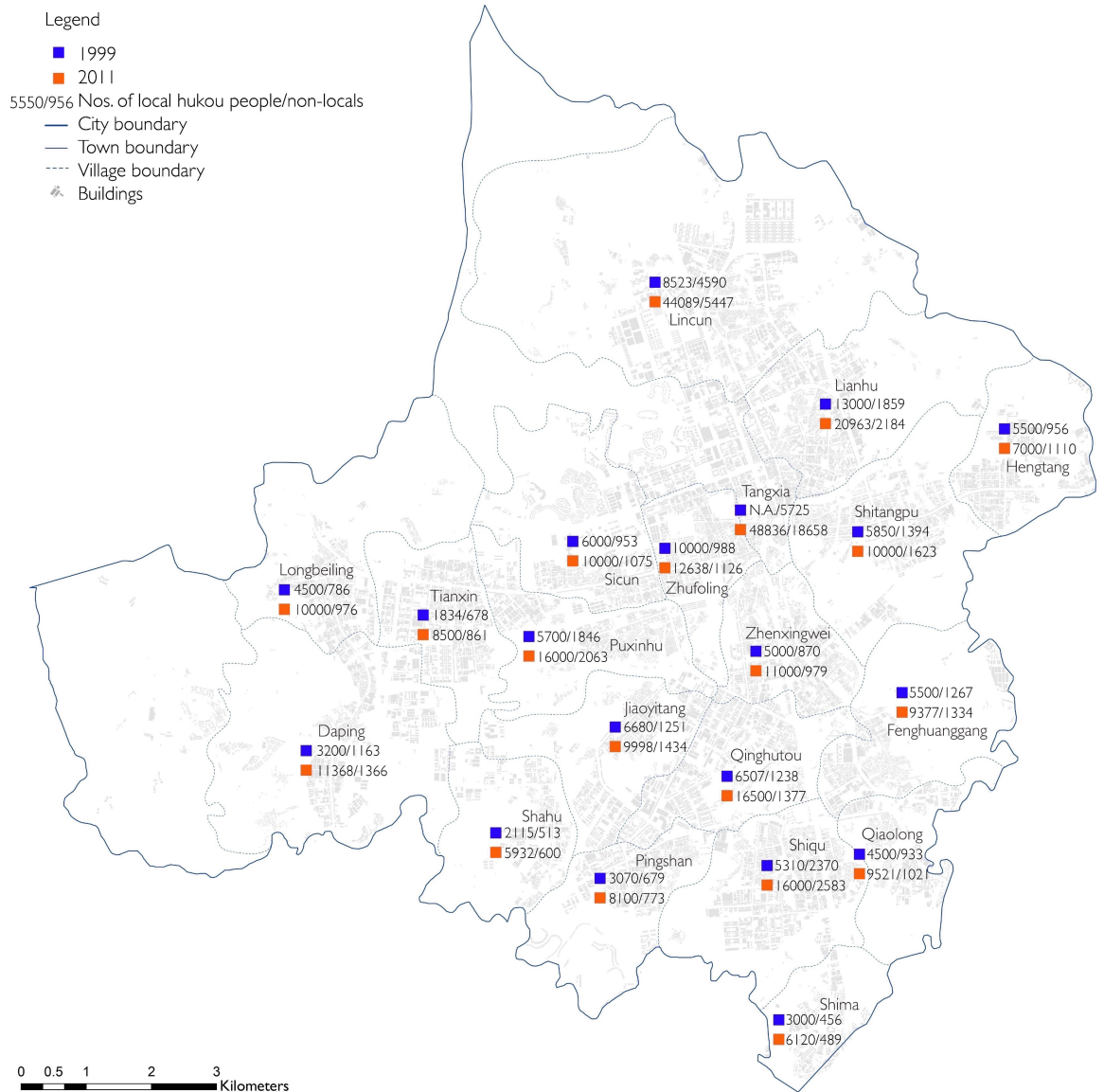


Figure 6.11. The changes to the population of both locals and non-locals in Tangxia between 1999 and 2011 (Source: Dongguan Statistic Bureau, 2000 and 2012)

The map above shows the geographical distribution of local-Hukou residents and migrants in 1999 and 2011. There were 244,106 migrants living in villages and 48,835 migrants living in the town centre in 2011. This indicates that the majority of migrants were distributed throughout village areas, rather than in the town centre. There was a significant increase in migrants during the last decade. For instance, Lin village became the largest village with a five-time increase in migrants: from 8,523 in 1999 to 44,089 in 2011. The ratio of local villagers to migrants averaged 1:7.7 (47,140 villagers and 362,173 non-local residents) in the town. Shiqu village had a three-fold increase in migrants during the last decade, and the ratio of local villagers to migrants was 1:6.2 (2,583 villagers and 16,000

migrants). The ratio of Lincun village was 1:8.1 (5,447 villagers and 44,089 migrants). As noted by a villager, “we have been surrounded by a large number of migrants in Tangxia”.

Social transformation and social relations during the course of rural industrialisation were based on an institutional division between agricultural (rural) and non-agricultural (urban) Hukou, and social segregation between local and non-local Hukou. In fact, the majority of both populations was originally peasants with rural Hukou. Local villagers transformed into a privileged group of landlords and shareholders, and subsequently were re-classified into “urban residents” after 2004. In contrast, migrants moved from rural (their hometowns) to other rural areas (villages in Tangxia), instead of settling in a city. They had to pay for medical fees and the schools for their children, known as “*xuewei fei*”, by buying a quota to “enter” a kindergarten or a primary school in the locality.

In the face of the 2007/8 economic crisis, the consequent loss of migrant workers and social unrest, the city government implemented a new social programme in 2007, officially calling migrants as “*xin guan ren*” - “new Dongguan people”, rather than migrant workers or outsiders, “*wailia gong*”. Since then, eight million migrant workers have officially been acknowledged as “new Dongguan people”, in order to “build a harmonious society”; a part of the state’s vision.⁴ The city government also initiated a policy of “the Points Hukou Transfer System”⁵, attracting migrants to transfer their Hukou into Dongguan. Nevertheless, the number of successful cases of Hukou transfers in Tangxia was 537 in 2010, 300 in 2011, 248 in 2012 and 213 in 2013⁶. The target of the policy was to attract “suitable people” to enhance the demographical structure through higher educated, professional and skilled workers, instead of low-wage workers. In 2015, the Guangdong government further relaxed some requirements of the Hukou Transfer Policy⁷. The policy aims to attract those people with a stable job and who had social insurance for last five years, and a property.

6.2. The Living Conditions of Migrant Workers

There were many people on the streets in the town centre, around the markets and the main streets in village neighbourhoods. In the last decade, large influxes of migrants have completely transformed the urban landscape of Tangxia. Here, “migrants” generally refers to residents without local household registration (Hukou). Some of these people are new homeowners, who recently bought properties in new high-end residential areas, the product of the real estate boom which the town government and private developers strove for to

⁴ This data of the number of migrant followed the City government in a speech at the two meetings, the local People’s Congress and the local committee of the Chinese People’s Political Consultative Conference.

⁵ The Points Hukou Transfer Policy in Dongguan. 《东莞市积分制入户暂行办法》

⁶ http://dg.fzg360.com/news/201403/502185_1.html

⁷ Further Promotion on the Hukou Reform in the Guangdong Provincial People’s Government. 《广东省人民政府关于进一步推进户籍制度改革的实施意见》

promote Tangxia as “Shenzhen’s back garden”. These new residential properties in the form of highly exclusive spaces of villas, condominiums, resorts and golf courses, arose after 2000 in some strategic areas such as the new town centre, ecological protection zones, forest areas, national parks, reservoirs. These properties aim at attracting people to buy properties in Dongguan and commute to work in the city centre of Shenzhen. As I was informed by a government official in Shenzhen, as he showed me pictures of his detached house in Daping Forest Park in Tangxia, his everyday life is commuting between his home and office (Luohu district, Shenzhen). “It just takes a half-hour drive through a superhighway to the place [his home]”. He was satisfied with his house and the environment. When I asked a question about a village next to his house, he seemed not to know about anything in other places within Tangxia. In fact, many officials, businessmen and professional elites, like this government official, have bought these luxury properties, and their everyday lives are about connecting their home in these places to offices in Shenzhen.

As noted above, migrants have been regarded as a “floating” and “temporary” population in China. Rural migrant workers have become the new working class in China. They have formed the main labour force in Dongguan’s economic take-off during the past three decades. The first generation of migrant workers are widely known as “*daigong mei*”, meaning “working daughters”. The late-comers, due to the rise in electronic and mould-making industries, have been “adaptable” and “hard working”, young with “good sights”, but not necessary female. Meanwhile, a large amount of migrants have also worked outside factories. They have contributed to economic activities such as trading businesses, small entrepreneurs, street stall-owners, recycling business, and many as casual works in Tangxia.

Many migrants who arrive in Tangxia come from provinces outside Guangdong, for instance, Guangxi, Henan, Hubei and Sichuan. These places are the main sources of rural migrants who speak local dialects, have different kinds of food and cultures, and also kinship networks. During my fieldwork, I usually first asked ‘why did they come to Tangxia’. Many of them came to Tangxia and looked for job opportunities by following their kinship and township networks. Instead of going to a city like Shenzhen, they have their own networks in this industrialised town.

Factory dormitories and villagers’ rental housing are the main spaces of reproduction among rural migrants. The former is designed for single workers who live in shared rooms, but this is less popular for those who have families. The latter is more flexible, migrants rent a one-storey village house or a multi-storied rental tenement. The average monthly rent for a 15-squared metre space in a one-storey village house is about 150 yuan, and the rent for a three-bedroom unit in a multi-storied tenement located on a main road is around 450 to 550 yuan per month. The amount of rent is much cheaper for migrants staying in Tangxia than in other cities like Shenzhen and Guangzhou.

In Dongguan, there has been an increase in the minimum wage, increased from 1,300 to 1,500 yuan for an assembly worker in 2015. Here it is a typical example if a female worker from a plastic factory who has a monthly wage on the basis of time. Her salary was about 3000 yuan when working up to twelve hours per day. Her husband is a delivery worker for a private company, and his salary is about 3,000 to 4,000 yuan calculated on the basis of piece work – the numbers of parcels he could deliver. Her insurance is paid by the factory owner. This is the result of a stricter labour policy which stipulated that factory owners had to pay insurance for all workers. Prior to this, the policy was never effectively implemented so many owners covered only a small amount of their workers with insurance. Nevertheless, because of the changes to these policies, many processing factories in Tangxia who could not afford a dramatic increase in labour cost to become less competitive, relocated and closed down after 2008.

Factory owners usually employed their workers aged between 18 and 35 years old. This excluded many aged migrants to get a job in a factory. During my fieldwork, some old migrants were living in poverty in old village houses in the town. These people could neither get a job to feed themselves or raise a family, nor return to their hometown due to the loss of acquaintance with people and the environment. There was a 52 year-old migrant, who looked over 60 when I met him, in an old village house. He left his home in Guangxi and arrived in Tangxia in 1992. Now he became part of the casual working poor, doing floor-polishing work in factories or residences, and depending on the customers' calls. At the time of talking to him, he has not worked for a while. He has a wife and three children. Most rural migrant families would send their children to home townships to attend schools. However, his three children stay with their parents. The father paid for schools by using much of his savings: "I might consider to send them back to my old home next year...". His wife was also unable get a job. She started growing some vegetables in an open area in front of their house, which was next to where the neighbourhood does it recycling of electronic parts, furniture, metals. He said, "At least you got something to feed the children...". His wife took vegetables to a roadside in a nearby market. When I came to his house, it was a rainy day. Their living condition was worse compared to other households I visited; not just in terms of the hygiene condition and insects, wet floors, wall and furniture, but also the problem of flooding during heavy rainstorms. A severe flooding occurred in 2014 which caused many deaths and loss in Tangxia. The man I spoke to paid just RMB 150 yuan for two units in an old house, probably the cheapest rent in the area because of the vulnerable living environment.

A certain degree of social mobility was possible among migrants. There were many small entrepreneurs who were former factory workers and started their business in Tangxia. A migrant couple from the Hunan Province arrived in Tangxia in 1996, they worked in an electronic factory. With some savings, they started running a stationery wholesaling and retailing shop in Sicun village: the main customers were from nearby factories. The monthly

rent for a ground floor shop in a multi-storied tenement is about RMB 2400 yuan. They bought a van for purchasing goods from a nearby wholesaling market and for goods delivery to customers. This was a time when Tangxia's economy was rapidly developed and became prosperous. They made a good deal of profits from this business because of the many factories in the area. They afforded to pay for their daughter to go to a private secondary school which costed about RMB 13,000 yuan per semester (including accommodation and meals). Nevertheless, the prospect of social mobility was uncertain or temporary. Their business experienced a downturn during the 2007 economic crisis as such they had a great deal of loss, in millions yuan, during the wave of factory closures in Tangxia.

There were some small family businesses scattered across villages. Many migrants living in old villages use their houses to undertake recycling work. A migrant in his 50s, from the Hunan Province, came to Tangxia in 2004 and started running a recycling workshop in a village. He engaged in the business of recycling plastics, used furniture, heavy metal especially iron ore, cardboards, electronic and electric wastes. There was a huge pile of different kinds of recycled materials in the large open space outside his house. He was a single-parent and his son was 7 years old when I met him. In this family-owned recycling business, he partnered with his brother whose family lived just next to his house. He collected waste from homes and factories. Among these, iron ore was the most profitable product. As such he paid an introduction fee to connect himself with local golf accessories factories who supplied him iron powder. He and his brother manually sort the waste and trade with local recycling companies. Previously, they made profits trading iron powder at t RMB 3,000 yuan per tone but now the price has dropped to 500 yuan. They made a living only by collecting and recycling wastes, and used this to support their children going to a local school. He said, "this [recycling] industry was declining. We didn't have things to do...". Their stories are only one of many examples. During my field trip, I visited many old village settlements in the outskirts of Shenzhen, or in the industrialised towns of Dongguan, where families' houses and open space were turned into a dumping ground. Alongside the changes of economy to real estate development and the relocation of factories, it seems recycling businesses in Shenzhen and Dongguan have already moved farther way to new developing cities and towns in China.

Lastly, private drivers and small stall-owners were once the thriving businesses and have been suffered from the downturn in the changes of local economy. These are self-employed, small businesses which attracted many migrants who in turn invested with a small starting capital, have become prosperous in a hustle and bustle of street life since 2000. Migrants bought their cars and became private drivers, offering promotion rates for regular customers. "There were few people in Tangxia... now it is difficult to run this business." There were many drivers parking their cars along roadsides, hoping to get a customer.

In Tangxia, the local economy has shifted to the service sector, such as restaurants and cafes to employ younger workers. Although migrants have been “recognised” as “new Dongguan people”, they have been still spatially and socially segregated from local villagers as a result of the Hukou institutional arrangement. Many of them have worked hard in the town, and managed to make savings to build their own houses in their home villages. It seems that many have to return home someday as long as the Hukou system remain no change.

Chapter 7 | Conclusion

1. Introduction

The thesis offered an analysis of two intertwined processes, urbanisation and territorialisation, associated with state territorial strategies in the transformation of extended urbanisation in the EPRD: Hong Kong, Shenzhen and Dongguan. Instead of treating this territory as a pre-given geographical entity or merely an economically-determined outcome, I argued that the process of this extended urbanisation has been subject to changing state and territorial processes. The Chinese territorial governing system has been the prime engine of rapid urbanisation and territorial expansion as the state's mode of production. During China's economic reforms, urbanisation was the state's strategy for fostering economic growth and accumulation, and for consolidating political power over society. From the beginning of reform, the state deployed strategies of differentiation for territorial development. This is evident in Deng Xiaoping's famous statement: "let some people [some areas] to get rich first", which initiated China's uneven geographical development (Fan 1997). It heralded the era of urbanisation in Guangdong, including with Shenzhen and Dongguan as its pioneers. Territorial differentiation has been the Party-State's political strategy to manage the sub-national territories and decentralise power to the local governments according to its administrative ranking system (Ma 2005; Cartier 2015). This in turn strengthened the central state's control over territory and urbanisation through the successive cycles of re-ranking of political space and decentralisation of state power for developing space, cities and territories.

To frame the analysis, I reviewed common concepts of uneven geographical processes and contextualised the particular changes in China's territorial strategies in chapter 1 (section 3). After 1979, China gradually moved towards a market economy, away from its planned economy based on the dualistic rural-urban division of developing cities as industrial bases and rural areas as collective agricultural units. The Party-State deployed an adaptive territorial governing system - the Administrative Division System (xingzheng quhua tixi). It is important to note that this territorial system was not the replacement of, but was instead the reforming and strengthening of old ones, which prevailed throughout the nation during Mao's time. This led to the incorporation of urban administrative units, cities/shi and towns/zhen, into the existing hierarchy of administrative divisions (Ma 2005), giving rise to a new type of rank-based city-territories (shi). In the beginning of the reform era, the central state established a variety of ranked-based territories to engineer and diversify different forms and processes of territorial urbanisation at multiple local levels. Through successive changes to administrative divisions, the state designated and established a large number of shi-territories (rank-based cities), integrated rural and urban

areas, and reconfigured subnational territories. This is how it fostered economic growth and adapted to a wide variety of changing circumstances. Additionally, through its authority over a hierarchy system of ranking, the state determined the ranks of local areas and decentralised associated powers to urban governments. This system enabled the central state to govern the rapid urbanisation of subnational territories in a systematic and flexible manner. Accordingly, it enhanced the Party-State's capacity to keep the country together in the face of territorial differences and local powers, and therefore maintain authority and consolidate state power throughout the enormous urban changes. I refer to this state and territorial process in the form of changes to administrative divisions and ranks as China's "territorial fix".

Urbanisation has been premised on central and local dynamics. This thesis has emphasised the roles of local governments in the course of territorial urbanisation. On the one hand, the central government developed its own national agenda of development strategies and targets for economic growth, and has had absolute authority to determine the local governments' administrative, economic, legislative and planning powers. On the other hand, local urban governments, through successive rounds of territorial fixes, have increasingly acquired power to propel urbanisation and expansion within their jurisdictions. Located at a given rank, they exhibited the power to develop and reconfigure space through legislation, urban planning and rezoning, transport and infrastructural configuration, and local regulations and policies. The case of Shenzhen showed exemplary central-city dynamics during the course of urbanisation. Thus, my point is that both national state and multiple local levels of governments went hand in hand to advance the processes of territorial urbanisation and consequently led to multi-tiered forms of uneven geographies in China.

2. Uneven Geographies of the EPRD

The case studies in the EPRD provided illustrative examples of cross-border extended urbanisation associated with state territorialisation strategies and uneven geographical processes as mentioned above. Chapter 2 showed the history of territories in the PRD, the processes of state's territorialisation and the current pattern of urbanisation in the EPRD. Chapter 3 offered an analysis of periodisation in the respective cities. Chapters 4 to 6 provided three case studies showing the complexities of urbanisation on an urban level. Based on these chapters, I will synthesise how territorial and spatial processes caused and eventually consolidated the EPRD's uneven geographies.

In Chapter 2-1, I showed that the emergence of uneven geographies of the EPRD has its own geo-historical conditions. The PRD, as a foreign trading area, has a long history which started with the Song Dynasty. There was an established centre-peripheral

relationship, with a clear division of labour in the PRD. Guangzhou, Hong Kong and Macau played central roles as foreign trading port cities, Foshan was an important textile industrial area, many inland ports, merchant towns and numerous markets became varieties of exchange places, agricultural production was highly specialised and commercialised in the rural surroundings. I also noted that the dynamics of the PRD trading region was subject to political and endogenous factors. It was located at the frontline of international geopolitical processes between different state powers, ranging from changes to the Chinese empire to rise of imperialism and colonialism, and subsequently the Cold War and the formation of the PRC. The most important point is that this historical analysis showed changes to the state and territorial regime in China. Since the Party-State came to power, cities' autonomous status was abolished and established the central-controlled territorial system in China. After 1979, the state realigned the territorial governing system that led to the formation of city-territories as addressed above. Since then, the state has propelled massive-scale territorialisation to produce numerous urban (shi/city and zhen/town) territories to foster national economic growth.

After 1979, state territorial strategies were founded on a variety of ranked-based territories to start off the first round of cross-border urbanisation in the EPRD. On the city/shi level, the territorial urbanisation of the Shenzhen Special Economic District/Region (SED) was rapidly accelerated by several rounds of administrative re-ranking and territorial restructuring, from a county into a prefecture-level city to a Separated Planned City and finally to a sub-provincial level city with a SED legislative power. Dongguan's Shi-territory was also established through changes in its rank: It evolved from a county into a county-level city and into a prefectural-level city that has underpinned the rapid rural industrialisation and the development of industrialised towns. Hong Kong developed through the British colonial administrative and land system, and was subject to the territorial regime of the Special Administrative System (SAR) on the principle of "One Country, Two Systems". The SAR regime enabled Hong Kong to continue to integrate into the process of regional urbanisation that legitimatised the PRC in Hong Kong and the adaption of a special territorial regime within the Chinese territory (Henders 2007, 107). As shown in this thesis, Shenzhen's Shi government acquired a higher administrative rank and consequently stretched its influence through a wider territorial development by which it integrated urban administration and spatial planning. On a lower level, there were different territorial units within a city-territory: SED versus non-SED areas, city versus county, city versus towns, city versus districts. These territorial units have lower-level governments and different territorial regulations, and therefore were unevenly and continuously constituted in the development of extended urbanisation in the EPRD.

The thesis underscores state's territorialisation as the fundamental processes of concentrated and extended urbanisation in the EPRD. Although the analysis of Harvey's

uneven geographical development and spatial fix on capitalist urbanisation are useful for the present study, the Chinese State played a central role, albeit differently across time, in the production of territories and spaces from 1949 to the present. I have unravelled the so-called “state-led urbanisation” in China which is very specific in its territorial governing system to manage urban areas. The first round of extended urbanisation in the EPRD, after 1978, entailed the state process of territorialisation through changes of administrative divisions and ranks to form and reconfigure city-territories to propel rapid urbanisation. It is only through this process of territorial fix that conditioned the capacities of local governments to deploy various spatial strategies within their areas.

From the mid-1990s to the present, the uneven geographies of the EPRD have profoundly transformed, into poly-centric, extensive-networking, multi-layered, and hierarchical-related urban territories. Next, I will summarise the current processes of cross-border urbanisation in the EPRD. Section 2 in Chapter 2 showed four configurations of urbanisation processes in this region:

- The consolidation of multiple centres: from the 1990s, three city-territories significantly developed and expanded their centres through a number of urban development processes: reclamation and land formation, flagship projects, enlargement of the main urban areas, urban renewal policies, construction and expansion of metro system. In Hong Kong, there has been contested processes of harbour reclamation and redevelopment in Central and Wanchai, and CBD expansion towards West Kowloon and East Kowloon through the implementation of flagship projects. In Shenzhen, from 2000, a consolidated urban area with multiple centres and transport networks emerged, spanning from Luohu, Futian and Nanshan along the border. Qianhai has currently been constructed on reclaimed land to be the new future financial centre after Futian CBD. New sub-centres have been also constructed in outlying districts through the adjustment of administrative boundaries and the construction of high-speed railway stations. Dongguan also underwent a tremendous expansion in its main urban area through the implementation of “city-making” projects. It extended its historic, inner-city area into the new city of Nancheng and two other neighbouring urban districts.
- The overlaying of strategic urban networks: some strategic urban networks emerged, or were consolidated and extended throughout the main urban areas of Hong Kong, Shenzhen and Dongguan. These urban networks were primarily driven by railway-led urbanisation in which metro stations, condominiums and shopping malls cluster around urban nodes to form an urban network within the city. Hong Kong accelerated this type of transit-oriented development, which led to

the densification of the city core. From the late-1990s, this process of development extended the urban network into strategic places such as the new airport area and other new development areas. Shenzhen initiated railway-led development from 2000 and engineered a fundamental transformation through the densification and consolidation of its main urban areas. Railway-led urbanisation has currently been the engine of new sub-centre development in the outlying areas. Dongguan also started to construct the metro system in the city area in recent years. While this process of transit-oriented development has dramatically intensified and densified the main urban areas, a parallel process of high-speed railways has been soon in operation to further transform time-space relations across these three urban territories.

- The leapfrogging of industrialisation and expanding infrastructures: industrialisation, de-industrialisation, and re-industrialisation have played constitutive roles in the transformation of these extended urban territories. Industrial capital leapfrogged throughout the EPRD and radically transformed the peripheral and rural areas into a cross-border, regional production and infrastructural network under a new international division of labour. This leapfrogging industrialisation transferred industrial capital from or via Hong Kong into Shenzhen and Dongguan during the 1980s and 1990s. While Hong Kong underwent deindustrialisation already from the 1980s, some industries in the Shenzhen SED also began relocating to outlying districts and Dongguan after the mid-1990s. There, the development of industrialised towns and villages was consolidated in the second round of economic restructuring. Meanwhile, a new process of re-industrialisation has emerged in some strategic locations through planning. This marked a shift from processing and assembly industrial hub towards a city-led industrialisation to build hi-tech industrial parks for high value-added and high technological industries in Shenzhen and then Dongguan. Industrialisation has been intertwined with containerisation and airport, highway and railway expansion which underpinned the consolidation of its international and regional production and transport hub function in the EPRD.
- The in-between, multi-layered urban patchwork: the uneven geographies of the EPRD have profoundly transformed from a mono-centric-periphery into a multi-centric, inter-city network of hierarchical urban territory. As explained in Chapters 2-2.4, there are multi-centric, heterogeneous, multi-layered urban and infrastructural patchworks that emerged in the midst of convergent and divergent spaces during successive rounds of territorialisation. This process refers to “multi-

layered patchwork urbanisation” (mulapa urbanisation). These “in-between territories” have been significantly transformed by the consolidation and expansion of the centres of Hong Kong and Shenzhen. As shown in Chapter 6, the process of mulapa urbanisation in the New Territories has been increasingly complicated by two concurrent spillover effects from the rapidly expanding centres of Hong Kong and Shenzhen. This has been further subjected to a reterritorialisation process of integrating Hong Kong into the region’s space. As a result, mulapa urbanisation became a highly contested and conflictual transformation process.

3. State’s Territorial Strategies:

As mentioned in the introduction, there is a relationship between state power and the production of territories. The contemporary round of uneven geographical development evolved from previous territorial differentiation strategies of the 1980s and 1990s, which gradually shifted to a city/Shi government-led one:

- During the first stage of territorialisation, a variety of ranked-based territories was simultaneously mobilised to engineer different urbanisation processes. For instance, in Shenzhen, urbanisation processes in the 1980s were led by the city, the county and town governments, state-owned enterprises as well as village collectives. In Dongguan, the city government depended on town governments to develop industries in order to achieve overall economic growth. In this sense, diverse local actors simultaneously initiated their development strategies which led to different processes of urbanisation and gave rise to various kinds of economic networks across Hong Kong, Shenzhen and Dongguan. On the city level, the Shenzhen government had a good relationship with Hong Kong developers who provided knowledge and capital to invest in the SED urban development. On a lower level, former village collectives and villagers in Shenzhen and Dongguan attracted investment from overseas villagers in Hong Kong and other places during the first round of accumulation. Transnational villagers became the first important “petty capitalists” in pioneering economic reforms in rural areas during the process of globalised accumulation (Smart, 1999). After 1980, in the New Territories, some heterogeneous urban patchworks emerged in response to cross-border economic and social activities. As a result, there was a large mobilisation of diverse actors who developed a complementary form of labour division, and who consequently profoundly transformed the uneven geographies in the EPRD.

- From the mid-1990s to the present, the roles of city/shi governments have significantly intensified. After the first decade of reforms, rapid uneven geographies of the EPRD further developed and transcended the traditional centre-peripheral relations centred on Hong Kong. Urbanisation was founded on the territorial governing system of the central state which eventually “switched on” engines of territorialisation as a mode of production. In the 1990s, the roles of city governments in urban development intensified. The four processes of uneven geographies, as noted above, developed under the increasing domination of city governments. In 1992, Shenzhen became a sub-provincial-level city and acquired SED legislative power to accelerate urban expansion. To maintain its leading role in the PRD, the government integrated territorial powers in the whole city-territory through the repeal of the rural administrative system including the county, towns and village collectives. This allowed the government to integrate planning power and expand the city centre into the new CBD of Futian, and prepare for urban expansion in the outlying districts. The rapid expansion of the highway and infrastructure also profoundly reconfigured the whole territory for a new round of investment. After the integration of the administrative system, the city government immediately targeted and embedded the development of urbanised villages into city-led urban renewal process. In 2000, much later than Shenzhen, the Dongguan prefectural-city government adopted a more ambitious role in the expansion of the main urban areas, the production of high-tech industrial parks, and the intensification of infrastructure. Although the Dongguan City government gradually acquired a mediating role in re-organising the urban areas and towns through city-level urban and transport planning, the town governments and village collectives maintained strong roles in the development of their areas. In Hong Kong, the role of the city government has always been important in the course of urbanisation. From the 1980s and 1990s, the adoption of harbour development strategies led to the consolidation of Hong Kong’s centrality at the international level. After 1997, the SAR government began to adopt and intensify the process of regional integration between Hong Kong and China. Extensive planning, investment and public resources were not only devoted to the expansion of the centre, but also to the reterritorialisation of the New Territories for region integration through numerous urban and infrastructure projects.

As seen from above, the uneven geographies of the EPRD underwent a tremendous transformation since the mid-1990s. The process of uneven geographies moved from the production and management of territorial differences to a regional integration process

through various intra-city and inter-city processes in terms of administration, land development and urban and transport planning. Accordingly, a regional integration process under the city governments gained full momentum to reshape the dynamics of implosion and explosion across these three city-territories. Nevertheless, new state strategies have triggered contradictions in space, where affected people contested various forms of domination and injustices.

4. The Complexities of Urbanisation

As noted in Chapter 1, understandings of state power were not a pre-assumed as a singular entity. Rather, the exercise of state power was through the production of space and territories with multiple contradictions. In Chapters 4, 5 and 6, I unravelled the complexities of urbanisation in relation to state's territorialisation processes on the urban level. I examined three case studies: the New Territories, Hong Kong; urbanised villages, Shenzhen; and an industrialised town in Tangxia, Dongguan. The following discussion summarises the three case studies alongside each other.

Chapter 4 provided a historical analysis of the transformation of a frontier territory in Hong Kong. I argued that the urbanisation of the New Territories was a continuous layering of changing state territorial strategies and regulations, within a wider context of changes to geo-political and geo-economic processes in the frontier area between Hong Kong and China. The result of these processes gave rise to the multi-layered patchwork (mulapa) urbanisation in the New Territories which distinctively differed from the main urban core. An essential condition of changes in the New Territories, at different times, was its special administrative and land system in the 1900s. A leasehold land system was implemented to replace the permanent landholding system. In addition, a District Office system was established to govern villages with consultation but without incorporation of village elites into the government. The ruling system of the New Territories was done in accordance with a combination of colonial and customary laws, which successfully established a colonial authority in place on one hand, and created a different social class and land relation from the main colony on the other. Nevertheless, the process of urbanisation in the New Territories was further shaped by changes to territorial strategies within constantly evolving geo-political and economic processes between Hong Kong and China. During the post-war period, new circumstances created new conditions for Hong Kong to develop industries and mass housing, in order to survive without any dependence on China. A number of territorial strategies radically transformed the New Territories into new towns, mass housing estates, industries, village housing areas, infrastructure, county parks and border areas. Reclamation provided new space for development and the land exchange policy (Letter B) legitimised and empowered the government to acquire farmland from the villagers. The

introduction of small housing policy was a territorial compromise between the government and indigenous villagers. The last period of urbanisation was reshaped by the changing political and economic relationships of Hong Kong and China. Spatial development was shaped by a leapfrogging industrialisation - from the New Territories into Shenzhen and Dongguan, and overlaid by a number of new functions such as mass housing, village houses, container storage, metro lines, highways and boundary checkpoints. The handing over of sovereignty from Britain to China in 1997 reworked the politics of urbanisation. It re-territorialised the New Territories for regional integration by means of strategic spatial planning for cross-border infrastructures and new development areas. Whereas the power of the Heung Yee Kuk, the rural council, was gradually incorporated by the SAR government into the pro-Beijing alliance to foster a new round of development. As a counter-reaction, new social movements emerged to defend non-indigenous villages against displacement and demolition, and ultimately resist the political project of economic integration.

Chapter 5 showed the proliferation of urbanised villages in successive large-scale state territorialisation in the fast city-making process in Shenzhen. The development of urbanised villages relied on leased properties to generate collective income and personal revenue from rental housing. Unlike the case of the New Territories (Chapter 4) and Tangxia (Chapter 6), the urbanisation of former Bao'an villages intertwined with the fast city-making process of the Special Economic District (SED). In 1979, rural Bao'an was immediately submerged into a national state project and transformed into a central city at the sub-provincial-level. In order to resolve the social problem of large amounts of unemployed peasants, the Shi government adopted a new land exchange policy: acquiring collective farmland from villages for state urban development, and returning construction land which allowed village collectives to develop their industries and housing. This land exchange policy was an important institutional arrangement that tied the two developments of city and villages together in Shenzhen's fast-city making process. In the central areas of the SED City, more farmland was acquired from village collectives and more construction land was returned to the affected collectives so that they could develop their housing and business. The faster the SED City developed, the faster villages urbanised. Accordingly, urbanised villages developed next to state-led urban development land and were eventually integrated into the city as a whole in terms of socio-economic activities, transportation and public facilities. The above-mentioned land exchange policy in Shenzhen was a modification of the land exchange policy of the New Territories - a legitimised form of compulsory land acquisition in the colony. This was a more practical solution than the national one which required governments to provide jobs to affected peasants who lost farmland. Nevertheless, this land exchange policy entailed the housing and economic rights for villagers to participate in the processes of urbanisation of Shenzhen, whereas the

one in the New Territories was limited to village housing. Moreover, the village collectives, which persisted at a national level, were incorporated by the city and town governments during the first decade. In a sense, this incorporation continued to authorise the roles of village collectives within their areas. There was also a systematic restructuring of village collectives into shareholding companies who were then in charge of collective properties and economic development. Taken together, these changes enabled former village collectives to facilitate the state urbanisation project in Shenzhen, and therefore develop their territories into numerous local centres, and establish economic autonomy and authority. The proliferation of urbanised villages also resulted from the reshuffling of state power in Shenzhen. Successive rounds of territorialisation, through administrative restructuring, gradually integrated various aspects of political power, step by step subordinating urbanised villages from the SED to outlying districts under the city administrative system. The most important one included the conversion of collective landownership into a leasehold system and the systematic acquisition of farmlands by the city government. After this, shareholding companies became only “leaseholders”- they had the rights to use land; while village households remained the owners of their buildings. The result of these processes was several waves of contestation through which villagers plotted bigger and higher buildings to claim their political and economic rights to their land/properties. I refer to this form of contestation as plotted urbanisation, arguing that the city government acquired its territorial and spatial power through administrative changes and spatial planning, however counter strategies were also mobilised by villagers to realise their rights and interests as “de facto landlords” through plotting - the material occupation of land and houses.

Chapter 6 analysed the boom of an industrialised town in Tangxia, Dongguan. Rapid industrialisation and urbanisation has radically transformed this rural township in the past three decades. This third case study differed from the other two cases because Tangxia’s rapid industrialisation was attributed to the decentralisation of state power to the local town level, not only to the city. The Tangxia case showed that a significant part of administrative, planning and economic power was concentrated by the town government and village cadres. This town government and 18 village collectives were mobilised to initiate the spatial production of overall economic growth in Dongguan. Whilst the town government developed the town centre and acquired farmland from villages for expansion, village collectives were in charge of land development within their areas. The territory of these village collectives was demarcated as management districts which empowered village cadres to mobilise and recollect their communal land and financial resources to attract business and foreign investment. The case showed that re-collectivisation was a key-point to rapid rural land transformation. While the state prohibited the transfer and sales of collective land, village cadres leased their land to foreign investors to build factories, and

even sold housing plots to non-village members. An informal form of long-term land leases was created through this village collectives transferred rights to investors for industrial development. At a later stage, village collectives also illegally developed real estate. Tangxia's industrialisation went hand in hand with a form of urbanisation in which village collectives invest in housing, commercial and retail space, real estates, infrastructures and public facilities, and also their ancestral halls. Land transformation was based on collective landownership, collective financing, and foreign investment. The profit from the land conveyance fee from sales of collective land to developers was shared between the town government and village collectives. This differed from the normal procedure where governments are the only agent of state urban development, and differed from the land exchange policy in Hong Kong and Shenzhen as mentioned above. This showed that the relationship between the Tangxia town government and village collectives was one of collaboration in the course of urbanisation. Nevertheless, the reshuffling of this administrative system caused contradictions and conflicts in different ways. Firstly, development led to the disappearance of farmland and the dispossession of peasants' right to their farmland. Secondly, land became a centre of contradictions and conflicts in village areas. The concentration of administrative powers among town officials and village cadres led to the phenomenon of "collective development, private gains" for those who were holding administrative powers. The balance of land interests was vested between the village households, town officials and higher levels of governments in the form of collective resistance and policy changes at the Guangdong or central government level to readdress the social redistribution system.

The three case studies showed the complexities of urbanisation processes in the continuous changes of political and territorial regimes. State power was exercised and practiced through the production of the state's territorial space, in both institutional and regulatory dimensions which deeply affected the transformation of space in terms of material, regulatory and social aspects. The transformation of the New Territories was affected by the shift between the two sovereign states, Britain and China. The urbanisation of Bao'an's villages was shaped by the reshuffling of state power towards the city government under its centralised urban system over territory. The industrial urbanisation in Tangxia was accelerated by the concentration of local state power to the town government and village cadres. The complexities of urbanisation processes were evident in the overlaying of new spaces over previous ones in successive rounds of territorialisation. This led to the co-existence and co-production of territorial spaces, and affected the specificities of land transformation and land relations in all three cities. The urbanisation of the New Territories was shaped by the co-existence of the colonial and customary laws, while the complexities of urbanised villages were created by the co-constitution of collective and state land regimes in the course of a fast "city-making" process in Shenzhen. As shown in

the three cases, state intervention has been pervasive in the development of this extended urbanisation which resulted in highly contested and contradictory processes.

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