

# Urban villages' Redevelopments: Physical and Social Changes

## Abstract

Under the influence of rapid urbanization and economic development, many Chinese cities and towns have doubled or tripled in terms of population and land use. As a result, a large number of traditional rural villages, located in the suburban areas of cities, became part of the built up areas. They have been turned into the so-called 'urban villages'. Recently, thousands of such villages have been demolished and rebuilt every year. The redevelopments of urban villages and the socio-economic and housing arrangement for the original village residents vary from city to city. This paper examines the redevelopment of urban villages through a case study of Weihai City in Shandong Province. It will examine the process of urban village redevelopment and discuss the diversified consequences of physical and social changes in different villages. The discussion and analysis is based on examination of local official documents, village redevelopment plans and policies and interview of local government officials and village residents.

## 1. Introduction

Rapid urbanization caused urban sprawl and urban built up areas extended in most areas of China in the past 30 years. The original built up areas were far too small to accommodate the increasing population and economic activity. As a result, thousands of village farmers lost their crop land and village economic activities have switched from agricultural production to industrial, commercial and property rental related activities. These villages, however, have maintained their traditional identities and rural administrative characteristics. Land use inside the villages was not properly planned, and the infrastructure was normally poor. With increasing land scarcity in cities, there is great pressure from municipal governments and property developers to redevelop these so-called 'urban villages'. (Lin et al., 2011, Chung, 2010)

Most government officials, planners and media have only been paying attention on criticising the existence of urban village and its negative impact, such as poor landscape, poor living environment, high criminal rate and safety problems.(Wang et al., 2010) Contributions of urban villages to the urbanization have often been ignored. Chinese economic and urban development wouldn't be able to step into the international stage without urban villages. Urban villages are the important stage of urbanization, as they have supplied lands for urban and economic developments. Also they supply a large number of cheap renting housing for migrants which fill the gap of short of affordable housing.

Thousands of such villages have been demolished and rebuilt every year in China, and government lead the redevelopments in most cases. However, impacts of urban village redevelopment on urban development, local economic and social development, and the environment have not been given sufficient attention. In the last few years, some studies of urban villages and their redevelopment processes have been carried out. However these research works tend to focus on large cities such as Beijing, Shanghai, Guangzhou and Shenzhen.

There is no systematic study of the urban village phenomenon and their redevelopment in middle sized regional cities. This paper fills the gap in the literature by examining the pros and cons of existences of urban villages and their redevelopment in Weihai city in Shandong Province. There are a few hundreds of cities like Weihai in China and the paper aims to evaluate the redevelopment by looking at their physical and social changes. In order to meet the aim this study will highlight the redevelopment problems in middle sized cities. Such as-Land ownership transform, land development process, compensation to household and commercial users, housing replacement and relocation and associated economic and social problems. It will also discuss the benefits that different group received from the redevelopment-focus on the group of village household, private developer and local government.

The paper designed to be five parts as fellows. First part of introduction and next section will review the background of urban villages in China. The third section analysis the redevelopment of two case study villages by adopting case study approach. It does this by analysing perspectives of physical and social changes and entitlement theory. The forth section discuss about the problems and benefits of the redevelopment by evaluation method. The final section will be concludes and recommendations.

## **2. Analysing perspectives of physical and social changes**

### **2.1 Physical changes**

Local government officials often believe the redevelopment is necessary and local physical changes of urban villages after their redevelopments are obvious. We would like to investigate and analyse if the physical changes are necessary or successful. It has to be believed the local physical changes are necessary and those changes can either bring the business or improve the area before the redevelopment happen according to local government and planning.

In most time, local physical changes caused by the redevelopment connect with government regeneration project in the UK and aim to build a better community society or a sustainable place. Urban villages in the UK are the places where outskirts of the city, created by local planning and

regeneration projects. Futures of urban village in UK are well designed both for the physical landscape and social structural:

Physical changes in local areas are under compact development, integrated land uses-separation residential and commercial land uses, emphasis on build community points, well designed street network for public services, plenty of communal, open spaces such as-Local shops, neighbourhood, community, health service and education centre are always been involved in the project design. So urban villages in the UK are the products of local physical developments/changes, they have been seen as the individual society and attract people move from the centre to the rural. (Him, 2010)

In contrary, urban villages in China are transformed from traditional villages which without shopping malls, health care, education centre etc. Instead the environmental problem, safety and security problem exist in the village. Also, village households used to be farmers and receive only basic education program and urban villages attract large number of low educated migrants. High mobility is a special character of urban village residents. (He *et al*, 2008, Liu & He, 2010) We will find out how their physical changes through the redevelopment and analysis if the physical changes are necessary and successful base on the lesson of urban villages in the UK.

## **2.2 Social groups changes and Impact**

Indigenous villagers, rural migrants and other urban Hukou holders are the main three social groups of urban village residents. Because housing conditions and ownerships are not uniform for different groups.

Landless farmers who registered under the rural village Hukou are called indigenous villagers. Most of the indigenous villagers were born in the village and entitle to their house ownerships. However, village houses only for the using of living. Any house based shops, barbers or small scale business have to apply from local Trade and Industrial Bureau. Even though, private residential rural village houses are not allowed to rent for commercial uses.

Migrant workers are the group that come from far away rural areas and work in nearby factories. They didn't have good education background and earning money is the main or only purpose for staying in the local areas. Living conditions are normally humble, even without cooking facilities. In most cases, a room that part of the rural house is the only thing they have paid for in order to save money. Each indigenous village households supply a few this kinds of rooms for migrant workers. (He *et al*, 2010)

Residents of urban villages stay in the village but hold urban Hukou, including those born in the village but move their Hukou to working place (Danwei) or live in the village but come from other

urban areas. Redevelopment compensations are comprehensive and can be very different between three social groups, as each of them possess different resources, capitals, skills, social entitlement, land ownership and rights and house ownership and rights. The indigenous villagers obviously have the most advantages and the approach of this paper is to describe and analyse the redevelopment compensations indigenous village households entitle to have and social benefits they have been offered.

### **3. The Entitlement Theory**

According to Robert Nozick, we all suppose entitled to holdings we possess in a principle of justice under the distribution. (1974:150) Except the nature holdings distributive justice, he also explains a principle of justice in transfer holdings. A person acquired from another which include the gifts and voluntary. He believed that no one is entitled to a holding by application of self-held and transferred. However, there always someone would against the distribution justice and steal from others. Nozick's principle of rectification of injustice (Nozick 1974:151) particularly will support for the issues that village households held.

Nozick's entitlement theory is based on the ideas of John Locke. Under the theory, the only just is voluntary and people are represented and equals though different people may entitled to different properties. In this point, entitlement theory contrasts with Marxist analysis that create a strong system of private property and a free market economy are necessarily. (Nozick 1974:238)

To create a system of social justice Nozick believes that unjustly taking someone's holdings violate their rights. (Nozick 1974:235) For example, he disagrees with the taxation of the rich to support social programs for the poor, he believes this is unjust because the government achieved the tax incomes by forcing rather than voluntary transition.

In the later work of Nozick, he reflects some problems of entitlement theory may have when the theory's defense of people's holdings. It could lead to extremely skilled pooled the vast majority of in their hands resources or through gifts and inheritance to their friends and children. (Nozick 1989:30-31) On the contrasts of Rawls' *A Theory of Justice*, which state each person has equal claim to basic right and that the inequality should only allowed when it "reasonably expected to be everyone's advantage" (Rawls 1999:53) Furthermore, Nozick believes taxation is not entirely involuntary, nevertheless necessary goods and services market transitions can be hardly to be entirely voluntary, and if the wealthy, or organized labour, or those in control of de-facto industry standards frequently favour their own interests by skewing those transactions as they are able to exert undue influence on such a market.

We agree with Nozick's voluntary and fair distributions principles that, in a society that upholds the rule of justice, in reality transgressions and injustice often happen. Okin has put forth an objection to Nozick's idea of unowned material resources can be legitimately acquired by labour in certain sense. She suggests ' If an organism possessed some property motivated by his or her having moral rights, he or she could not be owned by another against his or her will'(Okin, 1989,pp.84-85).

On the other hand, Banner (2002) also suggests the inequality of power and wealth is the premise of the property rights when powerful oligarchs control both the largest share of resources and the political system. (Andersson, 2007) This is clearly with the urban village's redevelopment program in China at the moment. In most cases, redevelopments have/had led by the government rather than the will or voluntaries of the village households and residents. Local government believe urban village is the weakness of urban expansions redevelopment can fix the problem, which resulting village household and resident's life changes by physical and social changes. This will bring to the consideration of Nozick's entitlement and we will adopt Okin's suggest to balance the benefits .

#### **4. Reviews of the background**

##### **4.1 Dual land ownerships and use rights**

Land ownership in China has been divided into state ownership (in urban areas) and collective ownership (in rural areas) in 1954 after the First National People's Congress. (Riskin, 1987) State owned lands (Guo you tu di) are mainly used for urban development. Lands under state ownerships include: urban land areas, confiscated, levied and requisition rural lands, barren mountains and lands. Rural lands become urban lands automatically when all village households transferred to urban residents. Individuals and enterprises can apply to become the legal user of public lands, but the ownerships stays to Chinese central government. Collective lands (Ji ti tu di) are rural land used for farming and villagers' self-help' housing. Only village households, collective economic organizations and collective enterprises are allowed to use collective lands. (Land Administration Law of People's Republic of China, 2004) Moreover, collective lands are divided into different units by village catchment, and village boundaries tell the catchments of each village. Village farmers rely heavily on agricultural production and land. (Croll, 1994)

Because of the dual land ownerships in China, traditional villages located at the suburban areas of large cities do not automatically become parts of the cities during the urban sprawl process. They became the so-called 'urban villages' – traditional villages located inside the built up area, but maintained its rural administrative and living features.

As such Chinese urban village is a very different concept to that used in the western countries (eg. UK) (Murray, 2004). Rapid urbanization and urban sprawl overtook the rural traditional agricultural lands but left the village residential areas intact with traditional houses and living characters. As a result communities of urban villages in China are unlike in the western ones, they are informal and self developed and still administrated by village committee rather than local neighbourhood committees. Households in urban village used to be registered under the rural village collective Hukou Status, village Hukou were kept by village committees and filed by local Public Security Bureau.

Those villagers who hold village Hukou registration called indigenous villagers, they entitle to the use rights of village farm lands and residential plots. Moreover, as the owner of village lands, all of the indigenous villagers together entitle to the village land develop rights. (Wang *et al*, 2009) We are not going to discuss about loss of farm lands in this paper as there are already so many scholars have put a great contributions on the area. However, they will be some background of village farm lands although we will focus on the redevelopment of the village residential areas.

## **4.2 Dual-track System**

Chinese rural-urban division - Dual-track system was set up in the early of 1950s, most urban enterprises were state ownerships between 1949 and 1992 which were different from rural collective ownership enterprises. Rural collective enterprises owned by local town governments or by village committees. Village enterprises are village asset and all the indigenous together are owners. Rural industrial had been held because of the successful grain production reforms, so that rural farmers were promoted to build their own sidelines or work in the rural collective enterprises in addition. (Croll, 1994)

Urban residents received their welfares and houses from public or their employers, so they do not have urban land develop rights. Instead of urban residents' salaries, houses and social welfares, village residents entitled to farm and build their own houses in the village. As a result, village lands content farm lands and house plots. Village farmers pay tax for their farm grains and free to house plot.

Individual village household is not the owner of village lands, but all village households together are the owner of the village lands- Village collective lands. Village houses are private ownership which means they are households' private assets and able to pass to their offspring. Households do not own house plot but they entitle to long time users and develop rights. (Deng 2009, Xie 2002)

On the other hand, urban residents only entitle to 70 years user rights of the houses they live in as urban houses are public ownership. So individual urban residents are not entitled to any ownership and land develop rights

## **5. Land acquisition**

According to Chinese Land Management Law, rural collective lands are not allowed to be used for urban development and private commercial enterprise unless the village households are no longer registered under rural Hukou. In order to achieve more rural lands for urban development, local government would change the village HuKou to urban HuKou by legal process in most cases. (Leaf, 2007) Nonetheless, local/central government have to go through the land acquisition to get the village land and pay for the land. More important, agreements between all village households and local government have to be done before the land acquisition process actually take place according to the Constitution of China.

The village committees, as the village administrative organizations, are responsible for village land management. As such, village leaders often assume that when village collective lands transit to public ownership and put on the land market will depend on their decisions. (Naughton, 2007, Ding and Lichtenberg, 2007) Individual households' decisions have often been ignored in most villages and the bribery phenomenon become worse and worse between developers and village leaders. Both local government officials and village leaders can get high commissions during the redevelopment. Also, developers reach higher profits by paying lower land prices and less compensation fees. On another side, as the users of village agricultural lands, village households get the least compensations for their farm production.

Land has been seen as a key asset for the poor in rural areas in the international level, loss of land is also the key problem of urban villages. Loss of land causes the informal development and dynamic changing of urban villages. Village farmers are difficult to find jobs in the city as they have neither higher level education background nor any industrial, retail and office working experiences, so that many of surveys and publications have showed that village farmers in urban villages stay in poor after lost their farms. In order to collect more rents to cover costs, households have extended their houses as far as possible. All the extensions have built in unplanned and unorganized way which led to land use problems. Good location and low-rent attract a large number of migrants to stay in urban villages.

Urban villages have become over crowded since then, and resulting in a chaotic built environment, an unhealthy living environment, and security and social problems. Urban villages has been widely criticized by the media, government and even some academics.(Song et al., 2008) They are also disliked by local politicians who aiming to achieve their political aims by improving city landscapes and local revenue income. (Liu and He, 2010)

## **6. The Implication of the redevelopment**

The redevelopment of urban village, which led by local government has become more and more popular in recent years over all the country. Local government officials believe the redevelopments of urban villages are necessary aiming to develop the local economic. Indeed, the redevelopments of urban villages have been played positive roles during the urbanization. For example, local public services, city viewing picture beautified and enhance the growth of local GDP.

New built urban neighbourhood has better administration for the floating population, so local security and safety can be improved. Furthermore, high blocks provide more commercial and social houses for both local residents and migrants, while the good environment helps to attract more internal and foreign investment promoting local economic development, so that additional commercial tax revenue will be gained for local government. More importantly, village children will be able to receive better education and get better education facilities.

On the other hand, the redevelopment issues have always been problems for local government/village committees, developers and village residents. Local grain shortage problems become worse and worse because of loss of agricultural lands and it is also against the national agricultural land protection policies. Conflicts between developers and village households happened a lot, because of low compensation for housing plots. Rent income had become the main income of elderly and low educated families before the redevelopment. (Wang et al., 2009& 2010)Neither developers nor local government are responsible to provide jobs for these groups, during the demolition and rebuild times. So, they wouldn't have any income to support their daily costs. Relocation or temporary resettlements are particularly unhelpful for villagers, as they do not have medical insurances and pensions after Deng's Economic reform in the 1980s. (Naughton, 2007)

Another key issue for urban villagers, who are a new group of urban residents, is their social exclusions. According to the Chinese Urban Redevelopment Policy, cash compensation is necessary and the price depends on the local quality of life standard. But the related policy doesn't consider any social welfare responsibilities. Social welfare payment methods of redevelopment are various from place to place in the country, it could even be different in the same city for different villages.

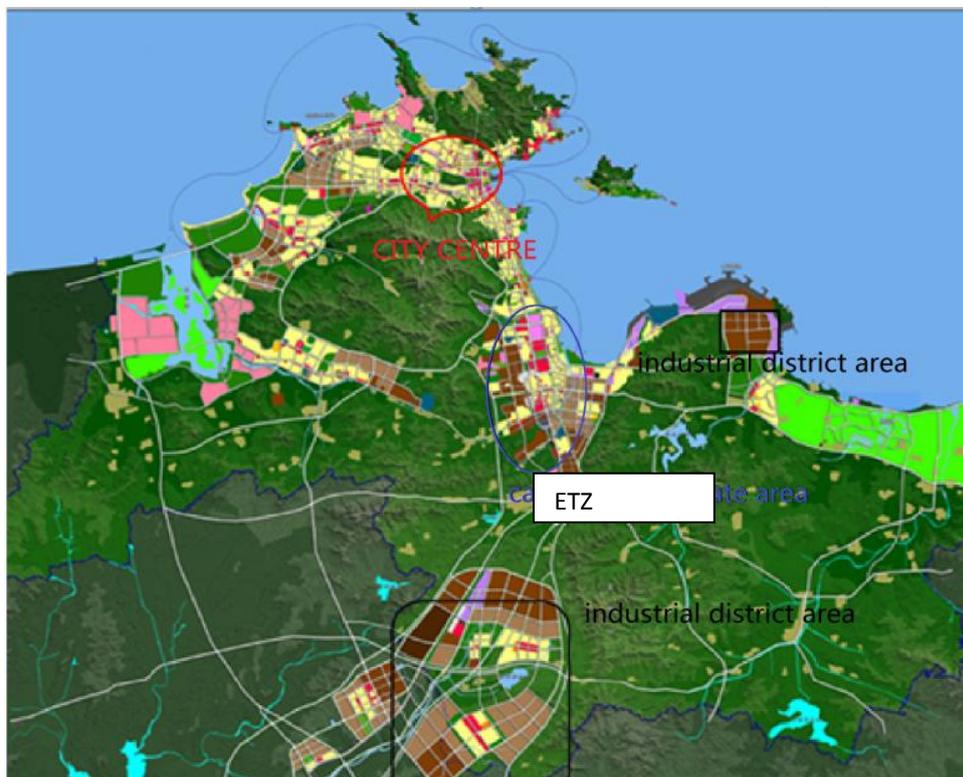
Urban villages in China are unique, as they are special urbanized settlements and developed under the background of China's political and economic system and the Chinese economic transition. (Liu and He, 2010) The redevelopment of urban villages has been led by local municipal governments in most cases with villagers being the co-operators and developers who make profits by rebuilding the village. Different parties gain their benefits more or less in different ways, and they also have to face some problems of the redevelopment.

This paper aims to build a sustainable urban environment and sustainable policies of urban village's redevelopment. It will evaluate the implication of the redevelopment including the debates of 'people or place is more important than the other'

## 7. Redevelopments of two villages in Weihai: physical and social changes

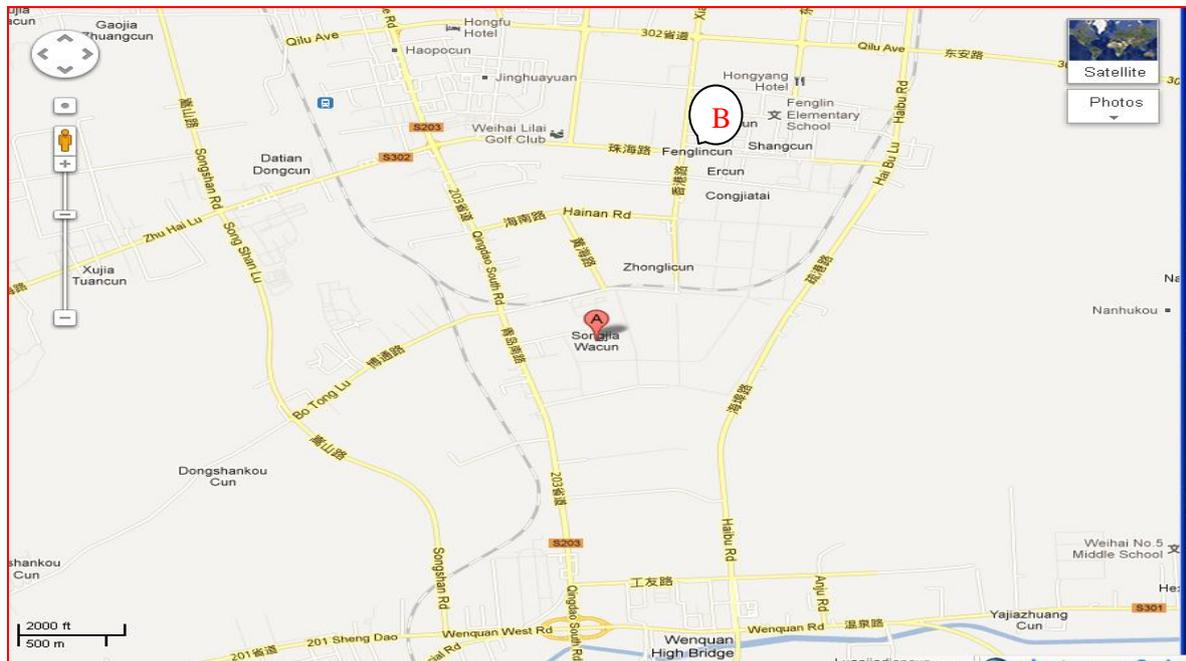
Weihai is a new medium sized city located at the east coastline of Shandong Province. Weihai city Municipal Government has been set up on 15<sup>th</sup> June 1987. Before that, it was a county level town under the control of the Municipal Government of Yantai City. The Chinese central government introduced the 'Open Door' economic development policy and built more cities in the east region through economic and administrative reforms. Because of the importance of location of Weihai, the central government upgraded it to city level in order to achieve better economic development. (WeihaiDianCang, 2011) Population of Weihai has since grown quickly from 50,000 in 1987 to 600,000 in 2009 and the city's built up area increased from 10 km<sup>2</sup> to 150 km<sup>2</sup>. (City government of Weihai, April 2010) There were 66 urban villages in Weihai by 2009, the two villages we have picked up which are Fenglin cun and Songjiawa cun. Both villages locate in the Economic and Technology Development zone.

7-1 Map of locations of case villages area



Source: google map

Map 7-2 locations of two case villages



Source: google map

A: Songjiawa Village

B: Fenglin Village

## **Fenglin village: A local well known successful village**

### **Social changes**

Fenglin Cun original were individual three small villages village one, village two and upper village. After the new Chinese Government set up they became one village called Fenglin village. There used to be more than 1,238 households and 1,000Mu farmlands (1 mu equals 1/15 hectares). The village has lost all its farms in 1992 when the Economic and Technology Development Zone was set up in the nearby areas. (Almost households were used to gather renting income to support the living costs before the village been demolished. We will use household Wang De Qiang as the example to explain how the redevelopment affect village household's life and what are the physical changes.

Mr Wang was a meat retailer and also did farming partly before 1992, when farm lands were expropriated for commercial uses. His shop was no longer allowed to exist because where the shop stood need to be demolished meanwhile the village committee set up a few collective enterprises by

raising the farmland compensation. They didn't get any compensation for lost of farms instead he was offered a job in the village property company as a skilled worker. (Electric welder) His wife also was offered a job in a Japanese food company (WeiDongRi food) a year later. However, both of them needed to work 9 to 10 hours a day, his wife left her job and became a full time housewife, Almost half of married women did same thing as his wife did and became full time housewives. There have a son was only 10 at that time and attended to local school for free.

Hundreds of local and foreign companies had been built inside of the Development zone, however, there wasn't any accommodation built inside the Development. Except local staff, all internal migrant workers have to rent in nearby villages and Fenglin cun received most of them. Mr Wang owned two properties, he only let the old one in the first a few years and the property he rent wasn't extended at all. Demands became more and more, rent became higher and higher and tenants requirement was very low. (A room with wood made bed only) Many village households started to extend their houses and redecorate their houses. Toilet and bathroom were removed from inside to the street in order to gain extra two to three renting rooms.

'I used to hate people did this to destroy the village environment, but I have to say I can't refuse the money, so I did the same thing later on' said Mr Wang. 'There were five tenants stayed in the house we stay and six in my other house, I used to get at least 1500yuan rent income a month'.

When I asked about the electronic safety problems and who had done the electronic jobs for him, his answer is 'I did by myself and if it fired we just run then as we all on the ground floor'

Mr Wang's son has married and he already has a grandson, his son bought his own property before he married. When the residential redevelopment took place in 2009, he actually worked in the company which was responsible for the redevelopment.

Two years before the redevelopment, their Hukou have been changed to urban residents, Mr Wang and his wife didn't feel any change of their live except they have been guided how to pay for their pension and buy their medical insurance. According to the local policies and village rules, Mr Wang were entitled to have 40 extra square meters base on his two property sizes, so he was entitled to 306 square meters(133sqm<sup>2</sup> each old house). Wang decided to have three 90 sqm<sup>2</sup> flats and 100,000yuan cash. He also got 18,000yuan relocation fee during the redevelopment time.

'I actually paid 3,000 back as they finish the job with 15 month(they planned to finish in 18 months) although we can't move into the new house immediately' said Wang 'I don't want the redevelopment but I couldn't deny as I don't want to lose my job'.

There used to be 5,000 to 7,000 migrant workers stayed in the village, on the contrast with only not even 2,000 after the redevelopment. Wang have three properties now, he and his wife use one, rent

one and another one is emptied. He only can raise 900 Yuan rent now, because migrant worker can't afford for the new building. The rent/per room now are three times than it used to be. They would like to let their extra flat as well, but demand are much less now.

Mr Wang's current life hasn't been changed a lot and his main income is still from his work. Both he and his son work for original village enterprises. But he realised his private house ownership will never be back, he believe he deserve more as he not only lost his houses but also residential land and he realised there should be some compensation for his farms back to 1992. We agree with Mr Wang, as one of the collective member, he entitled to the collective farms and residential plot. However, he can't do anything to get all he lost. Because, he doesn't want to put his job on the high risk and this project was led by the government which means he can never won.

As the village has no longer there, the collective enterprises need to be privately. Including LongFeng Property Development, there were six village enterprises with total asset of 0.52 billion Yuan and net asset 0.35 billion Yuan. These enterprises have been sold as a whole and running in Joint-stock way. Except 40% of fixed shares, the rest of 60% were divided in to 5,439.05 shares and held by 3308 qualified indigenous.

Line up by 31<sup>st</sup> December, 1999 whoever has aged over 40 by the time is entitled to be one investor of the companies, he will get the warrants which valued for 60,000 Yuan. Take an example, back to Mr Wang's family. Both he and his wife aged over 40 by the end of 1999, so each of them entitled to warrants and hold one share. His son was 17 at that time, he is only entitled to 0.425 shares of a warrants. There are five people in their family include Wang's 2 years old grandson, all of them are qualified to be a share holders. When Mr Wang dies, he will be able to pass his warrants to his heir. In the case of FengLin village, the redevelopment cause households lost their residential plot, reduced rent and house private ownership. In return they got new public ownership new flats, jobs offers and warrants. Because the warrants can be passed to next generation, so it is difficult to value or compared they achievement to market land prices. However, those who were using their houses to run a small business are really dissatisfied.

## **Physical changes**

The redevelopment of Fenglin village was led by Weihai city government and LongFeng property Development (registered under the village collective enterprise) was responsible for the redevelopment. As the redevelopment going on, the area has become part of the urban areas with three bus routes and central heating supply, urban neighbourhood Fenglin is the new administration that in

charge of the village include nearby areas. The indigenous will still be able to get a job if they went to Fenglin neighbourhood looking for jobs.

**Picture 7.1 New Neighbourhood**



Source: Author's photo

**Picture 7.2 New built primary school**



Source: Author's photo

Primary of Fenglin was first built in 1931, it opened to the children of the village and nearby areas. Because of the redevelopment of the village has been ongoing, more and more people stay in the area (include children from migrants families) the local council and Village committee of Fenglin village decided to rebuilt the school and both the council and the village responded for the funding of the the construction and new facilities.

The redevelopment started in 2009 and complete in 2011, Map 7.3 shows the design of the redevelopment of the village. A traditional Farmers' Market was also knocked down and build a new commercial building, this building was planned to create more jobs for local people. Because of the

limited facilities, we couldn't manage to take a picture of the full area. But the redevelopment matches with the design (yellow line is the original village area) when we were there in 2011.

### Map 7.3 Design of the redevelopment



Source: Web of SouFun

[http://newhouse.weihai.soufun.com/photo/d\\_other\\_21065761.htm](http://newhouse.weihai.soufun.com/photo/d_other_21065761.htm)

A new built 500 beds nursing home and a five star hotel set up just beside the original village. The nursing home is managed by Fenglin Neighbourhood, good environment and living facilities have provided for the residents. Except regular meals they also provide entertainment and health facilities, such as – tennis, video room and bowling etc. The indigenous villager who aged over 60 and proved by the doctor that they are unable to looking after themselves, are qualified to apply to stay in the nursing home in half price. Again Mr Wang's mother who, aged 80 and lost her memory, stay in the nursing home. We have interviewed ten households who have similar situation like Mr Wang', they feel the nursing service is good and very helpful compared to the traditional style- parents are looking after by their children only.

'It takes too much time to looking after the old generations in old time, it really affects our work and some people have to give up their job and looking after their parents' Said Mr Wang

The hotel provide convenient service for local business/ companies, it also provide wedding service. So local people are very satisfied to have a hotel nearby and they tend to get used to major celebrations here.

All in all, we believe the redevelopment of FengLin Village is a successful case in general. Public services, education facilities, health care and environmental problems have been improved a lot. The indigenous and graduates have been provided jobs although they lost some rent in some points. 3308 indigenous have become share holders instead of their residential land develop rights.

However, there still some injustice compensation. Not all of the indigenous villagers have had their health insurance and pension as they don't have enough money to pay and village committee/local government didn't put any contributions. We believe all of the indigenous villages are entitled to have free insurance and pension as they have lost their entire farm lands and house plots, more over local government and developers tend to forget about the land developing right. Furthermore, social injustice between original village indigenous and new local residents would create social exclusive problems in long time, but we are not going to discuss about this problem in this paper.

### **Songjiawa Village: A village won the redevelopment design**

The village locate on the south of the city boundary which just off the high motor way of city link, it also inside the catchment of Economic & Technology Development Zone. The village was built 500 years ago and there used to have 600 families and 1,800 residents lived in the village. Size of farm lands on the village was 950,500 sqm<sup>2</sup>.

Village farm lands was expropriated in around the year of 2000 (the village residents couldn't tell the exactly time during the interview time). There was no bus route to the village and bad village road conditions. More than half village households rely on the farm production before the Economic & Technology Development Zone set up. Afterwards, rents became another income source together with farm gains until their farms have been expropriated. Village farmers became landless farmers and rely on the rents to support their daily costs before the redevelopment.

### **Social Changes of the village**

The village household didn't receive any compensation for their lost farm lands and no social welfare and jobs offered at all. Instead of cash compensation happened once, each indigenous villagers were offered 650yuan for their food. During our interview, villagers complained that 650 yuan is not enough for their annual food and it became worse and worse as consumption prices get higher and higher, particular in recent three years high price caused by high inflation. As a result, the Village household have maximised their houses and extended their houses as this could be the only income source for half of the households. . Compared to Fenlin, the living standard of the village is lower, but the village environment is even worse than Fenglin.

Households who don't have any jobs and rely on rent income are potential to become urban poor in long term. After the redevelopment, there are about 1500 migrants stay in the area compared to 4000. The village committee even didn't guide villagers to buy health insurance and pension before the redevelopment, so there still a number of villagers do not have social welfares.

The nursery used to opened to village children only have been demolished and a private nursery set up and all applicants are equalled to same price. Village children need to attend to Fenlin primary, high school administration are the same like before which they attend to the third High of Weihai.

The household that we had interviewed decided not move back to the village. Mr Yang and his wife both working before the redevelopment and they moved to their new two- floor house that locate in suburb area. They have a son who has his own job but still stay with his parents and Mrs Yang give up her job became a full time housewife and part time playing in stock market. They received two new built flats and both flats have been rent. The total rent they receive per month now is similar like before.

'Life hasn't changed a lot for us as we didn't rely on farm production and rent income instead we get more assets. Both of us have the health insurance and pension before the redevelopment, my son has grown up and he got these welfare paid from his work. We enjoy where we stay now. We planned to rent only one flat in the future and another one will be passed to my son as a marriage gift.' Said Mrs Yang

### **Dramatic Physical changes**

The redevelopment planned in 2004 and started from 2005. There were three stages of the redevelopment and completed in June 2009. The total rebuilt area is 5.2 million sqm<sup>2</sup> and well known by the residential design in local. The design of the redevelopment has won the prize on the International Habitat in 2005. (See Map 8.4)The village has been renamed Lanshanxiaozhen and has been relocated. The original residential lands of the village have been built for manufacture uses. (See Map 8.5)

**Map 7.4 Design of the redevelopment: LanShan Town (Lanshan xiaozhen)**



Source: Web of Weihai Property

[http://www.whhouse.com.cn/whup/ghgs\\_songjiawa.asp](http://www.whhouse.com.cn/whup/ghgs_songjiawa.asp)

**Map 7.5 Rebuilt residential area and nearby**



G: The new built properties and where the village is relocated

A-F: Lan shan xiaozhen

New built houses comply with local planning policies, self-developments are no longer existed, green plants areas, indoor toilets and well designed sewage system have helped to solve the local environmental problems. As we can see from Map 8.4, road conditions are much better and more roads around the redevelopment areas, so that transport services are very convenient. After the redevelopment, village residents can received central heating during the winter, however, they also worries about the high heating fee. As new neighbourhood only offer job opportunities for indigenus village graduate, households are not entitled to any work skill training need to find jobs by themselves. Most indigenus villagers have low education and low skill background, hard labour job is their only choice.

**Picture 7.3 New built residential building**



Source: Author's picture

The redevelopment of Songjiawa village has been focused on residential and manufacture buildings. (See picture 7.3 for the new built houses) A number of village households are potentially become

urban poor in long term although a few households can achieve more assets and become millionaires, because they have treated the place more important than people,

## **Conclusion**

When the new government of China established, dual land ownership system was also set up in early 1950s. Lands in rural areas are village collective land ownerships, they are used in purposes of farming and village residents' house building. Except village farmers, any other organizations or institutes do not have the right to develop the village lands unless the development will benefit for the national or public benefits, such as roads, schools and village enterprises.

Rapid urbanization led a huge number of rural migrants to cities along with fast economic development caused urban sprawl in China. Urban land limitation is one of the major barriers to complete urbanization process, suburb village lands become main resources for urban expansion. Because of the dual land track system, before the urban expansion development take place, rural collective lands transit to urban lands through land acquisition and compensation of lost lands has to be done. (File 31<sup>st</sup> 2006, State Council of the People's Republic of China) However, the file didn't tell exactly amount of compensation rather than depending on local government.

This paper has been focused on the residential compensation during the redevelopment of urban villages. Village households in urban villages have lost their farm lands, some of the indigenous villagers only rely on rents incomes to support for their costs. Losing of their houses could lead them to urban poor in long term as they do not have jobs although they will get new houses or cash compensation. The problem is the amount of cash compensation or house exchange will depend on local government and developer rather than village households. As a result, different village households will have different impacts- potential urban poor and enrichment. (He et al, 2008)

The result of social and physical changes shows village households are the group that received the least benefits compared to local government and developers, and they didn't involved the redevelopment plan and process. According to entitlement theory, the indigenous villagers suppose to achieve the most benefits as they are the owner of their houses, lands and land develop rights. In reality, most cases of urban village redevelopment projects led by local government and promoted by planning and developers, villagers have been playing the co-operations. New built houses will be public ownership and village household won't be entire to the development rights.

Physical changes became the priority of the redevelopment, as good environment and buildings after the redevelopment affect the local investment in most. Physical changes also improved the village residential building quality but it cost less rent income of indigenous village households, which resulting their lower life standard. On the other hand, physical changes also link to social network,

such as, new built schools with good facilities help for village young people's education services, new built residential areas with well design reduce the risk of safety, good street sewer system and lead central heating supply to each houses.

Almost in all cases, physical changes have always been concerned ahead of social changes by local government. Indigenous villagers' Hukou have always been transformed to urban resident Hukou holders before the redevelopment happen and these decisions entirely belong to local government. A series of injustice social changes followed to village households, all they need to do is follow local organizations arrangement.

Prices of redevelopment compensations depend on local government and developers rather than market price or the worth of village houses. Village house land development rights have always been ignored. Moreover compensation money and new houses wouldn't take place until the redevelopment finish. Even the local well known successful case Fenlin village, village households had never got their compensations after their houses were demolished.

If urban village's redevelopment follow the entitlement theory and obtain the principle of social justice, private ownership transform to public ownership will also need to be concerned for the compensation. Before the physical changes happen, village households are entire to involve for the redevelopment plans, and their responses will affect the redevelopment decision. Social changes can be more effectively to help local residents by set up more open spaces of communal and enhance of local community services.

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