

**COMMUNITY OR COMMODITY?  
A STUDY OF *LILONG* HOUSING IN SHANGHAI**

**By**

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## ABSTRACT

Shanghai is currently undergoing a massive phase of redevelopment to its inner city. The major factors behind the spread and degree of this urban redevelopment is the concept of commodity value of land under the economic reform program, the commercialization of housing under the housing reform policy, and the physical condition of much of the inner city housing after decades of neglect. The result of such renewal is the demolition of vast amounts of *lilong* housing and the relocation of its dwellers to alternative housing in the periphery. However despite overcrowded conditions, and lack of services, the *lilong* neighbourhoods have maintained a high level of social stability, community cohesion, and economic viability for the dwellers.

This research examines the factors which are affecting *lilong* dwellers in their access and quality of housing under the past delivery system based on public housing as a welfare privilege, and under the current climate of housing reform and 'commercialization'. As the intention of the study is to determine those factors which both alleviate and contribute to housing problems, it is of primary concern to understand the relationship between the dwellers, their housing, and the inherent factors specific to the old neighbourhoods.

To describe these pressures a holistic approach is required. The thesis links field research with recent Chinese and English publications on China. Basic data sources include in-depth interviews with a diverse group of stake holders which includes *lilong* dwellers, housing administrators, planners, policy makers and community workers; participant observations in the *lilong* communities; and, primary and secondary documents which include policy statements, statistical publications, project proposals, and journal and newspaper articles.

The study suggests that *lilong* dwellers will experience increased hardship in their ability to remain in the old neighbourhoods. Furthermore, as a result of the shift from a centralized welfare housing delivery system to a market-oriented system, dwellers may experience greater disparities in housing access and allocation due to their specific living circumstances. To address the local needs of dwellers, policies must be modified which consider both the community and the commodity value of inner city housing and neighbourhoods.

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## CHAPTER 1

### INTRODUCTION

There is a Chinese saying that "A house of gold or silver is not as good as a house of straw".<sup>1</sup> This simple statement expressed by a *lilong* dweller in one of the old neighbourhoods of Shanghai begins to explain the inherent value placed on traditional housing by occupants.<sup>2</sup> To many *lilong* dwellers, this traditional inner city two to three storey row housing or lane housing possesses inherent qualities of convenience, social strength and stability, architectural practicality, family tradition, local attachment, and community cohesion.

Currently, these well established communities of the old inner city are experiencing rapid and increasing pressures of demolition, redevelopment and dweller relocation. Such dramatic changes in the inner city are directly related to the remarkable change in attitudes and policies under the general term of "reform policies," and more particularly "housing reforms," which were introduced more than a decade ago and mark the transition towards a socialist market economy. The major factors behind the spread and degree of this urban redevelopment are the housing reform policies which promote the commodification of market housing, economic reforms which encourage investment for widespread urban renewal, and the physical conditions of *lilong* housing which have endured decades of neglect. It is the position of this paper that under past housing delivery systems *lilong* dwellers were affected in their access to improved housing; however under the shift towards a market oriented economy, *lilong* dwellers may experience even greater disparities in housing access, including spatial and social segregation.

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<sup>1</sup> . Interview 1, Wan Zhu Jie Street, Shanghai. 30 April, 1993. For this study 48 interviews were conducted (see appendix 1). To protect the confidentiality of information, names of interviewees are not provided. Interviews are categorized according to whether they are dwellers, professionals, community workers, or administrators.

<sup>2</sup> . *Lilong* housing or lane housing represents the dominant residential form which was built in Shanghai during the latter part of the 19th. and early 20th. century, before the establishment of the Peoples' Republic of China. Its characteristic form merges traditional European row housing and Chinese courtyard style housing. Literally translated, *Li* means neighbourhood and *long* means lane, hence the name *lilong*.

## 1.1 Purpose of Research

The purpose of this research is to examine the factors which have affected and are affecting *lilong* dwellers in their access and quality of housing under; (a) the past delivery system based on public housing as a welfare privilege, and (b) under the current climate of housing reform, and "commercialization" of housing and urban redevelopment of the old neighbourhoods under the economic perspective of housing as a commodity.

As the intention of this study is to determine those factors which both alleviate and contribute to housing problems for *lilong* dwellers, it is of primary concern to understand the relationship between the dwellers, their housing, and those inherent factors specific to *lilong* housing and the community which are valued by its dwellers. It is further necessary to understand those local conditions which are characteristic of Shanghai, and may inhibit or exacerbate housing problems for *lilong* dwellers.

To carry out this study four months of field research was conducted in Shanghai through the financial aid of CIDA (The Canadian International Development Agency) and the Centre for Human Settlements, Vancouver. During the investigation several *lilong* neighbourhoods were examined in light of the current development trends in Shanghai. Research methods included participant observations and in-depth interviews with *lilong* dwellers, housing professionals, planners, architects, academics, administrators, policy makers, and community workers (see appendix 1).

## 1.2 Historical Background

Under the planned socialist economy, housing was considered as part of the social welfare system which was provided by the government to all citizens, irrespective of their position or financial capabilities. The majority of urban housing was state owned, and therefore fell under government control and care. In the case of *lilong* ownership, the majority was state owned and operated through the Shanghai Housing Bureau. The government

therefore assumed full responsibility for maintenance, finance, allocation, management, repair, and rehabilitation. Under the past government controlled welfare system, *lilong* housing in Shanghai underwent little redevelopment and reconstruction. Intervention consisted predominantly of maintenance, rehabilitation, and for the most part, demolition of dangerous housing.

This approach to housing delivery has resulted in particular policies and regulations towards *lilong* housing which have in turn affected both the *lilong* dwellers and their living environment. Positive factors such as affordability, community based organizations, and housing exchange programs exist; whereas, negative factors such as overcrowding, lack of maintenance, restricted infrastructure, allocation and building classification systems, have constantly challenged dwellers. Furthermore, low rent structures which require only minimal financial contribution by the dweller have not provided adequate funds for yearly maintenance.

Such negative factors have put inordinate pressures on this already run down housing. As a result, an ever increasing number of dwellings are not of acceptable living standards and either require extensive repairs or must be demolished. In the case of *lilong* housing located in the older neighbourhoods of Shanghai, according to sample surveys, 56.2% of dwellers had no private kitchen, 72.5% utilized coal burning briquette stoves, which emit a harmful sulfur laden smoke, and over 99% of all dwellers did not have sanitary conveniences or toilets and used the traditional night stools.<sup>3</sup> Furthermore 1982 data states that 22.7% of Shanghai urban households do not have in-house tap water.<sup>4</sup> Domestic violence, divorce, family and neighbourhood disputes are also among the problems that are on the increase in *lilong* communities, as 70% of disputes among neighbours and 65% of family disputes are caused by poor housing or are related to housing issues.<sup>5</sup> Such statistics place the housing problems in the old districts of Shanghai among the worst in urban China.

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<sup>3</sup> . Jianmin Zhang, "An Anatomy of the Spatial Environment of Shikumen Housings in Shanghai," in The Research on Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p.104.

<sup>4</sup> . Tingwei Zhang, "Housing Policy Under A Planned Economy: Towards an Alternative Housing Policy in China" (Ph.D. Dissertation, University of Chicago, 1992), p. 28.

<sup>5</sup> . Tingwei Zhang, "Housing Policy Under A Planned Economy: Towards An Alternative Housing Policy in China" Ph.D. Dissertation, University of Chicago, 1992), p. 39.

Furthermore, policy initiatives which attempt to double the living space from 4 square meters to 8 square meters/person by the year 2000 have had limited success. Many *lilong* dwellers still live well below state standards. Currently, 450,000 households occupy space below 4 square meters, and are classified as inconvenient and crowded housing.<sup>6</sup> Multi-generations often share one room creating densities in some old districts of approximately 30,000 persons/ sq. km. In the city centre, 25 neighborhoods have reached densities of over 200,000 persons/square km. and 5129 persons/hectare.<sup>7</sup>

Nearly all *lilong* residents are unsatisfied with their current housing conditions and realize the need for extensive upgrading and housing reforms. However, only a small number of dwellers in the old neighbourhoods express a desire to be relocated to new housing in the periphery of Shanghai. A 1987 survey in Shanghai found that 68.3% of city residents' rejected moving to new housing in the suburbs and would rather tolerate substandard living conditions of 4 square meters in the downtown area.<sup>8</sup> Notwithstanding these poor living conditions and existing restrictive maintenance policies, many *lilong* dwellers have contributed time and finance to consolidating and upgrading their units.

In light of the housing problems in Shanghai, and the resulting untenable financial commitment required by the government at both the state and municipal level to bring housing to the official standards outlined by the government<sup>9</sup>, Shanghai has rapidly responded to the housing reform policies which were first introduced in China

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<sup>6</sup> . Xijin Zhu, "Opportunity of Renewal of Old City-The Authorized Land Lease in Shanghai and Its Coincidence with the Target of Renewal of the Old Residential District," in The Research on Human Settlements in Shanghai, ed., Zheng Shiling (Shanghai: Tongji University Press, 1993), p. 225.

<sup>7</sup> . Xijin Zhu, "Opportunity of Renewal of Old City-The Authorized Land Lease in Shanghai and Its Coincidence with the Target of Renewal of the Old Residential District," in The Research on Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p.224-225.

<sup>8</sup> . Tingwei Zhang, "Housing Policy Under A Planned Economy: Towards an Alternative Housing Policy in China". (Ph.D. Dissertation, University of Chicago, 1992), p. 83.

<sup>9</sup> . "According to estimations by the year 2000 the population of the city of Shanghai will reach 7.74 millions. The average living floor area per capita is intended to be 8.0 square meters, and self-contained flats will make up 70-75% of total dwelling units. Forty million square meters of apartment houses are to be built in the district, which means 4 million square meters each year. In 10 years, the quantity of old houses to be demolished in the city district will be 5 million square meters (500,000 square meters each year). One million square meters of old houses will need renovated to be apartments (83,000 square meters each year). Twenty billion yuan will be needed for the urban residential construction (including newly-built and re-construction), which means 2 billion yuan each

in 1979. At the most basic level, these policies aim to transfer housing responsibility from the public to the private sector in order to convert the heavily subsidized housing system to that of a self financing business. Individuals are now required to increase their financial contribution proportionate to the commodity value of the dwelling through the increase of rents, privatization of public housing, and commodification of market housing through home ownership, in order to more equitably reflect the state's investment in housing construction and maintenance. Housing which once had been considered a welfare privilege, is currently viewed as a commodity which is able to generate financial profit and revenues. As a reflection of this new direction Shanghai has currently over 1,600 real estate companies,<sup>10</sup> which market new housing to enterprises, foreign buyers, and local wealthy businessmen.

In regard to old *lilong* housing, the effects of housing reforms are often overlooked. In fact when asked about the impacts of housing reforms on *lilong* dwellers, Shanghai housing officials often remark "housing reforms do not concern *lilong* dwellers: as the government is not considering the privatization of its *lilong* housing stock and the majority of *lilong* occupants do not have the financial capabilities to purchase market housing". But it is the opinion of this researcher that the shift to a market oriented economy from a centralized welfare system is having major effects on *lilong* dwellers and their neighbourhoods in both direct and indirect ways. Directly, dwellers are affected through rehabilitation and renewal projects for old neighbourhoods, and the subsequent relocation of dwellers to the periphery of Shanghai. Indirectly dwellers are affected by policy implications of affordability, allocation, land development and land lease, maintenance and upgrading, work unit affiliation etc.

Such pressures are intensified due to existing local conditions in Shanghai. Under the "open door" policy and economic reforms, Shanghai is experiencing an accelerated economic boom in investment and development. The urban core of Shanghai, where the majority of *lilong* neighbourhoods are located, is faced with increased redevelopment pressures with the construction of hotels, offices and commercial buildings. According to 1992

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year, i.e. the average expenditure of each Shanghai citizen will be nearly 2,500 yuan. (Wenjun Zhi, "Housing and its Development in Shanghai," in The Research on Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p.84.

<sup>10</sup> . Liao Ye, "Shanghai Real Estate Industry Flourishes," Beijing Review 36 (No. 35, Aug. 30-Sept. 5, 1993): 17.

statistics, foreign investors have leased and redeveloped 78 pieces of land in the old districts of Shanghai which totaled 63.3 hectares.<sup>11</sup> Of the 78 pieces of land leased; 0.76 million square meters of housing was demolished, and 28,000 households were moved.<sup>12</sup> Other data indicates that the Shanghai government in 1992 endeavored to promote old neighbourhoods for reconstruction through concrete policies in land lending and development projects. From January to September, 135 pieces of land were approved for lease to foreign investors, the majority of which were located in the in-danger housing areas and older *lilong* neighbourhoods.<sup>13</sup> This rapid development, coupled with a lack of land use controls has the potential to destroy much of the existing *lilong* housing in the inner city.

It is evident that *lilong* dwellers and their housing continue to be affected by national housing policies. First, under the system of centralized welfare housing residents experienced challenges based on physical limitations such as overcrowding, lack of maintenance, a shortage of services, and procedural limitations due to allocation policies. Such pressures were of a substantive nature and did not result in the dramatic alteration of the traditional urban fabric of *lilong* neighbourhoods. However under current reform policies, new challenges are emerging for both *lilong* dwellers and their neighbourhoods. Trends may already be occurring which indicate the effects of the market housing system on *lilong* residents.

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<sup>11</sup> . Xijin Zhu, "The Authorized Land Lease in Shanghai and Its Coincidence With the Target of Renewal of the Old Residential District," in The Research on Human Settlements in Shanghai. ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p. 227.

<sup>12</sup> . Shiling Zheng, "The housing Problems in Shanghai and Their Prospects," in The Research on Human Settlements in Shanghai. ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p. 15.

<sup>13</sup> . Gu Yun Chang, "The Redevelopment of Old Neighbourhoods and the Management of Real Estate," Unpublished Paper. Shanghai, 1992. (In Chinese).

### 1.3 Hypothesis

The main hypothesis of this thesis is that inherent social values exist within the physical planning and community framework of *lilong* housing and that under current housing reform policies *lilong* residents and their inner city neighbourhoods will be challenged in new ways.

Furthermore, even though past policy directives have inhibited the improvement of *lilong* housing and have affected dweller access to improved housing, current housing reform policies may increasingly contribute to disparities in housing access, spatial and social segregation and house upgrading. What is thus required are modifications to the existing policy framework to address the specific needs and capabilities of *lilong* dwellers and provide a climate which will encourage the preservation of the inner city housing stock.

### 1.4 Thesis Objectives

The objectives of this study are:

1. To gain a better understanding and add to the body of knowledge concerning *lilong* housing in old neighbourhoods of Shanghai.
2. To identify the inherent social values experienced by *lilong* dwellers in relation to their housing and their community.
3. To understand the limitations incurred by *lilong* dwellers in relation to housing under past policy directives and current housing reform policies.
4. To suggest future policy directives which will more directly address the specific needs of the dwellers and *lilong* communities.

## 1.5 Scope

The term *lilong* refers to a generic classification of row housing which is characteristic of Shanghai. As *lilong* housing was built over a span of 90 years, which began in the middle 1850's and ended in the 1940's, they have undergone substantial alterations in form, size, and structure to suit the changing needs of the dwellers, the society and the economy.

*Lilong* housing is currently classified into five groups: early *Shikumen*,<sup>14</sup> *Shikumen* or old *lilong*, new *lilong*, garden *lilong*, and apartment *lilong*. These groupings are categorized by such factors as date of construction, type of structure, dwelling size, decoration, services provided, construction material, orientation and class of inhabitants. For the purpose of this thesis only those who reside in the older *lilong* or *shikumen* style housing will be examined, for it is these occupants who live in very difficult conditions and are often unable to provide adequate financing to purchase new market housing. Furthermore these old *lilong*:

1. comprise over 32.7% of the total *lilong* housing stock of 42.9%<sup>15</sup>, and equal 20,000,000 sq. meters of housing over 60 years of age.<sup>16</sup>
2. are located in the urban core of Shanghai which is currently under the greatest pressure for redevelopment.
3. possess densities which are among the highest in Shanghai.
4. often lack basic services including sanitary conveniences and private kitchens.
5. possess architectural significance and are an important asset to the uniqueness of Shanghai.

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<sup>14</sup> . The word *shikumen* derived from Mandarin is literally translated as "stone gate," an identifying feature which is characteristic of, and marks the entrance to early *lilong* housing.

<sup>15</sup> . Shanghai Tongji [Shanghai Statistical Bureau], *Shanghai Tongji Nianjian 1992* [Statistical Yearbook of Shanghai] (Shanghai: Shanghai Tongji Chubanshe [Shanghai Statistical Publishing Co.], 1992), p. 440.

<sup>16</sup> . Wu Pao Zhang. "Multiple Approaches In The Reconstruction of the Old Neighbourhoods," *Shanghai Real Estate Association* 1 (Vol. 78, Feb. 25, 1993) (In Chinese): 32.



The *lilong* classification can be further divided into two sub groupings. Class I represents those old *lilong* discussed above which possess limited facilities, low spatial allotment, and multi-generations sharing one unit. Class II represents old *lilong* which are also so severely damaged that they require major repairs or are considered dangerous. This class of *lilong* is often referred to as "in-danger-housing" and represents 530,000 square meters of the total 80,590,000 square meters of residential space in the 10 districts of Shanghai.<sup>17</sup> For the purpose of this investigation *lilong* housing, which is of a physical condition capable of withstanding some degree of renovation and rehabilitation, will primarily be considered.

As current housing reform policies comprise a substantial and varied group of initiatives which are directed at all dwellers and housing types, the focus of this research will primarily concern those specific factors which are currently affecting dwellers of old *lilong* housing owned by the State and managed by the State Municipal Housing Authority. This type of housing is often referred to as "state owned, non self contained old dwellings."

Certain limitations exist within the research proposal which affect both the project design and the accuracy of the data. As the length of the field research was relatively short, (approximately four months), the researcher examined current conditions *in situ* as opposed to long term causal effects in housing. The second limitation was that of language. As interviews were conducted through an interpreter proficient in the Mandarin language, the clarity of data was affected. Interviews were therefore recorded on tape and retranslated for additional clarity. Third, a very limited amount of material existed in English on *lilong* housing issues specific to the old neighbourhoods in Shanghai. Therefore, substantial translations were required for this study. Fourth, due to official government requirements some restrictions occurred in the choice of site and interviewees.

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<sup>17</sup> . Wu Pao Zhang, ed., "Multiple Approaches in the Reconstruction of the Old Neighbourhoods." Shanghai Real Estate Association 1 (Vol. 78, Feb. 25, 1993) (In Chinese): 32.

## 1.6 Methodology

### 1.6.1 Conceptual Framework

As this research focuses on the current situations and pressures affecting *lilong* dwellers and their neighbourhoods, a case study approach comprised the main research strategy. Furthermore because this study concentrated on the participants' perspectives and concerns for their housing, both direct observation and systematic interviewing were conducted during the field research.

To fully understand and describe the pressures which face *lilong* dwellers within the context of past policy directions and current reform policies, it is necessary to take a more broad based and holistic approach to analyzing these questions. Within the conceptual framework of the study, housing is to be operationalized as the societal process by which people utilize shelter. *Lilong* housing is analyzed not only in its *ekistics* sense as a shell or structure, but also in a social science definition in which housing is defined as a process based on a theory of action (Turner, 1972: 151). This approach to housing analysis concentrates on the importance of the dwellers' experiences, capabilities and traditions in relation to the built environment, and the policies or invisible structures (Peattie, 1983: 230) both formal and informal which control and affect housing. This concept of the process of housing relates to Turner's fundamental thesis that housing is not a noun but a verb<sup>18</sup> which requires the researcher to consider housing not as a product but as an activity. By this definition the official housing policy which advocates the institutional production of so many standardized housing units to solve the housing shortage becomes flawed; whereas the ability of dwellers to participate, shape, and maintain their housing and community is crucial.

Due to the many complex and convoluted aspects of Chinese housing policy, the characteristic circumstances of Shanghai, and the historic factors of *lilong* housing, a holistic approach was required in this

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<sup>18</sup> . John F. C. Turner and Robert Fichter eds., The Freedom to Build, (New York: Collier Macmillan, 1972), p.151.

thesis. In addition to these academic requirements, circumstances also were presented which offered an opportunity to study the *lilong* question in a varied manner. Due to the recent "open door" policy a distinct advantage existed in data collection. As a foreign researcher in China, a more integrated approach was permitted during the study where a wide range of ideas and experiences were gathered from many stake holders which included dwellers, housing officials, developers, planners, architects, community workers and intellectuals.

### **1.6.2 Data Requirements**

The specific data required for this investigation included both primary and secondary information. Primary data was gathered in Shanghai during the field research component which focused on the dwellers' needs and traditions in respect to the *lilong* environment as well as the limitations and benefits experienced under each housing policy. Both participant observations and in-depth interviews with selected informants provided the major portion of data and included both qualitative and quantitative information. The secondary research included gathering of qualitative and quantitative data from current documentary material.

### **1.6.3 Methods for Gathering Data**

The first stage in data gathering included library research and the investigation of secondary materials on *lilong* housing, Chinese housing policies, and the current socio-economic changes which have occurred in Shanghai. The second stage of data gathering occurred during the field research component. Both participant observation and informal interviews, with two distinct sets of selected informants, was required.

#### **Site Selection**

The area selected for study is the Xiao Beimen neighbourhood, which is located in the Nanshi District in the southeast centre of Shanghai. It is in this district that the "old city" was established and is characteristically

recognized by its circular roadway called Remin Lu, which now marks the place of the original city wall constructed in 1554 (see fig. 1). In spite of its historic prestige the Nanshi District still remains one of the worst districts in Shanghai in regards to housing quality. For example, there are 8.43 million square meters of residential housing in the district of which 3.67 million square meters or 44% are of the old *lilong* or lane style.<sup>19</sup>

The Xiao Beimen Neighbourhood (see fig. 2) is located in the Northwest part of Nanshi District, and a small portion to the West of Remin Lu, is located on what was once the French Concession settlement. The district is bounded by Huai Hai Street East to the North, Lu Xiang Yuan Street and Shong Xie Jie to the East, Xi Zheng Nan Street to the West and Fu Xing Street to the South. Xiao Beimen is literally translated as "Small North Gate Neighbourhood" which alludes to its historical importance and location at the edge of the old city wall of Shanghai. The neighbourhood is 0.41 square kilometers in size and it is estimated that approximately 18,400 families occupy the area.<sup>20</sup> Within the area are 15 Residential Committees in addition to the Xiao Beimen Neighbourhood Street Office, three middle schools, six primary schools, four kindergartens, one library, one theater/cinema, one district hospital, one neighbourhood hospital, one dental clinic, and two historical sites: The Da Jing Guang Di Temple and Shi Ming Gong Shou house.

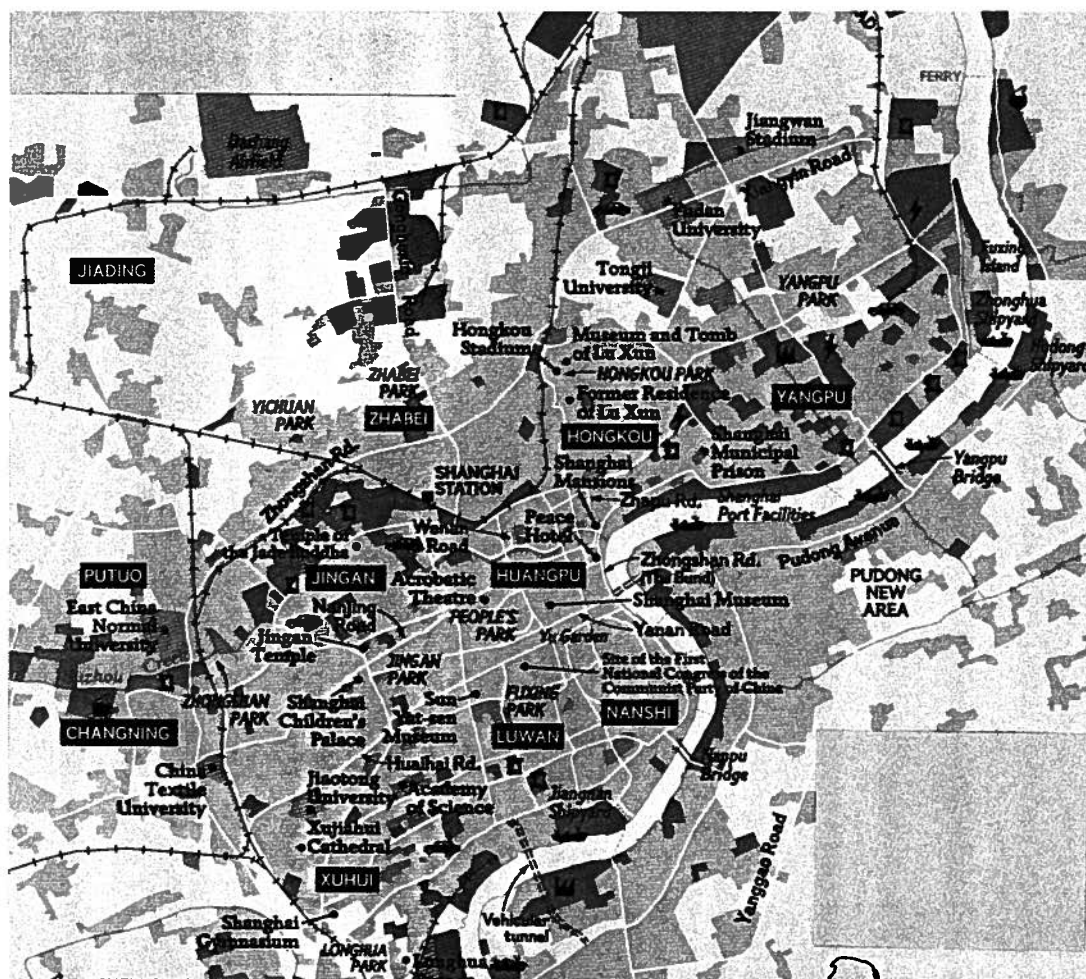
The specific street chosen for this study was Wan Zhu Jie (see fig. 3) because of its typical examples of old untouched *lilong* housing and because of its intersection with the busy Remin Lu. This represents a common relationship between a high level commercial, transportation and service area, and the more local, neighbourhood activities in the inner core of the old city. Wan Zhu Jie is literally translated as the "street of the thousand bamboo's" and was constructed in 1910. It is located between Remin and Lu Xiang Yuan Lu and its length is 236 meters.

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<sup>19</sup> . Shiling Zheng, "The Housing Problems in Shanghai and their Prospects," in The Research on Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p. 18.

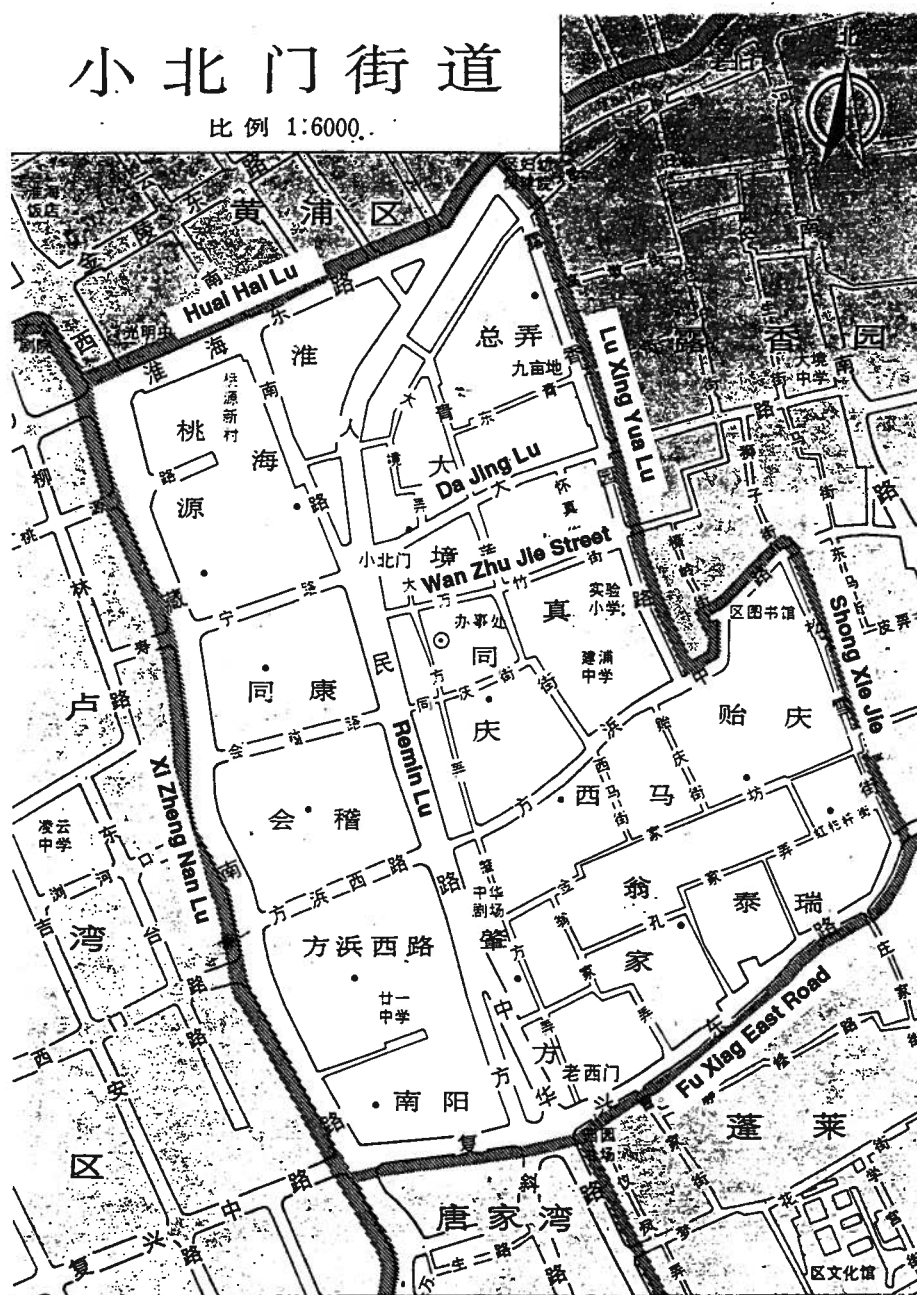
<sup>20</sup> . Interview with the Vice Director of Management, Nanshi District Xiao Beimen. 04 June 1993.

Figure 1  
Map of Greater Shanghai and Pudong Area.



Source: William S Ellis. "Shanghai: Where China's Past and Future Meet," National Geographic Magazine 185, No. 3 (March, 1994), p.11.

Figure 2  
Map of the Xiao Beimen Area, Nanshi District, Shanghai.



Source: Based on Municipal Housing Management Bureau Publication. N.T.S.

Figure 3  
Site Plan of Wan Zhu Jie Street.



Source: Bureau of Land Use Management.

### Key Informants

In total 48 interviews were conducted by means of an "interview check list" which provided the basic guidelines for the topics discussed. Two distinct sets of informants were interviewed.

The first group included key decision makers, local housing officials, and community leaders who affect change on *lilong* dwellers and old *lilong* housing. During the field research nine interviews with planners and academic specialists, eight interviews with leading housing officials, property administrators, and residential construction unit heads, one interview with a day care coordinator, one interview with an architect, and three community workers of local neighbourhood committees, were conducted.

The second group of informants included those individuals who live in *lilong* housing. During the investigation 26 dweller interviews were conducted. Interviews occurred in the household with the aid of an interpreter. Interviews were conducted at no specific hour, but rather occurred throughout the day and early evening in an attempt to "fit in" with the personal schedules of the dwellers and to gather a range of experiences from husbands, wives, young people and grandparents.

In the attempt to gain a more detailed understanding of the dwellers' circumstances, two *lilong* houses were studied in depth. Both were located on Wan Zhu Jie Street. *Lilong* one was occupied by seven families (see fig. 4) and *lilong* two housed 17 families (see fig. 5). Interviews were conducted with one representative of each family; however, often more than one representative participated in the interviews. The unit of analysis was the household, and the unit of response was a family representative which comprised approximately an even division between men and women, and wage earners and retired seniors.

Figure 4  
*Lilong* One, Wan Zhu Jie Street, Nanshi District.



Figure 5  
*Lilong* Two, Wan Zhu Jie Street, Nanshi District.





Access to the neighbourhood and each individual *lilong* house was required by the Local Management Office, Nanshi District Xiao Beimen Management Office, and the Da Jing and Huai Zhen Neighbourhood Committees. In the majority of cases the researcher was free to select informants. However nine interviews were predetermined and were arranged by the Da Jing Neighbourhood Commission. These households had special experiences to share, and represented model families, single elderly residents, and families living in extremely poor conditions.

In addition to informal interviews, simple or unstructured participant observations were conducted in the *lilong* neighbourhoods where operations, and daily activities were observed.

#### 1.6.4 Data Analysis

As the major focus of this thesis centered on the process of housing and the factors which affected the dwellers of the *lilong* neighbourhood, primary data analysis extended to include a wide range of informants experiences. Stories of dwellers' daily experiences were especially important as they began to explain the complicated administrative systems which occur in regards to housing. Understanding such experiences were an important feature to identify the invisible structures and linkages which affect *lilong* residents. Based on the interviews of *lilong* dwellers and community stake holders, salient themes, reoccurring ideas and pertinent statements were classified into categories which indicated the concerns of the dwellers in the *lilong* environment. Such responses were measured by their frequency of occurrence.

Secondary data in this study was used to document changes in government housing policies, new development strategies for *lilong* housing, and recent changes which have occurred in Shanghai that impact *lilong* dwellers.

## 1.7 Significance of the Study

Shanghai is currently experiencing rapid economic growth and urban development in the urban core, where the majority of *lilong* dwellers are located. Within the strategy for development is the plan to renew and modernize the inner city. As a result dwellers are relocated to alternative housing in the peripheries. During the 8th. Five Year Plan, (1991-1995), the Nanshi District has relocated approximately 4,063 families, while Shanghai has relocated approximately 40,127 families to the periphery. Information that documents the importance of the inner housing stock and the needs of these dwellers is required if an alternative strategy is to be suggested. Already large scale demolitions are occurring daily to make way for new office, commercial, and infrastructure developments.

Research indicates (Peattie, Turner *et. al.*) that the loss of inner city housing stock and the relocation of the urban dwellers to the periphery has implications for the dwellers, their communities and the city. Altering job and home linkages, breaking established community and familial ties, impacts to transportation, infrastructure, employment, and services are only a few of the documented effects which accompany inner city redevelopment and dweller relocation.

In the short term relocation of inner city dwellers to the urban periphery may provide some immediate physical benefits. However such short term gains may be overshadowed by the decline of the inner city as a vital component to the city and a marked reduction in the quality of living for those residents in the periphery.

In the long term, through analyzing the current effects of housing policies on *lilong* dwellers and the relationship between their housing and social development, hopefully a more balanced approach may be suggested in the future which borrows successful aspects of each policy direction.

## 1.8 Thesis Organization

This thesis consists of seven chapters. Chapter one defines the problem statement and discusses the methodological approach for problem resolution. Chapter two provides a descriptive analysis of the history, development, and form of *lilong* housing in so far as they affect the living circumstances of *lilong* dwellers. Chapter three provides a descriptive analysis of the *lilong* neighbourhood under investigation and the current housing conditions, as well as the inherent values, needs and problems experienced by the *lilong* dwellers of this street. Chapter four investigates the effects of the housing delivery system under the program of centralized control and welfare housing on *lilong* dwellers. Chapter five discusses the current policies affecting *lilong* dwellers under the housing reform policies and commodity housing. Chapter six examines the emerging options available to *lilong* dwellers under a system of commodity housing. Finally Chapter seven concludes the study and suggests future policy directives to more directly address the needs of *lilong* dwellers and their housing.

## CHAPTER 2

### CHARACTERISTICS OF *LILONG* HOUSING

The current conditions in which *lilong* residents live are not solely the result of ideological changes which began with the establishment of the Peoples' Republic of China, or the national policy changes in housing and economic reforms initiated in the 1980's. Rather, the present circumstances of the dwellers and the old lanes are also due to the unique and complex history of Shanghai which began for the *lilong* dwellers in the late 19th. century with the city's domination by foreign powers. Not only were the physical and architectural characteristics of *lilong* housing and lane planning influenced by European design; social and economic patterns which continue to affect *lilong* dwellers today are also rooted in the colonial past.

#### 2.1 History Pre 1949

From their early beginnings the development, design, and planning of *lilong* housing was fundamentally influenced by the effects of European colonialism in Shanghai. As early as 1842 with the signing of the Treaty of Nanking, foreigners gained control in Shanghai along with four other ports to carry on trade and merchant activities. This "opening up" of the city to foreign trade and the subsequent influx of foreign residents into Shanghai provided a unique set of circumstances for the future development of *lilong* housing. Coupled with this rise in the European presence was the establishment of the restricted settlements in Shanghai, which included the French Concession in 1849, and the British and American Settlements (latter amalgamated into the International Settlement in 1863). These areas were exclusively under the jurisdiction of foreign powers and thus settlement patterns and housing styles took on a distinctly European quality to meet the demands of the residents.

Furthermore, the establishment of early land regulations beginning in 1854, based on European law, provided the foundations for the future intensified land and building development of *lilong* housing in this area.

The third factor which aided the intensity of development and rapid growth of *lilong* was the large influx of Chinese refugees into the foreign controlled settlement areas. As a result of the "Small Swords" and Taiping Rebellions, Shanghai came under attack in 1853 and 1860. The first wave of Chinese refugees moved into the foreign concession areas beginning in 1853. Data indicate that the population influx was substantial. Before the uprising in 1853 the population in the settlement areas approximated 300 foreign residents and their families, and approximately 500 Chinese. During the first uprising the population increased to 20,000 persons.<sup>21</sup> During the Taiping Rebellion, 1860-1864, the Chinese population in the urban core of Shanghai rose to 300,000 persons.<sup>22</sup>

This population influx resulted in a rapid and increased demand for housing. The *lilong* row house provided an appropriate model because of its ability for quick construction and its ease of replication. Its simple box like form could easily be adapted to fit all site conditions. Many foreign realtors made substantial profits by constructing and letting *lilong* housing to the Chinese population. This early demand for housing and the parallel development of a land market caused considerable price escalation. Information indicates that: "land purchased originally between £46 to £74/acre was sold for £8,000 to £12,000/acre,"<sup>23</sup> during this building boom. The result of this intense development was a very dense residential pattern of housing, as well as the establishment of a recognizable prototypical housing form, which resulted from the direct adaptation of both European and Chinese housing styles.

The European characteristics of terrace housing or row housing of the mid 1800's, which were noted for their repetitive self contained layouts, straight forward compact interior planning, and reduced garden size were well suited for the dense urban living requirements of Shanghai. The simple form was also easily adapted to the

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<sup>21</sup> . F. L. Hawks Pott, A Short History of Shanghai (Hong Kong: Kelly and Walsh Limited, MCMXXVIII), p.37.

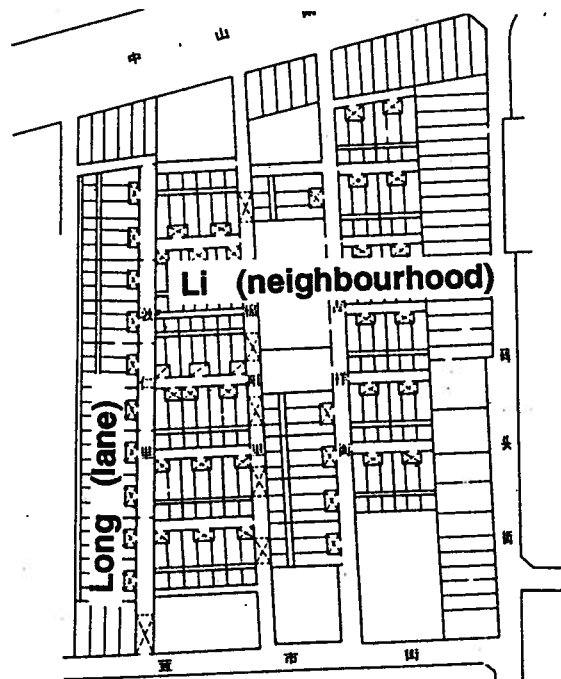
<sup>22</sup> . F. L. Hawks Pott, A Short History of Shanghai (Hong Kong: Kelly and Walsh Limited, MCMXXVIII), p.51.

<sup>23</sup> . F. L. Hawks Pott, A Short History of Shanghai (Hong Kong: Kelly and Walsh Limited, MCMXXVIII), p.51.

traditional Chinese courtyard house style called *Sanheyuan* and *Siheyuan*. These residences resembled a type of compound where the majority of rooms faced an inner courtyard and family activities tended to focus inward, protected behind the high exterior walls. In particular, the *Sanheyuan* style was based on a three sided plan with an open courtyard; whereas the *Siheyuan* style had a four sided enclosed plan with an interior courtyard.

The traditional Chinese and European housing types merged to create the *Shikumen* or old *lilong* housing form where the courtyard element was incorporated into the row house plan. Each individual housing unit was arranged into a row or block called *Li*, while the connecting pathway or lane which provided access to each housing unit was called *Long*; hence the term *lilong*. The complexity of the blocks of houses and passageways depended on the size and shape of the available lot. The width of each house also varied between 1, 2 or 3 bays where each bay represented the Chinese measurement of 10 chi or approximately 3.3 meters. The neighbourhood layout varied from the simplest arrangement where one block of houses flanked a main lane, to a whole network of housing blocks arranged in a hierarchical spine and rib pattern (see fig. 6).

Figure 6  
Spine and Rib Pattern of *Lilong* Housing



Source: Based on *Lilong Housing* Publication (Shanghai: Tongji University Press, n.d.)

In the *shikumen* or old *lilong* style the entrance of each lane was marked by a post and lintel entrance gate usually carved from granite. Each house also had this typical *shikumen* entry marking the courtyard entrance but in a more modest size. At the entrance to each lane in addition to the stone markers were iron gates which could be closed at night to provide protection to the dweller.

*Shikumen* housing can stylistically be divided into two categories, the early or old style and the new style. However for the purposes of this study a more generic analysis is required which describes the basic layout of *lilong* housing. The typical *lilong* was arranged on a longitudinal plan. A front courtyard separated the house from the lane and high courtyard walls provided a level of quietness, security, and privacy from the busy street. The size of the courtyard fluctuated between each block depending on the size of available land for development. The house frontage was then arranged around the courtyard. On the ground level tall doors with intricate wood carving and paneled glazing, similar to the "French door" style open onto the courtyard. These doors were originally constructed for easy removal, so that air circulation was provided in the hot and humid summer months. Furthermore the large proportion of glazing allowed light to penetrate the long interior spaces of the *lilong*. Due to the row house typology full advantage had to be taken at the front and rear facades to allow for light and air circulation. To provide additional light and air movement a central courtyard was provided, or in more modest homes a central light well existed approximately at the mid point of the length of the *lilong*. The second storey followed a similar plan with "French operable windows".

The floor plan was arranged as follows. On the ground floor was the main room or drawing room which opened onto the courtyard. Adjacent to the main room was the living room which extended beyond and formed one side of the courtyard. Directly behind these rooms, was the staircase and light well. This circulation area helped to divide the compact house into living and service functions as the kitchen was directly located behind the light well and stairs. Bedrooms were located on the upper floor and opened onto the courtyard, while above the kitchen was an outdoor drying platform for laundry.

The majority of the *lilong* housing viewed in this study were of brick bearing wall construction with timber trusses and floor joists laid along the width of the structures, while concrete reinforced floors were built under the exterior laundry areas. Due to the high densities in the neighbourhoods additional fire precautions were taken as party walls were extended beyond the tiled roof at specific intervals to inhibit the spread of fire. All of these factors contributed to the compact and practical solution to inner city housing.

In Shanghai this housing form continued to remain the dominant housing typology despite numerous modifications in design and ownership until the Revolution of 1949. For example in the 1920's *lilong* housing was substantially altered in form as a result of increasing land costs and demands of the housing market. These more recent constructed *lilong* retained much of their original layout, form and character even though additional floors were added to gain more floor area due to rising land costs. Exterior gates and walls were also modified to form low separations, and entries and detailed brick decorations were replaced by simple western ornaments.

In addition to the physical alterations of *lilong* housing, ownership and occupancy patterns have also changed throughout the approximately 80 year span of construction. Initially, the ownership of *lilong* housing was characterized by a city dominated by foreign powers and planned by colonial rule. Occupancy patterns thus reflected the control by European and American nationals. Housing which was built in the concession areas of Shanghai had restricted land ownership, lease rights and rental regulations. The composition of the concession areas in the early 20th. century reflected a diverse mix of colonialists, refugees such as the white Russians and Jews escaping war and persecution, industrialists, and investors capitalizing on the Shanghai economy. However this early policy which maintained segregation, was constantly challenged by: (1) foreign developers, investors and businessmen who profited from building housing and renting to Chinese nationals; and by, (2) historic events and military actions which contributed to the major influx of Chinese refugees into Shanghai. As a result, the presence of Chinese dwellers in the settlement areas became established by usage rather than official decree. However social segregation still remained.



The residents who occupied many *lilong* neighbourhoods were divided economically and socially as both wealthy Chinese families of a merchant and professional classes, as well as families who were housed in tenements built by foreign developers, lived in the settlement areas. These shifts in occupancy occurred in a gradual fashion until finally in the late 1940's it was estimated that 80% of all Shanghais' population lived in *lilong* housing.

This shift in occupancy and ownership was characterized in four separate interviews by residents of Wan Zhu Jie Street, now in their late 60's and 70's, who had lived through the transition from colonialism to socialism. Each dweller remembered their parents purchasing the *lilong* from the original foreign owners. In one case, the *lilong* was originally built in 1914 for a German banker and his family. The house was then sold to a local Shanghainese factory owner. The house is still occupied by the son and several of the original factory workers. Another historic account revealed that the *lilong* was originally owned by an American investor who sold the house in the 1940's to a Shanghainese businessman and factory owner. In this interview the dweller explained that: "in the 1970's two old women from America came to visit the house...they said they grew up here as children."<sup>24</sup> What emerges from these historic accounts is that by 1949, several *lilong* along Wan Zhu Jie street were owned and occupied by wealthy Chinese families.

## 2.2 History Post 1949

The changes which occurred to *lilong* residents and their housing after the establishment of the Peoples' Republic of China in 1949 were a result of policy driven initiatives, combined with localized conditions. Socialization of housing, the redistribution of housing assets, and control of dweller movement by the national government contributed to the social and economic patterns which *lilong* dwellers now experience. In large cities such as Shanghai, privately owned houses over 150 square meters were immediately socialized<sup>25</sup> and redistributed

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<sup>24</sup> . Interview 13, Wan Zhu Jie Street, Shanghai. 12 May, 1993.

<sup>25</sup> . Tingwei Zhang, "Housing Policy Under a Planned Economy: Towards an Alternative Housing Policy" (Ph.D. Dissertation, University of Chicago, 1992), p. 56.

to the poor at no cost which resulted in a substantial reorienting of society within the *lilong* neighbourhoods.

However it is important to note that not all *lilong* housing was reassigned to new residents. Many dwellers were allowed to remain in the family home depending on their status as ordinary people and their commitment to the party. For example of the residents interviewed in this study, seven out of the 20 households had lived in the *lilong* their whole life, and still considered it their family home (see appendix 3). Even though they were permitted to remain in their original dwelling, the house was now subdivided into multiple living areas and provided shelter to additional families. One dweller commented:

My mother-in-law lived here for 60 years and she owned the whole house...my husband and I have stayed and now we have two rooms. This is our family home for the future and we would like to stay here and renovate our rooms.<sup>26</sup>

During the period of recovery, 1949-57, the public sector took responsibility for housing the total urban population. With each national policy campaign, new waves of relocations took place within the *lilong* areas. As a result, thousands of households were relocated into the *lilong* neighbourhoods. For example among the residents interviewed during this study, 35% had lived in the *lilong* for their whole life, while 10% were relocated during the Recovery Period (1949-57), 0% were relocated during the Great Leap Forward (1958-65), 20% were relocated in the Cultural Revolution (1966-77), and 35% were relocated since the Reform Period. Therefore significant population movement occurred in the *lilong* areas while the economic and social level of the dwellers remained unaltered.

Physically, as a result of these politically motivated policies a complete change occurred at both the urban and local household level. At the urban level the impact of socialist planning principles was significant in the restructuring of the *lilong* neighbourhoods. Socialist theories founded on egalitarianism, government control over all socio-economic activities, the development of production through communes, and priority of production over livelihood, characterized a totally different urban pattern from the previous ideology based on market competition and colonial domination. The pattern which emerged was based on principles such as: (1) urban uniformity where no distinction or segregation should exist in the city, in other words social composition should be uniform

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<sup>26</sup> . Interview 31, Wan Zhu Jie Street, Shanghai. 06 June, 1993.

throughout the city; (2) equal access (where all residents should be able to access public facilities); and (3) self sufficiency and standardization (where all districts and neighbourhoods should reflect the notion of the urban commune, and be self reliant).<sup>27</sup>

Spatially, these principles were translated into an integrated pattern where commerce, housing, industry, and services all were uniformly dispersed throughout the city. For example, in Shanghai a mixed use plan has resulted where shops, restaurants, light industry, repair stands, health clinics, offices, and residences all appear evenly interspersed throughout the city. In respect to *lilong* neighbourhoods and lanes, the planning initiatives have left a legacy of (1) self contained neighbourhoods where multiple levels of services are available to the dweller; (2) seemingly haphazard land use pattern where uses are determined by work units and government agencies; and (3) neglect of residential facilities in lieu of production related development.

At the household level the spatial arrangement of living was substantially altered to comply with socialist policy initiatives of egalitarianism in residential living. Under this policy all workers were to have equal access to standardized housing. In quantitative terms the Living Area Per Capita (L.A.P.C.) in Shanghai changed from 3.9 sq. meters in 1949, to 3.1 sq. meters in 1957, to 4.3 sq. meters in 1977, and to 6.3 sq. meters in 1988.<sup>28</sup> However it must be noted that these data included all housing types. Houses which were originally designed for and occupied by one family were converted to accommodate as many families as the rooms would support. In some circumstances dwellers occupied hallways, and lived under stairwells. *Lilong* dwellers interviewed who lived through these experiences stated that:

originally our whole family lived in the house but during the Cultural Revolution many other families moved into our unit. We had to share the kitchen and wait hours to use the toilet...there was no privacy, in some rooms only a curtain separated each family.<sup>29</sup>

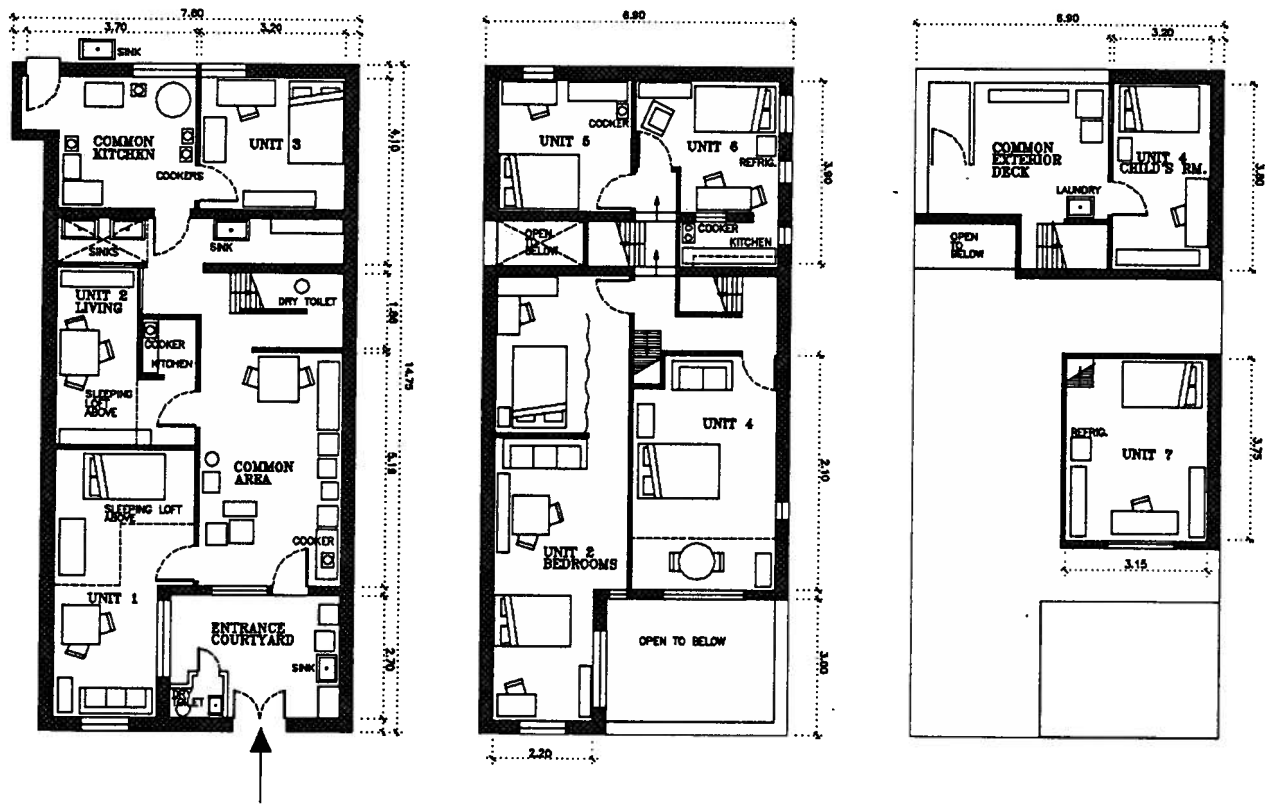
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<sup>27</sup> . Development of urban planning in socialist China from Yichun Xie and Frank J. Costa, "Urban Planning in Socialist China: Theory and Practice," *Cities* (May, 1993), p.105.

<sup>28</sup> . Shanghai Tongjiju [Shanghai Statistical Bureau], *Shanghai Tongji Nianjian 1992* [Statistical Yearbook of Shanghai 1992], (Shanghai: Shanghai Tongji Chubanshe [Statistical Publishing Co.], 1992), p. 436.

<sup>29</sup> . Interview 11, Mao Ming Bei Street, Shanghai. 05 May, 1993.

Figure 7  
Floor Plans of *Lilong* One (Ground Floor, Second Floor, Third Floor).  
Wan Zhu Jie Street, Nanshi District, Shanghai.



Source: Adapted from drawings by Cheng, McClure, and Mede.

The result of these changes in density was that the *lilong* interior spaces were significantly altered to accommodate the increase of families (fig. 7 illustrates the living environment of *lilong* one on Wan Zhu Jie). Cloth curtains, framed walls, furniture and paper dividers separated the larger spaces into individual family units. Bedrooms were converted into multiple uses and now functioned as sitting, dining, sleeping and personal spaces for the total family. Kitchens, which were designed for one family were converted into communal cooking facilities for all residents, while courtyards were utilized when additional cooking areas were required. Each family was assigned its own cooking space within the communal area. These multiple cooking stations combined with the use of coal and poor ventilation have created a permanent condition of inferior air and a thick layer of grease and coal dust on the interior walls. Individual family sinks and cold water connections were generally located in courtyard spaces or adjacent to the *lilong* in the lane area.

The complications which arose due to these subdivisions of space included increased noise levels, lack of sunlight and fresh air, lack of privacy and spatial competition over communal spaces. To combat the lack of sunlight and air movement many interior walls were constructed below the ceiling level. This solution allowed air circulation but unfortunately also contributed to problems of noise and lack of privacy. Perhaps the most obvious effects of this spatial subdivision was the resulting complex circulation space. To accommodate both privacy and individual apartment access circulation pathways have become circuitous and often maze-like.

Notwithstanding these conditions it might be observed that the *lilong* dwellers have succeeded to lead normal lives under abnormal conditions. In spite of the poor physical conditions of the housing and the many changes and pressures which have altered usage and organization, there existed many inherent physical and social characteristics of the old districts which have remained and continue to be valued by the *lilong* dwellers.

## CHAPTER 3

### A NEIGHBOURHOOD STUDY OF *LILONGS*: WAN ZHU JIE STREET

Since the establishment of the Peoples' Republic of China the old neighbourhoods of Shanghai have remained virtually untouched with the exception of localized maintenance, minor building repairs, and the replacement of housing which was considered to be in-danger. Despite the poor living conditions and overcrowding which have resulted, *lilong* neighbourhoods have retained a high level of social stability, community cohesion and economic viability for the dweller.

Documentation indicates (Li, 1991; Bao, 1993; Yu, 1993; Zhang, 1993), that when given an option for better housing in the periphery, dwellers continue to choose to remain in their *lilong* communities and neighbourhoods because of these inherent qualities. Benefits from location, affordability, family ties, proximity to work, formal and informal service activities, community development, mutual cooperation activities, and linkages to commercial and service areas are some of the inherent features which have developed in the old neighbourhoods and are crucial to the maintenance of a stable community environment. However, with the introduction of housing reform policies this pattern may be significantly altered due to gentrification and urban renewal which are already taking place.

As the primary focus of this investigation is to better understand the factors which affect *lilong* dwellers and their communities it is important to identify the inherent characteristics, qualities and positive aspects which are crucial to the continuation of these areas. The purpose of this chapter is two fold; to describe the current social conditions, relationships, and linkages which have affected the study neighborhood of Wan Zhu Jie Street; and two, to identify the inherent qualities which these dwellers value in their old neighbourhoods.

### 3.1 Inherent Values at a Household Level: Wan Zhu Jie Street

From the interviews conducted with the dwellers of Wan Zhu Jie street it became apparent that: tenure and ownership; finance and affordability; housing design and implications on lifestyle; and internal household politics and dynamics were amongst the most important factors within the household which affected the dwellers.

#### 3.1.1 Tenure and Ownership

Housing tenure or the right of house title in China is rather complex due to the fact that ownership is divided into three concepts: land rights or land tenure (ownership of the land), building tenure (ownership of the building), and land use rights or living rights which entitles the holder to ownership and title of occupancy for the space. For the most part as defined by the Chinese socialist political policy all land rights are owned by the state while building rights and living rights may be held by the *danwei*,<sup>30</sup> state, or now with the introduction of the reform policies, the individual. The majority of post 1949 housing is controlled and allocated by the work unit where the responsibility for housing is that of a workers' *danwei*.

The ownership pattern for *lilong* housing is somewhat different as it does not follow the dominant policy. Housing rights and tenure for *lilong* dwellers is rather influenced by: (1) formal government controls and ownership policies; (2) informal housing rights based on historic circumstances; and (3) work unit affiliation. In regards to official government jurisdiction the majority of *lilong* housing is owned by the state and managed by district housing bureaus. The uniqueness of this Shanghai situation is reflected by the extent to which the

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<sup>30</sup> . The *danwei* or work unit provides the administrative and organizational framework for labor, production, and the distribution of resources in China. In exchange for labor the 'unit' provides subsidies, services, and social resources to meet a workers' basic needs. The extent of services provided, depends on the wealth and size of the unit. Large and wealthy units may provide multiple services such as health care, education, culture, and food allocation through subsidies or direct service provision. However, all *danwei* have the basic responsibility to provide housing for their workers. As a result, the work unit has become a major investor, supplier, owner and manager of housing in China. It should be noted that at present, because of rapid economic and social changes, many Chinese individuals are cutting their ties with the *danwei*.

government and not the enterprises manages *lilong* housing. In Shanghai 44% of all housing is owned and managed by the government housing bureaus while the National average is only 9%.<sup>31</sup> For *lilong* dwellers land and building rights are controlled by the government while management and administration issues are controlled by each districts' public housing bureau. Under this system each of the neighbourhoods within a given district has a "Neighbourhood Housing Management Section Office." These offices have a dual function of economic management and administrative supervision of the *lilong* housing. This office provides the link between the dweller and government authority. Each management and administration section office is supervised by its appropriate district office. For example in the study area, the local section Housing Management Office for State owned *lilong* was the Nanshi District Xiao Beimen Buildings Management Office (see fig. 8).

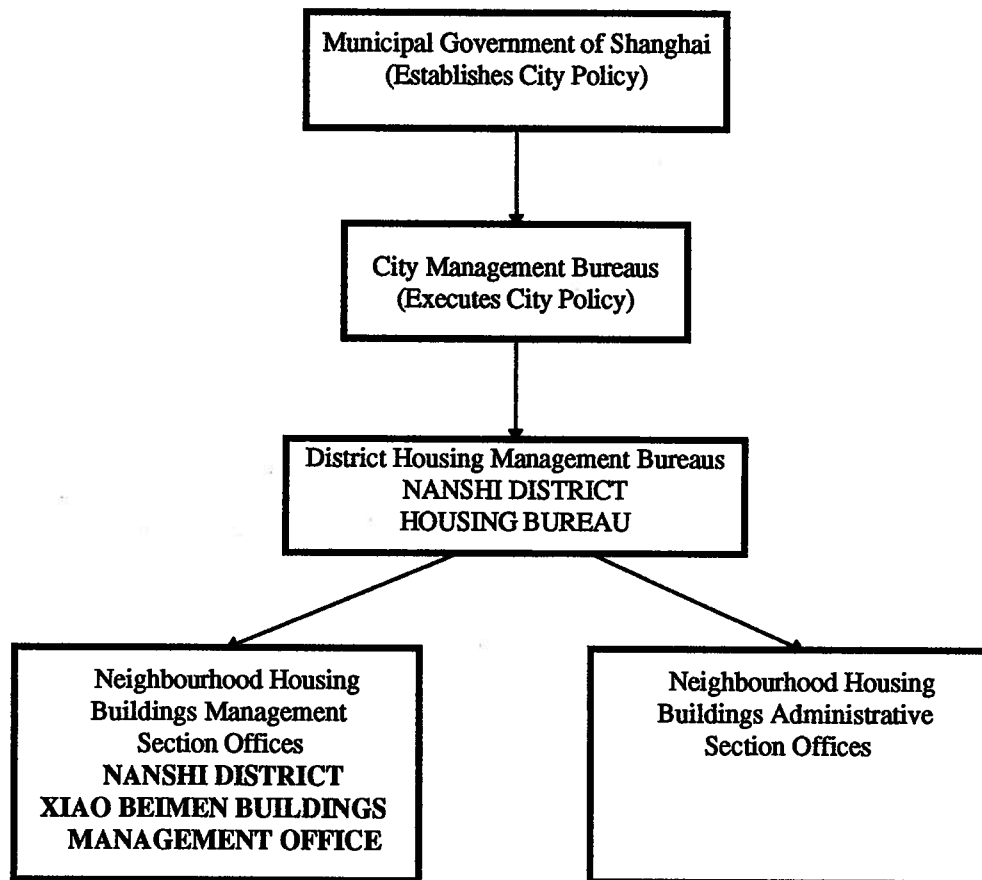
Under this system the majority of *lilong* dwellers rent their unit, and their formal living rights extend only as far as national housing policies which guarantee housing for every worker. At the household level the effects of tenure and ownership rights are noted by their lack of accessibility to dwellers from an institutional level. Under the centralized socialist system *lilong* dwellers are unable to access land or building rights for their housing. Dwellers are permitted living rights which guarantee basic shelter provisions but not security of tenure. In other words a worker may be relocated or reassigned to other housing if the purpose satisfies official directives. However among this rather exclusionary set of housing rights is a very special program called "exchange rights" which directly benefit *lilong* dwellers. Exchange rights permit dwellers from related or independent work units to exchange their homes to reduce commuting time between home and work. Such rights are accessible to *lilong* dwellers and provide a flexibility within the housing system that responds to inner city dwellers who have restricted options for changing their housing location. Permission must be received from both *danwei* and the local District Housing Management Office for these exchanges.

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<sup>31</sup> . Tingwei Zhang, "Housing Policy under A Planned Economy: Towards an Alternative Housing Policy" (Ph.D. Dissertation, University of Illinois at Chicago, 1992), p. 26.



**Figure 8**  
**Management and Administrative Levels of *Lilong* Housing**



Source: Adapted from Interview 41. Department of Municipal Construction, Shanghai. 23 June, 1993.

To a very limited degree outright building ownership rights do exist where dwellers have retained their occupancy in the *lilong* since 1949 and have re-negotiated their living rights. Recently housing reform opportunities through privatization programs have allowed some individuals to buy back their homes. However even with the adoption of housing reforms, private *lilong* ownership still remains very rare. Of the interviews conducted in this study only one of the *lilong* examined was privately owned. The family had purchased the house before 1949 and had re-negotiated in 1986 to purchase the house back from the State. Included in the owners negotiation for the *lilong* was the requirement to provide financial compensation to the seven other families which

had been relocated to the house during the Cultural Revolution. Such compensation increased the total cost of the *lilong*, but aided the displaced families in relocation.

In addition to these official living rights is a set of informal rights based on a families history in the *lilong*, and length of occupancy. Comments from informants on Wan Zhu Jie street seem to indicate that these informal *de facto* rights are a significant component in gaining security of tenure and improved housing within the *lilong*. For example, among the households interviewed those who had occupied the house since 1949, had parents or relatives who lived there previously, or were related through historic employment relationships expressed an increased sense of security of tenure due to their *de facto* rights. Residents often claimed that their rights to live in a specific *lilong* or room within the house was due to the fact that their parents had occupied the space before them. This fact entitled them to remain.

In addition to these implications of tenure such historic analysis also revealed the very complex interpersonal networks which developed over time in the *lilong*. For example both of the houses examined on Wan Zhu Jie street revealed this informal path of ownership and complex networks of living rights. House one, for example, was purchased from an American industrialist by a local Chinese factory owner before 1949. The owner's son now lives in one part of the *lilong* with his wife and family. Among the six other families who live in the house, two families are employees of the original owners factory. By tracing the occupant's history a complex network of relationships emerged between the original house owner, his employees, and the work unit. The history of ownership in house number two also provided a key to better understanding of living rights and occupancy traditions. This house was originally bought from a foreigner in 1933 by a local Shanghainese woman. After 1949 the house was nationalized by the state and during each change in policy an influx of new families moved into the house. The original owner was permitted to remain in the house, with reduced spatial allotments. Currently, both her grown children live in the house with their husbands, wives and children, along with 15 other families. From these interviews it would seem to indicate that the families' history and length of stay in the *lilong* are significant factors in establishing living rights and some degree of tenure.

The relationship of the residents with the work unit also provided another level of complexity in the *lilong* living pattern. Many *lilong* houses have been distributed to the work units since 1949 for their allocation to employees. Of the two *lilong* examined on Wan Zhu Jie Street most residents worked for different *danwei*. For example in house one, five out of seven families worked for different enterprises: in family one the husband worked in the #1 Sewing Machine Factory; in family two the husband worked at an agricultural product center, while the wife worked on a Shanghai bus; in family three the husband worked in a flour plant, while the wife worked at a local hotel; in family four the husband worked at a Ruler Factory and his wife worked at a vegetable stand; in family five both parents worked at a local factory; and the sixth and seventh families both worked at the same factory.

What therefore seems to have emerged within *lilong* housing is a system that includes multiple layers of formal and informal tenure rights based on pre and post 1949 circumstances. At the National level social welfare directives guarantee shelter as a right to all dwellers and official jurisdictions control all land, and building rights. While at the administrative level, *lilong* housing is managed under local and district Building Management jurisdictions. At an informal level, historic precedent and familial ties have some bearing on tenure; however this is not officially recognized. Other than those few families who have purchased their building rights from the government, most dwellers do not have control of their housing rights.

### **3.1.2 Finance and Affordability**

One of the direct advantages of the socialist system of housing delivery is the government's ability to control the cost of housing. In the case of housing in China and more particularly *lilong* housing in Shanghai, rent is very inexpensive and affordable. Such affordability is based on a policy of low wages, low rent, and subsidies whereby low rent is considered part of the subsidy package. For example among the households interviewed, the average combined income of husbands and wives was 824 yuan/month/household (see appendix 2). Among this group a large proportion of households earned between 900 to 950 yuan/month. Of all working residents, housing

rents were not considered a major cost to the household and affordability was considered an inherent quality of *lilong* living. Even where rent increases from current reform policies were considered the cost to occupy the *lilong* was marginal. Under current rent structures the average cost of rent was .3 yuan/square meter/month which averaged approximately 5.8 yuan/month/household.<sup>32</sup> In the case where a household could not afford rent, government subsidies and pensions assured housing needs. This usually occurred among old single retired people, the sick or disabled.

It is important to note that a growing number of retired and old people occupy the *lilong* areas. This number is increasing as young families are being relocated to the urban periphery. As the wages of retired and old people are considerably less than that of young working families the percentage of income spent on rent rises considerably. For example one retired resident received a pension of approximately 90 yuan/month.<sup>33</sup> Due to this economic hardship this dweller's rent was waived. With living expenses rapidly increasing seniors may experience increased disparity in their ability to afford housing and their living standards.

Rent is however only one factor in the calculation of living expenses for *lilong* dwellers. A more accurate prediction must also include other major costs of fuel, water and electricity consumption. Among those interviewed, the cost of electricity averaged 30.8 yuan/month which is almost six times the amount of household rent. Electrical costs ranged from 10 yuan to 90 yuan based on consumption. For example some families owned very few electric appliances such as a radio and a single electric light, while other households owned radios, television, V.C.R., electric rice cooker, refrigerator, C.D., tape deck and multiple lighting fixtures. The fluctuations in electrical consumption were also due to factors other than the number of appliances. Duration of usage, and the condition of household wiring was also important. As one dweller remarked: "the whole house wires are faulty, there are leaks somewhere, if [it] wasn't faulty our electricity would be only 7-8 yuan per month

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<sup>32</sup> . This figure was calculated by multiplying the average area occupied by the families interviewed (19.3 sq. m./family) by the average cost per meter per month for housing (.3 yuan/square meter/month).

<sup>33</sup> . Interview 7, Quing Lian Street, Shanghai. 04 May 1993.

now it's 20 yuan."<sup>34</sup> Another two families remarked that they: "eat at the factory because there is no space" or they "eat at a relative's house"<sup>35</sup>, which may explain the low electrical costs for some households.

Fuel consumption was the second largest household expense. Gas which was available in large pressurized canisters cost dwellers approximately 12 yuan/month to fill the container. The container was rented from the work unit for a one time refundable deposit charge. Average gas costs were 18 yuan/month among the residents interviewed. Of the residents interviewed twice as many used coal for fuel. This preference was based on factors of cost (coal costs averaged at 16 yuan/month), convenience, and safety. Several dwellers feared the combustible nature of gas containers. The third largest cost was for water consumption which averaged 4.0 yuan/month.

The other mandatory cost incurred by households interviewed was the "construction fund" or Central Provident Fund which was introduced with the housing reform policies. Although this cost was not directly related to housing expenses, it must be considered part of a households monthly costs. The total levy was based on a percentage of each workers' wage. Among the residents interviewed, the average monthly amount was 8 yuan/worker which totaled 16 yuan/household.

The total average base costs for a household which included rent, fuel, electricity, water and Central Provident Fund was approximately 74.6 yuan/month when gas was used ( $5.8+30.8+18+4+16=74.6$ ), and 72.6 yuan/month if coal was used ( $5.8+30.8+16+4+16=72.6$ ). Therefore the average shelter cost per household was 73.6 yuan/month, excluding hidden subsidies. If the average income was 804 yuan/month, shelter expenses would total 9.2% of a families income. This figure is considerably higher than the often cited figures which state that rent constitutes between 0.5% to 3% of a households income. Although the costs of food and clothing were not discussed, surveys indicate that these have also experienced sharp price increases. For example groceries and

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<sup>34</sup> . Interview 16, Wan Zhu Jie Street, Shanghai. 14 May, 1993.

<sup>35</sup> . Interview 17 and 20, Wan Zhu Jie Street, Shanghai. 14 and 20 May, 1993.

clothes prices have increased 109.8% and 114.0% respectively between 1990-1991.<sup>36</sup> One dweller stated that “coal prices had doubled over the past few months...I used to pay 10 yuan now I pay 20 yuan for the same amount of coal.”<sup>37</sup> Among the residents interviewed, it would seem that the costs of housing accommodation was still considered low and was viewed as a major benefit of *lilong* living. However, other living costs such as food, electricity and gas, which had fewer internal preferential subsidies were problematic.

### 3.1.3 Housing Design and Implications on Lifestyle

Initial observations of *lilong* housing on Wan Zhu Jie Street indicated that factors such as communal kitchens, lack of adequate services such as toilet, water and gas connections, spatial shortages, and single room allocations were the most important physical factors that affected the dwellers' daily life. Such data corresponds to opinions gathered by the Shanghai Housing Administration Scientific Study Institute where families living in areas less than 5 sq.m./person thought that lack of gas equipment, absence of water closets and kitchen, small floor space, and scarcity of rooms were the 5 most significant problems of *lilong* living.<sup>38</sup> Indeed among the women interviewed, shared kitchen facilities, single room occupancy and lack of services were considered to cause the greatest impact on daily lives. For example spatial allocations among the households interviewed averaged 5.2 square meters/person for registered urban dwellers and 5.1 square meters/person when all occupants as well as visitors and relatives from the rural areas were included in the calculation (see appendix 3). This figure is significantly less than the 1991 city average which is 6.7 square meters/person.<sup>39</sup> The average area per family among those interviewed thus equaled 19.3 square meters or 208 sq. feet/household. The overcrowded conditions

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<sup>36</sup> . Shanghai Tongjiju [Shanghai Statistical Bureau]. Shanghai Tongji Nianjian 1992 [Shanghai Statistical Yearbook 1992] (Shanghai: Shanghai Tongji Chubanshe [Shanghai Statistical Publishing Co.], 1992), p.469.

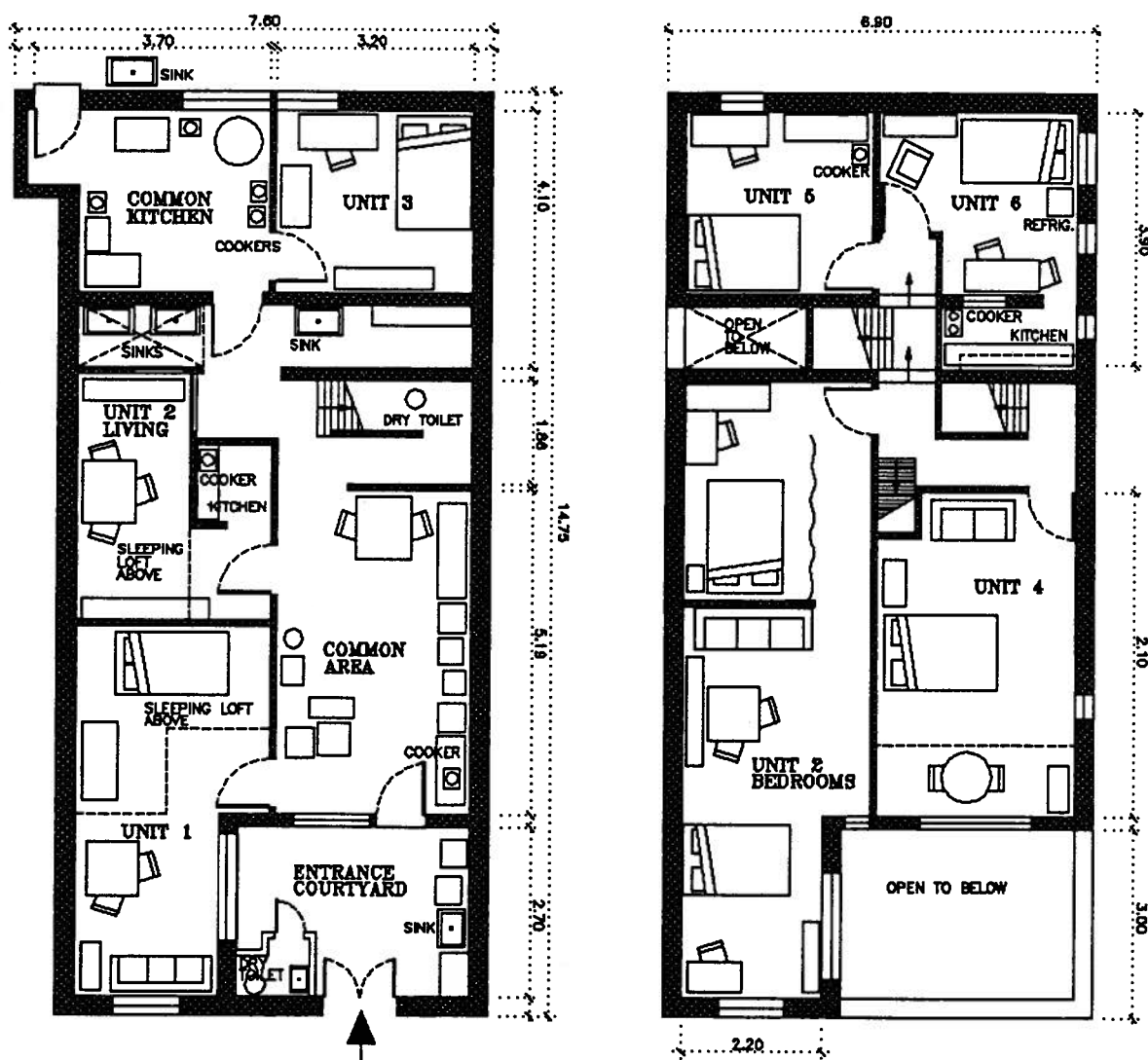
<sup>37</sup> . Interview 31, Wan Zhu Jie Street, Shanghai. 06 June 1993.

<sup>38</sup> . Bowei Wang. “The Conversion of the Residential Buildings in the Old City Proper of Shanghai and its Policies” in The Research on Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p.166.

<sup>39</sup> . Shanghai Tongjiju [Shanghai Statistical Bureau]. Shanghai Tongji Nianjian 1992 [Shanghai Statistical Yearbook 1992] (Shanghai: Shanghai Tongji Chubanshe [Shanghai Statistical Publishing Co.], 1992), p.440.

of each dweller's unit was a consistent concern. As one man stated: "My room is just too small, even if one guest comes I must go out to entertain"<sup>40</sup>; while another women expressed concern over her 21 year old son: "Our family shares one room, it is very bad, when my son is living so close in the same room, he needs his own privacy".<sup>41</sup> Outside of the family unit overcrowding and the use of communal space in the *lilong* was even more confining.

Figure 9  
Detail Plan of *Lilong One* (Ground and Second Floor). Wan Zhu Jie Street, Nanshi District, Shanghai.



Source: Adapted from drawings by Cheng, McClure, and Mede.

<sup>40</sup> . Interview 20, Wan Zhu Jie Street, Shanghai. 20 May, 1993.

<sup>41</sup> . Interview 44, Gong Yi Fang, Hong Kou District, Shanghai. 28 June, 1993.

All residents commented on the conflicts which occurred in the communal kitchen area. For example in house one, four briquette burners were located in the original kitchen (see fig. 9), one cooking area was provided in the communal storage room, and two other cooking areas were located in the occupants' rooms; one due to dietary religious practices and the other as preferential treatment since this household was the original *lilong* owners before 1949. Among the women who shared the kitchen, conflicts were common, especially at lunch time when many women were required to prepare meals for husbands, and children. To alleviate some conflicts the women staggered their use of the kitchen, or did food preparation elsewhere in order that kitchen cooking time would be kept at a minimum (see fig. 10). Major conflicts occurred when dwellers took liberties over space and infringed in other dwellers' areas. The logistics of too many women trying to cook at the same time in one space was also problematic.

Figure 10

View of Exterior Courtyard in *Lilong* two. Such communal spaces are used for laundry, storage and food preparation.



Figure 11

View of Exterior Courtyard in *Lilong* two. French style windows provide visual access to dwellers on upper floors.





It appeared however that the level of services such as outdoor water supply, and coal stoves were not the cause of the conflicts but were the cause of inconveniences. Conflicts in the communal spaces rather depended on the nature of the activity, timing, and whether the activity was forced to exist in the public domain. For example cooking, which is a personal family activity did not function successfully in the shared space. On the other hand laundry activities, which are inherently a more social activity, successfully operated in a communal atmosphere. Many residents commented that a system had been worked out where each family could share the laundry space in a supportive manner and if it rained, "someone would take in your laundry so it does not get wet."<sup>42</sup>

Public areas within the *lilong* also were the scene of disagreements as each family had different spatial requirements and use for the public space. Furthermore those dwellers who had lived in the *lilong* for a long period of time had more *de facto* rights to claim increased storage area. As one young couple stated they were unable to negotiate for adequate public space for cooking and storage because they were new residents. They commented:

new comers like us do not have any public space because the older residents have claimed such areas as their own...they control the communal areas. The storage areas are already full with other families belongings.<sup>43</sup>

As a result of this situation this young couple felt their only option to improve their environment was to relocate to new housing in the periphery. This complex situation concerning space sharing and privacy is not unique to this *lilong* but is a common factor in dwellers' satisfaction in their living environment.

However apart from these problematic conditions, dwellers also commented on the inherent advantages in the *lilong* design and impacts on lifestyle. Of foremost importance was the comment by both dwellers and neighbourhood committees that: "The *lilong* provided an 'intimate environment' where one was not alone."<sup>44</sup> Physically, this 'intimate environment' was partially explained by the proportions of the houses on Wan Zhu Jie Street. The *lilong* were of a human scale and did not exceed three stories. Residents therefore had a physical and

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<sup>42</sup> . Interview 20, Wan Zhu Jie Street, Shanghai. 20 May, 1993.

<sup>43</sup> . Interview 17, Wan Zhu Jie Street, Shanghai. 14 May, 1993.

<sup>44</sup> . Interview 6, Da Jing Neighbourhood Committee, Qing Lian Lu, Shanghai. 04 May, 1993.

psychological proximity to courtyard and neighbourhood activities. This direct presence of dwellers viewing the street provided a sense of security among the residential lanes.

The arrangement of the fenestration of the *lilong* further reinforced the 'intimate environment' as the French casement windows which were arranged around courtyards could be opened so ground level activities were experienced by dwellers. This was especially important for the elderly who occupied the second and third floors (see fig. 11). The large window dimensions and their ability to open at right angles also provided a "low tech" form of air circulation which was well suited to the hot humid summer climate of Shanghai. Cool air from the courtyards circulated through the building by a combination of windows and air shafts.

Figure 12  
View of Wan Zhu Jie Street, semi-public main lane. Nanshi District, Shanghai.



The sequencing of spaces in the lane, from the public street, semi-public main lanes (see fig. 12), and semi-private side lanes (see fig. 13), provided a protected flexible environment where activities and social networks developed. For example, the semi-private side lands were adapted for multi purpose functions appropriate to an

outdoor room. Secure childrens' play grounds, sitting and visiting areas for seniors, summer outdoor dining, laundry drying, food preparation, a place to relax, and area for women to do housework such as sewing were only a few of the related activities which occurred in the lane (see fig. 13-14). These lanes functioned as social areas for neighbourhood communication. All dwellers commented that they valued the lanes for their "neighbourhood closeness", "friendliness", "intimate environment" and "ease of living".

Figure 13  
Semi-private side lane of *Lilong*. Off Wan Zhu Jie Street, Nanshi District, Shanghai.



This unique relationship of the lane to the housing unit is of fundamental importance to the social success of the *lilong* neighbourhoods. The traditional spatial qualities of the lane and the housing form have combined with the present conditions of *lilong* living. Such physical conditions as spatial shortages, the location of services, such as concrete sinks and water connections in the lane area, the need for outside cooking spaces in the summer months, etc. which force dwellers to utilize outside space, are also combined with the traditional aspects of family life and the inherent need to socialize. These characteristics have been incorporated into the societal process of lane living and are fundamental when analyzing the successes of the inner city neighbourhoods in such areas as

defensible space, safety, community cohesion, etc. The importance of such social issues, and the resulting social spaces, must be incorporated into the design process for any future residential redevelopment in the old neighbourhoods or new development in the city's periphery.

Figure 14  
Aerial View of semi-private side lanes. Off Wan Zhu Jie Street, Nanshi District, Shanghai.



The values a family placed on their own unit were somewhat less clear as they depended on the condition of the unit, the dwellers perceived security of tenure, and the degree of maintenance and upgrading by both government and dweller. Within the formal jurisdictions, maintenance of the exterior and structure of *lilong* housing was the responsibility of the government, while interior upgrading, non structural repairs and improvements were the responsibility of the dweller. Thus repairs which concerned the safety and structure of the house were generally paid by the government and upgrading of non essential improvements were paid and executed by the dweller. However a number of factors were identified which made such government repairs inaccessible to the dweller: (1) all repair requests were reviewed by official jurisdictions; (2) requests which did not fit official programs were often deemed unnecessary; (3) length of time for the process. As one dweller stated: "because this house is owned by the government I can ask to have things fixed, but if they think it is unimportant

they won't do it"<sup>45</sup>; while another dweller stated: "if a room needs fixing you can apply to the Management Office, but it takes just too long!"<sup>46</sup>

Dweller initiated upgrading or consolidation was more prevalent and could be categorized into two groups: formal and informal activities. The formal maintenance, upgrading and alterations included those projects where dwellers followed the legal process to apply for a permit, and received final approval by city officials. In this process dwellers were permitted to change or add to their interior space as long as additional structures were free standing, removable, and complied to official regulations. Restrictions included additions which increased a household's designated area, altered the exterior of the building, or infringed on public or communal areas such as roof, balcony, or courtyard areas. If renovations or additions were done without permission and infringed on regulations, authorities had the right to remove the structures. If the dweller refused to comply, they were fined at twice the projects construction cost.

Of all the households interviewed 60% had done some level of additions or upgrading and none had applied for permits. A number of factors were identified which explain the seemingly small proportion of illegal construction: (1) the work was done before the 1970's when permits were not required; (2) the work complied with official requirements and was free standing; (3) the penalties for illegal work acted as a deterrent; (4) the effectiveness of the neighbourhood committees in reporting such work prevented dwellers from undertaking illegal projects; and (5) the level of self building does not currently challenge the permit structure as dwellers undertake relatively small scale upgrading projects. It will be interesting whether dwellers in the future, with increased financial resources and ease in hiring workman, will challenge the existing policies on house upgrading.

As one dweller stated: "it is very common for people to do little renovations...our lives have become better so there is disposable income"<sup>47</sup>; another dweller said, "it is very easy to buy the materials and there are

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<sup>45</sup> . Interview 13, Wan Zhu Jie Street, Shanghai. 12 May, 1993.

<sup>46</sup> . Interview 34, Wan Zhu Jie Street, Shanghai. 06 June, 1993.

<sup>47</sup> . Interview 34, Wan Zhu Jie Street, Shanghai. 06 June, 1993.

many construction workers who want a little extra job at night."<sup>48</sup> For example, one family interviewed had recently done substantial improvements which included painting the interior, tiling the floor, constructing a loft space and an outside shed, and replacing an exterior window with new glazing and sash. The cost for the renovation was 3,000 yuan and they had hired a construction worker for the job. The family claimed it was easy to do such work and it was very common among the neighbours. To indicate the prevalence of dweller initiated upgrading projects, one young woman of approximately 20 years of age hired a builder to construct a loft for herself and her grandmother. She said: "it was hard to find the right person to begin the job but because so many contractors do second jobs, once we found the connections it was easy."<sup>49</sup> The loft was professionally built for a total cost of 400 yuan.

A number of factors affected the decision by dwellers whether to upgrade their unit. These included: (1) the initial condition of the unit; (2) security of tenure and housing allocation; (3) family history; (4) family income; and (5) availability of building materials and labor. Indeed some dwellers did no repairs or even basic maintenance while others had done substantial work. In regard to the physical condition of the *lilong*, dwellers tended to make no improvements in those units which were in very poor condition. For example one couple did not want to do any interior work because of the existing moisture damage in the room. They said: "if we painted, the paint would just peel off again, there is no point".<sup>50</sup> It must be noted that some dwellers who lived in very poor conditions were also waiting to be relocated to better housing and as a result did not choose to upgrade their unit. Thus the second intervening variable which affected dweller initiated upgrading was household allocation and security of tenure. If a family was living in an area below the official regulations for living area per capita (L.A.P.C.), unsafe conditions, or were associated with a work unit which was building new housing for worker allocation, the residents anticipated relocation and few improvements were done to the *lilong*. The third intervening variable was family history and local attachment. If the household had previously owned the *lilong* before 1949, or lived in the *lilong* for a long period of time and had established family traditions, they were more

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<sup>48</sup> . Interview 32, Wan Zhu Jie Street, Shanghai. 06 June, 1993.

<sup>49</sup> . Interview 33, Wan Zhu Jie Street, Shanghai. 06 June, 1993.

<sup>50</sup> . Interview 17, Wan Zhu Jie Street. 14 May, 1993.

apt to do renovations. The fourth intervening variable was family income. Families with more disposable income were potentially able to do more renovation work; however, the extent of the work again related to issues of security and tenure. Also the degree of dweller initiated upgrading related to the family first obtaining a standard level of commodity items. A television and refrigerator were among the appliances which a family first invested before income would be spent on upgrading. It seemed therefore that many dwellers ranked commodity investment above housing improvements. The fifth factor which affected upgrading was the availability of building materials and labor. However this did not seem to be a factor which precluded self building as materials were easily accessible due to the building boom in Shanghai. There was also a plentiful resource base of workers eager to supplement their income with night work.

### **3.2 Inherent Values at a Neighbourhood Level: Community Organizations on Wan Zhu Jie Street**

The second level that *lilong* dwellers experience social stability and community cohesion is within the neighbourhood. In China the importance of neighbourhood far surpasses the Western notion of localized identity. Rather, within the neighbourhood structure community based organizations exert power to regulated daily life. It is these organizations which maintain a level of community cohesion and link the dwellers to services and government social welfare programs.

Under the centrally organized political system neighbourhood based organizations were created such as Residents' Groups, Neighbourhood Committees, and Street Offices to regulate community development and to act as the intermediary between government and the citizen. Thus for *lilong* dwellers, one's place of residence, and relationship to the neighbourhood committee, is of the utmost importance to meeting daily needs. For this study the neighbourhood administrative jurisdiction was managed under the Nanshi District Xiao Beimen Management Office. At the local level dwellers rather viewed Wan Zhu Jie street as their neighbourhood because it officially housed the neighbourhood committee office and unofficially was the area in which dwellers directed their concern over local problems.

### 3.2.1 Community Development

Within the *lilong* lanes there existed two basic categories of community organizations, the formal and informal. These two groups were categorized separately due to their opposing processes of organization, methodologies, and traditions. Very simply the formal structure of community development included such government controlled organizations as the Street Office, Neighborhood and Residents' Committees, Residents' Groups and day care centres. These official organizations aimed to facilitate and maintain the continued operation of basic services and safety. The informal structures of community development on the other hand, included those non-official structures which contributed to a sense of community by serving the needs, desires and welfare of the local lane dwellers. Such organizations included family structures, household and neighbourhood cooperation, mutual aid traditions and what might be called 'community awareness.'

### 3.2.2 Formal Organizations: Neighbourhood and Residents' Committees

Within the policies of the Peoples Republic is the creation of organizations established by the government to promote peoples welfare, improve standards, and maintain social order through mass participation. The neighbourhood and residents' committees are such organizations. Under the policy guidelines these grass roots organizations are administered by state controlled regulations, and are intended to provide a conduit for the dissemination of government policy through social service delivery. Their area of jurisdiction typically includes 5 types of service delivery; (1) social welfare which includes care for the elderly, job placement and employment services for the young and disabled, and financial assistance for families experiencing economic hardship; (2) public security which ensures the safety of the neighbourhood through crime prevention: such activities also include control over illegal structures or unlawful construction and the registration of all dwellers and visitors; (3) cultural and public health initiatives which enforce the established regulations and government programs to improve the environmental conditions of the area; (4) mediation of local disputes which includes intervention in family disputes, conflicts between neighbours, and youth confrontations; and (5) women and family issues which



includes the control over family planning, the provision of day care centres, and the implementation of the "Five Good Family Campaign" which honors model families.

Within the study this community based hierarchical structure was represented by the Xiao Beimen Street Office which administered and managed 15 neighbourhood or residential committees. Each neighbourhood committee then took care of a defined number of families within their 0.02 to 0.03 km<sup>2</sup> area. Each one of these committees was further divided into 24 - 47 residential groups which provided more specialty services. The Huai Zhen Neighbourhood Committee located on Wan Zhu Jie Street was the official resident's committee for the neighbourhood and its workers provided many of the services directed under official policy. For example the committee organized care for the aged, mediated conflicts, provided employment links, organized baby care, regulated family planning, registered new residents, and even provided matchmaking services.

In spite of the varied programs provided by the committee, the dwellers of Wan Zhu Jie street most valued the localized programs and services which had been developed by the resident's committee as they directly responded to the needs of the *lilong* neighbourhood dwellers. One of the most important services was that of care for elderly. This included a day care service where arrangements were made with primary school children from the local middle school to visit and attend to household chores for the seniors. Food services were also arranged with the school so as to provide hot lunches, and transportation was arranged for old people to go to the hospital for appointments or emergencies.

In addition to social welfare initiatives the Da Jing Neighbourhood Committee facilitated another locally based service where residents came to the neighbourhood office when they were in need of minor repairs to household equipment, such as the refrigerators or washing machines. The neighbourhood committee acted as the liaison to locate a repair person trained in the skill required. A fee was charged for the repair service while the neighbourhood committee provided the service at no cost to either party. The program thus provided a locally based solution to neighbourhood needs by utilizing community participation. The program however did not

address building maintenance. Dwellers were able to arrange repairs for their personal possessions but were unable to initiate building maintenance and repairs through this cooperative unofficial process.

Another service which was greatly valued by the residents was the provision and access to day care. Families in need of day care were directed to available centres or arrangements were made for available surrogate grandparents to watch over small children. On Wan Zhu Jie Street, two day care centres were available, however this exceeded the usual day care allotment. Both centres were located in *lilong* houses and provided service to two to four year old children at the cost of 80 yuan/month of which 30 yuan was subsidized through the parent's work unit. This locally based initiative was seen as very important as young couples increasingly chose to send their child to day care at an early age to take advantage of early education opportunities. Comments by a local day care worker reveal this shift in attitude among parents. She stated: "we are full to capacity...even though these children have grand parents to take care of them, the parents send their children here to learn and get a head start."<sup>51</sup>

In reference to the mediation of disputes, the Huai Zhen Neighbourhood Committee on Wan Zhu Jie Street agreed that in the majority of cases, problem mediation centered on housing and the need for more space. Arguments often occurred due to one family utilizing more public space, exceeding their arranged area of occupancy, abuse of common space or petty theft. The mediation process consisted of an impartial third party from the Resident's Committee listening to both sides of the dispute, and determining the guilty party through heart to heart talks, group pressure, or persuasion through examples of orderly conduct as outlined in socialist principals. The committee also provided a service for *lilong* dwellers to "negotiate for public space" where they would help families increase their private space within the public space of the *lilong*. However among the majority of young dwellers interviewed, these interventionary programs of mediation were viewed as unsuccessful, unsuited to the needs of the dweller, and "meddlesome."

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<sup>51</sup> . Interview 18, Day Care Centre, Wan Zhu Jie Street, Shanghai. 14 May, 1993.

Thus to what degree do the qualities of community, neighbourliness, security, cooperation and convenience, relate to the formal neighbourhood organizations whose purpose is to provide and regulate social welfare and community participation, improved standards and social order? To the dwellers of Wan Zhu Jie street the answers seem to be drawn along generational lines and types of service provision. Among the younger couples interviewed, many do not depend or utilize the neighbourhood committee, but rather increasingly rely on their own means and resources. Through interviews it was suggested that many young people valued services and programs which responded to local problems such as safety, care of the elderly, and home repairs through local solutions. These services were considered more worthwhile than those services which enforced and regulated centralized policies into family life. The common description which refers to the neighbourhood committee as the "granny police" reflected this doubt and humor young people felt towards this entrenched organization.

Seniors and retired people on the other hand, held a far different view of the neighbourhood committees as they greatly depended on their services. Many old people viewed them as more than a service provider, but as a link to social activities and relief from loneliness. The question thus arises in light of housing reform and commodification of housing whether neighbourhood committees will be outmoded or transformed into an organization more responsive to changing requirements? In the case of the *lilong* areas, where housing still remains under government control and local bureau management, the emerging role of neighbourhood committees is even more unclear.

### **3.2.3 Informal Organizations: Family Structures, Neighbourhood Cooperation, Mutual Aid, and Community Awareness**

Apart from the formal organizations in the *lilong* of Wan Zhu Jie, a whole level of informal social networks existed independently of government induced cooperation. These networks of social interaction responded to the needs of dwellers to solve common problems and address common goals in their local lane or neighbourhood. It was observed that this level of activity and participation was concentrated on very local scale over issues such as child care, safety, care of the sick and old, and common concerns of neighbours. The

organization occurred within extended family structures, and between *lilong* neighbours as opposed to large scale community activities.

This pattern of social linkages and community involvement was explained by a number of factors; family ties (the strong tradition of extended family for cooperation and problem resolution); physical proximity (close relations in the *lilong* encouraged friendships); and common interests (families with children or teens met through the common needs of their children); and common characteristics (persons with shared traditions developed social networks). The very localized and limited levels of informal community activities were also the result of domination by official agencies such as neighbourhood committees which have institutionalized the capacity to organize and initiate social linkages. The result is that informal community development took on a more specialized and insular role in the lanes and was not reflected by overt informal organizations. However its form was no less valued by the *lilong* residents. In fact participant observations and interviews indicated that residents viewed the social networks, and mutual cooperation within the lanes as one of the most valuable components of lane living. Comments ranged from: "there are reciprocal arrangements here, we have a lot of communication with other families,"<sup>52</sup> to "everyone in the *lilong* looked after the children...there is much cooperation in child minding,"<sup>53</sup> to "in the *lilong* we support each other we rely on other families for security."<sup>54</sup>

This neighbourhood value was described by dwellers as a type of "community spirit" where a common perception was shared and defined their identity as *lilong* dwellers. Such similar observations were identified in Cheng Naishan's book The Blue House, in which she characterized life among the Shanghainese. In one of her stories she described the mutual responsibility that local dwellers shared in the neighbourhood. Cheng wrote:

'If one family has a problem, ten thousand families come to help.' This was the reason why some of the residents were not particularly eager to move into flats with gas and a bathroom, and always considered carefully before making the decision to move away.<sup>55</sup>

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<sup>52</sup> . Interview 13, Wan Zhu Jie Street, Shanghai. 12 May, 1993.

<sup>53</sup> . Interview 14, Wan Zhu Jie Street, Shanghai. 12 May, 1993.

<sup>54</sup> . Interview 20, Wan Zhu Jie Street, Shanghai. 20 May, 1993.

<sup>55</sup> . Cheng Naishan, The Blue House, (Beijing: Panda Books, 1989), p. 148-149.

The existence of this community cooperation and mutual aid occurred at a household and street level. Within the household, families cooperated in most forms of living such as sharing the communal space in the kitchen, laundry and courtyard. In these instances however household conflicts were common. New residents were especially subjected to problems with sharing space due to their lack of seniority in the house and neighbourhood committees did not solve these problems adequately to their satisfaction. Every household interviewed remarked on the problems associated with the shortage of space and services, and confined living arrangements. However notwithstanding these extenuating circumstances, families and neighbours attempted to resolve disputes and issues of mutual concern.

In areas where neighbours shared mutual concerns based on safety, health, concern over older residents, and child care, the degree of mutual cooperation was very high. The majority of dwellers remarked that they themselves and their neighbours developed reciprocal arrangements and watched over their neighbours children, watched out for strangers, and paid close attention to dwellers who were old or alone. This informal network was viewed by dwellers as one of the most important and positive qualities of the *lilong* neighbourhood. Many dwellers interviewed, expressed feelings of security that they could always rely on neighbours for help and that the major concern in relocation would be the loss of such friendships.

At the neighbourhood level, informal cooperative and mutual aid groups did not exist outside of the traditional organized neighbourhood committees and work units. In other words, neighbourhood participation in local organizations other than official sanctioned groups was not observed. For example, in regard to housing maintenance organizations or neighborhood activities, grass roots community groups only existed within the state framework.

### 3.3 Inherent Values at a City Level: The Relationship Between *Lilong* Dwellers and the City

The third level of interaction which was viewed as important by *lilong* dwellers was the relationship of the old neighbourhoods to the city. From initial analysis it was discovered that locational factors were of primary importance. Proximity to jobs, schools, shopping, hospitals, and transportation were among the most important reasons for remaining in *lilong* housing. But upon closer examination it was revealed these values were not purely explained by locational factors or convenience. These inherent values were rather linked to the relationship which existed between the *lilong* dwellers, their neighbourhood, and the characteristic urban fabric of old Shanghai which has evolved into an integrated connection between living, working, and commerce.

#### 3.3.1 Home and Job Linkages

Among the residents interviewed, one of the most important values expressed by dwellers who lived in the old *lilong* neighbourhoods was the relationship which existed between home and work. For the majority of dwellers who were employed, time, distance, and convenience were viewed as values of living in the *lilong* neighbourhood. The majority, (90%) of those interviewed stated that their desire to remain in the *lilong* was because it was close to work. One dweller commented that:

even if a new house was offered in Pudong we would prefer to live here in the *lilong* because of its proximity to work...*lilong* are so convenient...I don't think Pudong or those other areas are so good for our kind of work, it is too long a distance to travel.<sup>56</sup>

In actual time the majority of dwellers interviewed spent between 15-30 minutes by bicycle to commute to work. The time was slightly longer when they traveled by bus.

On closer examination however the linkages between home and employment were not completely explained by temporal factors. They also depended on the physical integration of residents and services,

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<sup>56</sup> . Interview 16, Wan Zhu Jie Street, Shanghai. 14 May, 1994.

employment activities in downtown Shanghai, the existing spatial dispersion of jobs, and the type of work in which the dwellers were engaged. For example, as 80% of jobs occurred in the central area of Shanghai <sup>57</sup> a worker's relationship to downtown Shanghai was important. Furthermore, there was close relationship between the types of employment which were available in the city centre, such as low level clerical, service and factory positions, and the employment needs of *lilong* dwellers. For example among those dwellers interviewed, all had factory and service positions which were easily accessible in the downtown area.

In comparison the options for employment in the new Pudong region, which is promoted as the new center for technology and research, may not provide the required level of job opportunity for *lilong* dwellers. For example a 1986 survey found that only 4.4% of the residents living in new housing projects could find jobs in their community.<sup>58</sup> Therefore it is not only distance and time of travel which is important to *lilong* dwellers, but also the type of employment available, and the location of the resident and employment source.

In physical terms the *lilong* neighbourhoods are inseparably integrated into the physical fabric of the city. Although entries to *lilong* lanes have a distinct demarcation such as gates, stone arches and changes in land usage, polarization does not seem to exist. The old neighbourhoods are encircled by the city, which has resulted in a type of mixed use that has left a legacy of integrated planning. For example within the Xiao Beimen neighbourhood, there exists ten small factories, a wood furniture processing plant, a sock weaving factory, and some small electrical product plants. Even though none of the dwellers interviewed worked in these factories, the complex fabric of housing and employment seemed to continue to exist and reinforce the importance between proximity and linkages of home and work.

Another important factor in the integration between *lilong* neighbourhoods and the city the availability, proximity, and choice of transportation. For the Shanghainese, the bicycle is an important form of transportation,

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<sup>57</sup> . Tingwei Zhang, "Housing Policy under A Planned Economy: Towards an Alternative Housing Policy" (Ph.D. Dissertation, University of Illinois at Chicago, 1992), p.82.

<sup>58</sup> . Tingwei Zhang, "Housing Policy under A Planned Economy: Towards an Alternative Housing Policy" (Ph.D. Dissertation, University of Illinois at Chicago, 1992), p.82.

and to the *lilong* dweller it is the preferred mode of transport for reasons of cost, time, and convenience. Among the dwellers interviewed eight out of twelve of men, and five out of eight women, relied on bicycles rather than public transport (see appendix 3). Related to the popularity of bicycle transport are the independent variables of proximity of work, home, and services and the integration of land uses within central Shanghai. For example, of the men interviewed all chose to use bicycle transport if the commuting time did not exceed 3/4 hour. In spatial terms this would mean that the workers employment would be relatively close to the urban core and within the inner ring road of the city. Thus for bicycle transportation to be successful the proximity between work and home must be within such distances. As the *lilong* neighbourhoods are integrated within urban Shanghai, bicycle transportation becomes an option. The bicycle is even becoming more important to the *lilong* dweller as currently traffic congestion in Shanghai has greatly increased due to the many commuters traveling in from the peripheral regions to the urban centre.

The relationship between home and work became even more important when the role of women was considered. Among all of the *lilong* households interviewed, working women had a triple role to care for the family which included often husbands, in-laws, grandparents, and small children; work; and maintain the household. Even though in many households, shopping and house cleaning was done by grandmothers, the wife still had household duties to prepare the mid day meal. This required wives to commute twice the distance as their husbands during the day, in addition to preparation, eating and clean up after the mid day meal. A further complication to this scenario was that all women shared the kitchen space so planning was required so as not to conflict too dramatically with other households cooking schedules.

A further factor linked to the job and home proximity was the issue of child minding. A cooperative and community oriented atmosphere was developed in the *lilong* area, where friends and family watched over children whose parents were working. This availability of local child care within the neighbourhood relieved some of the burdens when women's jobs were far away from the home. However, notwithstanding this women still expressed a concern over working long distances from the home.



Perhaps one of the most important issues relating to employment and the spatial integration of work and home is the new phenomenon related to the emergence of the 'second job'. This new emerging pattern is closely linked to the progression of the reform policies in Shanghai and is an indication of the growing trends of commodification in the labor force and "informalization" in the emerging market economy. Currently in Shanghai, additional work outside of ones recognized enterprise is growing. "Moonlighting," as it is called in Shanghai now provides one half of the residents with second jobs.<sup>59</sup> Documentation indicates that the majority of second job holders in the recent past have had technical expertise as in 1988, 59% of all second job holders in Shanghai were teachers, technicians, students and scientists.<sup>60</sup> However it is not yet clear how this growing situation will effect the less skilled worker. What is clear is that the type of second jobs which inner city residents may become involved with are linked to the market emerging in the urban centre. For example services such as house keeping, cooking, cleaning, small repairs, child minding, etc. rely on the services of less skilled labor. In the case of *lilong* dwellers, this possible emergence of new options for employment may put an even greater importance on spatial integration of home and work and the dependence on the close proximity of inner city neighbourhoods to the urban core.

### 3.3.2 Home and Services Linkages

Among the older retired *lilong* residents and those with small children, the proximity of the home to special services such as hospital, schools, day care, transportation, telephone, and shopping was of prime importance. This "convenience," as it was indicated by many dwellers was again considered one of the inherent benefits of inner city *lilong* living. For example in the Xiao Beimen Neighbourhood there were three middle schools, six primary schools, four kindergartens, one library, one theater, one district hospital and one neighborhood hospital. However the value of these services within the neighbourhood went beyond mere provision

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<sup>59</sup> . China News Analysis, "The Two Job Holders," China News Analysis 1480 (March 1, 1993), p.2.

<sup>60</sup> . China News Analysis, "The Two Job Holders," China News Analysis 1480 (March 1, 1993), p.5.

and proximity. A more complex set of relationships seemed to exist as services were integrated directly within the neighbourhood in many levels.

A pattern which intermingled services and residences in the *lilong* lane was evident. On Wan Zhu Jie Street for example, the elementary school and middle school, two day cares, one resident committee and two public telephone counters, were located in the lane at street level (see fig. 3). These services were completely accessible to the residents who lived within the lane. A comment by one retired dweller began to indicate the importance and value placed on local services. The woman stated:

The children in the area seem to move to Pudong which is too far away for us. Here is convenient for us grandparents. Here we know our neighbours, it is easy to go to the hospital when we are sick. It is only six minutes away on foot.<sup>61</sup>

Young families also commented on their concern for their children's education and valued the quality of services which were available in the Xiao Beimen neighbourhood. A young family stated:

if we ever move, we will not take the children because we want them to continue in our local neighbourhood school. At the new housing, there will be no good services but we will keep our children here with my grandparents. Here it will be no problems.<sup>62</sup>

This also began to explain the growing phenomena which describes the old *lilong* lanes as the homes for the very old and the very young.

### 3.3.3 Home and Commercial Linkages

Among the residents interviewed the relationship between home and commerce in the old neighbourhoods was of fundamental importance. Shops, restaurants, repair shops, food markets, offices, health care clinics, and *lilongs* were located side by side. Dwellers valued the close proximity and convenience of shopping in the lane, neighbourhood, and local districts. As one dweller stated: "I shop every day, my daily shopping needs are close

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<sup>61</sup> . Interview 8, Wan Zhu Jie Street, Shanghai. 04 May, 1993.

<sup>62</sup> . Interview 14, Wan Zhu Jie Street, Shanghai. 12 May, 1993.

by...just outside at the street. It is very convenient.”<sup>63</sup> In spatial terms this “convenience” is related to the integration of commerce, housing, services and employment throughout the city’s urban fabric. For example, at the city level commercial and mixed use development surrounds the old *lilong* housing areas. Therefore busy shopping streets with major department stores and large specialty shops are located in close proximity to housing.

Immediate needs are provided at the local level where commerce is integrated into the neighbourhood to provide a complex living environment. On Wan Zhu Jie Street for example, commercial establishments operate at three levels: the individual vendors who set up “shop” outside of their residence and provided services such as shoe repair, bike repair, hairdressing, or barber shop; the small convenience stores located in the frontage of the *lilong* which sold daily household items; and the officially operated stores and service institutions, as reflected by larger outlets such as the State run Peoples Friendship Club and Restaurant. In addition to these three categories there also exists the market vendors who set up street side displays usually of fruits, vegetables, fish, meat, or prepared foods. In the Wan Zhu Jie area these vendors congregated on the adjacent busy and wide streets of Lu Xing Yuan, and Da Jing Lu.

This commercial integration functions not only for service and convenience, but provides opportunities for local social interaction. For example, telephone counters, convenience stores, beverage counters and snack shops, are located at the lane crossroads where a great deal of local pedestrian traffic occurs. Smaller specialized services such as a barber shop, hairdresser, shoe repair and video arcade were also located within the street. These local shops and services provides common gathering points where residents congregate and exchange local information. Under such circumstances and conditions interpersonal networks have developed which contribute to the cohesion of the lane and respond to the needs of the dweller.

This localized atmosphere changed significantly as Wan Zhu Jie street neared the more public intersection of Remin Lu. Here a different set of commercial establishments are located which serviced the general populous as

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<sup>63</sup> . Interview 14, Wan Zhu Jie Street, Shanghai. 12 May, 1993.

well as lane residents. For example, at the entrance to the lane was a clothes store, beverage shop, convenience shop (similar to the western corner store), news stand, and cigarette stand. It should be noted that this characteristic location for shops and stands at the entry to the *lilong* lane provided a dual function of service, and as a security check point or "eyes to the lane".

## CHAPTER 4

### **FACTORS AFFECTING *LILONG* DWELLERS: UNDER A CENTRALIZED PLANNED HOUSING POLICY.**

Under the centralized planned economy housing is considered an element of social welfare which is provided, produced, and distributed by the government. With such a policy the basic needs of shelter are to be accessible to all workers based on their personal needs and contributions to the state. However, among many dwellers in the *lilong* neighbourhoods this institutionalized process for housing allocation and access seems not to provide equal rights to all. Unlike a market based economic system which allocates shelter through the individual's ability to purchase housing and excludes their participation through the inability to afford housing; the planned economy allocates housing based on the individual's ability to comply to an institutionalized set of criteria which defines housing need on generic and inflexible quantitative standards, and stratifies this social resource by distributing better housing as remuneration for political position and social rank. Therefore those who are powerful and control the distribution of social wealth can meet their housing needs by using their power, and those who do not comply to such criteria are excluded from improved housing. Thus it seems that neither a centralized planned socialist system nor a market oriented system can alleviate total housing disparity in access or allocation for all citizens.

To many *lilong* dwellers, the centralized housing policy, which was established in 1949, has both directly and indirectly affected housing access and allocation through a number of factors. Directly, dwellers have been affected through allocation criteria which regulate public housing, such as the national standards to determine "Poor Living Condition Housing" (P.L.C.H.), and the "Point Allocation System" used by work units to allocate unit housing. Indirectly dwellers have been affected through the work units administrative ranking systems and the ability of the work unit to provide housing. Thus the disparities of the allocation system exist between the enterprise, and government institutions which control public housing. The purpose of this chapter is to identify

those factors which are characteristic to the centralized housing system and have specifically affected *lilong* dwellers in either beneficial or detrimental ways in regard to *lilong* housing.

#### 4.1 Housing Allocation

Under a centralized planned housing system it is the State's responsibility to meet housing needs for all citizens, and provide and allocate this social good accordingly. The process of housing allocation thus depends on a specific set of rules, regulations and criteria which is easily measured and observed in order that housing allocation occurs systematically, equally and without confrontation or opposition. At the most basic level a framework is required to determine a set of living standards that determines basic housing. In addition, criteria are required to determine the dwellers' needs for housing, as well as a system to allocate housing based on the dwellers' official position, job, rank and seniority in the work unit. Within this system, each housing authority has its own specific set of official standards and criteria to provide and allocate housing. For the *lilong* dwellers they face the double burden of complying to housing standards determined by government authorities at local and district levels, as well as work unit and enterprises which have their own specific criteria for allocating housing to their workers.

This complex administrative structure of *lilong* housing, coupled with the government's criteria to determine housing standards, and the housing allocation system regulated by each *danwei* has contributed to the current circumstances of the *lilong* dweller. The effects of the housing allocation process is however even more complex for many *lilong* dwellers due to the complicated and shared tenure structure. In the Xiao Beimen Neighbourhood for example, many *lilong* are owned by the government, managed by the district housing bureaus, allocated by units and occupied by dwellers who have lived in these *lilong* since before 1949. Housing allocation and requests for better housing thus become a complex process between several jurisdictions and which may require dwellers to fulfill multiple criteria.

In the Xiao Beimen neighbourhood, officials commented that dwellers who live in public housing classified as "difficult housing" (P.L.C.H.) generally approached their work unit to access better housing.<sup>64</sup> Each work unit formulated their own appropriate housing allocation system, prioritized the applications and then forwarded the names to the Xiao Beimen Management Office. The management office then has the ultimate authority to determine whether a dweller can move. However history and time has again added another level of complexity to the *lilong* as each house is occupied by several families from different work units. Therefore there is the potential for a lack of cohesion between the disparate work units within the house. Each family must go to a different *danwei* for personal requests. In addition, the Xiao Beimen Housing Management Office has their own set of criteria which attempts to maintain basic living standards. For example new occupants of *lilong* units must not be assigned into areas less than 4 sq. meters/person; in communal spaces or circulation areas; or in an areas less than 10 meters if they are a young couple which plan to have a family. Thus the housing bureau seems to regulate for minimum housing standards and provide a "watch dog service".

#### 4.1.1 Criteria For Allocating Government Owned Housing

The criteria to determine substandard and inadequate government housing is based on a national set of standards determined in part by the classification of "Poor Living Condition Housing" (P.L.C.H.). Under this system housing quality is measured by the quantitative and qualitative condition of the house. Quantitative conditions are determined by three factors: (1) homelessness, (2) overcrowding, and (3) inconvenient housing. Homelessness is defined as either "no marriage housing,"<sup>65</sup> married couples with no place to live, or new comers to the city who possess legal registration cards but are unable to find housing. People who have migrated from

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<sup>64</sup> . Interview 5, Vice Director Nanshi District Xiao Beimen Buildings Management Office. 03 May, 1993.

<sup>65</sup> . No marriage housing is determined by a couples existing living situation and their age. A couple is considered to live in a "no marriage household" if the man is over 27 years of age and the woman is over 25 years, and living space is less than 4 sq.m./person after the following calculation is computed:

Area of a families living space - 10 meters

number of family members - 1

Zheng-tong Wu, "Research on Solving the Poor Living Condition Households Problem in Shanghai", (Shanghai: Shanghai Housing Management Research Institute and Technology, 1987), p.1174.

rural areas to the city without legal authority are not considered homeless as their residence is officially recognized in rural areas. This regulation concerning homelessness is of particular importance to *lilong* neighbourhoods as many incoming transients settle in the *lilong* communities.<sup>66</sup> To meet this pressure in the Wan Zhu Jie Street a large *lilong* had been converted into a 30 bed hostel to accommodate men seeking temporary shelter while working in Shanghai. The cost for accommodation per night was 7 yuan. In comparison to the rent for local residents these accommodation costs were approximately 700 times greater.<sup>67</sup> The influx of migrants into the old neighbourhoods, while not directly affecting allocation provisions for *lilong* dwellers does add an increased strain on infrastructure and overcrowding in the lanes. In Shanghai approximately 2 million people are classified as 'floating population' and among this population, some 1.2 million are temporary residents who stay in Shanghai for a long time, working for construction companies, factories, trade, informal activities, etc.<sup>68</sup>

The overcrowded household is the second criteria which defines dwellers' needs and increases their eligibility for improved housing. An overcrowded household is calculated as less than 2.9 sq. meters/person, (3.0 is the working standard). Thus if a dweller occupies a space including furniture which is less than 3 sq. meters/person he or she is considered to live in an overcrowded household.

The inconvenient household is the third criteria which defines inadequate housing and dwellers' needs. It includes one or more of the following criteria: the average living space per person is less than or equal to 5 sq. m. and parents live with their adult children (over 16 years of age); adult sisters live with adult brothers; or three generations or two couples live in one bedroom which can not be divided by partitions.<sup>69</sup>

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<sup>66</sup> . Alice Goldstein; Sidney Goldstein; and Shenyang Gou, "Temporary Migrants in Shanghai Households, 1984" *Demography* 28 (No. 2, May 1991), p.279.

<sup>67</sup> . Average rent per month for *lilong* dwellers surveyed on Wan Zhu Jie Street after rent reforms was .3 yuan/m. sq./month or .01 yuan/sq.m./day compared to 7 yuan per night for dormitory accommodation.

<sup>68</sup> . Min Zhao, "Understanding Metropolitan Shanghai," in *The Research on Human Settlements in Shanghai*, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p. 41.

<sup>69</sup> . Zheng-tong Wu. "Research on Solving the Poor Living Condition Households Problem in Shanghai", (Shanghai: Shanghai Housing Management Research Institute and Technology, 1987), p.1175.



In addition to this quantitative criteria, is a set of qualitative standards used to determine inadequate housing in public housing sector. This includes housing which is unsafe and requires emergency structural repair, harmful environment housing, or housing without basic services. However within this set of criteria households which experience qualitatively inadequate housing are not given priority for better housing unless the conditions are unsafe.<sup>70</sup>

Under this policy the majority of *lilong* houses in the study could be classified by the P.L.C.H. standards as inadequate. For example among the informants interviewed on Wan Zhu Jie Street, all lacked basic services. None of the households interviewed had an indoor toilet; all relied on night stools and public conveniences, 17 out of 20 households shared kitchen and cooking areas: and none of the households had permanent fuel connections with the exception of electricity. Furthermore, over one half of the dwellers interviewed lived in inconvenient housing where parents and adult children shared the unit. However the numbers of families by official standards which lived in overcrowded conditions was significantly low. Only two out of the 20 households interviewed lived in spatial allotments below or equal to 3.0 sq. meters/person (see appendix 3). Under such criteria, dwellers who live in substandard conditions are eligible to request better housing on the grounds of P.L.C.H. For *lilong* dwellers this policy is important as it provides access to better housing for those living in the poorest conditions. For example, two families on Wan Zhu Jie street who lived in space below 3.0 sq. meters/person were slated to be relocated to the periphery because of P.L.C.H. These observations reflect the more widespread circumstances for *lilong* dwellers in Shanghai as 1990 data estimated 613,000 households required new housing<sup>71</sup> due to P.L.C.H.

The effects of such a policy to the dwellers is far reaching as the criteria to determine the suitability of housing is determined by a set of generic standards which must be flexible enough to suit any building type and standardized to fit institutional programs and policies. As a result such criteria are not able to evaluate specific local conditions or current housing realities in the *lilong* areas. In the case of old *lilongs*, spatial characteristics

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<sup>70</sup> . Tingwei Zhang, "Housing Policy Under a Planned Economy: Towards An Alternative Housing Policy in China" (Ph.D. dissertation, University of Illinois at Chicago, 1992), p.34.

<sup>71</sup> . Zheng-tong Wu, "Research on Solving the Poor Living Condition Households Problem in Shanghai", (Shanghai: Shanghai Housing Management Research Institute and Technology, 1987), p.1175.

which have developed in living patterns, such as the adaptation of sharing space in the common courtyard, laundry or cooking areas, and the advantages of inter-generational living are not viewed as potential solutions to living problems but rather as potential problems. The existing criteria also do not have the ability to consider the other factors which affect housing needs of the inner city which are socially and economically based. As a result all *lilong* housing which do not fit within this specific criteria is considered inappropriate and unsuitable to modern standards. Such actions tend to legitimize and rationalize the overall housing policy to "renew and redevelop" old neighbourhoods.

#### 4.1.2 Criteria For Allocating Work Unit Administered Housing

In addition to the criteria which determines P.L.C.H. a second set of standards and allocation procedures exist for *lilong* dwellers who occupy housing administered by work units. This process is based on the point system which quantifies a worker's contribution and relationship with their enterprise and determines priority, eligibility, quality and quantity of housing that each worker is permitted. Even though each enterprise has specific procedures for the point system, allocation is generally determined by job rank, seniority, current living area of the applicant, family features such as number of generations, age, gender of children, number of occupants, the position of the applicant's spouse, family planning issues, political contributions, and commitment to the revolution. The more points received, the higher ones chances of accessing improved housing or increased space. To access better housing *lilong* dwellers generally apply to their work unit and follow such procedures.

An example of this point allocation system is cited in Tingwei Zhang's Ph.D. dissertation,<sup>72</sup> which outlines the allocation system adopted by a Shanghai University. Allocation is determined by points received in three categories:

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<sup>72</sup> . Tingwei Zhang, "Housing Policy Under a Planned Economy: Towards An Alternative Housing Policy in China" (Ph.D. dissertation, University of Illinois at Chicago, 1992), p. 91-92.

(1) Eligibility: whereby the applicants must have worked in the University before a specific date, have official Shanghai Residents' registration and be living in conditions below 4 square meters/person.

(2) Housing Area Points: in which basic need + job rank + additional points per sq. meter are computed. Basic need is determined by an inverse relationship between family number and space, where higher points are awarded for fewer family members. Job rank is based on position and years of employment where the higher the job rank and duration of employment, the larger the point allocation. Additional points are awarded if the family has followed family planning, if children are over 16 years of age or if the family has returned from overseas.

(3) Priority points: in which additional points are determined by seniority, job rank, and special criteria. Seniority is calculated by the number of years working since 1949 and the number of years of employment at the enterprise. Special criteria is determined by the workers contribution to the Communist Party, service as a revolutionary, outstanding honors in the city, and amount of existing living area where more points are awarded to increased household areas.

Under this type of process it is evident that a bias in point allocation is directed towards workers with increased seniority, job rank, social position, party affiliation and performance of state ideals. Basic need only constituted a small component for a households access to better housing. In regard to *lilong* dwellers, a number of factors in the point allocation system may preclude access to better housing. These include: dweller's job rank and position; dweller's existing housing conditions; and wealth of the enterprise.

Among the workers interviewed on Wan Zhu Jei Street, the majority were employed in lower status jobs such as low clerical, service, or factory worker positions. Only one dweller interviewed held a middle professional job. Under the housing allocation system *lilong* residents, because of their positions within the work unit, experience greater inequalities in their access to better housing. Furthermore as points are also awarded based on a households occupied area, *lilong* residents are further penalized due to their existing overcrowded housing

conditions. In addition to a worker's rank within the unit, the wealth and classification of the unit further determines a workers quality of housing. Wealthy work units for example, are capable of providing adequate housing; whereas poor units, that can not meet production quotas or create financial surpluses, are not in a position to provide adequate housing. Of the residents interviewed on Wan Zhu Jie Street the majority were employed for low ranking factories which produced commodities such as rulers, sewing machines, utensils, and wire . Those dwellers who worked for large units such as the Shanghai bus system, held low positions within the work unit.

In light of this allocation process it may be suggested that a "creaming off"<sup>73</sup> or social segregation may have existed under the centralized planned housing system where dwellers of better rank and position from wealthier *danwei* may have had increased opportunity to be relocated to improved housing. As one dweller commented:

Those who are wealthy or are high on the allocation waiting list, which is determined by income, position, and least of all need, are relocated to high rises...only the poor and old are left in the *lilong*.<sup>74</sup>

Furthermore, under this system of housing allocation the *lilong* dweller is afforded few choices to improve his or her housing environment *in situ* as currently the dominant housing option consists of apartment style units located in the city's periphery. In other words, the option to upgrade and rehabilitate older housing stock in the inner city has been significantly overlooked by the *danwei* which continues to invest in new housing.

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<sup>73</sup> . Peattie (Peattie, 1982: 134), is specifically referring to sites and services projects where dwellers are attracted to such projects while more marginalized members of the community are left behind. This "creaming off" contributes to a breakdown of the informal social and economic networks which such dwellers depend. Although the economic circumstances of the *lilong* dwellers is significantly different from the informal sector which Peattie describes, the similarity exists in the eventual social and economic segregation of dwellers as those with better connections, job positions, social rank, and increasingly financial security will be relocated from the old neighbourhoods.

<sup>74</sup> . Interview 2, Long Hua West Road, Shanghai. 01 May, 1993.

## 4.2 Housing Rent and *Lilong* dwellers: Effects and Impacts

Fundamental to housing policy under the centralized planned economy is the notion that housing, as an element of social welfare, must be provided to all citizens for low rent, in order that all workers will have equal opportunity for housing provision. To achieve this welfare oriented housing system, rent was subsidized at great cost by the government and workers' wages would remain low to provide "wage in kind" subsidies for housing. This low rent policy has affected not only the *lilong* dweller but has impacted the whole housing process in three different directions: economically, socially, and physically.

Economically, such low rents have restricted the amount of money available for public investment in housing which has aggravated the shortage of housing. For example in 1990, average rents for urban residents in Shanghai was 0.1 RMB yuan/sq. meter/month, which represented only 7% of the cost of rental, therefore 15 RMB yuan/sq. meter was required by the state as subsidy.<sup>75</sup> This minimal revenue covered only one quarter of maintenance costs, and was not sufficient to cover the additional costs of management, administration and household depreciation. The public sector therefore had to contribute money to not only fund new construction but also maintenance. In Shanghai these circumstances are even more significant as a greater proportion of housing is publicly owned and managed (44% in Shanghai as compared to the national average of 9%)<sup>76</sup>. Furthermore due to the large amount of older *lilong* housing stock, (1991 statistics classify 32.7% of all housing is old *lilong* stock)<sup>77</sup>, an ever-increasing amount of repairs and maintenance are required. Physically, this has resulted in building repairs being deferred and building deterioration occurring more quickly.

For the *lilong* dweller the low rent system has affected the minimal financial monthly commitment for basic living standards while at the same time has kept monthly wages at a low level. Of the residents interviewed

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<sup>75</sup>. Guilan Bao, "Socio-and Psychological Analysis of the Inhabitants in Shanghai," in The Research on Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p.61

<sup>76</sup>. Tingwei Zhang, "Housing Policy Under a Planned Economy: Towards An Alternative Housing Policy in China" (Ph.D. dissertation, University of Illinois at Chicago, 1992), p.26.

<sup>77</sup>. Shanghai Tongji [Shanghai Statistical Bureau]. Shanghai Tongji Nianjian 1992 [Shanghai Statistical Yearbook 1992]. (Shanghai: Shanghai Tongji Chubanshi [Shanghai Statistical Publishing Co.], 1992), p. 440.

on Wan Zhu Jie Street, rent averaged 0.16 yuan/sq. meter/month and fluctuated between 0.06 yuan at the lowest level to 0.28 yuan at the upper level (see appendix 2). The majority of rents were clustered at 0.1-0.15 yuan/sq. meter/month and 0.26-0.28 yuan/sq. meter/month. The impact of the low rent policy was that dwellers were easily able to meet their shelter needs and more recently with rising incomes, had substantial income left for other uses. All dwellers commented that rents did not constitute any financial concern and were considered "very cheap". Such opinions are characterized in the often quoted line: "yi yue fang zu, yi bao yan qian," monthly rent equals only the cost of a packet of cigarettes.

Socially, the low rent welfare oriented housing system encouraged increased demand and over consumption by those with power, access to housing allocation procedures, or those with special connections. The incidence of "over consumption" among *lilong* dwellers was not as apparent as most dwellers were not in a position which allowed them to access more housing. However low rents coupled with increasing income did reflect a characteristic consumption pattern. Of all the households interviewed, the majority had colour televisions, refrigerators, stereos, electric rice cookers and other commodity items. V.C.R.'s also existed but were in fewer households.

Of greater social impact to the *lilong* dwellers were the indirect affects of low rent policies. As all dwellers paid similar rents, a socially equitable distribution of housing existed in the *lilong* lanes where a distinct lack of segregation based on affordability occurred. For example, of those interviewed on Wan Zhu Jie Street, the majority of dwellers paid similar amounts in rent. Where discrepancies and variances did exist it was due to the dwellers size of unit, location within the *lilong* and unit orientation. Thus among many dwellers rents did not fluctuate and maintained a social and spatial equivalency among neighbours.

Furthermore, the system of low rent seemed to have established a feeling of security among the dwellers that basic housing with minimal standards would be guaranteed. For example of those dwellers interviewed, none suffered from the fear of relocation or eviction due to their inability to pay rent. Residents seemed to possess a

"sense of security" that basic shelter would be provided for them; however, their guarantee of location, choice and housing preference was sacrificed for such security.

Physically, low rent welfare housing has undoubtedly affected the physical condition of *lilong* housing due to the lack of regular maintenance. However the degree of deterioration in the *lilong* is also a result of intervening variables, such as the building age, living density, and lack of services. However among the informants interviewed, the lack of regular building maintenance was not seen as an important factor affecting their daily life. This opinion may partially be in response to the near absence of government maintenance.

## CHAPTER 5

### THE INTRODUCTION OF HOUSING REFORMS AND THEIR EFFECTS ON *LILONG* DWELLERS

In December 1978 at the Third Plenary Session of the 11th. Communist Party Central Committee new directives were initiated for Chinese modernization which were to fundamentally alter the existing tradition of economic development. The reforms were widespread and included all areas of the economy including national economic development planning, national financial control, and the national banking system. Linked to modernization and economic growth was the reform of the social welfare system which included housing, medical services, and social security. The principals of these reforms were founded on a fundamental change from the pure planned economy to a mixed economy which incorporated many market mechanisms. The result was a shift towards multiple ownership, independent competition in the market for enterprises, a movement towards free exchange of goods in the market, shift in some governmental jurisdictions towards increased local government control, and a revised distribution system for social benefits which demands citizens financial contributions.<sup>78</sup>

In 1980 a housing commercialization reform program was suggested by Deng Xiaoping to initiate the reform of the welfare system in housing. Under such directives the first steps in housing reform began with four cities, Changzhou, Zhengzhou, Shashi and Siping, being chosen to initiate the pilot projects. In 1986 the reforms were extended to eight other cities including Shanghai. On the basis of such experimental programs the official Housing Reform plan was issued nationwide in 1988.<sup>79</sup>

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<sup>78</sup> . Tingwei Zhang, "Housing Policy Under a Planned Economy: Towards An Alternative Housing Policy in China" (Ph.D. dissertation, University of Illinois at Chicago, 1992), p.143.

<sup>79</sup> . Tingwei Zhang, "Housing Policy Under a Planned Economy: Towards An Alternative Housing Policy in China" (Ph.D. dissertation, University of Illinois at Chicago, 1992), p.144.



The overall goal of housing reform was to convert the heavily subsidized housing system in China into a self financing business<sup>80</sup> by: deriving financial profit from housing which hitherto had been a welfare privilege. Under housing reform all development, construction, exchange, and allocation of housing would be readjusted within the planned open market system. The principals of housing reform attempted to: (1) change the existing system of low rents and free housing allocation to housing commercialization, with housing allocation dependent on a dweller's financial contribution and the contribution of his or her work unit; (2) change the existing housing investment system from total dependency on the government and public sector to a three way partnership where the financial burden was shared by the state, enterprise and private sector including the individual; and (3) change the existing housing allocation system to reflect a more equitable process administered by a housing management system.<sup>81</sup>

To achieve such principals five options to housing reform were developed:

1. Rent increases; which were initially introduced to increase rent to cover the cost of maintenance and management followed by rent increases to reflect the full market cost of production. As Deng Xiaoping commented in 1980, "rents should be readjusted in line with investment in housing construction,"<sup>82</sup> and Su Xing, economist and deputy editor of the 'Red Flag', went further to say:

In this current stage, the rental should at least cover depreciation, maintenance, management expenses and land taxes. Otherwise, it will be impossible to retrieve not merely the cost of reproduction of housing, but also the cost of minimum maintenance.<sup>83</sup>

The goal of the program was not only to increase the financial responsibility of dwellers but to ultimately encourage residents to enter into the commodity housing market as the cost of rent would be comparable to market housing.

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<sup>80</sup> . Jianjun Liu, "The Privatization of Urban Housing," Beijing Review 31 (No. 46, November 14-20), p.18.

<sup>81</sup> . Tingwei Zhang, "Housing Policy Under a Planned Economy: Towards An Alternative Housing Policy in China" (Ph.D. dissertation, University of Illinois at Chicago, 1992), p.146.

<sup>82</sup> . Jianjun Liu, "The Privatization of Urban Housing," Beijing Review 31 (No. 46, November 14-20, 1988), p.19.

<sup>83</sup> . Richard Kirkby, "China," in Housing Policies in the Third World, ed. Kosta Mathey (Munchen: Profil Verlag, 1990), p.303.

2. Public housing privatization; which included the sale of public housing to the existing tenants and in so doing transferred the responsibility of maintenance and housing provision to the dweller while the state gained investment returns from depreciated housing.
3. Housing Commercialization; which established housing as a commodity and no longer considered it a pure public good. Housing rather represented a commodity which could be exchanged for profit on the open market within the planned market economy. The housing commercialization program considered that newly constructed housing was to be allocated through the open market system rather than through the previous system of public housing allocation. Of all the housing reform policies, this perhaps was the most significant as it transferred full responsibility of shelter provision to the dweller through a system where market forces and the dwellers financial capabilities determined allocation and access.
4. A three way Partnership; which attempted to distribute the financial burden of housing investment between the government, enterprise and individual. This was achieved by a cost sharing and housing investment program where the dweller contributed one third of investment costs for commodity housing and the remainder was shared by the government and work units. A series of programs which encouraged dweller's participation in the housing market by the purchase of housing bonds, and mandatory contributions to housing funds was also introduced.
5. Reform of Housing Allocation; which examined the social inequalities and disparities under the current allocation system.

Shanghai has taken a lead in carrying out these housing reform policies. However it has become increasingly evident that such policy objectives and implementation strategies are having fundamentally different effects on the very diverse socially and economically stratified Shanghai dweller. Notwithstanding the emergence of more housing, the urban poor remain isolated in their inability to enter the housing market. Those who are especially affected are dwellers with low salaries, less than average working members in the households, workers outside the state employment system, those nearing retirement or on restricted incomes, and those employed by poor work units. For the other residents who are employed by wealthy *danwei*, are of a high job ranks and official position, or are financially able to engage in market socialism, the new housing reform programs offer an

advantageous opportunity for accessing improved housing, and deriving financial benefits from housing investment.

For the *lilong* dwellers, housing reforms and the shift towards commodity housing are having profound effects far greater than the direct programmatic implications of rent increases and mandatory contributions to housing funds. Factors which also affect *lilong* dwellers and the old neighbourhoods include; (1) the integration of the commodification program into the urban development strategy; (2) the accelerated development of real estate; (3) the reluctance of the Shanghai government to privatize significant amounts of *lilong* housing stock; (4) the adoption of "land lease" as the main program for the renewal of the old districts; and (5) the implications of Pudong's development to the renewal of the core of Shanghai. The comments by ranking housing officials that housing reforms will not affect *lilong* dwellers because they "exist outside of the commercialization program," and are "not in a financial position to participate in the market housing programs" suggest the exclusionary circumstance of housing reforms and the institutionalizing of a two tiered system in housing.

The impacts of housing reforms are far more widespread than the programs directed at the individual or household. Policies directed at the district or neighbourhood, and reform strategies at the municipal or city level also affect *lilong* dwellers. Therefore any analysis which examines the impacts of Shanghai's housing reform policies on *lilong* dwellers must examine the effects of commodity housing on the household, neighbourhood and city level.

### 5.1 Commodity Housing at the Household Level: The Impacts of the Five Part Housing Reform Program

To implement the housing reform policy the Shanghai government adopted a five part comprehensive program which was ratified in May 1991.<sup>84</sup> The five programs included the introduction of a Central Provident

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<sup>84</sup> . Wenjun Zhi, "Housing and Its Development in Shanghai," in The Research on Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p.85.

Fund or "housing construction fund" as it was more commonly referred, Rent Reforms, Housing Construction Bonds, Housing Subsidies or what is called favorable treatment, and the establishment of a Housing Authority Office. The programs were comprehensive in nature as they applied to all dwellers of Shanghai regardless of age, social position, income and occupancy level. To the *lilong* dwellers, it would appear that the five housing reform program is having varied effects. Direct impacts are experienced due to rent reforms and the housing construction fund, while indirect effects have occurred due to the dwellers inability to meet the criteria of the other three programs. From discussions with the *lilong* dwellers of the Xiao Beimen Neighbourhood and Wan Zhu Jie Street it appears that conditions have emerged which reflect the shift to commodity housing on the *lilong* household.

### 5.1.1 Rent Reforms

Rent reforms for *lilong* dwellers as for other residents in Shanghai include a doubling of household rent. The only exception to this doubling of rent was for low income families and disadvantaged groups. Among the households interviewed on Wan Zhu Jie Street all dwellers had experienced rent increases. The highest amount paid under the reform program was 11.20 yuan/month or .35 yuan/sq. meters./month for a 32 sq. m. unit (see appendix 2,3). This amount is still however insufficient to cover actual maintenance and administrative costs. When asked whether this put an inordinate financial burden on the household, the response was that rents were still low and manageable. The majority of families conferred with this opinion that affordability was not a factor in rental housing.

However such comments must be considered in light of the current wage and labor reforms which were initiated with the economic reform program in 1978. Under the program wages were to be increased to more closely reflect the commodity value of labor and replace the system of fixed low wages where income represented only a minor component of a workers social wage based on subsidies. Although the specific impacts of wage reforms were not discussed with *lilong* dwellers and actual wage increases were not indicated. Comments from several dwellers indicated that their official wages had been increased a marginal amount. What perhaps may be

of greater concern to the *lilong* dweller is whether rising wages will continue to grow at the same rate as rent increases.

The impact of rent reforms on *lilong* dwellers must also be analyzed in relation to the changing role of wages, subsidies and housing vouchers. Currently, to counteract any extreme financial burdens experienced by dwellers due to rent reforms and disparities between rents and wages, the system of housing subsidies and vouchers has been readjusted to offset undue economic hardship. However, subsidies are provided through a dweller's enterprise and those dwellers who work for wealthier *danwei* may be in better positions to receive subsidies or housing vouchers. Also, because the subsidies are based on the existing allocation system used by enterprises, some *lilong* dwellers may experience greater disparities due to their wages, seniority and job rank. Under this program it would seem that residents with proportionally lower wages, and fewer working household members, receive lower subsidies and experience increased fiscal hardship.

Although questions regarding housing subsidies were not specifically discussed, one household did comment on the increased contribution of their work unit through a 3 yuan subsidy which was calculated on the basis of their pension. This reduced their rent from 9.3 yuan/month to 6 yuan/month.<sup>85</sup>

Finally, discussions with residents of Wan Zhu Jie Street indicated that at this initial stage, dwellers were able to absorb the doubling of rents with the aid of continued housing subsidies and vouchers. What was of greater concern to the dwellers were the programs for subsequent rent increases. It was estimated that rents would be required to increase approximately fifteen times that of existing rent<sup>86</sup> to reflect market costs. Under current circumstances the final step of rent increases which reflects market costs would be beyond the capabilities of most *lilong* dwellers without substantial wage increases. Furthermore, such disparities in housing and affordability may become even more acute when rent increases are considered within the larger economic climate. As one

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<sup>85</sup> . Interview 9, Wan Zhu Jie Street, Shanghai. 04 May, 1993.

<sup>86</sup> . Tingwei Zhang, "Housing Policy Under A Planned Economy: Towards An Alternative Housing Policy In China" (Ph.D. Dissertation, University of Chicago, 1992), p.145.

interviewee observed: "soon we will need both of our incomes to rent housing."<sup>87</sup> In light of rising inflation 1992 statistics indicate that price increases between 1990-91 in living expenses such as groceries, prepared meals, clothes, medicine, housing building materials rose, 109.8%, 112.8%, 114.0%, 153.1%, 103.8% respectively.<sup>88</sup>

### 5.1.2 The Central Provident Fund

The Central Provident Fund (CPF) or "housing construction fund" as it is often referred to by *lilong* dwellers, is a compulsory program in which every full time worker contributes a portion of his or her salary along with an equivalent amount provided by the employer into a long term mandatory government savings program. In principle this public finance model is very similar to the approach adopted in the Singapore Public Housing Program,<sup>89</sup> where a massive fund has been accumulated over twenty-five years to enable low and middle income dwellers to purchase homes through withdrawing up to 80% of their total CPF savings for housing. In the Singapore case, the CPF provides an integral mechanism in public housing finance and housing market control as during the past 25 years the contribution rates to the CPF have been adjusted to correspond to increasing wages. In 1984, CPF contributions had reached 50% of combined workers and employee funding.<sup>90</sup> By the strict monetary control of apartment prices and CPF contributions the Housing Development Board is able to control supply and demand in housing as well as fluctuations in inflation.

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<sup>87</sup> . Interview 13, Wan Zhu Jie Street, Shanghai. 12 May, 1993.

<sup>88</sup> . Shanghai Tongji [Shanghai Statistical Bureau], Shanghai Tongji Nianjian 1992 [Shanghai Statistical Yearbook 1992], (Shanghai: Shanghai Tongji Chubanshe [Shanghai Statistical Publishing Co.], 1992), p. 469.

<sup>89</sup> . According to Goh (Goh, 1988:149), the evolution of the Singapore Public Housing Program can be divided into four distinct stages beginning with: (1) the construction of massive low cost housing projects in the 1960's to relieve the housing shortages inherited from the British Colonial System; (2) the home ownership program for public housing begun in 1964, which was intended to encourage low and middle income families to invest and own their own homes through withdrawing funds from the CPF, originally for social security savings, to pay for the down payment and monthly installments of the public housing apartments. (3) Commercialization of public housing which expanded and popularized the market of public housing; and (4) the introduction of socio-political reform in the 1970's intended to maintain and control political, economic, and social policies through reform programs.

<sup>90</sup> . Lee E. Goh, "Planning That Works: Housing Policy and Economic Development in Singapore." Journal of Planning, Education and Research 7 (Number 3, 1988), p. 153.

In this early stage the Shanghai model is attempting to provide a massive pool of capital through a mandatory long term savings program. The reserve is intended to enable both home buyers to meet their down payment and mortgage commitments and government agents to finance large scale capital housing projects. Currently in Shanghai a worker is required to contribute 5% of his or her monthly salary and the enterprise matches this payment by a further 5%. Of the dwellers interviewed on Wan Zhu Jie Street, all full time workers contributed to the Central Provident Fund. The majority of workers paid 8 yuan/person which totals 16 yuan/month between husband and wife with an equal match from their work unit. As is evident in the Singapore model, this percentage contribution is intended to be increased over time. Although in Shanghai any increases must be developed along with wage reforms. A dweller is then permitted to withdraw his or her principle investment, less interest, for the purchase of a new house, or major repairs to their existing house. Interior decoration, yearly maintenance, and rental however does not entitle a dweller to access the housing funds. A dweller is also entitled to the principal after retirement; or in the case of death during the worker's employment, money maybe returned to the beneficiary. Once the loan is obtained the dweller is required to repay the money at a specific schedule. House resale is also permitted within the rules of "commercialization", although the owner is required to return the exact amount of the loan to the housing fund.

Even though the Shanghai CPF program is in its infancy, and dwellers have not as of yet accumulated sufficient funds to take advantage of the program, the future success of the program for *lilong* residents will depend on a number of other factors.

(1) The CPF currently provides funding for the purchase of new market housing or the substantial renovation of enterprise or privately owned housing. This policy directive thus will encourage commercialization of new housing, but will continue to neglect inner city *lilong* housing stock. In this instance the program differs from the Singapore model where the CPF is utilized to purchase public housing and a process of privatization has occurred. Currently, *lilong* dwellers by nature of living in public housing are precluded from utilizing any of the Provident Fund to purchase or upgrade their *lilong* housing. It was interesting to note that five out of 20 households interviewed commented directly that: "even though we pay into 'the fund' for future renovation costs, it is the government who decides what work is to be done...if we owned our house we could access our money for repairs,

but it[the house] is owned by the state, so we can not use our money."<sup>91</sup> However even though many families realized they would never be in a position to purchase a house or utilize the Provident Fund they did acknowledge that such contributions were required to improve housing conditions in Shanghai. To address the needs of *lilong* dwellers the CPF must therefore be considered for upgrading and rehabilitation of *lilong* housing in the old inner city neighbourhoods.

(2) As the CPF program has the capability to affect housing supply and demand through the manipulation of contribution rates, dwellers with significant income disparities must be considered so potential inequalities in housing access and quality do not emerge. Furthermore, as the accumulation of the CPF is determined by a worker's salary and by the contribution of the enterprise, a *lilong* dweller again may be affected by his or her rank within the unit and the unit's wealth. For example a worker earning a lower wage and employed by a poor work unit would have less available capital in the Provident Fund to access housing. Thus even though the program provides a means to purchase housing, traditional job ranking and wage systems, which have been proven to be problematic especially to many *lilong* dwellers must be examined in coordination with changes to the CPF.

(3) Due to the rapidly increasing value of land and the housing commodity market, price controls or restructuring policies must be developed to maintain affordability in housing, and restrict over consumption and speculative investment.

Finally, the CPF may provide valuable options for *lilong* dwellers to purchase public housing however the program will require modifications and strict controls so as to address the special needs of inner city dwellers.

### 5.1.3 Favorable Treatment, Housing Bonds, and the Housing Authority

In addition to the introduction of rent reforms and the Central Provident Fund three other programs were introduced as part of the Shanghai housing reforms. In comparison to rent reforms and the Provident Fund these programs currently do not seem to have such a direct correlation to the *lilong* dwellers' access to better housing.

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<sup>91</sup> . Interview 13, Wan Zhu Jie Street, Shanghai. 12 May, 1993.



The first program is called Favorable Treatment. The aim of the program is to provide an incentive to those who buy housing with large down payments or lump sums through the use of discounts or rebates. The program provides a 20% discount to dwellers who pay a lump sum for their housing and for dwellers who pay by installment where their first payment over 30% of the total price and subsequent payments are made within 15 years.<sup>92</sup> The program was developed to help dwellers enter into the low cost housing market. However, interviews with housing officials revealed that market mechanisms in distribution were overshadowing such initiatives, as increasingly housing allocation depended on the amount a dweller contributed for the down payment. In other words, the larger down payment, the greater the chance of receiving preferential treatment in allocation of low cost units. As housing construction is considered a marketable commodity and the cost of construction continues to rise, an ever increasing gap is emerging between peoples' economic capability to purchase housing, the price, and the payment scheme. For example, 1992 statistics indicated that residential development costs had increased 2.4 times since 1989,<sup>93</sup> and the cost of building materials had risen 103.8% from 1990-1991.<sup>94</sup> A trend may be occurring among enterprises who develop low cost housing projects, to give first priority to dwellers with the highest financial commitment as compared to the greatest need.

The second program is that of the compulsory purchase of government housing bonds. A dweller who purchases a new flat is required to buy housing construction bonds as a contribution to the construction cost of the unit. The price of the bonds in 1991 varied between 20 and 80 yuan/square meter and after five years the bonds plus 3.6% interest were to be returned to the investor.<sup>95</sup> The fact that these bonds can be traded on the state approved securities market reinforces the notion that housing is now a commodity investment where profits can be made through housing development. Even though the cost of these bonds is relatively low, none of the dwellers interviewed had invested in the securities market, and as the purchase of market housing is not currently within

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<sup>92</sup> . China News Analysis, "Housing Reform: What is New?," China News Analysis 1432 (April, 1991), p.7.

<sup>93</sup> . Zheng Shiling, "The Housing Problems in Shanghai and Their Prospects," in The Research in Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p. 14.

<sup>94</sup> . Shanghai Tongji [Shanghai Statistical Bureau], Shanghai Tongji Nianjian 1992 [Shanghai Statistical Yearbook 1992], (Shanghai: Shanghai Tongji Chubanshe [Shanghai Statistical Publishing Co.], 1992), p. 469.

<sup>95</sup> . China News Analysis. "Housing Reform: What is New?" China News Analysis 1432 (April 1, 1991), p.6.

their financial capability, housing bonds primarily affect the *lilong* dweller by their exclusion and inability to invest in the emerging housing market. However with the parallel development of wage reforms this issue of affordability may be significantly altered in the future.

The third initiative of the Shanghai housing reforms is the establishment of the Housing Authority or Housing Reform Office. This municipal organization supervises the implementation, construction, management, and allocation of housing. One of the most important tasks of the Housing Authority in relation to *lilong* dwellers, is the Authority's ability to design regulations for housing allocation, and supervise the distribution process. However despite their ability to instigate change, their main purpose has remained to execute established housing reform policies rather than addressing localized concerns.

## **5.2 Commodity Housing at the Neighbourhood Level: The Impacts of Land Lease and Local Development on *Lilong* Dwellers**

The effects of the market oriented commodity system represent a completely new era in development for the old *lilong* neighbourhoods. It is marked by a shift from localized developments and renovations to large scale renewal and redevelopment in the inner city. The purpose of this new phase is, however, not driven by the need to upgrade the existing conditions of *lilong* housing but rather to take full advantage of the economic potential of the inner city land value. Under these guidelines of market socialism the government has realized that money can be made from the exchange of land or "land lease", and that urban restructuring can occur through private investment often from foreign investment rather than through socialized public financing. It is this shift in development strategy, coupled with the lack of localized development guidelines and policies, which is having a great effect on the inner city.

These changes which are occurring in the old *lilong* neighbourhoods of Shanghai are clearly based on (1) the State reform policies to implement the socialist market economy; and (2) the more specific plan to initiate the comprehensive redevelopment and reconstruction of old neighbourhoods on market based initiatives and "land

lease". In the old *lilong* neighbourhoods physical, social, and economic changes have occurred as a result of the incorporation of the market system.

Economically, land which previously could not accrue value now possesses value based on the exchange of land use rights. In other words, land remains state-owned while its development potential or 'land use right' may be transferred, leased, and exchanged for compensation. Currently this new market is primarily directed towards foreign investors, local private real estate companies and wealthy enterprises. In relation to the old neighbourhoods this economic policy has been incorporated into a redevelopment strategy based on a new form of land transfer rights called "land lease". The land lease is a special type of land transfer right which allows land, previously under state control, to be leased by private individuals or companies for a specific period of time in exchange for fees established by official jurisdictions. The lease is however not a transfer of tenure or right of title, but rather right of land use. The strategy follows that income gained through land lease sales in the old neighbourhoods will form the financial support necessary for the renewal of old districts. In other words, money derived from land lease exchanges and real estate will provide the capital to improve and accelerate the living environment in the old neighbourhoods. It is significant to note that this land lease policy appears to be the dominant approach for the redevelopment of the old neighbourhoods, whereas privatization which transfers the responsibility of housing costs and maintenance to the dweller has not been adopted.

The purpose of this redevelopment scheme is not only to provide capital to rehabilitate the old neighbourhoods; but more importantly to initiate the process of restructuring in the older areas of Shanghai and assign higher uses in the urban core. As land lease is based on deriving profit from land use, the ultimate goal is to seek maximum utilization. Currently in Shanghai, foreign investors in the old districts tend to bid on areas which can bring them the highest use and greatest profit. High end market housing, commercial facilities, and office buildings brings a far larger profit than investment and reconstruction of old housing. With the economic potential in the urban core, decisions for development follow the model of urban renewal rather than rehabilitation of existing *lilong*.

Physically, this market driven development strategy is having profound effects on the old communities by;

- (1) the demolition of existing *lilong* housing stock;
- (2) relocation of dwellers to alternate housing in the periphery;
- (3) construction of large scale comprehensive projects; and
- (4) introduction of limited infrastructure upgrading projects for *lilong* areas.

In regard to *lilong* demolition and the reassignment of new functions in the old districts, such intervening variables as site location, size, density, and ownership become the mitigating factors to determine the economic feasibility for development. For example, *lilong* sites located on existing commercial arteries or roadways, provide lucrative investments. During an interview with a local developer it was noted that substantial investment activity was occurring in the Nanshi District along Zhongshannan road as it now forms one of Shanghai's ring roads which links to the Nan Pu Bridge. Currently parts of this road are under construction with massive demolition's of *lilong* housing to allow for road widening. During the same interview it was noted that one project alone was projected to displace over 1600 families.<sup>96</sup>

In relation to site size and plot ratio developers tend to negotiate for large sites which can accommodate high grade, large scale developments. This pattern corresponds to the current development direction initiated by official policy directives which encourages large financial commitments with foreign capital. The resulting effect on *lilong* dwellers is demolition of large areas as compared to individual *lilong* blocks. In regard to site density, developers tended to negotiate sites with low densities because of the mandatory policy which requires developers to financially compensate and relocate displaced dwellers. Sites which had a lower densities were preferable for development as less money was required by investors to spend on dweller compensation. This directly affects dwellers as housing which is of high density and often poorer conditions may be overlooked in place of less dense housing of better condition.

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<sup>96</sup> . Interview 30, Wan Zhu Jie Street, Shanghai. 04 June, 1993.

The negotiation structure for land lease also impacts the type of development. Currently the majority of land lease and development projects are negotiated through closed negotiations with government officials. Developers apply with their development proposals to the authorities having jurisdiction. Unless strong planning guidelines are developed and maintained under an open bid process, the *lilong* neighbourhoods will continue to be redeveloped based on developers initiating project guidelines.

In principle, land lease provides a means to amass funds to be reinvested in the rehabilitation and upgrading of the old districts. It is estimated that 80%<sup>97</sup> of the capital gained through land lease is to be used for municipal infrastructure upgrading in the old districts. However the degree to which such infrastructure improvements directly affect *lilong* dwellers in the old neighbourhoods may be in question as major infrastructure upgrading will be required to accommodate the increased capacity required by the large renewal projects. When infrastructure projects are prioritized, the old neighbourhoods which have little power, may have less urgency for upgrading.

The social impacts of development in the old neighbourhoods is a growing segregation and breakdown of the interpersonal networks among *lilong* dwellers, as poorer residents are relocated to the suburbs and more lucrative market housing is built in the old districts. For the dwellers of the old neighbourhoods such renewal projects invariably include relocation to housing in the periphery. For example, 1992 statistics estimate that 800,000 sq. m. of buildings in the old districts were demolished of which, 84% were old terraced houses, sheds and shacks, and 16% old factories and stores.<sup>98</sup> Over 30,000 households were relocated as a result.<sup>99</sup> More recent

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<sup>97</sup> . Xijin Zhu, "Opportunity of Renewal of Old City - The Authorized Land Lease in Shanghai and Its Coincidence With the Target of Renewal of the Old Residential District," in The Research in Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p.228.

<sup>98</sup> . Xijin Zhu, "Opportunity of Renewal of Old City-The Authorized Land Lease in Shanghai and Its Coincidence With The Target of Renewal of The Old Residential District," in The Research on Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p. 228.

<sup>99</sup> . Xijin Zhu, "Opportunity of Renewal of Old City-The Authorized Land Lease in Shanghai and Its Coincidence With The Target of Renewal of The Old Residential District," in The Research on Human Settlements in Shanghai, ed. Zheng Shiling (Shanghai: Tongji University Press, 1993), p. 228.

statistics indicate that from January until July 1993 Shanghai has leased over 22 million sq. meters of land of which 20% is located in central Shanghai.<sup>100</sup>

In light of the financial benefits developers consistently choose "renewal" over "redevelopment and renovation" as the highest economic profit determines project choice. Recognition of local improvements for *lilong* dwellers is rarely considered. Currently, there are very few residential redevelopment and renovation projects initiated by the private sector. Such upgrading projects which attempt to retain dwellers in their communities are very few and seem to occur with international or special government funding. In the competition for development, market forces always dominate rehabilitation and renovation projects and in the case of Shanghai's old *lilong* neighbourhoods it will regrettably destroy much of the old residential quarters unless policies are developed to attract the private sector to benefit from localized residential renovation.

### 5.3 Commodity Housing at the City Level: The Impacts of Real Estate, Urban Redevelopment, and the Pudong Project, on *Lilong* Dwellers

The current development pattern in the old districts and *lilong* neighbourhoods is not solely driven by localized factors emanating from the redevelopment of Shanghai's old urban core. As Shanghai has now entered in the era of the market economy, current development pressures and policy initiatives must be placed within the larger context of Greater Shanghai including Pudong. In other words, current events occurring in the old neighbourhoods must be examined within the full context of the national government's policy to promote Shanghai and Pudong as the "Head of the Dragon."<sup>101</sup> Even though the full impact of the relationship between Pudong, Greater Shanghai, and the development patterns in the old districts is beyond the scope of this paper, what is

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<sup>100</sup> . Xing Yi, "Beijing Will Take Special Care of Shanghai," China Times Weekly 88 (September 5-11, 1993), p.11. (In Chinese).

<sup>101</sup> . Jia Lu, "Shanghai Hidden Danger in the Future." China Times Weekly 88 (September 5-11, 1993), p.10. (In Chinese).

important to acknowledge are the external factors which are currently affecting the *lilong* dwellers of the old districts.

First, the development pattern in the urban core of Shanghai and the old *lilong* neighbourhoods can not be considered separately from what is occurring in the new development zone of Pudong, located directly across the Huangpu River. The Shanghai-Pudong development was initiated to create growth areas in entrepot trade, high technology industry, banking and services to restore Shanghai as a leader in the Pacific Rim. The concept of Pudong was not viewed as an enclave development, but rather as an integral part of Shanghai's Metropolitan development in that outmoded facilities, especially housing in Puxi (the west part of Shanghai) would be relocated to modern facilities in Shanghai-Pudong. This shift and redevelopment of services and infrastructure would allow for the regeneration of Shanghai and development of the new district of Pudong.

In relation to the old districts of Shanghai, the development in Pudong is seen by planners as a means to relieve the high density levels of the old districts,<sup>102</sup> and to provide a impetuous for the economic and social regeneration of old Shanghai. Shanghai is therefore seen to have a complementary relationship with Pudong based on restructuring and decentralizing the old urban centre. Whether this provides a long-lasting impact to the decentralization of the old neighbourhoods as planners suggest, is questionable due to the increasing situation of in-migration of workers, especially in the old districts, attracted by Shanghai's growing prosperity. For developers and investors, Pudong provides available land which is easily developed to fit their responsibility to provide housing for displaced *lilong* residents.

In regard to the *lilong* dweller, Pudong seems to offer an option for improved housing while at the same time contributing to the speed of demolition in the old districts and the socio-economic segregation of dwellers from the old city. Certainly, the immediacy of pressures to improve housing conditions for *lilong* dwellers may be temporarily relieved by relocating them to Pudong. However the breakdown of community networks and

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<sup>102</sup> . Dehua Li, "New Urban Core For Shanghai." Shanghai: College of Architecture and Urban Planning, Tongji University, 1991. (Typewritten) p.11.

interpersonal relationships, of which *lilong* dwellers depend, coupled with the economic disparities of spatial polarization in employment, education, transportation, health care, and commercial activities may outweigh the immediate gain of the Shanghai/Pudong development strategy.



## CHAPTER 6

### CURRENT HOUSING ALTERNATIVES FOR *LILONG* DWELLERS

In light of the movement towards a market-oriented system, the alternatives for improved housing remains very small for the majority of *lilong* dwellers as they are precluded by policy, economic circumstance, work unit affiliation and allocation procedures, to participate in the open housing market. However within the growing market system, alternatives are emerging which attempt to address local market needs and the *lilong* dwellers' objectives to remain in their homes and communities. These activities and projects range from government initiated and supported experimental projects or pilot projects which upgrade and rehabilitate existing *lilong* housing, to the small scale 'land lease' mixed use projects which are initiated by local Shanghai developers and enterprises, to the dweller initiated upgrading of individual *lilong* housing. The emergence of these three activities provides important alternatives and choices for *lilong* dwellers and thus deserves closer examination.

#### 6.1 Experimental Projects: Municipal and Internationally Initiated

In the late 1980's a variety of small scale experimental or pilot projects were introduced at the municipal and district level to examine alternative approaches to the renewal of older housing areas. The approach was fundamentally different than the dominant renewal policy which emphasized demolition of old housing stock and the relocation of its residents. Although each project utilized slightly different approaches, the common objective was the systematic upgrading and renovation of older housing combined with the retention of the maximum number of original dwellers in the *lilong* units.

Project financing of these early experimental projects was primarily by government sources and international donors. The projects involved the selective demolition of dangerous buildings combined with systematic rehabilitation and renovation of older housing. The design concepts attempted to retain as much of the building exteriors as possible while the interior spaces were substantially rearranged.

The goal was to provide self contained units with a kitchen, toilet, and private unit entrance while at the same time providing additional floor space to families living in minimal conditions. To achieve this, the interior spaces were totally rearranged and an additional storey was added. Continuity with the surrounding neighbourhood was maintained as the total building heights were not substantially altered due to the characteristically high floor to floor dimensions which permitted the addition of a floor without substantial increase to the overall building height. The completed project therefore retained much of the original *lilong* lane characteristics while upgrading the internal living conditions.

Of the pilot projects which have occurred since the late 1980's the Nanshi District, Lane 252 Penglai Road Project; and the Jing An District, Futian Terrace Zhang Jia Zhai Project are of special interest as they have attempted to meet the spatial and living needs of the *lilong* dweller, while at the same time address issues of tenure, project replicability and economic feasibility.

#### **6.1.1 Lane 252, Penglai Road: Nanshi District.**

The Penglai 252 project included the renovation and upgrading of three blocks of *lilongs* which were originally built in the 1920's and due to lack of maintenance, overcrowding, and restricted services required significant renovations. The project consisted of three phases of construction. Phase one included the construction of block one which began in 1991 and was completed in April 1993 (see fig. 15). The second phase is currently nearing completion (see fig. 16) and the third phase has just begun (see fig. 17). As with other similar projects the design approach included the addition of a third floor, and the conversion of stairwells into usable space for private

Figure 15  
View of Penglai 252 Rehabilitation Project.  
Phase 1-Completed.

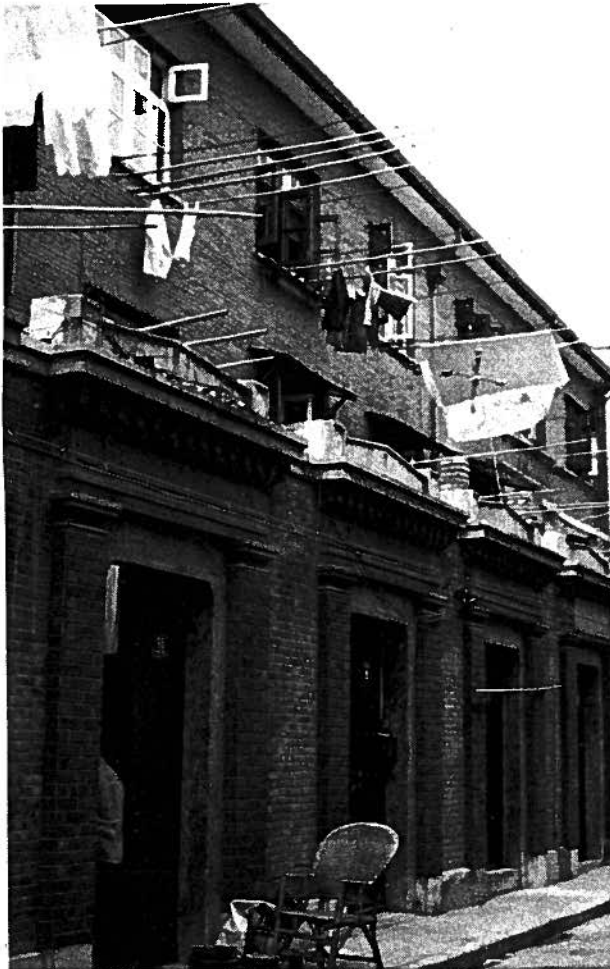


Figure 16  
View of Penglai 252 Rehabilitation Project.  
Phase 2-Nearing Completion.



kitchens, toilets and bath facilities. Newly constructed concrete staircases provided access to each self contained unit. As with other rehabilitation projects the exterior of the buildings and lane area have retained their physical characteristics, scale, and details.

In the social contract to maintain the maximum number of original inhabitants on the site the first phase of the Penglai project has been successful. Block one originally housed 21 families and after the projects

completion the number of households increased to 34, an increase of 62%. Of the 21 original families, 19 moved back to the project and 15 new families were added.

Figure 17  
View of Penglai 252 Rehabilitation Project.  
Phase Three-Under Construction.

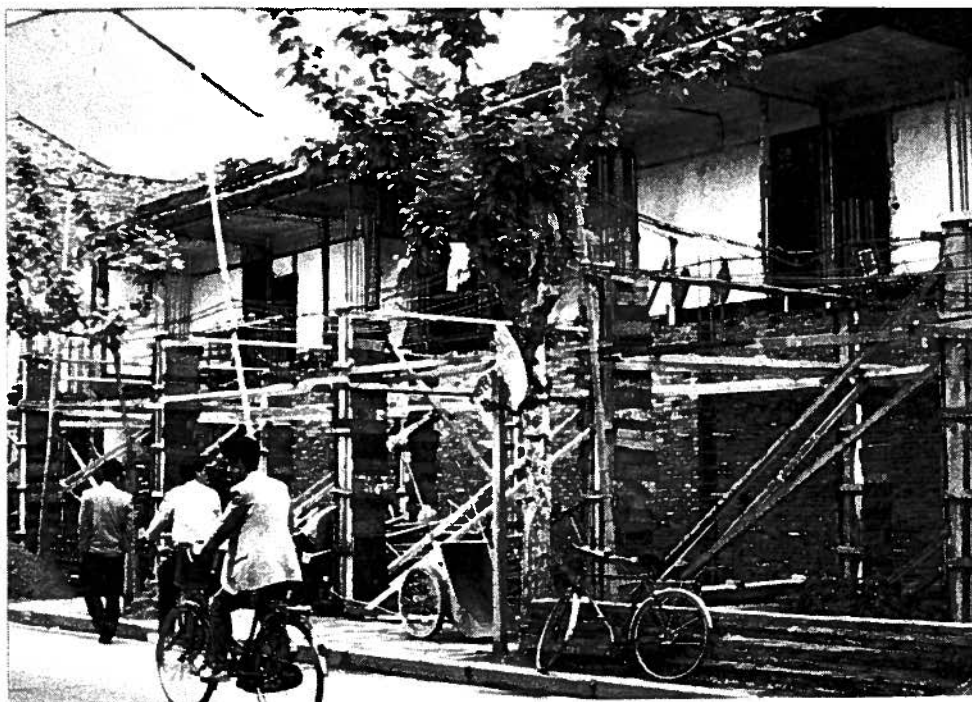


Table 1  
Comparison of Various Indicators of Penglai 252 Project-Phase One.

Items	Pre-Construction	Post-Construction
Building Area Sq. M.	890	1506
Floor Area Sq. M.	730.6	1089.4
Increased % of Fl. Area		67.1
Loft Area Sq. M.	78.2	0
Loft Area %	8.7	0
Number of Households	21	34
Number of Residents	91	112
Full Facility %	0	100
Difficulty Household (<4.0 meters/person)	1	0
Average Usage Area/Person	8	13.4

Source: The Nanshi District Residential Property Office. Department of Old House Renovation.

In regard to the official goal to achieve increased economic self sufficiency and introduce the three way partnership the Penglai 252 diverged from its predecessor and adjacent neighbour the Penglai 303 prototype project. Penglai 252 rather reflected the shift in national policy towards increased financial responsibility shared by dwellers and their *danwei* for public housing. The project required the financial participation and compensation from the dweller and their work unit, to offset the substantial government subsidy for project costs. Phase 1 of the total cost for development was estimated at 490,000 yuan or 330 yuan/sq. meter, of which the dweller and enterprise contributions totaled approximately 10% of construction costs. It is estimated that dweller and work unit contributions equaled 21,000, and 28,000 yuan respectively.<sup>103</sup>

This requirement for mandatory financial contributions towards public housing marks a major shift in housing allocation principals. In the Penglai 252 project housing distribution was based according to the dwellers and enterprise contributions. The cost was determined by two charges; a mandatory base rate of 1,000 yuan/household which covered partial renovation costs; plus charges determined by the square meter consumption of space. Spatial consumption was calculated by the amount of additional space a household requested and received which exceeded official allocation standards. The charge for additional space between the original unit size and the housing authorities prescribed area was 400 yuan/sq. meter. Any space which exceeded the official allocated prescribed area cost dwellers 2,000 yuan/sq. meter. Such high surcharges were intended as a deterrent to prevent over consumption. A households' original unit area was charged no extra surcharge. Only additional space was included in the spatial calculation.

For example the renovation cost for one household was 3,400 yuan.<sup>104</sup> This was based on the calculation that the original unit was 16 sq. meters and the new state allocation was 22 sq. meters. If the dweller had requested an area larger than the state allowance the cost would have been 2,000 yuan/sq. meter charge for excess space. The total cost for the renovation was  $(400 \text{ yuan} \times 6) + 1,000 \text{ yuan} = 3,400 \text{ yuan}$ . The cost was shared between the *danwei* and the household, where the dweller paid the 1,000 yuan base rate development charge, and

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103 . Interview 22, Nanshi Housing Property, Director of Renovations, Shanghai. 02 June, 1993.

104 . Interview 25, Penglai 252, Shanghai. 02 June, 1993.

the work unit paid the remainder. Among the other dwellers interviewed, fluctuations did occur in the total cost of renovations and the financial commitment of each *danwei*. Some units paid a high proportion of renovation costs, two thirds or greater, while other enterprises only covered a small proportion of the cost. Such differences have the potential to create disparities among the dwellers. Charges also varied depending whether the enterprise or the dweller was contributing the majority of the costs. For example the 2,000 yuan/sq. meter rate was often charged for any increase of space if the enterprise was to pay for the renovation.

Although the long term impacts of the project have not emerged, the Penglai residents have experienced physical, economic, and social changes to their established living pattern. Discussions with several residents provided a basis for the following observations.

Physically, dwellers valued the environmental improvements made to their housing. The self contained units with kitchen, toilet and private entry were considered the greatest improvement. The majority of dwellers were satisfied with their increased spatial allotment, however they would have requested additional space if not prohibited by the significant cost. It appeared that dwellers occupied space to the maximum allowable as permitted under government allocation without exceeding the 400 yuan/sq. meter charge. Additional capital was invested in interior upgrading rather than committing lump sum funds for increased space. Under this system disparities did exist in the degree and quality of interior finishes among residences. For example, one household was able to spend over 10,000 yuan in interior finishes and furniture,<sup>105</sup> while another household lived with minimal upgrading.

Economically, a number of factors have been identified which affect the dweller's affordability. They are: (1) personal finance; (2) job position and ranking; (3) number of working residents in the household; (4) wealth of work unit; and (5) proportion of payment by the work unit. When asked about the financial commitment required by each household, the majority of dwellers considered the costs for a newly rehabilitated unit within their

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<sup>105</sup> . Interview 28, Penglai 252, Shanghai. 04 June, 1993.

means. However, intervening variables such as the job position, wage, wealth of work unit, number of household members who contributed to the renovation cost, and financial participation by work unit affected their ability to meet their financial commitment. Under this type of pilot project disadvantaged workers or retired persons may experience increased financial hardship and access to improved housing. For example, one retired resident stated that his renovations were expensive, and without the help of the family and work unit, payments would have been difficult. However the majority of the dwellers interviewed felt the 1,000 yuan base rate charge was fair compensation for the renovation and was not a significant deterrent.

The relationship of tenure, living rights and most importantly a household's historic ties to the site also affected the dwellers willingness to commit funds and time to the project. Discussions with dwellers revealed that there was an eagerness to invest in a project which would upgrade their family unit and the common lane area. This type of upgrading project provided a vehicle for *lilong* dwellers to remain in their neighbourhoods and exert control over their own housing through financial participation. The relationship of tenure rights associated with this upgrading project was still somewhat unclear. It was stated that upon payment of the base rate dwellers were entitled to sign their name to "the contract" however whether such a contract also entitled the dwellers to living rights and ownership rights was unclear, especially considering the experimental nature of this project.

Socially, the important issues for *lilong* dwellers is whether such experimental projects will succeed in preserving the complex social and economic networks, while at the same time improving the environmental quality of living. Certainly such long term causal effects currently depend on speculation, however some short term conditions are already beginning to emerge. First, all dwellers interviewed, especially retired and senior members commented on the change in the patterns of their interpersonal relations. Dwellers commented that before the renovation, chats and visiting occurred predominantly in the lane and courtyards of the *lilongs*; while after the construction the majority of social interaction occurred indoors. One senior stated that: "my friends come and visit me in my house now not in the lane, but it is not as intimate as before,"<sup>106</sup> while another senior said: "my

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<sup>106</sup> . Interview 23, Penglai 252, Shanghai. 02 June, 1993.

neighbours and I used to fight for public space and the use of the kitchen, now we can visit and talk at the balcony as friends."<sup>107</sup> It is questionable to what degree this internalizing of social contact will affect personal contact. But what may be observed is the substantial shift in focus, from casual social interaction in the lanes to a more planned social contact in the units.

A second condition which may affect social interaction is the addition of new families into the lane. In this project 15 new families were accommodated into phase one. This constitutes a 71% change to the original make up of the site. Such issues as gentrification may potentially become a factor in such projects especially if wealthier tenants are brought into the project to provide financial stability. However the success of their integration will depend on the social service mechanisms such as neighbourhood committees and the development of informal networks for community participation.

The third condition which may affect social interaction, and in turn the success of the project is the degree to which dwellers are permitted to participate in the housing renewal process. From interviews with residents on Wan Zhu Jie street it became evident that many dwellers were committed to improve their housing, however no formal channels existed for such activities. The 252 Penglai project attempted to address the issue of dweller participation however the majority of activities were passive in nature. Dwellers were required to financially participate, while minimal involvement occurred during the design and construction phase. Post project participation included surveys and questionnaires distributed to dwellers. The opportunity thus may exist to increase participation which would strengthen social contacts and provide the means for dwellers to assume greater responsibility for their housing.

From the perspective of replicability two criteria emerge. From the dweller's perspective, replicability and access depend on affordability. From the government's perspective, replicability depends on the project's ease of implementation and fiscal performance. The Penglai 252 project has achieved substantial cost reductions through

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<sup>107</sup> . Interview 24, Penglai 252, Shanghai. 02 June, 1993.



its renovation and rehabilitation approach. Materials were reused, construction techniques were less complex than high rise construction and as a result less skilled labor was utilized. Overhead costs for relocation and compensation were also kept at a minimum as the majority of dwellers stayed with relatives or were relocated within the area during the 11 months of construction. This project approach significantly lowered costs.

The project costs and low price offered to the original dwellers were also offset by the high proportion of new dwellers admitted to the project. Although the actual negotiated price of these renovated units was unavailable, it may be concluded that such new residents provided added income to the project. Within this ability to increase the potential project income, it is important not to forget the social policy objective to maintain a maximum number of the original target group as compared to attaining fiscal replicability.

Further factors which increased the success of this project were the (1) good structural condition of the *lilong* buildings; (2) the low density of the project which permitted the large increase of new dwellers to the project; (3) special government subsidies; and (4) the specific development guidelines of the site which precluded projects over three to four stories due to the site's proximity to a historic site. As a result the land had less land lease potential and was considered for an experimental pilot project. These factors must be considered when analyzing the replicability of the Penglai project in other more dense, well situated, and older *lilong*.

Lastly from the perspective of total project costs, the majority of funding still is provided by government subsidies. Even though the Penglai project included mandatory dweller and work unit investment, such experimental projects so far are not capable of generating enough funds through subsidies and dweller participation to make them self sustaining. What must be realized is that such factors as, tenure, dweller participation, and *danwei* and investor participation, affect the projects financing and may be increasingly important to future successes in renovation projects.

### 6.1.2 Futian Terrace Project, Zhang Jia Zhai: Jing An District

In addition to Penglai 252, other experimental projects are currently under way such as the Zhang Jia Zhai Project located in Jing An District. This large scale project combines comprehensive urban planning with demolition and renovation of old *lilong* housing. The project also aims to maintain a majority of existing dwellers on the site, while at the same time upgrading significant proportions of old housing. The project plan includes the widening of Shi Men Er Road, service upgrading, the renewal of terrace housing and multi-story housing, the addition of new high rises, commercial, and office space, and some restricted industrial use. The plan attempts to maintain the local characteristics of the traditional neighbourhood with the preservation of slightly less than half of the old *lilong* housing through a similar design concept as Penglai model. What separates this project from Penglai 252 is the strategic goal to attain maximum financial success and meet the goals of commodity exchange in housing. In light of the implementation phasing scheme, Futian Terrace which consists of five rows of *lilong* which totals 60 units is currently under construction with the aid of planning, and technical assistance from the Netherlands who are the joint project coordinators and planners of the project.

Table 2  
Zhang Jia Zhai Project Summery

Items	Pre-Construction	Post-Construction
Total Project Area (hectares)	8.54	8.27
Total Floor Space (sq. meters)	115,001	187,535
Residential Building.	92,402	127,371
Old Li-long	43,911	18,267
New Terrace	46,654	39,749
Multi-Storey	1,837	34,483
High Rise	0	34,872
Factory	7,114	2,015
Public Building	15,485	58,149
Total No. of Households	3,126	2,817
Old Terrace	1,788	510
New Terrace	1,295	1,035
Multi-Storey	43	690
High Rise	0	582
Building Density	60.8%	52.1%
Persons/hectare	1,308	1,216
Sq. meters/person	8.28	12.67

Source: Zheng-tong Wu. "Report on Housing Renewal Project of Zhang Jia Zhai Neighbourhood in Shanghai Jing An District." Shanghai: Shanghai Housing Science Research Institute, 1988.

Table 3  
Futian Terrace Project Summery-Phase One  
Zhang Jia Zhai Project

Items	Pre-Construction	Post-Construction
Total Floor Area Sq.m.	10,803	14,583
No. of Households	334	360
Increase of Floor Area	0	3,780
Increase % of Floor Area	0	35%

Source: Zheng-tong Wu. "Report on Housing Renewal Project of Zhang Jia Zhai Neighbourhood in Shanghai Jing An District." Shanghai: Shanghai Housing Science Research Institute, 1988.

The size and comprehensive nature of this project deserves far greater research and is beyond the scope of this paper but in regards to *lilong* dwellers its affects will be significant as it offers the option for original dwellers to access the housing market and purchase title to property living rights for state owned, non-self contained public housing.

The first option to purchase upgraded flats or rent at market cost will be offered to original occupants. Dwellers who do not want to participate in either the rental or purchase scheme or are unable to afford such programs will be re-located to housing provided in the periphery of Shanghai. The marketing strategy is complex and affords some options for payment through installments and loan schemes. The price for upgraded units is divided into a three tiered program of (1) preferential price of 242 yuan/sq. meter, which allows for a 30% reduction in the replacement cost and upgrading cost; (2) expansion price of 592 yuan/sq. meter; (3) and commodity price determined by the market,<sup>108</sup> where each price is determined by the dwellers' circumstances. The cost must be paid by the dweller and his or her work unit. In this scenario the amount of tenure rights is proportionate to the amount money which a dweller invests. Therefore, the more a dweller contributes financially the greater is his or her tenure. As the project was begun in November of 1992 and is still under construction, the impacts of this new program on *lilong* dweller's has yet to occur. It is clear that the link between the dwellers access to housing under this program is affordability as related to increasing land and development costs.

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<sup>108</sup> . Zheng-tong Wu. "Report on Housing Renewal Project of Zhang Jia Zhai Neighbourhood in Shanghai Jing An District." (Shanghai: Shanghai Housing Science Research Institute, 1988), p.89.

## 6.2 Local Developers

Within the current surge for large scale land lease transactions there simultaneously exists activities by local Shanghainese developers who are investing in the old neighbourhoods by means of small scale site specific projects. These projects may provide an alternative approach to the dominant renewal projects which have resulted in dweller relocation and demolition of existing neighbourhoods. For the *lilong* resident, the small scale mixed use project type may provide increased economic activity and upgrading of services in the area, while causing minimal disruption and relocation of dwellers.

Such a project was observed in the study area of the Xiao Beimen neighbourhood, off Wan Zhu Jie Street. An investor from a local Shanghai agricultural enterprise purchased partial rights for a three story *lilong* house from a private owner. The *lilong* was demolished and replaced by a three story mixed use building which combined office and residential space. The tenants and original owner were re-housed in the new complex as on site accommodation proved to be less costly than relocation. From the perspective of total project costs, the development was successful. The investor purchased one third of the land use rights for the building and constructed it through private funding; while the original owner retained two thirds use of the building and two thirds of land use rights as well as gaining improved living conditions. The construction cost was 100,000 yuan and the building area was 200 sq. meters or 500 yuan/sq. meter for construction cost. For the developer the project income was substantial as the sale of the 1/3 rights would net 300,000 yuan in the 1993 market.<sup>109</sup> This provided a 200% net increase from the original investment.

The emergence and feasibility of these small localized projects depends on several independent variables which are characteristic to the old neighbourhoods. First, privately owned *lilong* are considered preferable for purchase compared to state owned property, as developers are more able to negotiate cheaper and less restrictive contracts. Second, *lilong* which have fewer residents are preferred over dense sites due to the governments

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<sup>109</sup> . Interview 30, Off Wan Zhu Jie Street, Shanghai. 04 June, 1993.

commitment to fair compensation and relocation for displaced residents. Third, because of the complexity of site consolidation, projects tend to be small in scale.

The emergence of the private investor, coupled with the specific local conditions in the old districts may provide an alternative in the development of the *lilong* neighbourhoods. Such projects which are less disruptive may maintain the existing use pattern and social networks while at the same time providing localized upgrading to the community.

### 6.3 Self Help Dweller Initiated Upgrading

Among the options which address the issues of rehabilitation and upgrading of *lilong* housing, perhaps the existence of informal dweller initiated upgrading is the most prevalent and the least recognized by official jurisdictions as it exists outside of recognized solutions to improving living conditions. Through interviews with residents it became evident that self help and dweller initiated upgrading was a common approach to environmental problems. Of the dwellers interviewed the majority of households, 60%, had completed or were involved in interior upgrading which varied from small scale decoration such as painting and decorating to larger structural alterations such as loft spaces, small kitchen additions, sheds and more comprehensive interior decoration (see appendix 2) .

This prevalence of upgrading however appeared not to have a strong correlation to the financial capability of the dweller, but rather related to the dwellers security of living rights, and historic family ties to the *lilong*. Under the present economic reforms, dwellers interviewed were financially capable to fund interior upgrading and the availability of materials and semi skilled labor was accessible due to the current development boom in Shanghai. Current municipal and district controls over *lilong* renovation exerted the greatest control over large scale activities as structural alterations of any kind were prohibited as well as exterior alterations. This highly

institutionalized process has resulted both in the pervasive activity of informal building as well as smaller scale interior projects which comply to regulations.

The majority of dwellers interviewed were committed to improving their housing however the available channels did not acknowledge their capabilities. Furthermore, funds were available to be invested directly into the economy without channeling such money through their *danwei* to access improved housing. Such direct investment should be considered as an asset and an untapped resource in the improvement of housing conditions.

## CHAPTER 7

### CONCLUSIONS AND RECOMMENDATIONS

#### 7.1 Review of Hypotheses and Conclusions

Three hypotheses were articulated at the outset of this paper. The following section will review these assumptions in reference to the analysis and data collected.

The first assumption was that inherent social and economic conditions existed within the community framework of the *lilong* neighbourhoods and that these conditions were not only valued by the dwellers but were related to their survival in these old inner city neighbourhoods. Throughout the study the analysis and data collected supported this theory.

Despite overcrowded conditions, *lilong* neighbourhoods have maintained a high level of social stability, community cohesion and economic viability for the dweller. At a household level, security of tenure (linked to both formal and informal housing rights and allocation procedures); finance and affordability (related to the government controlled low rent policies, dwellers' job rank and work unit affiliation); and housing design and implications on lifestyle (based on the house and neighbourhood layout, duration of occupancy, and ability of upgrading within a unit) were among the most important factors which were valued by dwellers. At a neighbourhood level, both formal and informal community organizations contributed to the neighbourhoods' social stability and community cohesion. Day care, care for the elderly, issues of safety and localized programs which directly responded to the needs of the dwellers were among the most valued services offered by neighbourhood committees. At the informal level, networks of social integration, familial ties, and mutual cooperation responded to the needs of local dwellers to solve common problems. In relation to the larger city context the integrated

relationship between the dwellers' residence and work, services, and commercial activities were crucial to the social and economic circumstances on which *lilong* dwellers depend.

These community conditions which exist in the old neighbourhoods have taken many years to develop and depend not only on national policy directives but also on the characteristic qualities of *lilong* housing in their design, location, and history. Furthermore, these community conditions provide dwellers both economically and socially with an increased level of security as they function as local 'safety nets'. When dwellers are relocated to peripheral regions of Shanghai these interpersonal networks and local conditions are significantly altered.

The second assumption is that as a result of the shift from a centralized welfare housing delivery system to a market-oriented housing system, *lilong* dwellers may experience greater disparities in housing access and allocation.

Under the centralized system, housing policy is considered a welfare right and is affordable to all *lilong* dwellers due to the low rent structure. However standardized policies under the centralized housing system are unable to consider the diverse factors which affect housing needs of the inner city neighbourhood. Disparities which *lilong* residents experienced under a centralized housing system are related and controlled at an institutional level and are intensified by the physical, local, and historic circumstances of the neighbourhoods and dwellers. As *lilong* dwellers occupy government owned public housing they often face a dual burden to comply with official housing authority standards, as well as allocation procedures determined by their work unit. Spatial requirements, existing housing conditions, and housing need, comprise only a small component of the enterprises allocation procedure. Such processes directly affect housing access and allocation for *lilong* dwellers as they do not address housing need or their localized conditions. For the *lilong* dwellers this has important implications as they live within a complex tenure structure and unique physical conditions.



Collected data based on dwellers interviews and local surveys suggest that the introduction of the market-oriented system through the housing reform programs and commodification may cause even greater disparities in housing access and allocation to *lilong* dwellers.

For the wealthy Shanghai resident or employee of a wealthy enterprise, housing reforms offer increased choice in housing and the opportunity to purchase housing rights. For many *lilong* dwellers housing reforms do not provide the same opportunities due to: (1) economic position (*lilong* dwellers are able to afford current rent increases under the housing reform policies, but are financially unable to enter into the housing market); (2) their inability to purchase their own units through privatization (local government directives currently do not offer any programs for dwellers to gain *lilong* ownership and housing rights through privatization); (3) inability to upgrade or rehabilitate their units (*lilong* dwellers are legally restricted to the degree of dweller initiated upgrading and home improvements); (4) The Provident Fund (although somewhat early to judge, alternatives will provide *lilong* dwellers to enter the housing market so long as controls and modifications are introduced to meet dweller needs); (5) Favorable Treatment programs (many *lilong* dwellers due to their financial circumstances are precluded from taking advantage of the program); and (6) location and physical characteristics (because *lilong* housing is located within the central core of Shanghai and is of significant age and inferior condition, it is valued for its development potential and commodity value under the land lease program).

As a result of the shift towards the market-oriented system and commercialization of housing, many *lilong* dwellers may face increased disparities in housing access and fewer opportunities to improve their housing conditions *in situ*. Opportunities for better housing rather exist at the peripheries of Shanghai. A number of factors have been identified as contributing to their exclusion from the housing market. These include: the inability of programs to address the financial capabilities and special conditions of *lilong* dwellers, and the growing reliance on market factors to supply housing and solve inner city housing problems.

The third assumption follows that to address the housing needs of *lilong* dwellers and provide a climate which will encourage the preservation of inner city housing stock, current housing policies require modifications.

## 7.2 ISSUES AND RECOMMENDATIONS

Throughout this investigation it has been suggested that *lilong* dwellers are facing significant changes in their neighborhoods and their own access to better housing due to the shift towards market socialism and the introduction of housing reforms. To the majority of *lilong* dwellers, the old neighbourhoods have retained important qualities of 'community' manifested in local cohesion, safety, neighbourliness, security, and mutual cooperation. However these values and conditions are being challenged by the introduction of national housing policies which view housing as a pure 'commodity'. The old neighbourhoods where the majority of *lilong* housing is located is increasingly valued for its economic land lease potential. *Lilong* dwellers may experience increasing pressures to be relocated and increased disparity to access and purchase housing rights *in situ* as existing housing policies do not consider local housing characteristics and needs. It may be suggested that many *lilong* dwellers will increasingly experience housing disparities and social and physical segregation as Shanghai accelerates its market economy.

To address the local needs of *lilong* dwellers a policy must be developed which considers both the community and commodity value of inner city housing and neighbourhoods. Housing can neither be considered by its pure commodity or community values, and no single policy is suitable for all Shanghai residents. Therefore housing policies must be refined to accommodate the different economic, social and physical living conditions of dwellers in the city. To create an inclusive housing policy community values held by *lilong* dwellers and the commodity issues of national and municipal policy directives must be considered together. A number of recommendations may be suggested from the data collected and project analysis. They are as follows:

1. The municipal government must acknowledge the inherent values of the old neighbourhoods and *lilong* housing both in regards to dwellers' needs but also in respect to larger city issues which benefit from an integrated land use plan that includes housing, services, commerce, industry and social integration of varied economic groups. Furthermore the cultural and architectural importance of *lilong* housing must be considered

in its wider context as a value to Shanghai. Such architectural examples should be viewed as an asset to the development of Shanghai as the cultural and economic center of the East.

2. Land lease as the dominant process of large scale redevelopment in the inner city must be combined with comprehensive planning and design guidelines to direct development in a balanced manner which considers renewal of the old areas with rehabilitation programs. To address the diverse development opportunities and the needs of the *lilong* communities other development opportunities should be considered. For example, small scale mixed use projects which are less disruptive to *lilong* neighbourhoods should be considered.
3. In respect to *lilong* dwellers, programs should be developed which address their housing needs and available resources. They should not be segregated by their circumstances from participating in the new directions of commodity housing. Specific policies should be considered which allow dwellers to participate in housing ownership and upgrading *in situ*. Privatization of public rental *lilong* housing may provide an alternative approach for dwellers to enter into the housing market and at the same time remain in the *lilong* community . Dweller initiated upgrading may also be considered as an alternative to government controlled maintenance and upgrading. Such dweller funded projects can take advantage of a previously untapped economic resources where investments will be diverted into government housing funds or the general economy without being channeled through the work unit. Authorities may want to address the issue of living and building rights for those *lilong* dwellers who invest and maintain or upgrade their unit.
4. With the rapid movement towards commodification in housing and the shift from the welfare approach to housing allocation, programs are required which address dwellers who are excluded from the commodity housing or unable to meet increased rent. 'Safety net' policies such as housing vouchers must be maintained for those dwellers who are increasingly marginalized as a result of the movement towards the market economy and commodity housing.
5. Universal standards in housing design and services should be reconsidered in regard to the diverse conditions and densities of *lilong* housing. Whereas the Penglai project provides an ideal model, *lilong* with higher densities may not support such significant interior alternations. Smaller scaled intermediate alternatives may be considered appropriate which improve the basic housing conditions of dwellers. For example, in the

- Netherlands much of the urban 17th. and 18th. century row housing was upgraded in the late 19th. and 20th. century with the addition of one toilet and lavatory located on each floor which was shared by many families.
6. Infrastructure upgrading and service additions should be the primary target for many older *lilong* areas as opposed to full scale rehabilitation. Once infrastructure and services are provided dwellers may increasingly be able to solve some of their own housing problems.
  7. In regard to the institutional aspects of administration and management of *lilong* housing, District Housing Management Bureaus should be maintained as land rights will continue to be owned and controlled under government powers. However, if living and building rights increasingly are sold to *lilong* dwellers through the program of privatization, a new type of institution or agency may be required to provide services to meet the new needs of the *lilong* dwellers. To correspond with the movement towards privatization and the individual meeting, maintaining, and upgrading his or her housing requirements, non profit housing associations may provide the link between the dweller, the *lilong* housing and the official housing bureaus. Such agencies may provide services to help dwellers within the *lilong* to rehabilitate the unit, access contractors and builders, provide liaisons with the official jurisdictions, develop and coordinate maintenance services, cooperate in community upgrading, etc. These non profit agencies may be introduced at the neighbourhood level, and will work closely with the existing framework of the neighbourhood committees to aid dwellers in their housing needs. Such organizations may also help to revitalize the neighbourhood committees, and meet the changing needs of the new generation of Shanghainese who live increasingly in the era of market housing and housing reforms.
  8. Improving *lilong* housing conditions in the inner city is an enormous task of huge expense and tremendous scale. No one program or player can solve these problems. As a result, all groups, government, developers, enterprises, and dwellers must be considered for their potential contributions. Diverse programs should be considered and developed to conform to the directions of the socialist market economy, housing reforms, local conditions of the old neighbourhoods, and *lilong* dwellers' needs.

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APPENDIX 1  
LIST OF INFORMANTS, INTERVIEW DATE, OCCUPATION, HOUSING TYPE & LOCATION

Interview Number	Interview Date	Occupation	Housing Type	Location
Interview 1	30/04/1993	dweller-retired	Lilong	Wan Zhu Jei Street
Interview 2	01/05/1993	dweller-teacher	High Rise	Long Hua West Street
Interview 3	03/05/1993	Professor	n/a	Tongji University
Interview 4	03/05/1993	dweller-worker	Lilong	Wan Zhu Jei Street
Interview 5	03/05/1993	Xiao Beimen Buildings Management Office-Vice Director	n/a	Nanshi District
Interview 6	04/05/1993	Neighbourhood Committee	Lilong	Da Jing
Interview 7	04/05/1993	dweller-retired	Lilong	Quing Lian Street
Interview 8	04/05/1993	dweller-retired	Lilong	Quing Lian Street
Interview 9	04/05/1993	dweller-retired	Lilong	Quing Lian Street
Interview 10	05/05/1993	Neighbourhood Committee	Lilong	Mao Ming Bei Street
Interview 11	05/05/1993	dweller-businessman	Lilong	Mao Ming Bei Street
Interview 12	11/05/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 13	12/05/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 14	12/05/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 15	12/05/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 16	14/05/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 17	14/05/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 18	14/05/1993	daycare-worker	Lilong	Wan Zhu Jie Street
Interview 19	14/05/1993	Housing Specialist	n/a	Tongji University
Interview 20	20/05/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 21	20/05/1993	Neighbourhood Committee	Lilong	Wan Zhu Jie Street
Interview 22	02/06/1993	Nanshi Property Management-Director of Renovation	n/a	Nanshi District
Interview 23	02/06/1993	Architect	n/a	252 Penglai
Interview 24	02/06/1993	dweller-worker	Lilong	252 Penglai
Interview 25	02/06/1993	dweller-worker	Lilong	252 Penglai
Interview 26	03/06/1993	Professor	n/a	Tongji University
Interview 27	03/06/1993	Professor	n/a	Tongji University
Interview 28	04/06/1993	dweller-retired	Lilong	252 Penglai
Interview 29	04/06/1993	Xiao Beimen Building Management Office-Vice Director	n/a	Nanshi District
Interview 30	04/06/1993	dweller-developer	Lilong	Off Wan Zhu Jie
Interview 31	06/06/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 32	06/06/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 33	06/06/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 34	06/06/1993	dweller-worker	Lilong	Wan Zhu Jie Street
Interview 35	08/06/1993	Professor	n/a	Tongji University
Interview 36	08/06/1993	Urban Planner	n/a	n/a
Interview 37	16/06/1993	Professor	n/a	Tongji University
Interview 38	18/06/1993	Shanghai Housing Authority Policies and Regulations	n/a	n/a
Interview 39	22/06/1993	Shanghai Housing Coop.	n/a	n/a

Interview 40	22/06/1993	Professor	n/a	Tongji University
Interview 41	23/06/1993	Urban Planner	n/a	n/a
Interview 42	27/06/1993	dweller-professional	Mid-Rise Apartment	Pudong
Interview 43	27/06/1993	1. dweller-retired 2. dweller-worker	Mid-Rise Apartment	Pudong
Interview 44	28/06/1993	dweller-worker	Lilong	Gong Yi Fang Street
Interview 45	28/06/1993	dweller-retired	Lilong	Gong Yi Fang Street
Interview 46	29/06/1993	Property Admin. Department- Chief Economist	n/a	n/a
Interview 47	30/06/1993	Residential Construction- Section Chief	n/a	n/a
Interview 48	01/07/1993	Professor	n/a	Tongji University

APPENDIX 2  
CALCULATIONS OF PRE & POST REFORM RENT

Interview Number	Household Income in Yuan	Rent Pre-Reform Yuan/m2/month	Total Rent Yuan/month	Rent Post-Reform Yuan/m2/month	Total Rent Yuan/month	Dweller Initiated Upgrading
Interview 1	Retired	.10	2.2	.25	5.70	x
Interview 4	-	-	-	.30	9.00	
Interview 7	90 pension Retired	-	-	.20	1.0 Rent Waved	
Interview 8	Retired	-	-	.19	5.70	x
Interview 9	Retired	.10	4.75	.19	9.30	x
Interview 11	Private Residence	-	-	-	-	
Interview 12	-	.26	4.00	.53	8.00	
Interview 13	700	.10	3.21	.35	11.20	
Interview 14	1,000	.06	1.0	.25	4.00	
Interview 15	950	-	-	.29	3.6	x
Interview 16	440	.14	1.3	.28	2.60	
Interview 17	900	Lived with Parents	-	.36	3.10	
Interview 20	950	.28	2.5	.34	3.00	x
Interview 30	Developer Project	-	-	-	-	
Interview 31	1,150	.15	4.00	.23	6.0	x
Interview 32	1,000	Lived with Parents	-	.28	4.1	x
Interview 33	400	.25	2.0	.50	4.00	x
Interview 34	750	.17	4.00	.30	7.00	x
Interview 44*	-	.28	20.00	-	-	x
Interview 45*	-	-	-	.50	36.00	x
Average	824	.16	2.9	.30	5.5	

\*Rents not calculated in average as existed outside of survey area.

APPENDIX 3  
LIST OF PERSONS/HOUSEHOLD, UNIT AREAS, AREA/PERSON,  
DISTANCE TO WORK, AND LENGTH OF OCCUPANCY.

Interview Number	No. of Persons	Total Area of Unit (Sq. M.)	Area/ Person (Sq. M.)	Distance to Work Husband (hours)	Distance to Work Wife (hours)	Length of Occupancy (years)
Interview 1	3	22	7.3	-		41
Interview 4	5	30	6.0	3.0 Bus		19
Interview 7	1	5	5.0	Retired		24
Interview 8	5	30	6.0	Retired		46
Interview 9	5	48	9.6	.75 Bus		50
Interview 11	Private Residence					39
Interview 12	5	15	3.0	-		<3
Interview 13	5	10.5+21.5=32	6.4	.25 Bicycle	.25 Bicycle	45
Interview 14	5	15.8	3.1	.25 Bicycle	.25 Bicycle	26
Interview 15	3	12.3	4.1	.30 Bicycle		7
Interview 16	3 legal/ 6 illegal	9.4	3.1/1.6	.30 Bicycle		7
Interview 17	2	8.6	4.3	.50 Bicycle	.50 Bus	4
Interview 20	3	8.7	2.9	1.25 Bus	.75 Bus	3
Interview 30	Developer Project					2
Interview 31	3	26	8.6	.50 Bicycle	.50 Bicycle	60
Interview 32	3	14.7	4.9	.50 Bicycle	1.50 Bicycle	5
Interview 33	2	8	4.0	-	.75 Bus	20
Interview 34	4	23	5.7	.30 Bicycle	.20 Bicycle	68
Interview 44*	8	70	8.7	.50 Bus		Whole Life
Interview 45*	5	72	14.4			Whole Life
Average	3.5/3.7	19.3	5.2/5.1			26

\*Data not used in calculations due to outside survey area