

The Governance Model Investigation of Urban Village's Commercialization Based on Cultural Insight

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Abstract: With the development of the city, urban villages, though an important part of the cities now, seem to be unable to avoid the fate of disappearing. Urban villages developed in China as a result of some original villages being surrounded by contemporary tall buildings. This paper reviewed the history and the development of urban villages, compared slum management in other countries to the management of urban villages in China, and takes Nantou Gucheng, an urban village in Shenzhen, as an example to explore the balance between economic development and preservation of cultural heritage. The paper shows that the urban village provided stalls for the brands like a commercial center, which was meaningless. The government should dig deep into the history of the urban villages. Besides, the government makes it possible to provide improved support to ensure old shops run by the original residents of urban villages for more than 10 years can continue to operate.

Keywords: land economy, urban village, government

1. Introduction

In the process of industrialization and urbanization, due to the special land policy in China, some original villages were surrounded by modern high buildings, and urban villages were formed [1].

Firstly, there is the origin of Urban villages. As the paper mentioned, in China there is a special land policy that urban land is owned by the government, while rural land is owned by rural collectives. With the vigorous development of cities, the urban area is constantly expanding, and the government needed to purchase rural land from rural collectives to satisfy such needs [2-3]. Thus, more and more buildings were built above the cultivated land and developed from rural areas to the urban center. However, at the same time, local farmers kept their original residences and housing. Therefore, due to unclear property rights, inadequate land management, and other factors, those areas with farmers' houses lag behind the development of surrounding cities and eventually become urban villages.

The problems inside Urban villages are as follows. The inefficiency of land use and management lag problems make the improvement of urban villages so urgent. For one thing, the efficiency of land use in urban villages is low, especially in the central part of the city. Because most of the buildings inside urban villages have been built for several years, some of them are only three to five stories high. The first floor is usually small shops, and the second floor is owned by the shop owners. In this case, tenants can only rent the few rooms left. In order to meet the housing demand of a

large floating population, buildings inside urban villages usually have dense distribution. Those illegally dense buildings not only cause poor lighting inside the house but also greatly wastes the space for multistorey buildings. If there is construction going on upstairs, it will be a danger for people who are passing through the corridors between those dense buildings. For another, village management lags behind, which leads to inadequate infrastructure constructed inside urban villages. To be more specific, there are many illegal structures inside urban villages, such as telephone poles; there is a lot of old infrastructure waiting to be renovated, including sewage treatment lines and rubbish bins that pile up all year around. The lack of infrastructure easily gives rise to safety and sanitation problems. Therefore, even though, with the help of the government, the environment is improving, the going on change is not fast enough.

It is necessary for cultural preservation in the urban village to be achieved. As an essential part of the city, urban villages are full of specially mixed memories. On one hand, the village nourishes new community attachments among migrant worker tenants. There are usually small shops along the main street of every urban village, and the traditional handicraftsmen make various snacks and barbecues [4-5]. In the evening, after the sky gets dark, urban villages are particularly lively and the streets are brightly lit. Because of strict limitations on vendors in the city, outside urban villages, it is hard to see any vendors. Unlikely urban villages, cities with high-rise blocks seem "lonely". Hence, after work, young people prefer to congregate in urban villages where they can easily get a sense of belonging. On the other hand, the aboriginal residents' cultural heritage, such as ancestral shrines, is still reposed in this land. The parallel cultures all bear strong senses of belonging, bonding the people and the whole city together.

Similar to the urban village in China, the slum is also a highly populated urban residential area consisting of densely packed housing units. However, unlike urban villages, which usually provide housing for migrant worker tenants, slums are usually sanctuaries for drug traffickers, prostitutes, and the poor. In addition, the formation of urban villages is caused by the special land policy in China instead of population aggregation. Besides, the conditions in slums are worse than conditions in urban villages. Although there are many differences between urban villages and slums, the government's management of the problems of dense buildings inside cities is still worthy of reference. The paper shows the urban village development in the United States, Brazil, and

Around 1840, rapid urbanization began in the United States. As a large number of people flooded into cities, problems such as housing shortage, unemployment, and poverty appeared in cities, and slums formed. According to Lunlin Shao, Tianhao Zhai, and Xi Luo, the reconstruction of American slums can divide into mainly three stages: the first stage is the community improvement movement, which is that the middle class in the community promoted the reconstruction of slums through social influence; the second stage was the urban renewal movement, in which the government enacted laws on demolition and reconstruction of slums, resulting in the demolition of the slums and the relocation of indigenous people; the third stage is a neighborhood renewal program with the goal of community development [6-7]. Collaborating with the community development fund, private companies led the renovation to achieve community self-governance. In conclusion, the economy is the fundamental mean in the governance of American slums, which focuses on market development, employment rate, and cultural and environmental reengineering.

For Brazil, the authors concluded that the Brazilian government's policy of slum management has gradually developed from being passive and ignoring into a humane one. Specifically, from the Brazilian government's tough governance to public access to democratic rights and deep participation in urban renewal, the overall governance has been developed in a more humane way. Some people pointed out that the Brazilian government learned the negative consequence of hardline governance of slums, gradually strengthened the "soft development", and formed a help program oriented by improving education, music, and sports for residents inside the slums. Since 1990, from

Rio de Janeiro to Belo Horizonte city, the Brazilian government mainly adopted the method of rationalization of slum management by trying to integrate slums into cities and retain local characteristics. Finally, this strategy achieved certain results.

In Mexico, according to Wang, the local government played a significant role in slum management in Mexico. He found that starting in the 1970s, the Mexico government introduced legislation to intervene in the expansion of slum areas in cities. The government legalized illegal land used for constructing slums and helped build some basic infrastructures such as sewer lines in slums. In the 1980s, the government issued a series of follow-up measures to improve the infrastructures and living environment inside slums including improving street lighting, paving sidewalks, and building schools. In the 21st century, the Mexican government committed to poverty alleviation, focusing on the poor living in slums. The government implemented new social security, credit, and health program. A report pointed out that the growth rate of Mexico's slums is controlled at a floating rate of 0.5%, which can prove that the Mexican government has achieved positive results in slum management [8].

This paper investigates urban village's commercialization based on cultural insight in a Chinese city named Shenzhen. Firstly, the work summarized the current situation of urban villages in Shenzhen. In Section 3, the work utilized the case of Nantou Gucheng to present the reconstruction plan of the local government. In Section 4, the paper makes discussion the failure of the government in 2017 by exploring the reasons for the failure and government actions after the failure and making some commercial suggestions about the renovation of urban villages. Finally, Section 5 summarized the conclusion of the article.

2. Current Situation of Urban Villages in Shenzhen

Shenzhen is one of the most prosperous cities in China, and urban villages are an indispensable part of Shenzhen. Thus, I will introduce the basic information of urban villages in Shenzhen in terms of land scales, construction scales, the situation of residents, and the local government's plans.

2.1. Land Scales

In Shenzhen, the land scales of urban villages account for more than one-third of the land scales of the whole city. To be more specific, there are 336 administrative villages and 1044 natural villages. People naturally get together from the villages called natural villages, and several natural villages are grouped together into a big administrative area called administrative villages. These villages occupy nearly 321 square km of land, and among them, the villages inside the city, or urban villages, cover 93.46 square km of the land.

According to Figure 1 below, Baoan district has the largest number of administrative villages, which is almost twice as many as in another district. However, Longgang contains the largest number of natural villages, and villages---Baoan, Longhua, Pingsha, Dapeng---have a relative number of natural villages

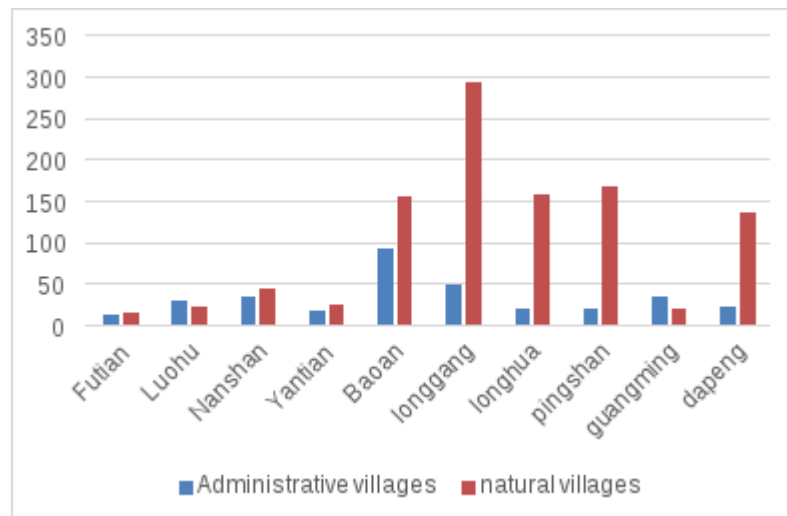


Figure 1: The specific distribution of villages among the administrative region in Shenzhen.
Source: Shenzhen planning and land development research center (the data was processed)

2.2. Construction Scales

Construction areas of Urban villages in Shenzhen now are nearly 450 million square meters which account for two-fifths of the total construction area of the whole city. These construction areas include 29 million for residential architecture and 14 million for industrial architecture [9-10].

Figure 2 has a clear demonstration: in Shenzhen, 62 percent of the land is used for residential construction, 31 percent of the land is used for industrial construction, and 5 percent of the land is used for an office building.

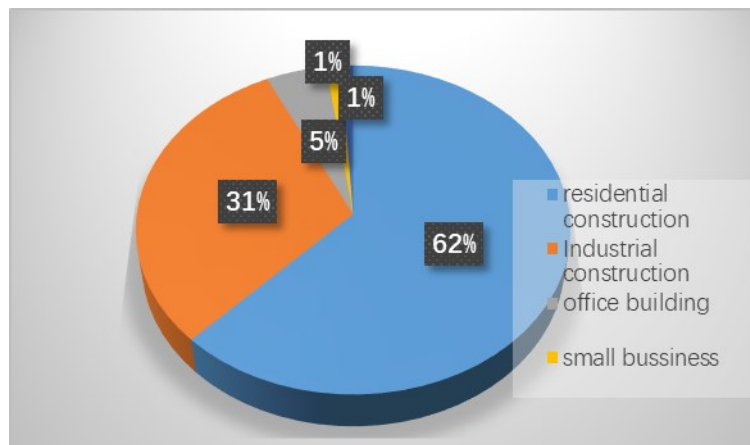


Figure 2: The areas of various types of construction in urban villages in Shenzhen.
Source: Shenzhen planning and land development research center (the data was processed)

In fact, urban villages provide an industrial place for 70 percent of middle and small-sized enterprises in Shenzhen, because the rent there is really cheap. In Urban villages, two-thirds of factory rent in urban villages are only 10-20 yuan per meter per month, which is quite lower than state-owned industrial parks in the same district.

2.3. The Situation of the Residents in Urban Villages

The whole of Shenzhen city has 21,650,000 people, and 12,630,000, nearly half of the total population, live in urban villages. People with a college degree and above make up 36.3% of the total.

Table 1: Per capita area statistics for urban villages of each district in Shenzhen.

Administrative area	Futian	Lohu	Nanshan	Yantian	Baotian	Longgang	Longhua	Pingshan	Guangming	Dapeng
Per capita Area (km ²)	18	22	28	24	37	40	33	57	43	79
	Mean:	38.1								

Source: Shenzhen planning and land development research center (the data was processed)

As Table 1 shown, urban villages in the Dapeng district have the largest per capita area, and urban villages in Futian have the least per capita area. The mean per capita area in urban villages in Shenzhen is 38.1.

2.4. Local Government Reconstruction Plan of Urban Villages

Shenzhen government used three types of strategies to govern urban villages, including demolition and rebuilding, comprehensive treatment, and functional changes. At first, demolition and rebuilding are the main methods used by the local government. The government wanted to change the original layout and functional structures of urban villages thoroughly so that the urban villages enabled to be considered in city planning. However, since the unique policy of ownership of land in China, farmers own rural lands and government owns urban land, many local residents who owned the land of urban villages gained millions of dollars for removal. Besides, some of the reconstruction projects produced the problems like overdevelopment and poor quality of reconstruction, which caused people's dissatisfaction. Things began to change after the plan get into the second phase---comprehensive treatment.

In 2016, the government revised the treatment scheme which now emphasized comprehensive treatment. Not only did the government optimize the hardware equipment, such as water pipes and trash cans, but the government also increased the public space in urban villages. They were only partially demolished to improve the living conditions in urban villages.

In the third part of the governance of urban villages, the government clearly delineated functions within urban villages. For example, the government laid out a commercial street in the Futian village of Shenzhen, and other parts for residence. Then, they would encourage some small and medium-sized enterprises to enter the street by enacting some welfare policies. In other words, they clarify the functions of urban villages in the city to better integrate urban planning.

3. Case Analysis of Nantou Gucheng

3.1. General Situation of Nantou Gucheng

Nantou Gucheng is an urban village located on Nanshan district in Shenzhen. It covers an area of about 3,850,000 square meters, and it has a history of more than 1700 years. As the epitome of Shenzhen's history, Nantou Gucheng still maintains the old street pattern, which contains six horizontal and one vertical main street. There are 1000 architectures, 10 protected buildings, and 34 historical buildings in Nantou Gucheng, so it is one of the focuses of the Shenzhen Cultural Protection Bureau.

With the increase of urbanization, Nantou Gucheng gradually becomes an urban village with old factories and illegal self-built buildings. 82.4 percent of the buildings in Nantou Gucheng are private buildings without proper legal procedures. For the government, this unclear property right makes it difficult to renew Nantou Gucheng. In addition, now 30,000 people live in Nantou Gucheng, but natives have moved out of there. At present, mainly migrant workers, who tend to find low-rent housing, live there.

3.2. Reconstruction Plan of Local Government in Nantou Gucheng

Due to the significance of Nantou Gucheng's historical meaning, the biggest challenge of its renewal of it is that at the same time as urban renewal, historical protection needs to be considered. There are three main stages of updating Nantou Gucheng: in situ conservation, integral moving, and integration of business & culture. Firstly, in 2003 the local government proposed to conversate Nantou Gucheng in situ without destroying the distribution of buildings inside. For instance, the government hired a group of experts in architecture to restore and renovate the South Gate of Nantou Gucheng. Even though this stage lasted 8 years, from 2003 to 2011, and those experts have already discussed a plan, the effectiveness of renovation work was not high due to the limitation of funds and policies related to cultural protection.

Secondly, in 2013 the government passed the bill of the land planning department to demolish a small part of buildings in Nantou Gucheng and keep the rest of the buildings, but due to dissenting views from other departments, the plan was not implemented in the end. Those critics, such as the tourist administration, argued that there were many illegal constructions inside Nantou Gucheng, which hugely impact the historical features of Nantou Gucheng. Therefore, without integral moving those illegal constructions, it is hard to thoroughly solve the problems as urban villages or even to protect the historical meaning. These critics suggested that the government should fund to help the residents move, and then organize companies to remove the illegal constructions and maintain historical sites. They also state that by analyzing the case of the integral moving of urban villages in Shanxi, the government may need to spend 100 million yuan. Nonetheless, although the government may need to spend a lot at first, after transformation, the revenue of Nantou Gucheng enables to reach 10 million per year, and considering the historical significance, those spending is worthy of it.

Thirdly, in 2016 the district government asserts that the integration of creative and cultural design can further improve the economy and promote culture to achieve cultural innovation. In this case, at Hong Kong Shenzhen biennale in 2017, the government announced to introduction some high-end brands into Nantou Gucheng. However, the renovation did not achieve the goal. In fact, the designers transformed the houses based on the need of residents, while the government expected to make the inner space of Nantou Gucheng into a commercial street, which is far away from the aspiration of the residents. As a result, even though the government and the residents reached an agreement, minimizing the removal places and compensating for partial demolishment, this transformation broke the original economy form inside the village and failed to effectively introduce middle and high-end brand enterprises into the village as the expectation of the government. In short, this transformation failed.

The last transformation of Nantou Gucheng was in 2019. The distinct government launched a new plan of reconstruction led by the private company Vanke. Drawing on the experience of the last reconstruction, the local government collected residents' opinions at first and then combined their wishes to form the plan. The reconstruction this time emphasized respect of history, and the designers researched the architectural styles in Nantou Gucheng again to make sure that the reconstruction could retain the historical buildings and cultural memories as much as possible. Specifically, architects combined the old and the new materials, and by controlling the proportion of the new

materials, they successfully create an overall historical atmosphere in Nantou Gucheng. After reconstruction, all the patterns of streets from the Ming Dynasty were mainly retained, including North Fang, South Gate, and so on. In addition, designers separated Nantou Gucheng into four major functions---industry, culture, commerce, and residence. Therefore, reconstruction this time received a good response.

4. Discussion

This part mainly focuses on the failure of the government in 2017 by exploring the reasons for the failure and government actions after the failure and making some commercial suggestions for the renovation of urban villages. According to the case of Nantou Gucheng, in order to meet the survival needs of local residents, before implementing the reconstruction plan, the government should investigate the situation of original industries thoroughly and inquire about the willingness of the locals. After that, the government could adjust the industrial construction inside the urban villages to improve economy efficiency. In fact, in the case of Nantou Gucheng, after the renovation in 2017 failed, the government immediately began a new investigation, which separated the population into three categories---residents, tourists, and workers. The investigation showed people's needs mainly into three aspects, residence, business, culture, and recreation, which were considered by the government and included in the reconstruction in 2019. Nevertheless, although Nantou Gucheng has undergone renovation, there were only one main street and two auxiliary streets that successfully achieved commercial transformation. The remaining parts still maintain the normal living form of the urban village: the distance between buildings is too close; illegal buildings can be seen everywhere, and other common problems of urban villages still exist. In this case, the government should consider a wider range of reconstruction to make urban village be more likely incorporated into the city.

In addition, it is beyond doubt that introducing brands into Nantou Gucheng is a good strategy, but the brand type and background significance do not form a special link with the urban villages. The urban village, Nantou Gucheng, only provided stalls for the brands like a commercial center, which was meaningless. Under this circumstance, the government should dig deep into the history of the urban villages and find some special relationships between the culture and commercialization of those urban villages, before finally forming a unique commercialization direction of renewal. Therefore, the government enables to provide better help for the old shops run by the original residents for more than ten years inside urban villages to continually operate.

5. Conclusion

In conclusion, the reconstruction of urban villages in China can be separated into three stages: in the first stage, the planning, construction, and management of urban villages were extremely chaotic. In the second stage, the construction of urban villages was mainly aimed at mediating the interest of the government, village collective, and estate agents. In addition, the planners not only paid attention to the reconstruction of the physical environment but also the construction and functional remodeling of public space. In the third stage, the transformation target of urban villages changed to adjust the interest of four groups, including migrant worker tenants. Furthermore, we can draw a conclusion from the example of Nantou Gucheng that when the city grows and develop, the city government should not culturally ignore such “urban village memories.” They deserve to be preserved and organically developed as unique characteristics of the city to allow for a sustainable symbiosis of the culture and the social economy.

There are still some deficiencies in this article. The article has not collected enough quantitative data to measure the economic development of the reconstruction of urban villages. In addition, the

impact analysis of the reconstruction of urban villages in the city has not been analyzed by a mathematical model. In the future, this work would conduct the regression model to investigate the impact of the reconstruction of urban villages on local economic development.

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