**Gentrification from Within: Urban Social Change as Anthropological Process**

**Updated April 2015**

*Paper for the Urban China Research Network (UCRN)  
Brown University on May 8-9, 2015*

**INtroduction**

Tucked away from one of Shanghai’s busiest streets was the Tranquil Light Neighborhood (fictitious name), an 80-year-old housing compound consisting of 198 three-story row houses that looked similar to each other. Despite its unique architecture of 1930s British crescent-styled edifices as well as its tall symbolic steel gate, busy Shanghai’s pedestrians often walked pass the entrance of this neighborhood without even realizing that it was there. The street on which the neighborhood was located is the spine of the city’s most commercially vibrant district. To the few who happened to notice the Tranquil Light Neighborhood, they would, however, be puzzle by the fact that there could be a place that looked so different from cookie-cutter (mostly glass) high-rise buildings surrounding it. The Tranquil Light Neighborhood would appear to them as out of place. Added to this antiquated perception of the Tranquil Light was the presence of the neighborhood’s senior residents, who were mostly retirees in their 60s-70s. The obvious question for many – including myself when I first visited the neighborhood – was how could it ever exist, given the skyrocketing price of such a prime business area vis-à-vis the speed of the “tear everything down and rebuild from the ground up” (*chaiqian*) pattern of urban redevelopment that has, for decades been dominating the land development program in Shanghai.

The short answer to the question of how a low-rise neighborhood like this could exist in the landscape of high-rise buildings is probably the success of the municipal government’s efforts to preserve the city diminishing historical structures ([see Levin 2010](#_ENREF_20); [Peh 2014](#_ENREF_26); [Ren 2008](#_ENREF_30); [Tsai 2008](#_ENREF_37)). A longer – and a more constructive – answer to this question would involve a process of urban social change often referred to as *gentrification* ([Hamnett 1991](#_ENREF_12); [also see Smith 1992 for an intellectual debate on the concept](#_ENREF_33))*.* In my particular case, it would be a particular kind of gentrifying process whereby the neighborhood’s physical structure, despite its dilapidating condition, was deliberately and actively kept unchanged in the service of the new (often upper middleclass) residents’ sentimentalism. These new residents wanted to live in the neighborhood in place of the original residents precisely because of the historic value with which the architecture of the neighborhood was associated. Before the opening up and reform era of the early 1980s, approximately 3,000 residents of the Tranquil Light Neighborhood had lived together for at least two decades (according to the district’s almanacs for the past two decades). Many of them, in fact, had lived together even longer than that – since the private housing stock was confiscated and redistributed to the workers by the Chinese Community Party (CCP) after the liberation of Shanghai in 1949 (see [Peng 1986](#_ENREF_28); [Wu 2013](#_ENREF_41)). The Tranquil Light Neighborhood was among many compounds built in the early twentieth century whose residential structure had changed drastically since the early 2000s.

The Tranquil Light Neighborhood was technically a gated-community. Built in the early 1930s, the Tranquil Light was among the most renowned and prestigious neighborhoods at the time. Each building was designed to serve a single household of two to three residents. Among the households, only a very small number were original owners who purchased their homes in the early 1930s. In the early twentieth century, many residents were public figures attracted by the neighborhood’s prime location. Many of these public figures fled Mainland China primarily for Taiwan and Hong Kong prior to 1949 because of their close affiliation with the losing Nationalist. When all private housing stocks in Shanghai were confiscated and re-distributed to a large number of workers upon the foundation of the People’s Republic of China (PRC), the structure of the community changed rapidly to accommodate about 4-5 times more residents than the number for which what it was originally planned ([Huang 2000](#_ENREF_18); [Peng 1987](#_ENREF_29)). As of 2015 there were 198 buildings still standing, accommodating around 950 households (ranging from one to three persons) and approximately 3,000 residents at the time, compared to the original 500 or so of residents in the 1930s. More than two-thirds of the current residents — the “old residents” — moved in between 1960s-80s when urban workers were allowed to trade their rooms with each other. Today, about a third of the residents are renting rooms from these old residents. These renters — myself included — are from all over: young Shanghainese, migrant workers, and foreigners. What defined the dynamic of this community was precisely the co-existence of old residents and newcomers with different occupations, interests and lifestyles.

For this research, I had spent 16 months during 2013 – 2015 living in the Tranquil Light Neighborhood. According to the official data provided publically by the local neighborhood committee during that time, the new residents, including myself, accounted for 438 out of the total number of 3,172 residents who were “actually living in the neighborhood” *(*as opposed to those only having their names registered as residents but not actually living there, or *changzhurenshu)*. The demographic of these renters, or the so-called “outsiders” *(wailairenshu)* was mixed: white and blue-collar migrants from other cities *(waidiren)*; foreign students and experts (including those who were on student or tourist visas but were in fact working); business owners using the residential spaces as their offices, who were attracted to the neighborhood’s by its central location, as well as its architectural uniqueness. Central to the argument about an alternative form of gentrification that I hope to make in this paper is in fact this particular “architectural uniqueness” of an old edifice, which did not seem to have the same appeal to the original residents as it had with the renters from outside. Not only am I, in this paper, trying to unpack the notion of heritage as a selling point of an almost a dilapidated structure, but I am also seeking to understand the ways in which the locals mobilize their knowledge of this particular selling point to benefit themselves financially as well as in terms of livelihood. There have been a few well-known precedents of gentrified neighborhoods in Shanghai ([see He 2007](#_ENREF_14); [Pan 2011](#_ENREF_25); [Wang and Lau 2009](#_ENREF_38); [Yung, et al. 2014](#_ENREF_45)). In fact, the Tranquil Light could have conveniently been developed into a “commercial/artsy,” or high-end retail district like these other neighborhoods in Shanghai had the residents been offered the option to relocate elsewhere. Yet, at least up until the time that this research was concluded, the local government had yet to decide on any plans that would involve such processes due to the complicated legal and financial issues specific to the site, the residents themselves had to rely on their own resources, which, in this case, were the heritage structures in which they had been given the right to reside. The goal of this paper is to develop an alternative understanding of gentrification in which the existing residents themselves were the key actors in the active urban process resulting in the change in demographic diversity ([see Harvey 1981](#_ENREF_13)). Recognizing that gentrification studies is a well developed field, the aim of this paper is by no means to emphasize the novelty of its approach, but to point to the unique pattern of the process that I had observed in the field and through ethnographic findings.

The notion of heritage is the main contested area of inquiry of this paper ([Esposito, et al. 2014](#_ENREF_9); [Herzfeld 2010](#_ENREF_16)), as a “desirable scarce resource” ([see Appadurai 1981](#_ENREF_1)) that the economically powerful would seek to possess in order to claim, as I will show in this paper, their somewhat opaque sense of cultural superiority through the attainment of historical artifacts – in my case, architecture – as cultural capital. Yet, subverting this dominating structure that the rich have created altogether is the notion of heritage that the economically challenged original residents perform to make the potential to attract middleclass renters and buyers. , where these old and rundown edifices were marketed as “heritage” structures.

**HERITAGE IN THE CITY**

Since China’s involuntary opening up of trade as a treaty port to foreign powers as a result of its defeat in the Opium War, Shanghai has been the most convenient point of access to foreign goods and export of China’s products. The British were the first to arrive to Shanghai in the mid 1840s, and re-organized the city’s spatial structure to accommodate the treaty port’s commercial activities. By way of what they called “the land regulations,” they imposed new comprehensive planning to the organically-grown, medium-sized market town ([Balfour 2002](#_ENREF_4); [Johnson 1995](#_ENREF_19)). Due to Shanghai’s flat geography, a grid structure was conveniently imposed, and became the basis of land division and property investment in the bounded territory called the International Settlement, in which several colonial powers had their jurisdictions. Local Chinese laborers were hired to work in this bounded territory at a low cost, and the new form of housing introduced to accommodate these laborers were replicas of traditional British row houses – a series of short-width houses joined by common sidewalls called the *lilong* (see [Guan 1996](#_ENREF_10); [Hammond 2006](#_ENREF_11); Liang‌ 2008). Between the row houses were small lanes for accessing each unit. There were no open spaces besides these lanes, which automatically served as spaces for cooking, meeting, washing, and so on, which was perhaps the reason why these row houses have since adopted the name the “*lilong*” – as *li* means neighborhood and *long* means lanes. With the success of the few first units, the *lilong* neighborhoods became the dominant, if not the only, form of housing in the city of Shanghai by the late nineteenth century, which was also later adopted as housing practice in the French Concession as well as in the other parts of the International Settlement. At the peak of its commercial boom in the 1930s, there were more than 200,000 units of *lilong* houses in the city of Shanghai ([see Morris 1994](#_ENREF_24)). The population housed in these units was around three million people. It was only until the early 2000s, about twenty years after the economic reform that brought about rapid change in China’s economy, that a greater proportion of people in Shanghai were living in buildings other than the *lilong* houses, such as high-rise apartments.

After the Chinese Communist Party (CCP) declared its victory over the Nationalist Party in the 1949, the entire *lilong* housing stock were re-distributed among the local residents and workers who would live there until the neighborhoods were torn down in the decades to come ([for the detailed history of the lilong see Bracken 2013](#_ENREF_6)). The 200,000 *lilong* units were just adequate for three million residents in the 1930s, and were unable to accommodate eleven million residents upon the initial stage of the experimental opening up and reform era in the early 1980s. The local government resorted to the market to build more housing for the new residents. Thousands of *lilong* neighborhoods, which then were no longer considered the most “economic” form of housing were removed during this period to make way for higher-density housing typologies, such as the mid-rise walkups and high-rise apartments we see in Shanghai today. Although the history of the *lilong* as a “cultural form” in Shanghai cannot be compared to that of the traditional courtyard housing compound in Beijing, or the *hutong*, whose history dated back hundreds of years, the complex history of quasi-colonization, economic modernity, Communist re-purposing of the most dominating form of dwelling unit in the city has had a profound impact on local Shanghainese residents *(bendiren).* According to the data provided by the Cultural Heritage Protection Department of the Shanghai Municipality Administration of Cultural Heritage ([see Yang 2013](#_ENREF_43)), there were less than a hundred *lilong* neighborhoodsleft in the city, compared to 150 just five years ago.

**THE SECOND LANDLORDS**

During the time of this research from 2013 - 2015, the handful of designated historic structures in Shanghai were not clustered in groups, but instead scattered around the city, as a result of the historic preservation program focusing on preserving a building (or a set of buildings) instead of an area in which residents of many neighborhoods relied upon each other. Many of the remaining residents, who were mostly elderly, found these changes to be alienating, as they were used to shopping at cheap street markets instead of in the supermarkets where their ingredients for cooking such as meat, vegetables and fruit would cost many times more than in the wet markets or stalls in the nearby alleyways, which were removed with the neighborhood in which they were located. The same estrangement also applied to the residents’ social life, as their neighbors from nearby communities with whom they used to converse on a regular basis had moved out. That is to say, the network of cross-community neighbors was replaced by a forced individualized lifestyle. As a result, many residents, even those who had lived in preserved neighborhoods like the Tranquil Light for their entire life, would eventually give in and move out, as there was no longer much of the sense of socio-cultural belonging nor economic feasibility (i.e., affordable food) for them in a place that was simply forced to look old without any social meaning, in which they could continue to live their lives.

The option of moving out to most of the original residents came when they gave birth to their children or when their children gave birth to their grandchildren, which would render the need for a more spacious home more urgent –. What then to do with the rooms from which they had already relocated since most of them only had that dwelling, but not the right to sell it? They would rent it out to new residents and became so-called “second landlords” *(erfangdong)* to the new residents – the first landlord here was the local government who redistributed the housing stocks by way of a symbolic rent control program to these old residents decades earlier (also see [Wu 2013](#_ENREF_41); [Yang and Chen 2014](#_ENREF_44)). Having spent the last decade studying Shanghai, I have encountered several cases where residents who were not satisfied with the change made themselves or their discontent “visible” not through open disputes, but instead subverted the system altogether by, quite astutely in fact, using various kinds of negotiating tactics to make those in power and those with purchasing power believe that the residents and their neighborhoods were worthy. For instance, a senior and long-term resident of the Tranquil Light Neighborhood always cited a popular narrative regarding the historic importance of the neighborhood to maximize the capital return both when renting out his space to others. This resident himself no longer lived in the Tranquil Light, as he had moved out to help his children raise his grandson elsewhere, and had openly shared with me about how satisfied he was to live in a modern apartment that his children bought. That said, always prefacing his introduction both to the room he rented out, as well as the rooms that he acted an a middle-person *(zhongjie)* for his neighbors in renting it to a potential renter was the line, “no *lilong* neighborhood was more well-known than this neighborhood in the earl twenty century – many famous people lived here – although it’s old and rundown, it’s still the one of the most historically important places in the city.” While on the surface, this senior resident’s narrative gave the sense that he was “shamed” into undervaluing what he had, his action could also be seen as paving his way into the beneficial global-state narrative of value. In my previous writing ([Arkaraprasertkul 2013](#_ENREF_3)), I discussed how the enactment of this sense of lack has political ramifications in helping the residents making profits from what would be seen simply as “old and rundown” by substituting these two value markers with the markers of “authentic and historically important.”

In other words, what my ethnography has shows here is how the original residents, who were already losing their interest in living in a preserved neighborhood for the said reason, mobilized their knowledge of the global hierarchy of value ([see Herzfeld 2004](#_ENREF_15)) especially the interest in heritage architecture to maximize their profits in the process of getting themselves out of the neighborhood that was increasingly becoming less and less a community because of the physical changes in the surrounding areas. Although the situation I am presenting here is somewhat specific to the Tranquil Light Neighborhood, there are a few generalizable points about this particular process, namely the process by which the original residents themselves act as key actors in replacing themselves with new residents. This paper is driven by one major empirical question specific to Shanghai, and several conceptual questions regarding expertise and epistemology: what are the politics of interaction among these actors in the process of urban spatial change, and what do these forms of interaction tell us about the broader processes of urbanization vis-à-vis the heritage industry in Shanghai and beyond? How might these tensions help us develop a politically relevant theory of space? On a more general conceptual level, I am asking questions about expertise – for instance, how do different camps mobilize specific knowledge of history, architecture, and capitalist development processes in order to argue their positions? In the face of China’s current fast-paced urban development, how do material structures come to be differently valued, and how is that value constructed discursively through educational and advocacy projects, or calculations of economic potential? Also, in practice, what facilitates the execution of the planners’ ideas in the face of resistance from the residents? Thus, this project is also an “ethnography of expertise” ([see Boyer 2010](#_ENREF_5)) focusing on the professionals involved in the planning processes concerning the *lilong* community and their interactions with residents, who carry with them complex and historically situated expertise regarding the built environment at stake.

**HERITAGE TRADITIONALISM**

Residents of a neighborhood that once existed within walking distance to the Tranquil Light had shared with me how the neighbors got together to decide on the “collective narrative” about the history of neighborhood to tell the relocation authority. Not surprisingly, the residents gained an advantage in negotiating for the monetary compensation from the relocation authority, and therefore each family were given a rather enviable package, ranging from the market-based monetary compensation for those who preferred, to a new home three to four times the size of the old home in the suburbs connected to the city by the city’s metro lines. What this case shows is the residents themselves had a keen understanding of the limits of “playing victim,” and realized that, quite the opposite, the more they could encourage the government to see them as submissive to the development program that the authorities were seeking to execute, the more they could receive from the relocation process. By equipping themselves with a seemingly benign historic preservation narrative that the municipal government had no way to blatantly reject ([see Herzfeld 2014](#_ENREF_17)), they could get much more out of it than to engage in an unrealistic fight that could only lead to the local authority acquiring even more legitimacy to crackdown on their unwillingness to comply with the urban renewal program. In other words, there were indications that the original residents (that is, the residents who have lived in the neighborhood before the economic reforms in the early 1980s) were inclined to reenact and valorize the lifestyle of past times by performing their conformity to the historic preservation movement in Shanghai. This enactment of an unchanging past had political potential, as residents themselves became implicated in the state’s projects of, what I would like to call, “heritage traditionalism.” On the other hand, incoming residents who rented renovated spaces are enticed by the globally circulated romanticist preconceptions of traditional Chinese neighborhood life.

The Tranquil Light was one of a few so-called “traditional alleyway neighborhoods” or *lilong* in the local Shanghainese dialect that were still present in Shanghai where the speed of redevelopment and urbanization had always been among the world’s fastest, especially during the first two decades after the economic reform and opening up (1980s-2000s). Historians, journalists, and architects often share the opinion that *lilong* neighborhoods are historically important and, therefore, must be preserved. In many ways the attitude underlying this opinion – based as it is on a Eurocentric notion of the global city – encourages the local government’s romanticization of Shanghai neighborhood life. The city’s image-conscious definition of urban improvement is at odds with community leaders who equate such “improvement” with “urban renewal,” inevitably leading to the displacement of current residents from their homes. This so-called urban renewal process – which the anthropologist Neil Smith ([2006](#_ENREF_34)) equates with the term “gentrification” – has intensified the of inequality between the low-income residents who are often the target for the displacement process, and the new middleclass *(zhongchanjieji)* residents who are the potential buyers and the main contributors in the urban process ([see Zhang 2010](#_ENREF_47)). Already severe in Chinese government-designated “first-tier” urban centers like Shanghai, this issue often leads to disputes in other major cities.

Since the early 2000s, the city’s municipal government has shifted its policy from massive redevelopment to drawing urban planning inspiration from “global cities” such as New York, London, and Paris ([see Development Research Center of Shanghai Municipal People's Government 2014](#_ENREF_8)). These cities have achieved architectural distinction by combining modern high-rise buildings and heritage buildings, creating a sense of belonging for the local citizens. This particular value is central to sustaining both cultural and social values associated with a particularly place, making a global city not only a cherished home to the locals, but also an attractive hub for business, education, and tourism. Recently, Shanghai’s municipal government has fully adopted city branding as a major part of its urban development program. Following the “global city formula” *(quanqiuxingguojidashoudu)*, the preservation of historic buildings has since been seen as integral to this emerging brand. The underlying rationale is to protect a list of “architectural artifacts” that the municipal government considers appropriate for a city with global ambitions, including the *lilong* which had made it to one of the list’s as a central element. This situation illustrates how the discourse of history is often put to the service of romanticization, evoking a yearning for the past with complex stakes in the present. The idea of “significant architectural heritage” becomes a political tool in the city of Shanghai with the implication that it represents the benign effort of the state to preserve the history of the city for both residents and visitors. The preservation of the *lilong* façade—while potentially neglecting more substantive improvements to the dilapidated interiors of the houses—symbolizes the efforts of ostensibly caring local authorities to maintain a dialogue between Shanghai’s past and present. Armed with this discourse of historic preservation, the local government utilizes the *lilong* in its city branding strategies, especially through gentrification and the use of eminent domain.

**EXEMPLARS OF SHANGHAI’S ALLEYWAY**

More than half a dozen of my informants with whom I originally discussed my plan to conduct my field research in Shanghai mentioned the Tranquil Light Neighborhood – but in the context of two other places: “It’s nice but it’s not like the *Xintiandi* or *Tianzifang* – which are more beautiful.” The two places that this colleague mentioned above have been held by scholars and experts in urban renewal and architecture as exemplars of successful efforts to re-adapt old buildings for commercial purposes. In both places, the characteristics of the buildings were quite similar to uniform row houses in the Tranquil Light Neighborhood, with their wall-bearing masonry structure (therefore a nostalgic brick building’s envelope), three-story-height, all the buildings were located in a series of perpendicular alleyways, and, last but not least, they were absolutely uniform in terms of how they looked giving the impression of a traditional neighborhood in which the ordinary Shanghainese citizens used to live. Whereas *Xintiandi* was rebuilt from the ground up and repurposed as a high-end retail district using the cliché of an old historic Shanghainese neighborhood, *Tianzifang* had gone through a series of both external (by the government) and internal (by the residents themselves) changes before it had become one of the “hippest” districts for commercial art and handicrafts from 2007 onwards (see [Li 2013](#_ENREF_21); [Yung, et al. 2014](#_ENREF_45)). Listed in almost all guidebooks to Shanghai, these two neighborhoods were a must for those who wanted to see how Shanghai may have looked like in its colonial prime, and “the places” to visit for a historic tour of the city. *Xintiandi,* in particular, has the reputation for being, according to one of my informants, “the archetype of Shanghai’s alleyway” *(Shanghaililongdemoxing)* as it might not be too exaggerated to say that name of the project itself is almost synonymous with the term “historical preservation”.

The rather interesting fact here, however, was that most local Shanghainese residents I met during my early visits to Shanghai were all ebullient about having me visit *Xintiandi*. “If you want to see the ‘real Shanghai,’ you would have to go there,” said Mr. Zhang, who had been one of my key informants since I first met him in the summer of 2011. As I have written elsewhere ([Arkaraprasertkul 2012](#_ENREF_2)), I could not think of anything more ironic – the fact that a native Shanghainese was telling me that I should pay a visit to neighborhoods that were rebuilt and readapted to look old for commercial purposes, let alone how they used the term “real” (*zhende*) to describe them. For many who have studied China, it might be easy to see this as a form of expressing the *mianzi* – or the “face value” – which had always been a part and parcel to social interaction in Chinese society. Not surprisingly, also, since most residents of Shanghai were familiar with the *lilong,* no local professionals prior to the architect of the *Xintiandi* project saw this typical neighborhood as a potential typology for a retail, let alone a high-end commercial, project, especially when juxtaposing it against the high rises that were being introduced to Shanghai as a symbol of the new era of economic development. In fact, if asked, the local residents would say that *Xintiandi* is special because it is new, and it represents the history of Shanghai in a perfectly reconstructed form, with which the locals themselves are more comfortable because it does not involve the side of the history of the *lilong* that involves the ramshackle living experience, the physical congestion, unhygienic condition, to name a few ([as described vividly in Lu 1995](#_ENREF_23)). I often felt that this was what my Shanghainese informants meant when they suggested I should visit this place. The newness of *Xintiandi* was then all about the newness of the approach to building a retail mall. Despite the fact the project is nothing new to the locals, *Xintiandi* attracts foreign visitors (and possibly even more out of town domestic tourists from other parts of China) because it represents something old and, perhaps, also “authentic,” in a neat package which is also the narrative that locals would agree to support.

The direct importance of *Xintiandi* is that there has been speculation that it is “the future of the Tranquil Light,” according to one of my informants. Residents believed that eventually they would be relocated to other – bigger and more modern – housing units and that that the Tranquil Light Neighborhood would be revamped into a high-end retail district like the *Xintiandi* due to its central location, convenient access to public transportation, and, needless to say, its sophisticated “heritage” architectural style that is becoming rare in Shanghai. Stories regarding historic preservation were often about how the authorities “heritage-ize” a building without any concerns for the residents living in them; thus, creating resistance on the part of the residents who would like their ways of life to also be respected alongside the prominent edifices in which they lived. Hence, there were protests in many historic cities around the world regarding the way that municipal governments of historic cities commercialize the history of ordinary citizens without allowing them to have a say in such processes that affect their lives the most, e.g., the influx of tourists and the commercialization of local products, places, and traditions, to name a few. In Shanghai, what I had been observing presents a similar story but through from different lens: it was a story of residents of a rather young former treaty port city that not only did not object to the “heritage-ization” of their ordinary houses, but also spoke up in support of the local government in building highly commercial projects utilizing the past as an asset. All of this was done in order to promote the residents’ own interests in making their lives better. The sense of utmost pragmatism in the mindsets of the Shanghainese residents was at the center of the way they presented their histories vis-à-vis the city in the global era. The way that the Shanghainese residents wanted outsiders – like myself – to think of *Xintiandi* as the real Shanghai because it “look beautiful” *(kandehenpiaoliang)* was more in line with their interests than an actual *lilong* neighborhood.

**GENTRIFICATION FROM WITHIN**

During the time of this research, my informant Mr. Hu had lived in the Tranquil Light Neighborhood for almost four decades, and was familiar with most of the old residents. When he had to retire prematurely from an industrial work unit (commonly known as the *danwei*) because of his chronic illness, he had been putting his interpersonal skills to work as a local real estate agent. That said, there was “not anything fancy” *(meiyoushenmetebie)* about this new job of his, as he simply provided a service as a middle person *(zhongjie*) for those who had rooms to rent out, and those who wanted to rent to register their needs/requirements. The late 1970s was not only the time when he had to begin to live with his meager pension for said reason, but also when the socialist welfare structure was beginning to break down in with the re-introduction capitalism ([see Whyte 1984](#_ENREF_39)). Similar to many residents with an extra space, Mr. Hu did not particular like to rent out the space to fellow Shanghainese residents: “they’d all demand a ‘cut-throat’ rent, as if my room [and my servide as the middle-person] did not have any value at all!” said Mr. Hu who also only received a very small agent fee every time he was successful in connecting a neighbor who had a room to rent out to clients who were usually either a local Shanghainese seeking to move close to the city or a migrant worker from a nearby province finding a job in Shanghai. Similar to many residents who had seen the removal of *lilong* surrounding the famous streets on which the Tranquil Light Neighborhood was located, Mr. Li did not harbor any hope that it would be saved from being bulldozed – until the early 2000s when the so-called *“Xintiandi* effect” began to gain traction ([Yager and Kilbourn 2004](#_ENREF_42)). With the success and reputation of *Xintiandi,* he was surprised to have his service welcome a new set of clients: the creative class and foreigners, who were attracted to the Tranquil Light because of the architectural uniqueness of historic monuments that had diminished great numbers, especially from the 1990s when the urban redevelopment program was put in place at full speed ([Wu 2002](#_ENREF_40); [Zhai 1997](#_ENREF_46); [Zhang 2002](#_ENREF_48)).

Like Mr. Hu, many of the Tranquil Light’s residents lived in a perpetual state of uncertainty, in constant fear of forced eviction, and in a seemingly unending process of negotiation with various government agents to receive compensation for the foreseeable loss of their homes. In order to maintain to make most out of their remaining time in the heritage buildings, they adopted survival techniques, which also include initiating campaigns to inform the public about the (mostly historic) importance of these neighborhoods, and strategically utilizing the image of a successfully gentrified neighborhood that hews to the state’s “global city” discourse. The residents utilized various available channels of information and knowledge from various media sources. Some neighborhood residents, by renting out space to foreigners, implicitly claim access to coveted symbolic capital. These dynamic interactions among actors (i.e., local governmental officials, historians and journalists, developers, architects and planners, and residents) from multiple levels of society (i.e., urban planning vis-à-vis state authorities, communities, and individual citizens) were played out in the physical space of *lilong* neighborhoods.

In the early 2000s, the condition of most of the houses in the Tranquil Light was usually rundown as a result of the lack of structural maintenance (as it was structurally impossible to do so due to the age of the buildings). The ambiguity in the property development in the central business district allowed the creative class and foreigners to enter the Tranquil Light. “When *everyone knows* that the neighborhood will be torn down, but *no one knows* exactly when, it’s extremely difficult to speculate,” said one of the old residents who rented out the first floor of her row (she owned two rooms on the first and second floor) to a young local Chinese man to open a small tea house. On the owner’s part, since she did not know when she would be asked to move out, the best strategy for her was to try to make as much money as possible when she could still legally possessed the house, which benefitted the renters who were not only not asked for high rent but also did not need to provide much proof of their income, status, never mind a guarantor, and so on to be trusted as a renter. Although these creative class and foreign residents were operating on a small budget, they would, still, be comfortable to pay more in terms of rent to the old residents than the local “cut-throat” Shanghainese or migrants that Mr. Hu mentioned; hence, the old residents were much more welcoming to these newcomers who brought with them much more “gentrified” lifestyles ([Hamnett 1991](#_ENREF_12)) – “precisely because it boosted rents,” said Mr. Hu, compared to their old neighbors, who were mostly retirees.

In the mid-2000s, although it was already quite fashionable for an expatriate to live in an old-styled Chinese house, a different signal was sent when it was a Chinese resident who wanted to do the same. While many would want to see it as a matter of cultural difference, the most apt explanation lies in the notion of what the anthropologist Michael Herzfeld ([2004](#_ENREF_15)) calls “the global hierarchy of value,” or the idea that there is a top-down structure – almost in the fashion of an organizational chart – of different values, in which those of Eurocentrism, especially the notion of antiquity, are at the top. In other words, the creative class and foreign residents themselves were very much “romanticizing” the past – since they had never lived and therefore experienced the hardship of living in a house without adequate infrastructure – and perpetuating a very specific perception of the traditional houses in the global hierarchy of value. Some of these foreign renters also contributed to picturesque perceptions of the *lilong* architectural heritage through media, literature, art works, as well as in scholarly works. I have observed and discussed their influence on Shanghai’s policy on urban renewal ([Arkaraprasertkul 2012](#_ENREF_2); [Yang 2013](#_ENREF_43)). For ordinary Chinese residents who had lived in the traditional alleyway-houses for generations – and therefore knew more than the foreigners about the problems – it was the high-rise apartments that they wish to escape to from the dilapidated *lilong* ([Pellow 1993](#_ENREF_27))*.* In addition, contrary to the foreigners’ beliefs, the local residents saw the high-rise buildings as symbols of the Eurocentric presence of western modernity. This notion was particularly useful when thinking about how high-rise apartment buildings have become the symbol of an emerging global city in the recent years ([see Sklair 2006](#_ENREF_32)).

**CONCLUSION**

In *Discourse on the Original and Foundations of Inequality Among Men*, the French enlightenment philosopher Jean-Jacque Rousseau ([2013[1755]](#_ENREF_31)) claims that the root of inequality is the creation of an artificial superstructure of desires that the people in power produce to keep those in the socio-economically inferior position in a perpetual stage of poverty. According to Rousseau, this superstructure makes the socio-economically inferior class desire what they essentially do not need, such as material excesses and unnecessary entertainment – and by constantly creating a series of unnecessary desires one after the other, the superior class is essentially putting the inferior class to work to fulfill these desires that can never be completely fulfilled. In this process, in other words, the inferior class are being made the slaves to the superfluous needs that the rich have created to keep them in check. Developing in this paper is the process that I would like to call “gentrification from within,” or the way in which the displacement of the original residents is demanded, staged, and driven by the local residents themselves rather than the new wealthier residents. This “gentrification from within” is a reverse of Rousseau’s concept – it is the economically inferior residents who, through the understanding of the increasing value of the limited resource at their disposal vis-à-vis global hierarchy of value, actively market what they no longer need to the economically superior class who saw the opportunity to increase their cultural capital by claiming the residency in heritage buildings though mostly only temporarily. Whether or not the economically superior class – namely the middleclass residents such as the creative class and foreign residents – see this marketization process as material excess may depend largely on the attitude toward the heritage industry of the involved individual; yet, the critical point here is how these new residents are drawn by the belief that by possessing the scarce resources they would gain the membership to a more superior urban class ([see Thompson 1979](#_ENREF_36)). The success of this reverse process results in the change in the demography of the residents, to gradually include the new residents, who are seen as gentrifies despite the fact that they are enticed by the opportunity to possess antiquated uniqueness that the gentrifies themselves have created for the economic inferior residents to use as a leverage for their material gain.

Central to the traditional theories of gentrification is the change both in the social composition of an area, and its residents, as well as a change in the nature of the housing stock (see [Butler 1997](#_ENREF_7); [Smith 2006](#_ENREF_34); [Song and Zhu 2010](#_ENREF_35)). That is, the new residents who once they are successful in raising the value of the land by the social and cultural capital associated with their middleclass status and lifestyle create both the social and economic environments to push out the original residents. We have seen examples of this phenomenon worldwide, including in Shanghai, especially in central areas where the tertiary industries such as banks, private companies, and hospitality services, operate. The different – almost reverse – pattern I observed in Shanghai is a demonstration of how the knowledge of the global not only informs, but also encourages the pragmatic local residents to foresee a different future and voluntarily get involved in the process of urban renewal for the sake of their own interests.

**Acknowledgements**

I would like to thank Urban China Research Network (UCRN), and especially Alan Smart, who has been extremely generous in offering his advise in developing this paper – originally for the UCRN Conference and as a potential chapter of my doctoral dissertation. I would also like thank my teachers, colleagues, and students who have read the previous drafts of this paper, without whom this paper would not have found its form, namely Bradley Butterfield, Harry den Hartog, Michael Herzfeld, Matthew Gutmann, Leo Pang, Philippe Paycam, Xinyang Peng, and Qin Shao.

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