Forward to the past:
Historical preservation in globalizing Shanghai

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Abstract

This paper examines the role of historical preservation in spatial restructurings of post-industrial cities, through a detailed case study of Xintiandi, a preservation-based redevelopment project in inner city Shanghai. At Xintiandi, two blocks of Shikumen houses, a Shanghainese tenement built by Western landlords for Chinese tenants in the colonial period, are turned into a chic entertainment quarter by international developers and architectural firms, with support from local governments. The history of Shikumen as dwellings of lower-middle-class tenants for most part of the twentieth century is carefully erased. Instead, by emphasizing Shikumen’s international linkages, such as its Western-influenced architectural features, the private-public coalition has repackaged Shikumen into a symbol of Shanghai’s cosmopolitan colonial past, and used it to project an even brighter global future. The paper argues that historical preservation in post-industrial Shanghai serves the same development goal of urban growth, and in the process, historical elements in the built environment are selectively recycled and inserted in the newly created transnational space.
Introduction

Shanghai in August is steaming. I am sitting in the air-conditioned lobby of a newly renovated three-story mansion from the 1930s era in Xintiandi, the new and hip entertainment quarter in inner city Shanghai. In Chinese, Xintiandi means “new heaven and earth”. The place is new indeed. Five years ago, it was still an area of dilapidated Shikumen houses—a typical Shanghai tenement dating back to the 1900s, over-crowded with low-income families. However, a Hong Kong based development company came in, and together with an American architectural firm, they have renovated the two blocks of depreciated Shikumen houses into a quarter of fancy nightclubs, fusion restaurants, and trendy boutiques. The exteriors of the old houses were preserved, but the interiors were gut-renovated to accommodate new commercial functions. From the window where I sit, I can see a Starbucks, an ethnic Thai restaurant, a Vidal Sassoon salon and an Italian ice cream store. Promotion banners of British Airways are hanging from advertising poles everywhere. Foreign expatriates in business suits are having lunch. Japanese tourist groups are hanging out in souvenir stores and taking photos. Not far, many Chinese young couples are sipping their ice-coffee at outdoor cafés. Nowhere can be seen anymore those colorful laundries hanging from bamboo poles, a typical scene of old residential neighborhoods in Shanghai. The place has been completed transformed into a ‘new heaven and earth’.

In this paper, I will address the role of historical preservation in the process of building Shanghai as a new global city. In China, a country with poor preservation records, pro-growth local governments and private developers never hesitate when it comes to tearing down old buildings. During the frenzied urban development in the 1990s, many old neighborhoods and historical sites were bulldozed to make space for modern buildings. This has caused some Western critics to call Chinese cities “cities without histories” (Mars, 2004). However, since the late 1990s, there has been a new movement of historical preservation of old buildings across the country. Shanghai, the ‘dragon head’ of China, is the forerunner in this race of historical preservation. This paper aims to explore the rationale and mechanisms behind the new wave of historical preservation, through a case study of the adaptive reuse of old Shikumen houses at Xintiandi in inner-city Shanghai.
What are the structural forces at global, national, and urban levels that have driven the urban development policies in Shanghai from demolition to preservation? What are the incentives of different agencies, for instance, local governments, foreign investors, international architectural firms, local cultural institution and residents, in the preservation and redevelopment processes? What types of historical buildings are selectively preserved and recycled for new uses? And to what extent can historical preservation contribute to the building of Shanghai as a global city? By addressing these questions, the paper intends to contribute to the discussion on the spatial restructuring of post-industrial cities by reflecting on the role of history in the process.

**Literature review**

This paper draws on three inter-related fields of social inquiries—research on spatial transformations in post-industrial cities, urban regime theory, and the flourishing literature focusing on urban China.

*Spatial transformations in post-industrial cities*

This paper is situated within the literature on the aesthetification of built environment in post-industrial cities. Many urban theorists have pointed out that following the shift from Fordist to post-Fordist mode of production, Western industrial cities have been transformed from dominant production sites into post-industrial cities with strong business service, consumption, entertainment functions (Harvey, 1989; Soja, 1989; Zukin, 1991, 1995; Dear, 1991; Sassen, 1991; Clark, 2004). Broader socio-economic forces at global, national, regional and urban levels are intertwined, and work together in reshaping the spatial structures of post-industrial cities. As a result, old urban forms have been rehabilitated to adapt to new uses, and new types of urban spaces are created. The most studied post-industrial urban spaces are gentrified neighborhoods (Zukin, 1982; Lloyd, 2004), waterfront redevelopment (Zukin, 1991; Erlich & Dreier, 1999; Marshall, 2001), emerging cultural districts (Evans, 2003; Frantz, 2005; Bovone, 2005), as well as urban mega projects (Fainstein, 2001; Olds, 2001). As Harvey puts it, “cities and places now, it seems, take much more care to create a positive and high quality image of
place” (Harvey, 1990, p. 92). The aesthetification of built environment and picturesque urban images are typical spatial characteristics of post-industrial cities.

A common critique of the political economy approach to urban transformations is that there is no direct one-to-one relationship between general social forces and specific spatial outcomes (Knox, 1991; Hubbard, 1996; Beauregard and Haila, 1997). Old and new broader socio-economic forces are sifted through local particularities and have differentiated spatial outcomes. In order to make sense of the newly created glamorous space in inner city Shanghai, we need also to look at the actors who control the built environment, because these actors are not “simply puppets dancing to the tune of socioeconomic and political logics but rather relatively autonomous agents” (Beauregard and Haila, 1997, p. 328). Therefore, in addition to broader socio-economic factors, this paper also examines the urban regime that is governing the real estate development in Shanghai.

*Urban regimes and growth coalitions*

Urban regime theory was developed in the 1980s in response to the stalled debate on urban politics, such as the false dichotomy of elitist vs. pluralistic views of urban governance. According to Stone (1989), cities are governed by regimes, by which he means an informal yet relatively stable group with access to institutional resources, and which has a significant impact on urban policy and management. The members of a regime share certain policy objectives such as promoting urban growth, and can profit from their involvement. The utility of regime theory in the analysis on urban redevelopment in Shanghai is its emphasis on contextual aspects, namely, the internal coalition building in the arena of redevelopment and preservation policies. The power relationship among different agents within growth coalitions can help to explain unpredictable spatial outcomes of development and preservation policies.

There are studies that have attempted to apply regime theories in the Chinese context. Most of them have basically confirmed the existence of public-private coalitions or growth machines, and pictured a regime characterized by strong local (urban and district) governments, cooperative but weak private sectors, and the lack of community organizations (Zhu, 1999; Fu, 2002; Zhang, 2002; Zhang and Fang, 2004; He & Wu,
2005). Through the case study of Xintiandi, this paper suggests that the structure of pro-growth coalitions of the urban regime in Shanghai is more complex than the present simplified view of the ‘strong public-weak private-no community’ model. If there is a regime in the making in the arena of urban development in globalizing Shanghai, it might be best described as an informal project-based coalition of international and domestic business, governmental, professional and cultural elites under constant challenges by excluded community residents.

*Urban China Research*

In the recent review of the intellectual history of urban studies, Davis (2005) argues that in the past decades there has been a refocus in urban research on hegemonic cities such as New York and London. In the non-Western context, cities in economically rising regions have received far more attention than others. This statement captures well the thriving research about urban China. Since the 1990s, as the Chinese economy took off, there has been an exploding literature of urban China studies, among which a substantial amount is focused on Shanghai, the most globalized Chinese city. ¹

Three common characteristics can be singled out about this thriving literature on urban China. First, there is a high awareness about economic globalization and its impact on the spatial structures of Chinese cities, such as the role of transnational corporations (Yeung and Li, 1999) and foreign direct investment (Wu, 2000, 2003; Yusuf & Wu, 2002; Zhang, 2003). Second, most studies are focused on the institutional changes that have unleashed urban economic growth in China, such as land reform (Li, 1997; Zhu, 1999, 2002; Wu, 1997), housing reform (Zhou & Logan, 2002), and the decentralization of state power and the rise of local entrepreneurial urban governments (Zhu, 1999; Wu 2000, 2003; Han 2000; Zhang 2003). These studies on the global and local dimensions have greatly improved our understanding of urban transformations happening in China.

¹ By “urban China research”, I refer to the studies that focus on broader socio-economic forces and transformations of urban space. Several edited volumes on restructuring Chinese cities have been published by prestigious presses (Davis, 1995; Logan, 2002; Ma and Wu, 2005). Research articles and special issues featuring Chinese cities frequently appear in specialized urban journals in English. Moreover, a large amount of articles and books are published in Chinese by researchers based in China. These works are not yet introduced to the West because of the language barrier.
A major drawback of urban China research is its ahistorical nature. Celebrations with superlatives about the ‘newness’ of Chinese cities have become commonplace. Historical continuities are at best traced to the socialist period (1949-78), with the ‘new’ Chinese cities contrasted to socialist Chinese cities. By posing dichotomies such as state vs. market, or socialist vs. post-socialist, what is largely left unexamined is the vast historical accumulation in the built environment that can not be organized under such dichotomies, such as historical neighborhoods and architecture dating back to pre-1949 era. In the studies about globalizing Shanghai, it is largely overlooked how historical buildings from the city’s colonial past (1840s-1940s) are recycled by growth coalitions in the global city building process. The ‘new’ spatial patterns of post-industrial Shanghai need to be studied with historical continuities taken into account. This paper intends to fill such a gap by examining how the symbolic value of (certain) historical architecture is rediscovered and quickly capitalized by growth coalitions of both local and global players.

**Data and Methodology**

The materials used in the analysis include fieldwork data and secondary sources. In summer 2004 and 2005, I conducted a total of six months of fieldwork in Shanghai, and about 30 in-depth interviews with the developers, international architects, city and district government officials, journalists and academics who are involved in and knowledgeable about the Xintiandi project. I also conducted group interviews with local residents in the surrounding neighborhoods. In addition to the fieldwork data, I will use reports, documents, and statistics published from government, private sources and mass media about Shanghai’s urban development and preservation.

**From Demolition to Preservation**

Shanghai experienced massive demolitions in the 1990s. In 1992, Deng Xiaoping’s tour in Southern China marked the real beginning of the pragmatic market reform. In the same year, at the Sixth Communist Party Congress of Shanghai, Shanghai municipal government announced the famous 365 Plan, indicating that by the year of 2000, the city would demolish 3.65 million square meters of the old housing that were identified as
‘decrepit houses’. The famous slogan—“changes every year, transformations every three years”—was proposed by Shanghai city government at this time.

To achieve the goal set up in the 365 Plan, Shanghai city government issued a series of policies to speed up the demolition and redevelopment. Document No. 18, issued by the Department of Construction of Shanghai city government in 1996, authorized district governments the approval right for applications of redevelopment proposals from private developers, and thus significantly decentralized the power further from municipal to district levels. Moreover, the city government also reduced all kinds of taxes and fees that should be charged to private developers. In some cases, even the land leasing fee, the major incentive and revenue source for local governments, was reduced. ² In 1998, the Department of Construction issued Document No. 33, which further reduced land leasing fee, and in addition, provided subsidies for private developers who took part in the 365 Plan. ³ Finally, in 2000, it was announced by the city government that the 365 Plan was successfully accomplished. According to official statistics, in the decade of 1990s, 27 million square meters of housing were demolished, 640,000 households were relocated (mainly from inner cities to remote suburbs), and 1 billion square meters of new housing was constructed. ⁴

Since the end of 1990s, Shanghai city government has shown a steady move toward historical preservation, by passing a series of preservation laws and approving a large number of preservation projects. First, the city has rapidly expanded the list of historical buildings designated for preservation from mere 50 to more than 700 locations. The first list of historical buildings for preservation was generated in 1989 and only had 50 locations listed. In 1994, a second group of 175 locations was added. Six years later in 1999, another 162 locations were designated for preservation. And in 2004, a total of 235 locations with more than 2000 buildings were listed by Shanghai Cultural Heritage Bureau for preservation. The buildings listed for preservation are predominantly Western-style architecture from the colonial period. Buildings from the socialist era are mostly regarded worthless for preservation and eligible for demolition as they age.

² Among the five categories of differently ranked urban land, non-prime land (from third to fifth grade) was leased to private developers at from 40% to 60% discount. See Xu (2004).
³ Developers were awarded from 300 RMB to 900 RMB for every square meter of housing demolished, according to specific locations and housing conditions. See Xu (2004).
In addition to the preservation of individual buildings, there is also another effort to preserve large areas with multiple heritage sites. In 2003, the city government announced 12 Historical and Cultural Heritage Areas, with a total of 27 square kilometers of area coverage designated for preservation. This is roughly one third of the inner city area of Shanghai. Among the twelve areas, nine of them have a large concentration of historical buildings from the colonial period. In March 2005, another 30 Historical and Cultural Heritage Areas in Pudong New District and outer districts, which is a total of 12 square kilometers, were planned to be added. Local district governments rushed to identify and encircle more areas as cultural and heritage districts due to potential economic return.

Like the 365 Plan in the 1990s, Shanghai city government has started a new campaign of rehabilitating old buildings. Old buildings and historical sites in Shanghai, once regarded as worthless in the frenzied development boom in the 1990s, have been rediscovered for their economic value. In the process, only those buildings and sites with a link to the city’s colonial past are selected for preservation. Han Zheng, the mayor of Shanghai, delivered a new slogan in a speech in Aug 2004—“building new is development, preserving old is also development”. The new slogan well illustrates that, just like the demolition programs in the 1990s, historical preservation in Shanghai serves the same goal of urban growth and global city building.

Xintiandi: The New Heaven and Earth

The adaptive reuse of old Shikumen houses at Xintiandi is widely regarded as the turning point marking the shift in the government’s policy from demolition to preservation. Under the collaboration of governments, private developers and international architectural firms, two blocks of old Shikumen houses from the 1930s were rehabilitated and transformed into a quarter of coffee shops, restaurants and nightclubs. Since its opening in 2001, Xintiandi has become the top entertainment and tourist destination in Shanghai. Xintiandi’s success has also helped to raise the property values in the area significantly, and turned the area surrounding Xintiandi into the most

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5 Quoted from Architecture & Design, Aug 2005 issue.
expensive property in the city. Xintiandi has significant impacts on practices of urban development in Shanghai and beyond. It has generated a new awareness among government officials and developers about the economic potential of historical buildings. By examining the redevelopment process of Xintiandi, this section addresses two questions: how are the different agencies mobilized in the course of the development project? And how is history—in this case, the material history of Shikumen houses from the 1930s—is reinterpreted to suit the new development goals of building Shanghai as a global city?

A brief history of Shikumen houses

Before the redevelopment, Xintiandi area was a spread of dilapidated Shikumen houses. Shikumen houses are residential row houses built by Western landlords for Chinese tenants in the foreign concessions of Shanghai. Foreign concessions were established in Shanghai in the 1840s after China lost the Opium War and Shanghai was forced to open as a treaty port. Shanghai was divided into three parts— the old Chinese city, French concession and International Settlement of British and American territories. Each of the three parts had its own police, courts and jurisdiction. In the 1860s, to escape from the upheavals of Taiping Rebels (1851-1864), a large number of refugees flooded into Shanghai from the nearby provinces. For many of these refugees, the destination was foreign concessions, which were relatively safer compared to other parts of the city. Targeting this influx of middle and lower-middle class Chinese migrants, Western landlords started building Shikumen houses in the foreign concessions. The first Shikumen houses were constructed in the 1880s, and the construction peaked in the 1920s and 30s—the golden age of colonial Shanghai (Luo, 2002).

Originally designed by European architects, Shikumen houses blends European elements such as slate-gray bricks and French windows with Chinese features such as courtyards and stone gates. In the Shanghai dialect, Shikumen means “gates-wrapped-in-stone”. A Shikumen gate is two wooden planks wrapped by a stylish stone frame, with a big bronze ring fixed on each, and elaborated stone sculptures on top. Behind the

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6 There were other preservation-based redevelopment projects before Xintiandi, but none of them are as upscale as Xintiandi, and have riveted similar spotlights from national and international media.
Shikumen gate is a courtyard, and further inside is a living room, locally known as a parlor. Then there is the back courtyard, kitchen and back door. To the sides of the courtyard and the parlor are the right and left wing rooms. The layout of the second story is similar to the one below, but above the kitchen is the garret, above which is a flat roof. To maximize the efficiency of land, Shikumen houses are built on two sides of narrow lanes, which are usually no more than 4 meters wide. Houses are connected, with their Shikumen gates facing the main lane. At the end of a lane, there is a bigger gate which separates the neighborhood from outside. Houses facing the streets are used for shop fronts, and those inside for residence. A large block of Shikumen houses can have hundreds of households, and smaller ones usually have 8 to 10 households. The earliest residents living in Shikumen houses were middle or lower-middle class migrants from other provinces. The closed structure of Shikumen neighborhoods with multiple layers of gates and walls was popular among the migrants longing for security and safety in chaotic colonial Shanghai. Most Shikumen houses were constructed by the 1940s. In 1949, when the communist regime took over Shanghai, there were about 9000 locations of Shikumen houses, which were roughly 64% of the total built area of the city. Except for the very rich and the very poor, most residents in old Shanghai lived in Shikumen houses.

In the following forty years of socialist era, most Shikumen houses deteriorated quickly for lack of repair and over-crowding. Very few new housing projects were constructed in this period, while meantime the city experienced a sharp population growth. As a result, Shikumen houses, originally designed for single-family use, were divided by multiple households. Families had to share common kitchens and bathrooms, and over-crowding became a common problem for most Shikumen neighborhoods. By the early 1990s, a large proportion of Shikumen houses built in early 20th century had become densely packed slums with poor sanitary conditions. However, in the redevelopment project of Xintiandi, the slum images of Shikumen houses have been carefully erased by international developers and architectural firm. The history of Shikumen is rewritten, from decayed row houses into a symbol of Shanghai’s glamorous colonial past.

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7 From *Shanghai Construction: 1945-1989*. 

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The public-private coalition at work

The Taipingqiao area where Xintiandi is located was in the transition area between the French concession and the Chinese city. As the French Concession expanded around the 1900s, Taipingqiao area was included in the French territory. The area covers 52 hectares of land, has 23 natural residential neighborhoods, with 70,000 people and 800 work units. There are more than 200 lanes of Shikumen houses in the area, built between 1900s and 1930s, with a total built area of 1 million square meters.

In 1996, Luwan district government signed an agreement with Shui On Group to co-develop Taipingqiao area. The land of Taipingqiao area was leased to Shui On for 50 years. Shui On Group agreed to invest 3 billion US dollars in the next 15 years, which is 97% of the total investment. The remaining 3% will be provided by Fuxing Development Corporation, a state enterprise owned by Luwan district government. According to the plan, two or three blocks would be leased out every year and redeveloped based on negotiated land price (He & Wu, 2005). The division of labor in this public-private coalition is that Shui On provides capital for redevelopment, and Luwan district government provides subsidies and support for the relocation of residents. The estimated cost for renovating Shikumen houses at Xintiandi was 170 million US dollars. Around 2002, Vincent Lo made three trips to the US and Europe to drum up investment. He managed to borrow 45 million US dollars from four banks—Citigroup Venture Capital International, Standard Chartered Bank, Value Partners and Jebsen and Co. The balance is paid by Shui On Group itself.

Without the political support from Luwan district government in relocating residents, Shui On could not have progressed with the project smoothly. For example, it only took 43 days to relocate 3800 households and 156 work units for the construction of Taipingqiao Park near Xintiandi. Vincent Lo has built good connections with local governments over the years. As early as 1985, Vincent Lo came to Shanghai and partnered with the Shanghai Branch of the Communist Youth League to build the modest City Hotel. As the hotel could not make its ends meet in the late 1980s, Vincent Lo used his own resources to help financing the hotel. It was through this collaboration that Vincent Lo started building his political capital in Shanghai. Many of the mid-level
bureaucrats in the 1980s have been promoted to high-rank positions in the 1990s. Han Zheng, the leader of the Communist Youth League in the 80s, has now become the mayor of Shanghai. Although foreign developers are in a relatively disadvantaged position compared to domestic developers, for lack of connections with governments, Shui On has overturned the situation through a long and patient courtship with local politicians. As Vincent Lo commented in the interview, “now many of these people have moved up to very senior positions, and we have been through some hard time together, so our friendship has a solid base”.  

**International Architectural Firms**

In Shanghai dialect, good residential neighborhoods are called “Shangzhijiao” (upper corner), which are usually in the former foreign concessions. The dilapidated neighborhoods are called “Xiazhijiao” (lower corner). The two blocks of Shikumen lane houses in Xintiandi were a typical lower corner before renovation. It is international architectural firms that have turned this ‘lower corner’ into an ‘upper corner’ with restoration, renovation and new construction of the two city blocks of Shikumen houses.  

Major architectural firms involved in the project are Wood and Zapata, SOM, Nikken Sekkei and local architects at Tongji University. Among all these international and local design firms, the role of Wood & Zapata is crucial in deciding the strategy of renovation.

Vincent Lo reached Wood & Zapata in 1996. Vincent Lo could not tear down the two blocks of Shikumen lane houses because at a corner of Xintiandi locates the building of the First Communist Party Hall. Eighty years ago, Chairman Mao and his 13 comrades held the first meeting of the Chinese Communist Party (CCP) here. As the birthplace of CCP, the old Party Hall is listed as a national landmark, and by no means can be demolished. Therefore, Wood & Zapata was invited to work on this preservation-based development project. The principal architect Benjamin Wood of the company has partook in the successful project of renovating Boston’s 150-year-old Faneuil Hall market into a major tourist attraction. Vincent Lo’s original idea was to preserve the CCP building, tear down the surrounding Shikumen houses, and build new low-rises instead. However, Benjamin Wood suggested him preserve the whole two blocks of Shikumen houses

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8 From personal interview with Vincent Lo on Aug 1, 2005.
together with the old Party Hall, and turn the area into a festival market place. Having worked on different renovation projects in the US and Europe, Benjamin Wood knows better about the economic potential of old historical architecture.

The two blocks of Xintiandi were densely packed with about 30 lanes of Shikumen houses built between the 1910s to the 1930s. To create a more open composition and public space, architects at Wood & Zapata firstly removed many of the crumbling houses on the site. The architects used the slate-gray bricks and stones from the old residences in erecting new buildings and for the pavements of the main pedestrian streets inside Xintiandi. They kept about 100 Shikumen houses in their original positions, and incorporated them into shop fronts. The heavy wooden Shikumen gates were replaced by transparent glass storefronts. The facades of these houses were carefully repaired, and the original color and texture of Shikumen houses were restored. Local architectural historians served as consultants to ensure the authenticity. As many of the houses were on the verge of collapse, construction workers injected concrete into the walls through small holes to make them stronger. Except the facades, many houses had one or more walls replaced. The residential interior space was totally gut-renovated by Shanghai’s best interior design firms. In the north block, most of the original buildings were kept, while in the south block, a modern shopping complex was erected and replaces many Shikumen houses.

International developers and architectural firms have rewritten the history of Shikumen, turning it from the ‘lower corner’ of decrepit slum housing into an “upper corner” of glamorous new space. In the process, the old historical fabric of Shikumen is used as a component in creating a completely modern space. What is erased in the production of the new space is the forty years of the communist past. Shanghai’s Shikumen houses never looked as polished as those at Xintiandi. Here, the rehabilitated Shikumen is transformed into a symbol projecting Shanghai’s bright global future by linking to its colonial past.

*Media and Local Academic Institutions as City Boosters*

Media and local academic institutions played an auxiliary role in promoting Xintiandi. Immediately after its opening in 2000, Xintiandi attracted a wide range of media
coverage from both local and international newspapers and magazines. Most of the media reports uncritically embraced the transformation of the place by identifying Xintiandi as a symbol of Shanghai’s global future. The preservation of Shikumen houses is seen as a creative enterprise that has succeeded in preserving the past, embracing the present, and projecting the future. In contrast, the demolition of the surrounding areas of Shikumen houses and the relocation of local residents are carefully erased from the media.

Local academic and cultural institutions have always been active players of promoting Shanghai as a global city. Tongji University, with one of the most prestigious architectural and urban planning departments in the country, has worked closely with Shui On on Xintiandi. In 2002, the faculties and students at Tongji published the first book—*Shanghai Xintiandi*—dedicated to Xintiandi’s success (Luo ed., 2002). The book highly praised the preservation-based redevelopment led by Shui On, and suggested that the “Xintiandi model” should be employed in other preservation cases in Shanghai and other cities (Luo, 2002, p.74-75). Local architecture and planning journals competed to publish research articles featuring the restoration of Shikumen houses at Xintiandi. Together with local governments, international developers and architects, these local cultural institutions are active city boosters who have helped to turn Xintiandi into a new landmark of Shanghai.

**Local residents**

The glamorous Xintiandi is multiplied in its theatricality when contrasted with the nearby poor neighborhoods that are to be demolished. Across Taicang Road, the northern boundary of Xintiandi, is a cluster of old Shikumen houses to be pulled down. This is part of the next phase of Taipingqiao project. By summer 2005, some residents of this neighborhood took the compensation and left. However, there were still more than 300 households who refused to take the compensation and resettle elsewhere. To make the living of the remaining families difficult, the demolition companies hired by Shui On and the district government torn down some of the empty buildings. To increase the deterioration of the neighborhood and drive residents out, debris from the demolition was left uncollected on the ground, together with garbage and other waste. Big letters of “Chai”, a Chinese word for “demolition”, are painted in red ink on the houses to be
pulled down. The families that chose to stay had to live amidst this environment of dirt, noise and waste. Across the street are those fancy shops and wealthy consumers at Xintiandi.

In the process of relocating residents for Xintiandi, every family was compensated at an average of $15,600. This was considered a good term in 1997, and many families were content to take the monetary compensation, give up their Shikumen houses and buy a larger flat in suburbs. However, in the years after 1997, as the real estate prices roared, most families could not afford an apartment in the city with the compensation. These are mostly lower-income families, and many of them have lived in the same neighborhood for generations. Since the official channels of participation and protests are blocked, neighborhood residents have resorted to the last option left—squatting. The remaining families are firm with their decisions of refusing compensations and insisting for on-site relocation. The squatting by local residents has significantly delayed the pace of the redevelopment project, and has created great challenges for local governments and developers. As the time of writing, the second phase of Taipingqiao project is still in a halt. 

**Conclusion**

Through a case study of adaptive reuse project at Xintiandi, this paper has analyzed how the old Shikumen houses as lower-middle class dwellings have been transformed into a chic and modern space for conspicuous consumption by global and local actors. In the arena of preservation and redevelopment, the growth coalition has more actors than local governments and private business, as suggested by previous applications of regime theory to Chinese cities. The study has shown that international architectural firms, media, and local cultural institutions are all part of the ‘growth machine’. Among these agents, international design firms have played a crucial role in creating new spaces. Private developers have far more influence than local governments in shaping new urban spaces in Shanghai, with their autonomy in choosing architectural firms and spatial designs. Neighborhood residents, although excluded from decision-making process, have exerted

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9 In my dissertation, there is a separate chapter on relocation of residents. Therefore, the analysis here is largely simplified.
great resistance to the urban development by squatting. Their action has posed significant challenge for the political, business and professional elites of the governing coalition. The picture of urban regime in the arena of preservation and redevelopment is far more complex than the “strong public-weak public-no community” model. If there is a regime in the making in the arena of urban development in globalizing Shanghai, it might be best described as an informal project-based coalition of international and domestic business, governmental, professional and cultural elites under constant challenges by excluded community residents.

In answer to the question on the role of historical preservation in globalizing Shanghai, this paper argues that historical preservation serves the same developmental goals of building Shanghai as a global city. Historical architectures from the colonial past are actively preserved not for their values as cultural heritage, but for their symbolic capital that can be used to project a global future by referencing Shanghai’s cosmopolitan colonial past. Fragments of history are selectively forgotten and remembered. Historical elements not related to cosmopolitanism, such as Shikumen as lower-middle-class tenements in colonial and communist periods, were carefully erased. Instead, elements with international links are highlighted, such as the European flavor in the architectural style of Shikumen, and Western-influenced lifestyles of middle-class families in colonial Shanghai. The economic value of Shikumen lies in the symbolic capital of such global linkages. The history of Shikumen is rewritten by international and local actors by turning it into a symbol of Shanghai’s cosmopolitan past and a global future. The historical fabric is thus inserted as a component in producing a completely new transnational space.
Reference


