# S.L.U.M. Lab

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ASIANIVIODE

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# TERRITORIAL MONOPOLY

Appropriating values of the free market economy, China has deployed urbanism as an agent to promote its geopolitical supremacy, thereby making a bid to monopolize territory on a global scale. The nation's objective is premised on the unlikely merger of capitalism and communism. This comes at a price: while gaining power on a world stage, China has effectively disempowered a large majority of the very people that make up the People's Republic. The city—as stage for the Asian Neon Dream—is complicit with this ploy.

Who would have thought that the game Monopoly would have made it to China? In fact, it was first introduced there under the name Rich Thick Man in 1937, and was subsequently branded Illegal Monopoly, though never officially banned. Initially suppressed in that the game represented the ills of capitalism, it has since been accepted as a popular pastime. With China's entry into the world economy, the game has taken on a new dimension, played out now on real territory both at home and abroad. Funny enough, the game has been updated in

the West with a new World Edition, and is called Monopoly Here and Now, with select global cities replacing famous streets as properties to be bought and sold. Not surprisingly, Shanghai, as economic engine of the country, features as one of the 22 cities for sale. What's more, China is the only nation with 4 cities on the board. Dominating the market remains the trademark goal, whether in the game or on the globe.

former agricultural borough and to replace it with a new business center that was stamped out overnight.

This urban success story is achieved by a political economy of scale that places a premium on monumental projects, where size evidently does matter in creating a pro-development atmosphere. The fact that many of these projects are designed by high-profile, multi-national firms has been instrumental in bringing international styles to the city. This model-metropolis uses already proven signs of progress — as with so many cultural imports — in a bid to woo the world. As in the game of Monopoly, the ensemble is crowned by a hotel, the Grand Hyatt Shanghai, conveniently situated on the top floors of one of China's highest skyscrapers, the Jin Mao Tower, an SOM-branded product par excellence. In the nation's game of real-time monopoly played out with real territory, an exercise in architectural superlative has given befitting form to an increasingly confident superpower in the making for all to see.

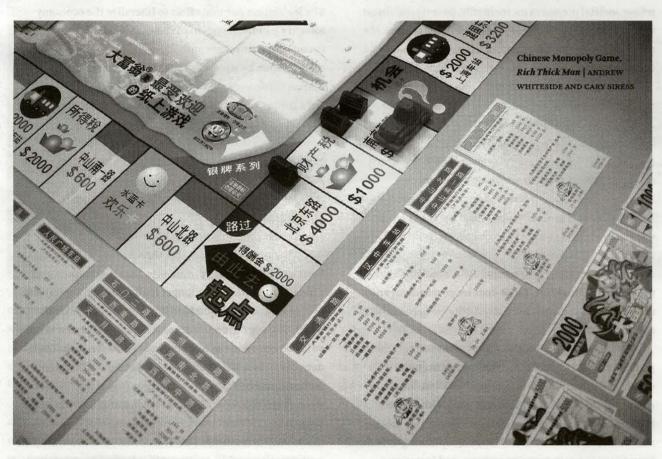
community. The city as pawn in this game would seem to be worth its weight in gold.

### **URBAN CAPITAL**

Something has indeed happened in China. Capitalism has infiltrated the People's Republic — as Karl Marx and Friedrich Engels prophesized in *The Communist Manifesto* — to figure as the heavy artillery that will bring down all Chinese walls. With mechanisms of the free market economy appropriated, the key issue in China has become how to politically capitalize on the economic worth of the country. To this end, property-led development is "underwritten by alliances between the public and private sector." Such partnerships are made possible by new leasing policies that transfer rights of land-use to the market, while the State maintains property ownership. Through re-zoning and infrastructural provisions, local government becomes entrepreneur in preparing the ground for more lucrative forms of urban investment.

Case in point is the redevelopment of the Shanghai neighborhood of Xintiandi. Here, blocks of rundown, traditional residences were evacuated to make way for a new promenade that was retrofitted with boutique shops and restaurants in a move to upgrade the urban fabric, while at the same time distill the character of a bygone era. What resulted is a proverbial "memory lane," essentially linking the future to the past along a sightseeing route for millions of tourists. One might be surprised to find the site of the First National Congress of the Chinese Communist Party along this commercial strip. Reconstructed as a civic museum, the building works to polish up political memory and provides the main attraction along Xintiandi's pedestrian mall. Onlookers are enticed inside to witness the founding of the People's Party in front of a diorama featuring the young Mao Zedong among his fellow comrades. As with the old neighborhood, the past has been excavated, cleared to refabricate a scene that can be presented as an inevitable outcome of history.

Clearly, this move to gentrify the city is more than just a nod to the value of heritage. Multiple actors, from district authorities to those of the Shanghai municipality, negotiated contracts with the Shui On Group as developer of the venture. SOM was brought in for the master plan along with a multinational consortium of design consultants, including the Boston-based firm Wood and Zapata, as well as the Singapore office of Nikken Sekkei from Japan. But Xintiandi is just a building block of a larger state-corporate agreement that involved more than 52 hectares of land, cost an estimated US\$ 3 billon, and relocated some 70,000 people in the process. Predictably, residents were excluded from the list of players.



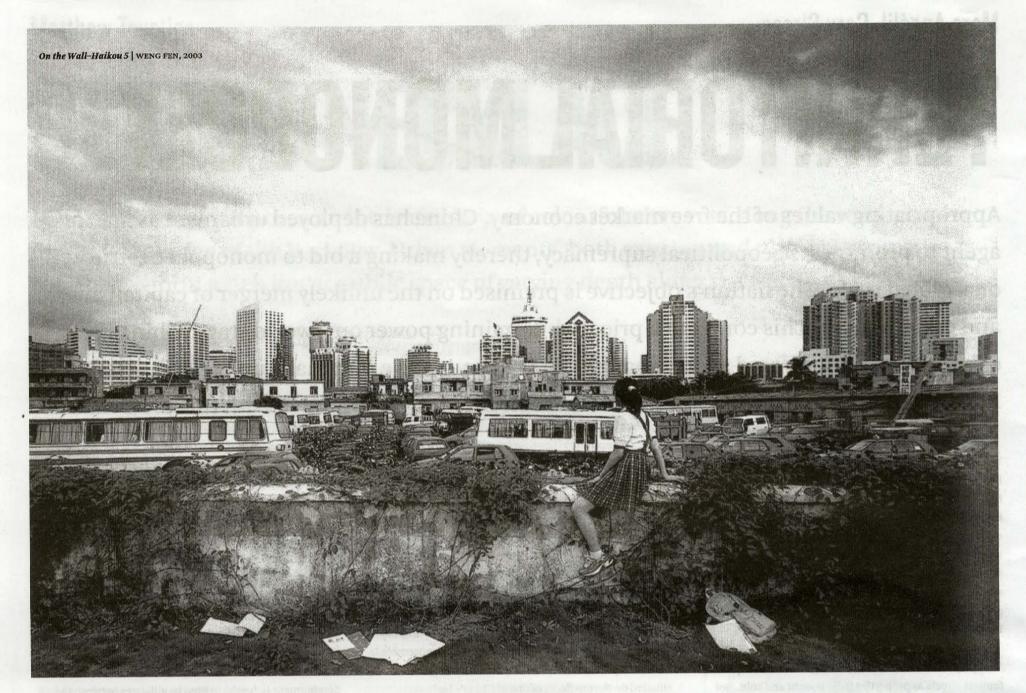
# **URBAN MONOPOLY**

In real life, the city of Shanghai has been quarried for all its worth in the rush to seize valuable land assets. Entire tracts of land are leased wholesale, vacated, restructured, and equipped with updated utilities, all to make municipal space more conducive to corporate activity. A showcase of this scheme is the Pudong New Area, declared a Special

Economic Zone (SEZ) in 1990. Relaxed land-use policies backed the market-oriented campaign to raze a

The sustained building surge has ushered in nothing short of an urban revolution that, above all, signals changing relations between the State and capital. Revolutions are no light matter in China, as we might recall from Chairman Mao's quotation "a revolution is not a dinner party," for "a revolution is an insurrection, an act of violence." It is no different with the city. To all appearances, urbanization seems to have paved the way for the country's market transition and ascent in the world





The Xintiandi-branded shopping district, an Asian "neon dream" à la Faneuil Hall in Boston or Fisherman's Wharf in San Francisco, has become a model for urban restructuring. The formula has proven so successful that it has been replicated in many other Chinese cities. What is unique to China is that this model is linked to a national cause. The bid to recreate the city grants added value to the exploits of planning by presenting them as par for the course of another leap forward, just as this bid services China's true agenda to successfully align the 'C' of Communism with that of Capitalism — a crossing that potentially raises their respective authority to the power of two.

The rise of "Communist Capital" signals the passage to a new form of political economy that only promises to further consolidate State power over both politics and the economy. The question at present is how will the communist ethic affect the spirit of capitalism? By virtue of an unlikely hybrid, a coercive top-down bureaucracy is allied with the pursuit of profit and allocation of surplus value. Bottom line: capital is placed under central control; capital is made to serve the Party-state; capital is disciplined for a new destination. Thus, the enterprising effort to link Party and market not only leaves its forceful mark on territory, but in doing so, also proves intent on using capitalism as a blueprint for rebuilding communism in the 21st century.

## **URBAN DISJUNCTION**

Against the rather murky backdrop of its social record,
China has cultivated a bright spot for business through
cautious accomodation of global commerce. The ensuing
returns in political capital for Party elites, however, do
not necessarily translate into economic benefit for the
populace as a whole. The state's property practices more
often than not clash with local interests. Moreover,
the policy weight given to urban renewal in cities like
Shanghai, has literally rolled over the rights of local
residents and merchants alike. In essence, they are exiled.

Those evicted from their neighborhoods repeatedly assemble in the city center—in a form of grassroots resistance—to express dissatisfaction with government policies. Such protests are tolerated by authorities as so many minor rounds of letting off steam that, while serving to relieve societal pressures momentarily, pose no real threat to the pursuit of profit. When it comes to capital gains, the people of the People's Republic of China, of the People's Party, in People's Square, ultimately have little to say.

National policies that would empower the people to effectively oppose exploitation are, at least for now, unthinkable. Ambiguously worded real estate bylaws are constantly evolving to form a labyrinth of legislation, and their selective interpretation by government-appointed contractors serves well to weaken grounds for real resistance. Red tape is a formidable tool to forestall empowerment. Those displaced from the inner-city are left with little or no recourse to resettle in the center when new projects are completed. Compensation to those evicted seldom suffices to reestablish a new livelihood wherever that might be. But it does let government and developers off the hook from any further responsibility to social welfare.

Recalling the nation's tradition of mass migration, people are forcibly on the move, whether from the center to the periphery or from rural to urban areas. As a measure to control this flux of people, the timehonored hukou system—by which residency permits are administered - has been reactivated, separating urbanites from those living in agrarian regions, and instating a dual-status society. One is either urban or not by decree. What's more, rural hukou cardholders are deemed inferior to their city counterparts, suggesting a form of apartheid, not based on race, but rather on place. Yet place is just as vulnerable to divisive market-driven policies. Further complicating the situation, entire farming communities at the edge of cities are forced from their land to make way for more profitable real estate development on the periphery.

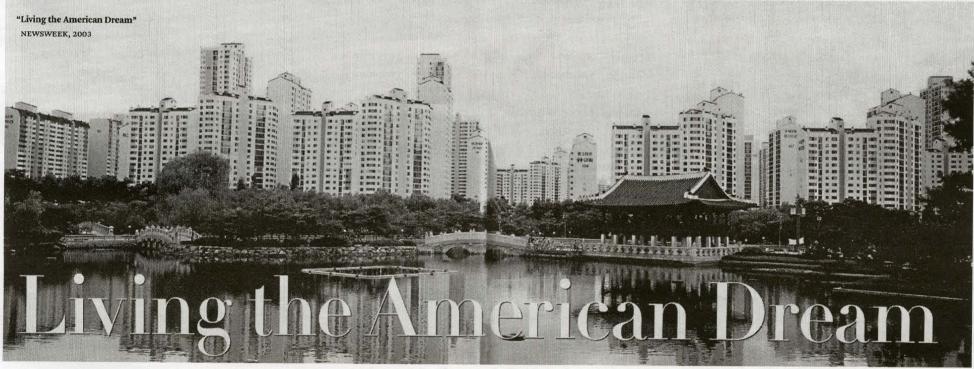
# **URBAN SPECTER**

Capital is without a doubt the master of China's plan to monopolize territory. Yet the merger of financial might with absolute power conversely draws a hard line between spatial appropriation and social integration. The legislation put into effect to liberalize the economy toward a capitalist system of values has a double edge. On one hand, the State authorizes the oncoming tide of globalization by streamlining the real estate industry for market expansion. On the other hand, the State maintains tight control over the country's course, making few, if any, provisions to assimilate a large majority of the population into the success story. And with little official support to count on, the disadvantaged have hardly any choice but to remain sidelined, especially when economic performance is rewarded with the same vigor as political dissidence is punished.

The accumulation of wealth is shadowed by dispossession, suggesting that the distinction between West and East, which continues to frame conceptions of China as the Other, is no longer really between capitalism and communism. Capitalism has won the game hands down. The key difference among world players now is not so much economic as it is political, a difference that boils down to an ever-shifting divide between democracy and authoritarianism. More troublesome is that the rise of a strong capitalist economy under a dictatorial government begs the question of whether capitalism actually needs democracy to function at all. It is assumed in the West that both are inseparable. Is it not still a common expectation among free nations that the more prosperous and globally integrated the country, the more democratic it becomes? China's gamble to implement a real-time monopoly on capital might just prove otherwise: while democracy, as practiced, presumably needs capitalism to flourish, the inverse may not be the case.

Considering China's newly won relation to the West, the question of who is reflecting whom is raised. But the question does not just pertain to the appropriation





of investor-based models of planning. To ask "Who whom?"—as Lenin notably inquired—primarily concerns political relations. Who goes to whom? Who summons and who answers? Who is imposing his will on whom?<sup>3</sup> Ultimately, the question comes to bear on power.

Facing a likely future with Chinese characteristics, all that has been taken from the West in the East now comes back to haunt us as a specter, as our own refracted mirror image. Savvy business expertise, financial finesse, and political weight have now been consolidated in China to form a new empire. It would even look as if the West has been out-Wested. Given this newly landed power, city models à la chinoise are exported back to the world in a gambit to colonize the globe. It is already well known that cities in Africa are made in China. This may be only the beginning of a reversal of fortunes that sees the model-city scattered around the planet like some global exhibition of the country's might. As another spirit of

entrepreneurialism assembles in the wings, one wonders what revolutions await capitalism when it too is re-made in China—tailored to fit Party agenda. However, with one more glance in the mirror, perhaps we might learn from the communist past how capitalism could be re-socialized in the future to become more than merely an affair of private interests, and therefore make the distribution of wealth a truly communal imperative.

## NOTES

- 1. The full quote reads: "A revolution is not a dinner party or writing an essay, or painting a picture, or doing embroidery; it cannot be so refined, so leisurely and gentle, so temperate, kind, courteous, restrained and magnan-imous. A revolution is an insurrection, an act of violence by which one class overthrows another." Mao Tse Tung, Quotations From Chairman Mao Tse-Tung, The Little Red Book, originally published in 1964/65 (Peking: Foreign Languages Press, 1972 / San Francisco: China Books & Periodicals, 1990), 11–12.
- 2. Shenjing He and Fulong Wu, "Property-Led Redevelopment in Post-reform China: A Case Study of Xintiandi Redevelopment Project in Shanghai," in *Journal of Urban* Affairs, vol. 27, no. 1, 2005, 2.
- 3. See Andrew Marr, *The Making of Modern Britain* (London: Macmillan, 2009), 91.