

The Negative Effects and Overcoming of “Gentrification” in Urban Renewal

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Abstract

“Gentrification” is a new trend gradually emerged during urban renewal in China. On the one hand, it promotes the improvement of urban living environment and public services; on the other hand, it intensifies the regional barriers between the “gentleman area” and the “slum” and aggravates the division of social class. Therefore, it is necessary to pay much more attention to the negative effects led by “gentrification” during urban renewal, and to put forward better and effective methods that can overcome the negative effects of gentrification, so as to ensure social equity and promote social development.

Keywords

Urban Renewal; Gentrification; Social Equity.

1. Urban Renewal and Gentrification

Generally speaking, the urban renewal is to reconstruct the areas in the city that have declined and are not suitable for modern development according to plan. So far, the relatively authoritative definition to urban renewal was put forward in the first seminar on urban renewal held in the Hague, Netherlands in 1958: the urban renewal means that people living in the city begin to improve their house and surrounding environment based on good expectations to the residential environment and other lifestyles, especially the urban improvement activities such as the improvement of land use patterns and the implementation of large-scale urban plans. [1] The urban renewal essentially refers to the improvement and reconstruction to the areas in the city that can no longer meet the needs of modern urban life, including, urban regeneration, urban land reuse, urban redevelopment, etc.

The concept of “gentrification” was firstly put forward by British scholar Ruth Glass when he described the renewal process that took place in the London urban area in the 1960s. The gentrification is a kind of social space development phenomenon. Grasse initially described the gentrification as a phenomenon where the house price increased due to that a lot of people from middle-class moved in during the urban renewal and improvement, so the aboriginals with low income had to move out of these areas. The stage and system of urban renewal between Chinese and Western are different, and the background of urban development are totally different, but the gentrification is a common phenomenon in social space change. There is space change of gentrification in inner urban in different time and place. The gentrification is actually a process where some middle and high-income groups renew and reconstruct the area after buying houses in the inner urban at low prices, which directly leads to the moving out of the urban low-income groups, and greatly change the physical environment and population structure of the area. In fact, with the continuous development and deepening of gentrification, the geographical space, social influence, etc. of it also change gradually. The development of gentrification is a complex mechanism involving many aspects, so the gentrification has changed from a description of specific phenomenon about the early middle class moving back to the urban center to a abstract theory of the process where the capital power and class power

renewed and reconstruction the urban space. Today, the concept of gentrification has far beyond that of the traditional gentrification.

2. The Relationship between Urban Renewal and Gentrification

The area where there is urban renewal is not certain to have gentrification, while the area where there is gentrification is sure to have urban renewal. [2] The urban renewal covers a wide range of contents. The renovation of roads, construction of facilities, etc. in urban renewal is not necessarily related to gentrification. However, the improvement to physical environment is the primary purpose of urban renewal, and the first task of gentrification. With the advancement urban renewal, the urban develops rapidly, and the gentrification emerges consecutively in many cities, which was related to the old city reconstruction, industry optimization, cultural development, etc. In China's urban renewal, many inner city communities where low-income groups live are replaced by "high-end communities" where middle and high income groups live. The improvement of physical environment, as well as the replacing and being replaced of different classes of residential areas are all closely related to urban development plan, urban economic policy, social space and cultural structure. First of all, the gentrification promotes the the rapid transformation of the industrial structure in the urban center. With the development of service industry with high knowledge and technology content in central area, and transferring of traditional manufacturing industry to suburbs, the traditional industry in urban central area is gradually replaced by high-tech industry. Then the CBD is gradually formed. Secondly, the emergence of gentrification promote the urban structure to be more concentrate and compact. The replacing of "middle and high-end community" where middle and high income groups live to inner city communities where low-income groups live implies the changes in the social network of the corresponding population. In order to pursue a better and more convenient life, middle and high income groups gradually move to the urban central area, which becomes the main characteristic of migration model. At the same time, many low-income groups move to suburbs with the development of gentrification, which results in high concentration of poor population in geographic space and many man-made "poor communities" are formed. Given that the income and regional difference become more and more obvious, the "gentleman community" and "poor community" are distinctly formed.

3. The Negative Effects of Gentrification in Urban Renewal

The gentrification, to some extent, promotes the improvement of urban renewal, urban space and physical environment, but it also leads to the community reconstruction and space redistribution. The gap between the "gentleman community" and "poor community" will further cause the social class differentiation and intensify the social conflicts. During the urban renewal, it is extremely necessary to pay attention to the negative effects brought by gentrification.

First of all, gentrification lead to the marginalization of low-income groups. The marginalization of low-income groups involves two aspects of geographical space and social development. In terms of the geographical space, the physical environment and public facilities of "gentleman community" is generally better than that of the "poor community". In terms of the personal impact on social development, the employment conditions, medical and educational resources, and other public services of "gentleman community" is generally better than that of the "poor community". Therefore, since the gentrification improves the physical environment of community and provides a better living environment and living conditions for community residents, the welfare has not cover every person. Especially for low-income aboriginals in urban center who are forced to leave the original urban center due to old city renovation and

urban development, the gentrification directly leads to the rise of house price in central urban areas. The low income can not enable them to move back to the inner urban. After being “filtered out” in this way, the economic and time costs of low-income aboriginal increase, which further widens the gap in living standards between middle and high-income groups and low-income groups. And some aboriginal even lose their job due to resettlement project. Some low-income aboriginals who are still living in “gentleman community” are engaged in traditional manufacturing industry. They are segregated or even lose the employment opportunity in employment market due to lacking in training of professional knowledge and vocational skills. Their children can not enjoy high-quality educational resources due to high enrollment qualification of “gentleman community”. The “dislocation of residence- employment space” and “community stigmatization” are the core mechanisms of marginalization of low-income groups. Moreover, gentrification lead to the continuous deterioration of affordability of residential housing. According to the theory of modern housing rights, the affordability refers that one’s income can not only afford the cost of housing, but also guarantee other basic living needs. However, the gentrification intensifies the deterioration of housing affordability, which results in the indirect changes of some low-income groups. The reason is that the rise of house price due to gentrification is inevitable, and for low-income groups, both the quantity and scale of affordable house decrease sharply with the advancement of gentrification and the house affordability continuously deteriorates, which means that some people are forced to move out of this area because they cannot afford the cost of housing renovation or rent. Many middle and high-income groups cannot escape from becoming “house slaves” due to high house price. In addition, according to the effect transmission mechanism that “a rising tide raises all boats”, the living cost of “gentleman community” rises due to gentrification, and the increase of house price and living cost will affect the surrounding area of “gentleman community”, which directly leads to the increase of residing cost and living cost for residents living in the surrounding area around the “gentleman community”.

Finally, gentrification lead to the intensified division of social class. Seeing from the geographical space, the population is clustered in a class-differentiated space due to gentrification. The low-income groups always live in low-rent housing, shanty town or old public housing which generally locate in declining areas in the old city, urban junctions, or urban villages. While, middle and high-income groups always live in “gentleman community” which is in the central area formed during urban renewal. The construction of “gentleman community” is greatly affected by the idea of “gated community”, which further intensifies the barrier among settlements. Since that the population is clustered in a class-differentiated space, the difference between geographical space means the difference between social space. People living in different area certainly enjoy different social resources. There is difference in social and economic status and in ability of obtaining social resource among different social classes. However, the formation of the settlements barrier has continuously expanded and solidified such “differences”. [3] The more and more obvious class differentiation has become one of the factors resulting in unstable society. The more serious the social division and the higher the degree of isolation between regions, the less conducive to the realization of social justice.

4. Analysis of the Causes of the Negative Effects of Gentrification

The first one is the economic factor. The land tax difference theory indicates the life cycle of housing and the potential value of land tax. The different land tax in different area causes the “land tax difference”, and the “difference” here refers to the difference between the current value and potential value of a area. [4] To some extent, the land tax difference greatly leads to the gentrification. The application of urban land changes from planned economy to market economy is the prerequisite for land rent differential to play a role. In urban central area, the

high house price and high land tax play a “filtering” role, because of which most of the low-income families unable to move back to the original place, and a large number of middle and high-income groups replace the aborigines to live in the city center, which has become the core force driving the development of gentrification.

The second one is the system. The reform of tax-sharing system adjusts the pattern of centralization and decentralization between the central government and local governments. The local governments obtain a certain degree of fiscal autonomy through the reform of tax-sharing system. The land transfer fee is classified as local finance according to tax-sharing system, therefore, the land transfer fee gradually becomes the main source of fiscal revenue for local governments. The system background of tax-sharing system, market-oriented housing system and land transfer system stimulates the prosperity of the real estate industry. Therefore, it is impossible for aboriginal low-income families to buy houses in the central urban area with the monetized relocation compensation in face of quite high house price. Furthermore, the real estate market in some urban areas tends to be tight, which intensifies the difficulty for low-income groups to buy a house in the central area. The distinctive “gentleman community” and “poor community” are formed eventually.

The third one is society. There are differences in related supporting facilities, physical environment and even cultural atmosphere of different kinds of communities, which may lead to the unevenness of urban development.[5] The individual choices may have a great influence to urban development. When a large amount of housing demand is released, people with certain economic strength have a greater advantage in obtaining a better living environment. At the same time, many middle and high-income groups also hope to gain public recognition of their social and economic status through some specific lifestyles, such as pursuing high quality consumption, living in high-end communities, etc. Therefore, the urban central areas or some quite livable areas are occupied by people with certain financial strength. The gap between the poor and the rich is not only reflected in income levels and social status, but also in the geographical space of human settlements.

5. Analysis of Countermeasures to Overcome the Negative Effects of Gentrification

First of all, in terms of the value orientation, during urban renewal, it is necessary to not only pay attention to environmental improvement and economic development, but also to take into account the protection of social fairness, to well handle the relationship between development, fairness and equality, and to focus on the all-round renewal of all aspects of the city. Therefore, in order to revise the value orientation of urban renewal, the goal of only focusing on “economic growth” and “improvement of the physical environment” in the past should be shifted to the goal of realizing the overall benefits of the city and realizing social fairness and justice. It is necessary to handle the relationship among government, developers and citizens well, so as to create a sound working and living environment for people, and to realize the harmony and coordination of multi-dimensional goals including society, economy and environment.

The second one is the system design. The urban renewal involves a wide range of public interests, which is closely related to sustainable development of economy and society. Therefore, the urban renewal shall be led by government, which is a practical need to ensure the efficiency of China’s economic and social development. The urban renewal is a social systematic project involving many parties. The government should overcome the negative effects of gentrification and strengthen the construction of legislation, management and supervision system in urban renewal in order to properly handle the interests of all parties to achieve a balance among urban economic, social and environmental development. The urban renewal is comprehensive project involving stakeholders at all levels. Therefore, while

planning it as whole, the governments need to fully mobilize the enthusiasm of all parties, pay attention to the protection of the rights and interests of all parties, and emphasize social fairness and justice, so as to promote the sustainable development of urban renewal under conditions that all parties reach consensus. Moreover, relevant legislation needs to be launched to protect the basic rights of residents in terms of the system design. The government shall promote relevant policies to further specify the government's responsibilities, to regulate the developer's conduct and to implement public's participation. At the same time, it is necessary to further ensure the social fairness and justice by perfecting social security system.

Finally, in terms of the practice operation, the government shall lead the urban renewal by planning, preparing and approving the urban renewal projects. In order to promote the sustainable development of urban development, the government shall handle the relationship among economic benefits, social benefits and environmental benefits well during urban renewal in practice operation based on public interests, shall guarantee the interests of all stakeholders from renewal goal formulation, plan implementation to the final implementation of the renewal project, and to promote the urban renewal to develop more fairly, more sustainably and more beneficially for ensuring public interests. The government shall change the commercialization path of urban renewal and shall create upgraded urban gentrification by giving full play to the enthusiasm of all classes of people through public-private cooperation. It shall also arrange the functional area reasonably, improve the progressive urban renewal and renovation, perfect the management and supervision to renewal project combining with the regional renewal development goals, economic development status, cultural characteristics, etc., so as to improve living environment shared by all citizen and promote the realizing of social fairness.

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