

Main regional centrality

Expansion of centrality

Subcentre

Established wealthy area

Peripheral residential area

Condo development

Commuting area

Post-proletarian area

Multilayered patchwork urbanisation

Industrial towns

Hi-tech development zone

Ecological areas, national parks and country parks

Container port and logistics hub

Airport

Urban footprint

National high-speed railway

National railway

Metro line

- 1 Central District
- 2 Kowloon
- 3 Hong Kong Disney
- 4 West Kowloon
- 5 East Kowloon
- 6 Luohu
- 7 Futian
- 8 Qianhai
- 9 Guancheng
- 10 Nancheng

Strategic, large-scale projects expanding existing centralities

Relatively stable, prestigious and exclusive residential areas for the urban elite

Low density areas in Hong Kong, as a result of specific planning restrictions

Large-scale condominium clusters that structure the urbanisation of Hong Kong and Shenzhen

Mass transit-oriented residential areas in Hong Kong and commuter towns in Shenzhen

Former industrial areas facing radical socioeconomic change as a result of industrial restructuring and the relocation of factories; large-scale urban renewal projects led by the government or by semi-governmental bodies

Heterogeneous and multi-territorial areas emerging outside or in between urban centres

Typical process of industrialisation in rural areas of Guangdong resulting from the development of designated towns

Planned by the city government of Dongguan

Legally protected zones to preserve natural areas for public use and to limit urban sprawl

Main highway

Border between Hong Kong and Shenzhen with checkpoint

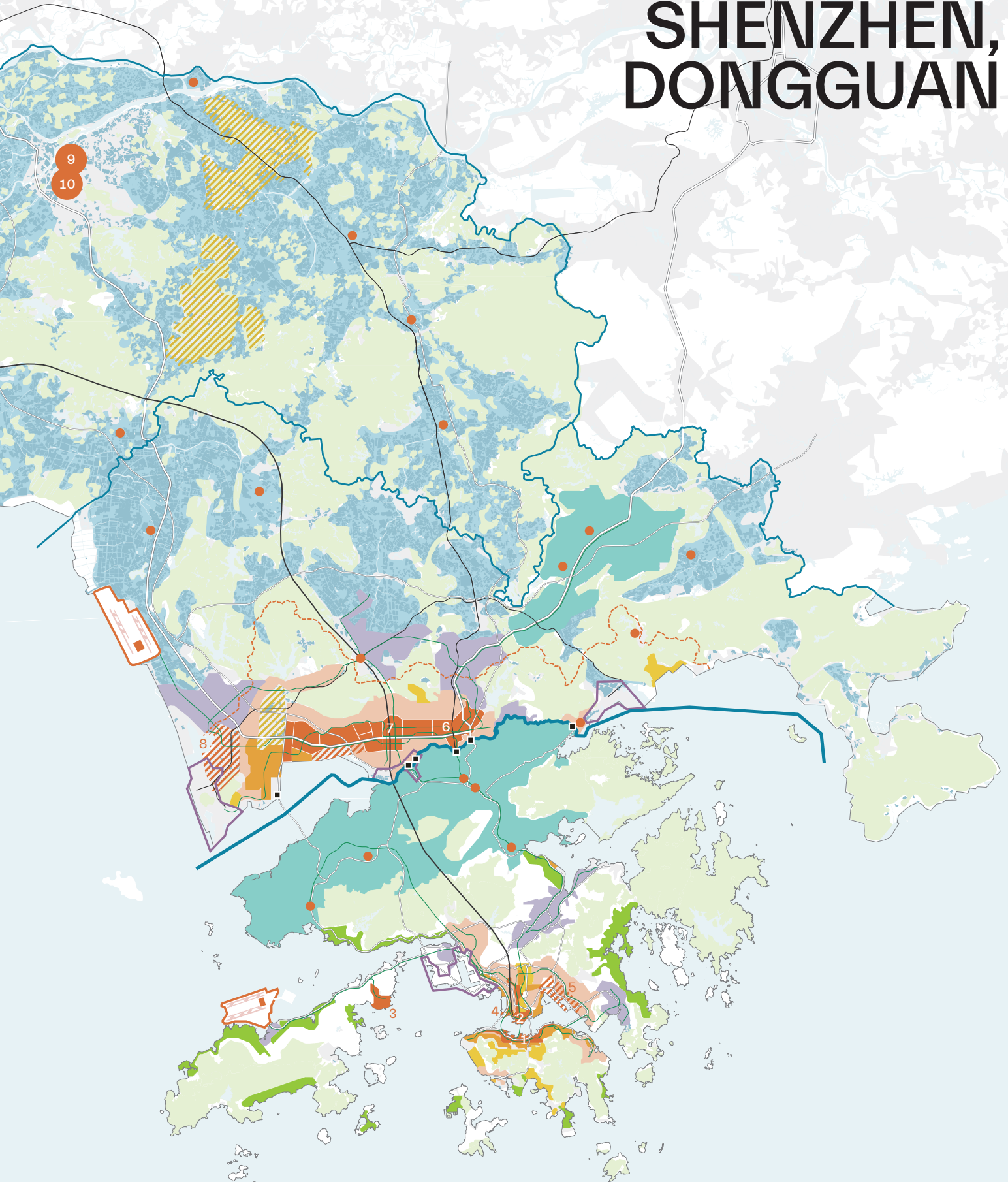
Border of the Special Economic Zone (1980–2010)

City-territory border

0 5 10 20 km



HONG KONG, SHENZHEN, DONGGUAN



The rise of globalism spells the end of the old empires, but not before the offsprings of these empires, the previous colonial cities, have been primed to perform well as global cities. This makes it possible to explain why, with the end of imperialism, colonialism could take a global form, and why it could decisively abandon the old imperial attitudes and even take on benign characteristics, as in the case of Hong Kong.

Ackbar Abbas, *Hong Kong: Culture and the Politics of Disappearance*, 1997

Shenzhen, in fact, displays not only the futuristic and utopian pretensions of the new town eco-city, but also the chaotic—yet somehow effective—combination of the planned and un-planned city.

Tim Oakes, *China's Urban Ideology*, 2019

CROSS-BORDER URBANISATION

This chapter presents a history of cross-border urbanisation across three large urban territories—Hong Kong, Shenzhen and Dongguan in the Pearl River Delta (PRD). The PRD was historically an important trading region in China throughout many dynasties. For a long time Canton, the main walled city of the PRD, was the only trading port in China that foreign traders were allowed to use, and many towns and markets also thrived in the delta area, while significant commercial and specialised agricultural activities took place in the vast rural hinterland. During China's economic reforms over the last four decades the PRD became the state's territorial framework in which city-territories, counties and towns were endowed with special policies and powers. Here the term 'city-territory' refers to the transformation of the traditional form of Chinese cities (walled cities) into a politico-territorial form of city-territories, which emerged with the Chinese state mode of production during Mao's administration and developed further during the period of economic reform after 1978 (Wong 2023). In this process, the central party-state kept constant control over the reorganisation and re-hierarchisation of all subnational territories. This enabled it to control all subordinated governments and their interrelations and thus to produce and regulate different urbanisation processes and the dynamics of their concentration and extension.

In 1994 the institutional framework of the PRD Economic Region included nine large city-territories

close to Hong Kong and Macau, which were the two former colonial trading hubs, to drive industrialisation, export and foreign investment. In 2015 the World Bank noted that the PRD was the world's largest urban area, being bigger than Tokyo and twice as large as Shanghai. The Bank showed that the region has been undergoing explosive urban growth in recent decades. From 2000 to 2010 its built-up area grew from 4,500 km² to nearly 7,000 km² and the population increased from 27 million to 42 million (Deuskar et al. 2015). Urbanisation processes did not stop at the borders of the city-territories and thus the PRD evolved into a vast, multinucleated and interconnected urban entity where it is difficult to distinguish one city-territory from another.

Recently, Brenner and Schmid (2015, see also Harvey 1996) invited scholars to change the traditional perspective in critical urban studies from a focus on the city as an entity to urbanisation as a process. They argued that urbanisation should no longer be conceptualised as a container that absorbs the growth of population, capital and activities. As David Harvey (2006b: 78) notes, 'capitalist activity is always grounded somewhere', and that these activities rely on the deployment of various spatial strategies and geographical processes. He also proposed that scholars needed to change their concepts of space from absolute to relative and relational processes if they were to understand the capitalist process of uneven geographical development (Harvey 2006a). Our observations that the urban explosions in the PRD have been spreading across many city-territories and massively transforming vast rural areas, demand that we change our analytical perspective to the analysis of urbanisation processes.

Nevertheless, a change of perspective alone does not suffice to understand this transformation unless we take the role of the state seriously. The rapid, massive, cross-border urbanisation across Hong Kong, Shenzhen and Dongguan have arisen from multidimensional complexities, specificities and conflicts in the past decades. The processes leading to the formation of an international financial centre in Hong Kong were not only related to the growth of global capitalist activities unfolding in space and shaping space but were also confronted and interwoven with other political processes, such as the territorial strategies of the Chinese state that shaped the production of space in Shenzhen and Dongguan and later also in Hong Kong itself. In this way, cross-border urbanisation also resulted from the massive deployment of state power. In order to achieve political and economic domination over the entire PRD, the state thus restructured the geographies of capital and expanded space for capitalist accumulation. Therefore, we can see that Hong Kong was not the only centre in the formation of this urbanised region, because the state power of China also produced territories at different scales.

The goal of this chapter is to examine the patterns and pathways of urbanisation across Hong Kong, Shenzhen and Dongguan that led to the massive urban transformation of the PRD. The following section critically reviews the limits of the popular conception that an extended metropolitan region (EMR) has been formed in the PRD. It shows that this understanding is still tied to a technocratic framework that has been inherited from economic geography. In developing my analysis, I describe several important dimensions of the complexities of this cross-border urbanisation. My ultimate goal is to offer a different perspective on the historical dynamics and changing power relations that underpin these massive, rapid and controversial processes of urbanisation.

FRONT SHOPS AND BACK FACTORIES: THE CONCEPT OF THE EXTENDED METROPOLITAN REGION

A popular concept in the studies of mega-regions in Asia is the EMR, which has contributed to a specific understanding of the formation of a new international division of labour under globalisation (McGee 1991). These studies argue that in the case of Hong Kong, EMR entrepreneurs from Hong Kong were at the time seeking out the lowest production costs, including an abundance of low-wage labour and cheap agricultural land to set up their factories, and this led to manufacturing industries spilling into Shenzhen and Dongguan and causing enormous socioeconomic changes there (e.g. see Sit 1996, 2005). This process of capitalist expansion became the economic model that was called 'front shops, back factories'. This meant that Hong Kong performed the functions of the front shop by providing the necessary commerce, finance, marketing, logistics and services, while Shenzhen and Dongguan housed the back factories to drive the growth of export-led industrialisation. The model also identified three types of geographical units: characterising Hong Kong as the core city, while Shenzhen and Dongguan were located in the inner and the outer ring respectively, and together all three territories constituted the space of the Hong Kong-EMR in South China. Located in the outer ring, Dongguan's transformation was called 'desakota', meaning village and city. These terms were borrowed from studies of Jakarta, an area with intensive rural-urban interdependencies and interactions. Lastly, these three geographical types functioned as a gradient descending from the city (Hong Kong) to the peripheries along the main transportation networks.

As I have argued elsewhere, since this model is dominated by the logic of capitalist economic geography, it is less helpful for understanding the processes of urbanising regions in China (Wong

2023). This kind of economic analysis bears the risk of generalising spatial and functional differences in a region and thus neglecting many important aspects of urban processes (Friedmann 2016; Tang and Chung 2000). Its perspective on space and geographical differences depends on the analysis of some economic parameters (especially those of population size, foreign direct investment, industrial production and the value of exports), dictated by comparisons of the relative economic advantages of the area of study and location theory. As space is treated as an aggregate of quantities, qualitative changes that may disturb this model are omitted. This approach obscures the study of power relations, which is necessary for the time at which the People's Republic of China radically changed its state strategies and reshuffled the powers held by different territories, with the aim of making large-scale interventions in social relations and the production of space after 1978 in China. Thus, the conception of a rational and functional space like EMR does not take into account the chaotic and contradictory processes shaping the dynamics of urbanisation. It offers an ahistorical account that does not consider the specific pathway of this transformation.

ANALYSIS OF PATTERNS AND PATHWAYS OF URBANISATION

In this chapter I analyse the patterns and pathways of urbanisation to help us understand the transformation of this huge territory that extends across Hong Kong, Shenzhen and Dongguan. I do not treat these territories as individual units of a regional division of labour in the context of the globalising economy, but instead examine the entanglement of urbanisation processes and power relations and the way they have shaped and restructured this urbanising territory over time.

This analysis is based on Henri Lefebvre's theory of the production of space and uses a dual perspective: on the one hand, it analyses urbanisation processes as a synthesis of transformations of space as it is perceived, conceived and lived, and on the other it analyses the pathways of urbanisation by exploring how space was produced at a particular time, simultaneously in relation to and conditioned by manifold histories (Schmid 2014). In this analysis, I consider the urban level as a mixed and intermediary level between the general level of the state, global markets, knowledge and institutions on the one hand, and the private level based on everyday



life and concrete social relations on the other, as proposed by Henri Lefebvre's theory (Kipfer 2008). This concept of interrelated levels helps to break an artificial divide between the inside and the outside of the urban, because it requires us to take into account the production of space by the simultaneous interactions of different actors, forces and processes and the contradictions among them.

With regard to this urbanising cross-border territory, I pay especial attention to some key dimensions that shape urbanisation processes. Firstly, I acknowledge that Hong Kong is no longer confined to its city limits. To adequately understand its urban dynamic requires us to change our analytical perspective from the city to that of the territory, and to avoid distinctions between an inside and an outside (Schmid 2015). I analyse it within the framework of the dynamics of the larger geographical context, during the colonial period and under the new political and economic situation after 1978, in which the dynamics of Hong Kong, Shenzhen and Dongguan co-produced a huge urbanising territory. I also focus on the specificities of these urbanisation processes. Hong Kong's urbanisation was subjected to British colonialism and the geopolitics that affected the colony because of its immediate vicinity to China (1842–1941). The relationship between Hong Kong and China underwent a fundamental political transition after the Second World War (1949–1977) and Hong Kong's development into an international financial centre was strongly pushed forward by China's political and economic transformation (1978–1997). Finally, after the handover of the colony to China in 1997, it became a Special Administrative Region (SAR) under China's sovereignty.

Shenzhen and Dongguan, in contrast, took a very different pathway to urbanisation. Shenzhen was the first urban outcome of China's fundamental economic reform after 1978. It was transformed from being a poor agricultural county at the political frontier into a deputy provincial city, designated to become a Special Economic Zone (SEZ). Dongguan, like many other territories in the Guangdong Province, became a prefecture-level city-territory in 1988, but it embarked on yet another pathway that was marked by a decentralised form of urbanisation through the industrialisation of towns and villages. In this way, a territory of extended urbanisation emerged between Shenzhen and Guangzhou, orienting itself towards Hong Kong as a global market and centre of foreign investments. All three territories, Hong Kong, Shenzhen and Dongguan, are thus embedded in different political systems, territorial regulations, power relations and local practices and thus result in various specific patterns and pathways of urbanisation.

The changes in the political regime over the decades had a salient impact on the political dimension of urbanisation in the three territories. Thus, Hong Kong's urbanisation was greatly shaped

by the political changes that brought about China's economic opening up in 1978, and again by its transfer to China in 1997. Both resulted in fundamental changes in its internal power relations. During this time, Shenzhen and Dongguan underwent reconfigurations of state power and territorial structures that conditioned their separate urbanisation processes. Thus, I examine the way different social relations and power geometries played out in these different urbanisation processes. These processes were highly political because they led to various tensions, contradictions and conflicts which simultaneously played out in the three territories.

While each of the three territories experienced very different historical trajectories, they also co-constituted each other and thus their urbanisation processes were entangled with each other at particular times. If Hong Kong was important for the development of Shenzhen and Dongguan during the first stage of urbanisation, these two city-territories considerably expanded their own centres and propelled urban restructuring after 2000. At this time Shenzhen developed its multicentric urban core which in turn had a marked impact on urbanisation processes in Hong Kong.

My analysis of the patterns and pathways of urbanisation is structured into four periods: (1) the formation of a colonial centrality and entrepôt economy of British Hong Kong (1841–1941); (2) the reconfiguration of the centre-periphery relations in postwar Hong Kong through mass housing urbanisation and export-oriented industrialisation (1945–1977); (3) the convergence of political and economic regimes resulting from cross-border urbanisation processes (1978–1997); and (4) the rise of a multicentric urbanised region through territorial restructuring and social conflicts (1997–2015).

In the final section I discuss the contemporary patterns of urbanisation in these territories. I show how urbanisation processes went hand-in-hand with the change of politico-economic regimes that arose from new constellations of forces and social relations in each period. I illustrate the pattern of this urbanised region with the map at the beginning of this chapter showing a qualitative representation of the urban configurations in the research period (2011–2016).



THE FORMATION OF HONG KONG AS A COLONIAL CENTRALITY

Founded by the British Empire in 1841 at the end of the first Opium War with China, the original *raison d'être* of this colony was its *entrepôt* economy. The British Government declared Hong Kong to be a free port and it developed in the interplay of British colonialism and free-trade capitalism. With its deep natural harbour and excellent strategic location at the entrance of the Pearl River Delta, Hong Kong became a port for foreign trade that soon replaced Canton (today's Guangzhou) as a trading hub for South China. The colony was first built on Hong Kong Island, which had been ceded by China in 1841, and was extended to the Kowloon Peninsula in 1860. It was expanded again in 1898 after the 99-year lease of the 'New Territories' north of Kowloon.

It was the pragmatic coupling of colonialism and capitalism that provided the foundation for the urbanisation of Hong Kong throughout its history. Milton Friedman praised capitalism in Hong Kong under British colonial rule as the last bastion of unfettered capitalism (Friedman and Friedman 1980). Hong Kong was a classical colonial city ruled by a European minority and the colonial government asserted that it ruled via 'small government' and 'laissez-faire policies' as a governmental practice (Goodstadt 2005: 3). This included a low tax policy and free tariffs, and the government claimed it refrained from making strategic interventions in economy and society. As shown by many scholars, however, this was more myth than reality, as British enterprises enjoyed many advantages and privileges (Ma 2007; Mizuoka 2018; Schiffer 1991).

The main instrument of domination of the colonial government was the system of leasing 'Crown Land' that constituted the original territory of the colony (i.e. Hong Kong Island and Kowloon), and it was also its main source of income. This system enabled the British not only to control the colony but also to control the land in terms of its supply, disposition, planning and development (Mizuoka 2018). Ever since the colony was founded, land was sold at the highest price possible through public auctions and the tactic of land reclamation was adopted to create additional commodifiable land (Ho 2004: 25–32). This system was used as a model when Shenzhen's first land auction was initiated in 1987, as well as to reform China's system of land-use rights in 1988 (Lin 2009; Yeung et al. 2009).

Hong Kong mainly developed its *entrepôt* economy around Victoria Harbour on Hong Kong Island. The City of Victoria became Hong Kong's dominant centrality as it had political, economic, logistic, social and military functions. It developed

into a colonial outpost of the British Empire, to trade with Singapore (a colony) and Shanghai (a treaty port) in particular. Because of the island's hilly topography and limited stretches of lowlands, the main part of the city was built on the northern shore of Hong Kong Island facing the harbour (Chiu 1973). While influential British and European firms occupied the business centre along the shore, Governor House and the government offices were constructed on a mid-level above the shore. The European residential areas, with their specific architectural forms and exclusive social spaces, were geographically separate from the Chinese neighbourhoods.

After the annexation of Kowloon in 1860 and the opening of the Suez Canal in 1869, Hong Kong experienced rapid urban expansion and developed into a worldwide commercial, trading and shipping hub (Lui and Chiu 2003). The port had one of the largest dockyards for shipbuilding and repairing in the whole of Asia, with British trading houses, godowns (warehouses) and piers. It was an important seaport between the East and the West and South-east Asia, for people and trade (including the trade of opium and labour) and it soon became a remittance centre for the Chinese diaspora (Carroll 2007: 109). The city quickly absorbed people, labour, capital, commerce and social networks from its immediate region, from China and other colonies. Moreover, whenever China experienced political turmoil, Hong Kong offered political stability. This stability became one of the key factors for increasing the thriving trading economy, prompting even more urbanisation. Thus the city grew from 139,000 inhabitants in 1876 to 301,000 in 1901 and 625,000 in 1921 (Tsang 2004: 109). Soon the scarcity of land became a major problem that was eventually mitigated by the new settlements that sprang up along the shore in Kowloon.

To maintain the stability of the colonial regime required the collaboration of Chinese elites (Carroll 1997; Goodstadt 2005; Law 2009). Urban space was controlled by land-use and building regulations, and later the mid-level of Hong Kong Island was designated as a European residential area to maintain racial segregation. While Europeans dominated the Central District of Hong Kong, Chinese firms and communities were located in Sheung Wan, located in the north-west of Hong Kong Island, organising trade between China and South-East Asia and running warehouses, banking and real estate businesses. The colonial government held to its supposedly *laissez-faire* policies, keeping its administration of the colony at a minimum. To do this it incorporated the Chinese elites as collaborators to govern the Chinese communities, in a type of indirect rule. The rising Chinese Hong Kong elites entered into a 'rewarding alliance' with the colonial government (Goodstadt 2005). These elites were merchants or compradors working for European firms. By agreeing to collaborate, they gained material rewards from the British and benefited from

the growth of Chinese communities. They built their own hospitals, schools, temples and other charitable institutions, thus forming an alternative power centre. This gave rise to the formation of a colonial power structure that Wing-sang Law (2009) calls 'collaborative colonialism'—an enduring but malleable collaboration between the government and elites that continued to dominate the politics of Hong Kong until the end of the British colonial rule in 1997 and even continued in modified form after the hand-over to China.

The further rise of Hong Kong was enabled by the lease of additional land in 1898. It included the areas known as 'New Kowloon' (between Boundary Street and the Kowloon Hills) and 'New Territories' (up to the Shenzhen River). While the former was administered as part of a highly centralised governmental system, the latter was treated differently as 636 'recognised villages' enjoying special privileges and rights. The land lease contract with China was in fact a political invention that created a fundamentally different territorial system than was applied in the ceded territories over which the British Crown had full prerogative authority (Wesley-Smith 1980: 90). In leasing the New Territories, the British government was obliged to respect the customary rights of the villagers on their land. The government soon faced the resistance of 'indigenous villagers', especially the five great clans who controlled landownership and markets in the New Territories (Baker 1966). Consequently, the New Territories were governed in a different way: the colonial government adopted a decentralised administrative system, co-opting some leading elites (Akers-Jones 2004: 14) and imposing a land leasehold system that replaced villagers' private land titles by leasehold interests (Chun 1990; Lai 2000; Wesley-Smith 1980). Yet local villagers fighting for their land rights founded a rural council (Heung Yee Kuk) that served as a centre of opposition against the colonial government. This led to the formation of new power relations that not only shaped postwar urbanisation but also became an important part of Beijing's alliance after the handover of the colony in 1997 (see below).

In short, Hong Kong was a colonial city with a single, dominating centre around Victoria Harbour that drove British imperialism in China. This centre concentrated British administrative and economic power with its linkages to the colonial networks. With the expansion of Chinese communities, urban expansion spread to Kowloon, where the first garden city was built in Kowloon Tong as a suburb for wealthy Chinese and Eurasians, who were excluded from the European district. The New Territories remained a large remote rural area, but they were connected by the Kowloon–Canton Railway to the colony and to China since 1910. The period of pre-war urbanisation was thus important to lay out the foundations of the colonial power structure. The pragmatic coupling of colonialism

and capitalism characterised the colonial government's relations to the economy and society, using Crown land leases, the centralisation of political and economic power, racial segregation, collaboration with local elites, and a different system in the New Territories. All these elements continued to be the central forces in the next phase of urbanisation after the Second World War.

THE INDUSTRIALISATION OF HONG KONG

After the Japanese occupation in the Second World War, Hong Kong did not become independent like other former British colonies but was reinstated as a British colony. However, the radically changed geopolitical situation of the Cold War and the rise of Communist China dramatically reshaped Hong Kong's international role and its internal centre-periphery relations. The colony had lost China as its hinterland for trade and its entrepôt economy was devastated by international trade embargoes on China. It became a frontier territory between the Western and the Eastern blocs and served as the United States' strategic base for the containment of Communism (Mark 2004).

Hong Kong's geopolitical vulnerability to Communist China during the Cold War had a great influence on policy-making and urbanisation strategies. The Civil War and the rise of the Communist regime caused a wave of refugees from China, and Hong Kong's population increased from 600,000 in 1945 to 2.5 million in 1955 (Tsang 2004: 167). The government failed to address the housing crisis or to stop massive illegal squatting. A series of squatter fires in the early 1950s sparked waves of social unrest and anti-colonial activity supported by Communist China and local communists (Smart 2006). The Shek Kip Mei fire of December 1953 finally prompted the official launch of a resettlement policy, which marked the beginning of the colonial intervention in society and economy and profoundly reshaped postwar urbanisation.

The policy of resettlement aimed at the rapid construction of low-cost multistorey housing for squatters and fire victims, with the goal of eliminating illegal squatting and social unrest in the colony (Smart 2006). The construction of resettlement blocks started in Shek Kip Mei and spread at the urban fringes during the 1950s. In the 1960s and 1970s, mass housing urbanisation became a pragmatic strategy to create governable subjectivities and to transform Chinese refugees into hard-working labourers through the production of governable spaces (see Chapter 16). It also provided a large pool of low-cost labour for rapid industrialisation (Castells et al. 1990).

Resettlement housing and later mass housing were built next to factories, which provided local employment, basic facilities and infrastructures. In the mid-1950s, the government started to develop entire industrial towns on reclaimed land in Kwun Tong and Tsuen Wan to relocate families and allow Chinese industrialists to set up new factories. This had two main consequences: the shift from the entrepôt economy to manufacturing industries and the emergence of a new working class. This shift was facilitated by a process of 'transferred industrialisation' (Sit 1998), in which Chinese industrialists

from Shanghai and Guangdong moved to Hong Kong. It started with the cotton and textile industries in the 1950s which soon became a threat to industries in the North of England (Goodstadt 2005: 64). Manufacturers in other industrial sectors followed, such as electronics, domestic appliances and apparel in the 1960s; Hong Kong became an important exporter to Western markets.

Mass housing urbanisation became the engine of urban expansion in the New Territories, which served as strategic reserve to ensure the colony's survival for self-sufficiency and further development. During the 1960s and 1970s, the New Territories developed into a strategic production zone with housing, industries, agriculture, water supply, infrastructure and transportation. However, as villagers held most of the land (see previous section), the colonial government had to expropriate farmland from the villagers (Nissim 2012). It also introduced the policy of 'small houses', allowing male villagers to build three-storey houses in designated 'village zones' with preferential land prices. These policies constituted a compromise between the government and the Heung Yee Kuk, the rural council that was given a formal status as the statutory advisory body in 1959: in granting villagers' housing rights, the government could gradually strengthen its power by controlling and regulating village land (Lai 2000).

The urbanisation strategies during the 1970s were mainly based on the construction of new towns in increasingly more remote areas of the New Territories. In 1972, the new governor, Sir Murray MacLehose, started a ten-year public housing scheme and a new town programme. His main idea was to develop the already planned new towns of Shatin and Tuen Mun into 'full' cities with their own centralities, access to local employment, better public housing and an improved urban environment providing leisure and public facilities. The goal was not only to enhance the government's legitimisation but also to create the new political subject of the 'Hong Kong people' as distinct from the Chinese identity (Lui 2017). With this goal, MacLehose also intended to strengthen the position of the colony in upcoming negotiations with China about the status of Hong Kong after 1997 (Yep and Lui 2010).

In this context, mass housing urbanisation became a strategic political instrument to develop a sense of civic pride. This strategy aimed to solve the contradictions of colonialism through urbanisation: instead of giving people democratic rights, it offered them a sense of belonging. Thus, in public discourse the 1970s symbolised a period of successful governorship, modernisation, prosperity and social stability. And yet, the ideological framing of this kind of production of space used the spatial fetishism of 'home' and 'prosperity' to conceal the contradictions of colonial domination.

Postwar urbanisation opened up a different pathway that significantly reconfigured Hong Kong's

Post-proletarian area and urban renewal of an industrial town centre. Tsuen Wan, Hong Kong, 2012



territorial order and urban patterns: While the factories, the Chinese industrialists and Hong Kong's Chinese working class were relegated to the peripheries in the New Territories, the urban core area was transformed into an international commercial and financial centre with a modern cityscape composed of office towers, hotels and department stores, dominated by British and international capitalists. The already long-established business functions for international trade and industrial development expanded into financial and banking activities (Tsang 2004: 175). British enterprises maintained their domination and expanded their businesses on a global scale. Hong Kong played an important role as a member of the sterling region, while maintaining a high level of autonomy: the government could stabilise its financial and currency system by pegging Hong Kong dollars to the British pound, using it to trade with China and thus bypassing the trade embargo, and also keeping its financial market open for exchange without being restricted by the rule of foreign exchange control as a sterling member (Goodstadt 2005: 58–59). Thus, Hong Kong maintained its free trade and liberal financial system, and attracted capital from South-east Asia and China during the postwar political turbulences and the rising protectionism at the international level (Schenk 2001). For Hong Kong, the postwar period brought high economic growth; its population increased from 2 million in 1950 to 5 million in 1980 (Tsang 2004: 172). The city was known as one of the four 'Asian Tigers' and competed with Singapore, Taiwan and South Korea.

INDUSTRIALISATION AND URBANISATION ACROSS THE BORDERS

In 1971, the People's Republic of China was admitted into the United Nations and then American President Nixon restored diplomatic relations with China. In 1976, Mao Zedong died and after a turbulent period of succession, Deng Xiaoping became the top leader and immediately pushed forward radical economic reforms (Vogel 2011). As then Chinese premier Zhao Ziyang noted (2010), this was a political breakthrough that shifted the central focus of the Communist Party from class struggle to economic development. This economic opening towards the capitalist world market brought foreign currencies, technologies and skills to China. It also had marked effects on Hong Kong, which resumed its former role as *entrepôt* economy through renewed trade relations with China. During the 1980s, different processes of industrialisation and urbanisation transcended the border to Shenzhen and Dongguan and made Hong Kong the most important centre of this rapidly urbanising region in the PRD.

We will see that various actors across different places successfully played the game of comparative advantages and uneven geographical development in the production of space to increase growth and capital accumulation. Hong Kong developed a new territorial strategy of metropolisation in the context of changing political and economic relations with China during the transition period towards the handover to China. At the same time, the Chinese state developed different territorial strategies that led to the formation of two different types of city-territories in Shenzhen and Dongguan. While Hong Kong became a key driver of economic growth in the PRD and developed into a global city, Shenzhen became a thriving export-oriented industrial centre at the Hong Kong border and Dongguan deployed a different strategy of extended urbanisation through rural industrialisation of towns and villages by attracting export-oriented companies and foreign investment.

THE METROPOLISATION OF HONG KONG

While the British government accelerated the provision of social reforms in the hope of keeping Hong Kong after the expiration of the 99-year lease of the New Territories in 1997, its future became clear when Governor MacLehose in 1977 and British Prime Minister Margaret Thatcher in 1982 met Deng Xiaoping (Mark 2017). Hong Kong's future was then sealed in the Sino-British Joint Declaration in 1984 that stipulated the end of the



British colonial rule and the transfer of Hong Kong's sovereignty to the People's Republic of China.

By 1982 several crises had erupted in Hong Kong's stock and property market and in the banking sector, and the depreciation of the currency increased political uncertainty and the economic recession. In 1983 the Hong Kong dollar was pegged to the US dollar at a fixed rate to rescue Hong Kong from a currency crisis. This also provided a stable financial environment for the development of an international financial centre (Lui and Chiu 2003). Hong Kong's banking system and financial markets became important factors in facilitating the development of the real estate market, foreign investment in China and Chinese state enterprises (Hung 2022; Jao 1979).

Although mass housing urbanisation had been previously a crucial part of its social reforms to maintain public confidence and the city's prosperity, the colonial government embarked on a new pathway of urbanisation and shifted its focus from the new town programme towards a strategy of metropolisation that was intended to maintain Hong Kong's prosperity and stability during this phase of political transition. The government also substantially reorganised the entire territory congruent with China's economic reforms and the urbanisation strategies conducted by Shenzhen and Dongguan.

The metropolisation strategy has played a huge part in reshaping Hong Kong's urban pattern (Ho 2018). It was implemented by a range of urban development projects aiming to enhance its status as a global city and to restructure its relationships with the wider region. It included the massive expansion of the central business district (CBD) together with a great number of urban renewal projects in inner-city neighbourhoods, the operation of an international container port in Kwai Chung and a new airport on Lantau Island, together with the AsiaWorld-Expo, Hong Kong Disneyland and Tung Chung new town nearby. It also entailed the expansion of the transport network by the construction of the Tsing Ma Bridge, as well as highways and metro lines, and included the construction of new commercial and residential areas above and around the new metro stations. Among other projects, the Airport Express that links the new airport to the Central District via Kowloon, Tsuen Wan, Tsing Yi and Tung Chung was erected, thus creating an entire new urban corridor. All these projects involved land reclamation at an unprecedented scale in Central-Wanchai (108 ha), West Kowloon (334 ha) and Lantau Island (67 ha) (Ho 2004).

This metropolisation strategy implied a massive shift in capital away from the manufacturing sector to the real estate sector, which constituted a 47.8 per cent share of the GDP of Hong Kong by 1997 (Smart and Lee 2003). This shift had started in the 1970s at a time of great economic

growth, when developers raised funds by listing companies on the stock market and expanded land reserves for speculation and land development as well as redeveloping factories into private housing estates. Since the 1980s land and property development has been the driver of wealth and has made up a significant part of the economy (Halla 2000; Tang 2008). In this new round of territorial development, mass housing urbanisation (e.g. in Tin Shui Wai and Tseung Kwan O) was coupled with the expansion and financialisation of the private housing sector, leading to an annual average increase of 23 per cent in the price of housing between 1985 and 1994 (Goodstadt 2005: 128).

The process of financialisation also characterised the strategy of the government-owned Hong Kong Mass Transit Railway Corporation (MTR), which was established in 1975 and partially privatised in 2000. The company started to develop the space above the metro stations with shopping malls and condominium towers through joint ventures with private developers. For this development MTR paid



Flagship development. West Kowloon Cultural District, Hong Kong, 2012



Railway-led condo development. Lohus Park, Hong Kong, 2012

the government only a land premium based on the value of the land before it was developed. It then constructed the real estate project by capturing a substantial part of the increased land value after it had been developed (Yeung 2008). By creating increasing land values and constructing high-density housing, this model was regarded as a success and was replicated in Shenzhen in the 2000s (see below). This strategy of metropolisation, however, was accompanied by the relocation of industrial activities to mainland China, and thus entailed a parallel process of socioeconomic peripheralisation. The dramatic loss of industrial jobs forced working-class people into low-paid service jobs, while the real estate boom led to a massive surge in property prices and rents. Working-class families could choose to live in expensive but intolerably small subdivided or cubicle rooms in the inner-city areas or to relocate to new mass housing estates on the periphery, which offered difficult living conditions, particularly for young families who struggled to get a job in these areas or had to face long commutes to the central areas of Hong Kong.

In this period the New Territories were turned into an in-between space to facilitate all kinds of cross-border activities and to mediate between the process of metropolisation in Hong Kong and industrialisation in Dongguan and Shenzhen (see the following sections). Here, farmland was informally converted into various uses like container yards, open storage facilities and truck parks, through which villagers captured a higher land rent. The village housing stock expanded in number through a process of illegal extension and commodification, because in 1978 a new policy had stipulated that it was permitted to offer small houses for resale (Huang 2017). Thus, a variety of juxtaposing and conflicting land-uses coexisted: old and new town centres, public and private housing estates, urbanised village extensions, various public and private facilities and utilities, new highways and railways, country parks, farmland, wetlands and ecological zones. As the New Territories were determined by multiple logics and heterogeneous practices of urbanisation to accommodate the growth of population and the activities that went with it, they were also a space where conflicts took place among the government, developers, villagers and residents. In this way, a new urbanisation process emerged in the New Territories, which we call 'multilayered patchwork urbanisation' (see configuration map; see also Chapter 15).

To conclude, this period of political transition significantly restructured Hong Kong's urban pattern by using this strategy of metropolisation and demonstrated Hong Kong's prosperity and stability to the world at the time of the handover of sovereignty. Driven by a range of large-scale urban and infrastructural developments, metropolisation was re-articulated by a new relationship between the centre and the New Territories. With ongoing

deindustrialisation and metropolisation, the real estate sector and the MTR became motors of economic and territorial development, while the coupling of public housing and industrial production declined in importance. With the increase in interactions and trade relations between Hong Kong and Shenzhen, the New Territories became a fragmented, in-between space characterised by divergent dynamics and orientations. This included a process of socioeconomic peripheralisation that trapped many low-income families which had to relocate from the city centre to the periphery (see Chapter 16).

THE RISE OF A BORDER CITY: SHENZHEN, A CITY-TERRITORY WITH TWO SYSTEMS

In 1979, before urban development even started, Shenzhen was designated by the state as a city-territory. At that time, it was called Bao'an county and had 314,000 inhabitants, most of whom were peasants (Shenzhen Statistics Bureau 1996). Shenzhen town formed a small urban area of about three km². In 1980 Shenzhen became China's first SEZ. Deng Xiaoping defined this 'Special District' [or 'Special Region' (特区) (this was the original term)] to make it clear that it was different from the export processing zones found in other countries (Vogel 2011). It was not merely an area supported by favourable policies, but an administrative territorial unit that had specific state powers. The Chinese territorial system is an instrument by which the central government exercises control over all levels of government and thus also regulates urbanisation processes (Wong 2023). The special territorial power granted to Shenzhen aimed to implement radical economic reforms and guide the development of an entire new city-territory. To establish this SEZ, Bao'an county was designated a city-territory and renamed Shenzhen City. In 1981 it was proclaimed to be a deputy provincial-level city and thus elevated to the same administrative rank as Guangzhou. The economic power of Shenzhen's government was increased in 1988 when it became a 'separated planned city' (计划单列市) and thus reached the status equivalent to a provincial level city that was directly subordinated under the central government. In 1992 the city was granted local legislative power, which meant that the city government could enact its own laws for urban planning and management.

The rise of Shenzhen City was shaped by the distinction between two different territories that allowed it to manage its rapid and massive urbanisation process during the 1980s. The Shenzhen city-territory was thus divided into an SEZ (327 km²) and an area outside the SEZ (1693 km²), resulting in the creation of two different borders: one between Hong Kong and China and a second one between the SEZ and the non-SEZ area marked by a

90 km-long fence with checkpoints and controlled by the central state. It functioned according to the principle of ‘containing capitalism’ to a specific space (LPC 2011). The SEZ and the non-SEZ thus formed two separate territories with different laws and regulations for urban planning and budgeting; the first subjected to the city government and the second to the county government; the first with urban status and the second with rural status. As a consequence, the two zones underwent different processes of urbanisation.

The urbanisation of Shenzhen began at the border to Hong Kong. This location was a well calculated choice, as Deng wanted to connect Shenzhen directly to Hong Kong to take advantage of this global commercial and financial centre. Consequently, the territory of Shenzhen was linked to Hong Kong via roads, railways and sea ports and urbanisation rapidly spread over the entire territory along the main roads. The city government designated three strategic centres to start industrial and urban development, all located close to the border: Shekou in the west, Luohu in the centre and Shatoujiao in the east. They served as growth nodes along Shennan Road which formed the main axis of the entire SEZ (*Shenzhen Urban Planning and Land Administrative Bureau*, 1999). Initially, the master plan for the urban development of Shenzhen envisaged a linear city of about 0.8 million people. This evolved into a more ambitious plan for a hierarchical network city of 4.3 million people along three corridors (Shenzhen Municipality Planning and Land Bureau 1997). In reality, Shenzhen went on to experience the world’s most rapid urbanisation at the time, growing from 2 million in 1990 to 3.4 million in 1994 and 4.3 million in 2000; the built-up area expanding from 300 km² in 1994 to 467 km² in 2000 (Wang 2003).

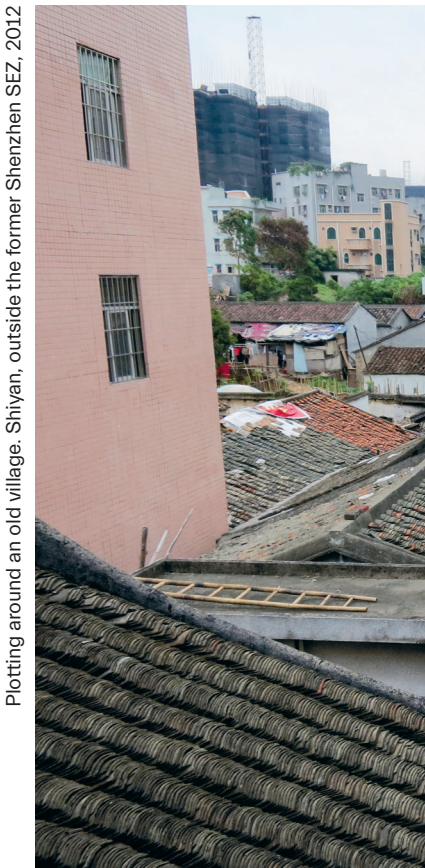
The city government developed Luohu into the main political and commercial centre of Shenzhen, with a range of industrial zones and estates, businesses, offices, hotels and resorts established by different state agencies. It included state-owned enterprises (SOEs) from central, provincial and local levels and also a large number of facilities for central government ministries, provinces, municipalities and enterprises to set up ‘domestic link ventures’ with the SEZ to facilitate exports and getting access to Western technology through Shenzhen (Chen 2017; Ng and Tang 2004a; Vogel 1989, 2011).

One of the largest SOEs was the China Merchants Group, which was affiliated to the China Ministry of Transport based in Hong Kong. Before the founding of the SEZ, in 1979 the China State Council granted this SOE a large tract of land to develop the Shekou Industrial Zone. The China Merchants Group was endowed with certain governmental rights and responsibility for planning, financing, administration, development, management and tax collection (Chen 2017). With its high

degree of autonomy and direct relationship with the central government, Shekou became known as ‘a special zone within a special zone’. It made full use of Hong Kong’s capital market, business and banking networks, and its technologies and knowledge. Electrical power supply was developed by a leading British enterprise (South China Morning Post 1981). Hong Kong tycoons were attracted by various collaborations and projects on offer. Shekou rapidly developed into an industrial area with ports, factories, private housing and workers’ dormitories, public facilities and tourist areas. There were other



Bronze statue of Deng Xiaoping, the chief architect of China’s economic reforms. Futian, Shenzhen, 2012



Plotting around an old village. Shiyan, outside the former Shenzhen SEZ, 2012

influential SOEs in Shenzhen, such as the industrial and tourist sites of the Overseas Chinese Town and the Shangbu electronic industrial area. These state agencies were important in initiating large-scale urban development in Shenzhen, but they developed an ambiguous relation with the city government over the issues of authority and regulation in Shenzhen (Chen 2017).

While the city government and the SOEs accelerated the pace of urban and industrial development, something unexpected happened in Shenzhen: the emergence of urbanised villages. As village collectives held most of the land in Shenzhen, the city government adopted a land policy to acquire farmland while granting village collectives the right to develop a portion of their own farmland into industrial areas (Wang et al. 2009). This pragmatic solution, which was similar to the land policy in the New Territories in Hong Kong, enabled the city to expropriate land more easily. But it led to the formation of an institutional dualism: it officially enabled villages with rural status to urbanise, while the city government accelerated the pace of land expropriation to develop urban areas. Consequently, this led to a specific form of urbanised villages in Shenzhen; a kind of rural-urban interface that emerged alongside the expanding urban areas controlled by the city government. They were known as, 'villages in the city', widely documented in urban studies of China (see e.g. Hao et al. 2013; Bach 2010). In 2004, 320 urbanised villages (91 in

the SEZ and 229 in the non-SEZ) existed in the whole city-territory of Shenzhen (Shenzhen Urban Planning Bureau 2005).

The rapid growth of urbanised villages in the 1990s can be seen as the result of the villagers' resistance to the increasing power of the city government and its ability to expropriate and commodify village land. The Shenzhen government held the first land auction in 1987 and was officially allowed to lease state-owned land for private development in 1988 (Lin 2009), using a model inspired by the land leasehold system in Hong Kong. In 1993 it extended its planning power into the non-SEZ area when its status was changed from that of a county into two directly administered urban districts. The consequence of all these policy changes was that the villagers hurried to construct buildings, extend existing buildings and add storeys; thus defending their land rights and interests by imposing facts on the ground. In our project we called this strategy of urbanisation, based on conflicting land regimes, 'plotting urbanism' (see Chapter 13). Plotting urbanism became an essential component of Shenzhen's rapid industrialisation in the 1990s. Urbanised villages developed into lively, thriving mixed neighbourhoods and plotting urbanism enabled small industries and trades to form clusters, as well as providing cheap housing for migrant workers and making the villagers de facto landlords.

As a result, Shenzhen's three strategic centres developed into a series of urban clusters along Shennan Road inside the SEZ, then extending into three economic corridors in the non-SEZ area along main transportation arteries: the National Road 107 on the west, with the Kowloon-Canton Railway in the central axis and the National Road 205 on the east. Various efforts by the city government, the SOEs, village collectives and individual villagers also promoted the process of land transformation and commodification and by the mid-1990s the development in the SEZ expanded towards the promotion of real estate projects. Luohu started the first urban renewal project to transform a shopping street in Dongmen. The SOEs redeveloped their industrial areas for commercial use so as to extract higher rents (e.g. the Shangbu industrial area) (Ng and Tang 2002). Lastly, urbanised villages were further densified along the expanding central area and those located in the outer districts were also spreading out along the main roads.

EXPORT-LED RURAL INDUSTRIALISATION: DONGGUAN, INDUSTRIAL TOWNS AND EXTENDED URBANISATION

When Bao'an County became Shenzhen City, the county of Dongguan was also designated a city-territory as part of the state's territorial strategy in the Guangdong Province. Instead of developing



Dongguan into a major city like Shenzhen, however, a decentralised territorial system was established that mainly focused on the rural industrialisation of towns and villages and thus created the fundamental condition for extended urbanisation.

Historically, Dongguan was an agrarian society with the walled city of Guancheng as the seat of the county. By 1979 this county was composed of three urban communes and 29 rural communes, with 545 brigades at the lower level (DMCAB 2019: 50). During the 1980s, Dongguan underwent a radical political transformation after several rounds of re-territorialisation. In 1988 it was declared a prefecture-level city-territory led by the provincial government to propel rural industrialisation. Thus, the walled city of Guancheng expanded to become a city-territory encompassing 2,456 km² and containing a great variety of urban and rural areas.

During this process, Dongguan's specific form of territoriality set the primary condition for further urbanisation processes (Wong, 2019, 2023). It consisted of 29 towns and 542 village collectives surrounding the old city centre of Guancheng (DMCAB 2019: 51). While the legal governmental framework in China usually dictates that a city is leading counties, Dongguan's three-tier territorial structure—city-town-village—was based on a pragmatic political arrangement: in the absence of counties the towns had greater discretion in making fiscal policies and planning, as well as in economic development and construction, and the village collectives were organised as an extension of the town governments that were in charge of rural industrialisation.

By relying on Hong Kong for foreign investment and industrial development, Dongguan's towns and villages underwent rapid rural industrialisation during the 1990s (Lin 2006). Town governments and village cadres became the main actors of this transformation. Village party-secretaries managed the village territories and dealt with foreign investors to set up industries and businesses. At the same time the village offices started to expropriate farmland from individual village households and used large parts of rural collective land for manufacturing, trading and providing social facilities, roads and infrastructure. Large tracts of farmland were transformed into plots for factories and the land adjacent to the roads was used to construct multistoreyed houses.

In 1992 China announced that the national economic reforms were to be deepened and widened, leading to a nationwide rush to develop land (Cartier 2001). This speeded up extensive urbanisation in Dongguan. In the following years Dongguan increased the process of rural industrialisation, which was referred to as the second industrial revolution. Industrialised towns and villages developed rapidly, especially along the two main transportation lines: one along the Kowloon-Canton Railway on the east of Dongguan and

another one along National Road 107 on the west. They connected with the non-SEZ area north-east of Shenzhen, where towns and urbanised villages were also expanding in the 1990s. Thus, two main economic corridors formed that concentrated foreign capital, migrant workers, factories and related industries.

Nevertheless, Dongguan's decentralised territorial strategy also led to divergent political and economic trajectories and generated various conflicts: territorial politics were entangled with land interests and the political actors became the leading economic actors in their own areas (Wong 2023). In the haste to commodify the village, land conflicts also emerged within the villages because there was no collective consensus on land expropriation, land transfer, investments and the distribution of revenues. Corruption and the abuse of political power were also sources of conflicts between the village leaders and the ordinary villagers. In the face of land expropriation, the villagers developed their own way of securing their land rights: they



Factories in a village territory. Tangxia town, Dongguan, 2018



Migrant enclave in a village. Tangxia town, Dongguan, 2013

grasped the opportunity to acquire plots each time land was auctioned by the village office by pooling money from their savings or which they obtained from their relatives in Hong Kong. By owning a building on a housing plot a villager could secure the right to use that land. Thus, many villagers owned several houses, violating the national policy of 'one household, one homestead'. The construction of individual houses that were rented out to migrants became a common practice among the villagers, and plotting urbanism thus spread over the entire territory of Dongguan.

In this way, local state power at the town and village level used export-led industrialisation based on foreign investors and migrant workers as the main model of development, and at breathtaking speed the rural landscape of Dongguan turned into a fragmented conglomeration of countless industrialised towns and villages, forming a patchwork of factories, workshops, village houses, housing blocks for migrants, street shops and wholesale markets that emerged spontaneously between patches of farmland at different times and places. However, this seemingly fluid, amorphous, disorienting space of global production contained uses that did not conform to the legal framework of 'rural land' and violated the national law of the non-alienable and non-transferable nature of village housing land. This posed a major problem when Dongguan launched its new strategy of concentrated urbanisation in the early 2000s.

THE RISE OF A MULTICENTRIC URBANISED REGION

In the last two decades urbanisation processes have completely transformed spaces and power relations across Hong Kong, Shenzhen and Dongguan. The year 1997 marked the beginning of a new period of urbanisation for several reasons. Firstly, it was in this year that the Asian financial crisis erupted, the stock market plunged and the property bubble burst, bringing about an economic recession that lasted until 2005. Secondly, Hong Kong came under the sovereignty of China and underwent a shift in power relations and Chinese leaders and their business collaborators took control over the economy and urban development. Thirdly, China was able to join the World Trade Organisation in 2001 and this reinforced the momentum of Chinese economic growth and state power. In this changing situation, Hong Kong's government developed aggressive new strategies to bring about economic and urban development that in turn created enormous conflicts and struggles. Meanwhile, Shenzhen no longer saw itself as a poor backyard and it deployed a whole range of territorial shifts and urbanisation strategies to increase its power to restructure urban space. At the same time Dongguan developed into the 'world's factory' and became one of the main drivers of export-oriented industrialisation in China, but it was soon hit hard by the financial crisis of 2008. However, Dongguan was also attempting to change its paradigm of extended urbanisation to concentrated urbanisation and its new territorial strategy strengthened the city government's power to address the fragmentation of land-use and manage its multiple centres of power.

Accordingly, once again cross-border urbanisation transformed the urban pattern. Established centres expanded in scale and new centres rapidly emerged in former peripheries. These processes altered once more the relationship between the centres and the peripheries in this region. The boundary between extended and concentrated urbanisation became blurred as urban territories across the PRD underwent various processes of urban densification and intensification. The pathways of urbanisation were redefined by different and new governmental strategies and by the construction of complex transport and railway networks, as well as by various emerging contestations. These developments gave rise to the contemporary pattern of a multicentric, internally intertwined but contradictory urbanised region, with a complex but uneven spatial division of labour and differentiated territorial power relations.

RECOLONISATION UNDER THE SOVEREIGNTY OF CHINA: HONG KONG, 'ONE COUNTRY, TWO SYSTEMS'

When China obtained sovereignty over Hong Kong, a new era of recolonisation began (Lo 2008; Vines, 1998; Luk, 2017). This process was first embedded in the new political framework of 'one country, two systems', a slogan that Deng Xiaoping had originally used when he proposed to unify China with Taiwan and which was then applied to the state strategy to incorporate capitalism to govern Hong Kong after 1997. Hong Kong became a Special Administration Region (HKSAR) in the Chinese administrative territorial system, which introduced a separate system to retain Hong Kong's 'high level of autonomy' in its administrative, juridical, legal, financial and economic systems in accordance with the HKSAR Basic Law drafted on the basis of the Sino-British Joint Declaration from 1984. This territorial strategy also aimed at 'preserving an old system in a new sovereignty' that bound the contradictory socialist and capitalist regimes together in this 'Special Region' (Ghai 1998) and thus also preserved the colonial system of Hong Kong under China's sovereignty. As the Chinese government did not fulfil its promise of universal suffrage given in the HKSAR Basic Law, a process of recolonisation was retained in the new system that kept Hong Kong's colonial land rules and the authoritarian urban planning system, and reinforced the alliance between the Hong Kong government, business elites and developers.

The Hong Kong government continued to enjoy its land monopoly and tried to generate the highest return from its land, while the Hong Kong tycoons' interests were further institutionalised in the political system (Ma 2016). Since the 1980s the local business elites had switched their loyalty from London to Beijing in exchange for privileges and opportunities in Hong Kong and China (Ma 2007). The Chinese Communist Party successfully applied its deep-rooted revolutionary strategy of co-optation and built a 'united front' to form alliances and isolate enemies (Ma 2007, 2016). By fully utilising these two systems, Beijing exploited Hong Kong's 'autonomous' status at the international level by using its capital market to raise funds and invest in foreign countries; by taking advantage of Hong Kong's status as a special customs territory for trading and importing technology from the USA; and attracting foreign investment to China using Hong Kong's internationally oriented juridical and open economic systems (Hung 2022).

The reconfiguration of power relations unfolded in a range of large-scale urban and infrastructural projects that were undertaken after 1997. These projects were branded as 'Asia's World City' in official discourse, aiming to showcase a better Hong Kong under China's leadership. They aimed

to produce a 'world-class' urban space through developing railway and other infrastructural projects and urban renewal projects undertaken by public-private partnerships. These projects constituted the centrepiece of the recolonisation process under the collaboration of the government with business elites. Projects such as the Cyberport IT Hub and the West Kowloon Cultural Hub were offered to developers in a single tender with neither public bidding nor public consultation (Sing 2010). These projects were accompanied by top of the range office and retail space and luxury housing, new metro lines and the high-speed train terminal, West Kowloon Station.

Additionally, urban renewal strategies were introduced in 2001, when the Hong Kong government founded the Urban Renewal Authority, endowed with powers to expropriate land and waiver the payment of the land premium, together with a grant of an initial injection of public capital (Ng 2002). It partnered with developers to accelerate the recapitalisation of the old urban districts and post-industrial areas such as Tsuen Wan, with the goal of launching 200 new urban renewal projects. Large-scale land reclamation schemes in Wan Chai and Central Hong Kong also provided new spaces for the expansion of the CBD, restructuring the entire urban core of Hong Kong. This included the construction of a new political centre with the Central Government Complex of HKSAR, the Legislative Council and a military camp of the People's Liberation Army constructed next to the Central District waterfront promenade without the zoning approval of the Town Planning Board.



Many of these projects faced fierce opposition, and post-1997 Hong Kong witnessed the emergence of social movements and civil society protests opposing evictions and displacements and demanding social justice and public participation in planning and policy-making. One example is Lee Tung Street in Wan Chai, one of the traditional street economies that was turned into a space of resistance against an urban renewal project after 2003. It was called the ‘wedding card street’ by the locals because of its long-established small businesses that were famed for manufacturing wedding cards. This street was an important space of representation for ordinary residents’ lives and culture; one of the last standing monuments to ‘old Hong Kong’. Affected residents, activists, students, researchers, architects and artists defended the old neighbourhood and its local networks, made alternative plans to the government and resisted displacement, eviction and the power of the police (Chen and Szeto 2015).

Social movements also rose up in 2006, opposing the CBD expansion project in the Central District and the demolition of the Queen’s Pier and the Star Ferry Clock Tower. For many, particularly for the new generation of Hong Kongers, these two historic buildings had great symbolic value and protesters demanded that they be conserved, occupying the pier to make it accessible for public use and advocating authentic citizen participation in planning decisions. Struggles against the high-speed rail construction and new town projects also erupted in the New Territories (Cheng 2016). A thousand protestors gathered at the Legislative Council to oppose the government’s approval of the railway construction budget and later protested against the construction of a joint checkpoint at the West Kowloon Terminal. These post-1997 projects were not independent of each other. They were part of the systematic reconfiguration of space and power relations by Beijing’s alliance to achieve their political and economic agendas. The social movements opposed this collusion between the Hong Kong government and these elites at the expense of the public interest and also opposed the amendment of ordinances and policies to facilitate land acquisition, urban redevelopment and evictions.

Starting in 2006, the government reinforced the strategic importance of the New Territories by promoting a new process of regional integration and real estate expansion. In this round of urban development, Heung Kee Kuk, the political organisation of the indigenous villages, joined the pro-government alliance and supported controversial policies such as the new town projects and the security law (Hui and Au 2016). In the following years, the government constructed new highways and railways, introduced new incentives for private developers and launched three new town projects as public-private partnerships strategically located in areas where developers held large

speculative reserves of farmland. This started a process of eviction of residents in some non-indigenous villages.

Another controversial project was the Hong Kong section of the Guangzhou-Shenzhen-Hongkong high-speed railway that required the demolition of a non-indigenous village in Yuen Long to build an emergency rescue station for the railway. The government justified this very expensive railway with the argument that it was necessary to integrate Hong Kong into the PRD—but both activists and experts maintained that there were already several efficient alternative ways of travelling to Guangzhou. Protestors also opposed the construction of a joint Hong Kong-China customs checkpoint inside the West Kowloon train terminal, which allowed Chinese officials to wield power within the territory of Hong Kong, thus threatening the latter’s autonomy (South China Morning Post 2017).

These combined urbanisation strategies entailed a large-scale process of re-territorialisation. They not only reshaped the multilayered patchwork urbanisation process that had emerged in the New Territories during the 1980s, but also aimed at integrating the new towns and other real estate projects with urban developments in Shenzhen’s centres through railways and cross-border infrastructure. These projects were therefore regarded by the public as part of a state strategy to achieve political and economic integration by blurring the political boundaries between Hong Kong and mainland China.

SHENZHEN: A POLYCENTRIC URBAN CORE AND STRATEGIC NEW CENTRALITIES

During the mid-1990s Shenzhen experienced the fastest economic and population growth of all areas in the whole PRD. Its population rose from 3.35 to 5.57 million between 1994 and 2003 (Shenzhen Statistics Bureau 2004). The use of land for industrial and urban purposes expanded rapidly from 300 to 467 km² between 1994 and 2000 (Wang 2003) and reached 720 km² of built-up area in 2010 (Shenzhen Commercial Press 2010). In view of the spread of economic reforms throughout China and Shanghai’s economic boom in the early 2000s, however, local professionals observed that Shenzhen had gradually lost its special status and the dream of Shenzhen of becoming a provincial city seemed out of reach, as Guangzhou was still the leading city in the province of Guangdong (Lao et al. 2004). Furthermore, Shenzhen faced the problem of land shortage for new growth and expansion, because the city was limited by its small territory, unlike Guangzhou, which transformed four of its subordinate county-level cities into urban districts to propel its ‘Greater Guangzhou plan’.



Struggles against urban renewal in a post-war neighbourhood.
Lee Tung Street, Wan Chai, Hong Kong, 2007

In this context, Shenzhen repositioned itself to play a major role in South China by becoming an international city with modernist architecture and high-tech industries, aiming to take advantage of the proximity of Hong Kong as a global city. In the 1996–2000 master plan, Shenzhen had already exhibited its ambitions to initiate city-wide territorial development strategies by extending the SEZ plan over its entire territory. For the following two decades a new territorial structure was envisaged, with the goal of consolidating the SEZ as a poly-centric urban core, strengthening the emerging three urban corridors by providing new infrastructural networks and developing new centralities and hubs (Wang 2004). To achieve these goals, Shenzhen chose the territorial strategy to concentrate political and planning power in the hands of the city government and thus to resolve the politico-territorial fragmentation that resulted from its previous strategy.

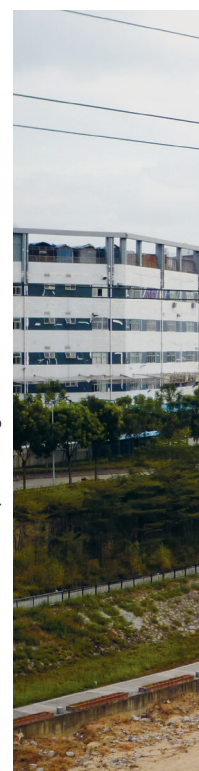
By 2004 Shenzhen was administratively restructured into a ‘city with urban districts’. The county and 18 town governments in the outer areas were abolished, the status of 228 village collectives (270,000 villagers) was changed from rural to urban and the ownership status of village land was reclassified as state-owned land. These laws were intended to give all land an urban status, thereby streamlining urban planning and enforcing urban strategies on the entire territory (interview with a local planner, 2014). In 2008 the city government took back the planning and management powers from the SOEs (Chen 2017) and in 2010, the State Council approved extending the SEZ area to the entire territory, thus increasing the legislative authority of the city government to the outer districts. However, Shenzhen’s aggressive urban development strategies again sparked conflicts, particularly in the case of large plotted areas in the urbanised villages which opposed the increasing powers of the city government and defended their land interests.

The city centre of Shenzhen was subsequently developed into a large, elongated urban core with numerous centres parallel to the border with Hong Kong. The obsession to have the biggest CBD in China is a common one. When the first centre, Luohu, entered into a process of urban renewal in the late 1990s, Shenzhen started to build its second centre in Futian as a new political centre and CBD. In this process, remarkable architectural landmarks selected by an international design competition were created to showcase the transformation of Shenzhen from an export-led manufacturing city into a modern international metropolis (also see Cartier 2002). This ambition was prominently underscored by locating a large bronze statue of Deng Xiaoping at the top of the hill of Lianhuashan Park, facing the city centre towards Hong Kong (and the world). The third new centre was Qianhai, which was heralded in 2010 as a ‘Hong Kong–Shenzhen

collaborative project’ aimed at developing the third national free trade zone (a new financial, commercial and service centre) as part of a new plan for the ‘Greater Bay Area’, which was chosen to be the new name for the PRD development plan. While Futian had been built on a vast agricultural area strategically located on the central axis of Shenzhen close to the border, Qianhai was located at the estuary to the west on reclaimed land and oriented towards the cities in the core of the PRD.



Foxconn Campus. Longhua, outside the former Shenzhen SEZ, 2012



To connect these huge new centralities with the wider territory around it, Shenzhen replicated Hong Kong's strategy of railway-led urbanisation (see configuration map: commuting areas). Initially collaborating with Hong Kong's MTR, Shenzhen founded its own company and expanded its metro network at remarkable speed to a total length of 273 km in 2016. Just as in Hong Kong, the metro system was subsequently used as a value capture mechanism, igniting a real estate boom of constructing condominiums, shopping malls and office towers (Xue and Fang 2015). It intensified and consolidated the development of a polycentric urban core. Urban renewal projects in Luohu and the redevelopment of industrial sites in Shangbu, Shahe and Nanhan created a cityscape for a thriving new middle class of young professionals, homeowners and consumers (Elfick 2011). In Shekou the city government together with SOEs launched several megaprojects and urban renewal schemes to develop it into another world-class city centre and expanded its container port so it could compete with Hong Kong and Guangzhou. In 2006 the government started to build new strategic centralities in the outer districts for high-tech industries and logistics, as well as new town districts, called (新城), such as Longgong, Longhu, Pingshan and Guangming, connected by a complex transportation network (see configuration map: subcentres in Shenzhen). These new towns rapidly initiated a new urban form with high density buildings and top of the range functions, relocating manufacturing industries into planned industrial zones and redeveloping urbanised villages into designated



CBD development. Luohu, Shenzhen, 2012

residential areas, thus reorganising these fragmented urbanised districts (interview with a local planner, 2014).

At the same time, the urbanised villages themselves made a contribution to this massive urban transformation. Firstly, plotting left a startling impact on the entire urbanised city-territory. Following the city government's announcement of new regulations to control and legalise village buildings, a new burst of plotting emerged between 1999 and 2001 that almost doubled the size of plotted areas in Shenzhen. Meanwhile, plotting urbanism also remained prominent in the outer districts. One remarkable example of this was the transformation of several entire villages into dormitories and service hubs around the manufacturing campus of the Taiwanese tech giant Foxconn in the Longhua district. This campus alone employed a total of 430,000 workers in 2000 (Pun and Chan 2012).

Secondly, plotting urbanism moved into a new direction when the city government announced its new urban renewal strategy in 2004. This strategy aimed at mobilising 'market forces' to produce new urban spaces by offering developers various incentives (Hin and Xin 2011) and at the same time dismantling a large number of the illegal plotted areas of the urbanised villages. Although urban renewal projects gradually replaced unauthorised village houses and partly integrated urbanised villages into the centralised planning and regulation system, it created new conflicts. This is illustrated by the well-known case of 'nail houses', when villagers rejected the compensation suggested by developers, then asked for their best offer and thus became 'super rich villagers'. Although the official discourse claimed the urbanised villages were 'problematic', they were welcomed by scholars for their profound social and economic significance to the rise of Shenzhen City during the period of economic reform (e.g. Wang et al. 2009).

DONGGUAN: BOOMING INDUSTRIALISED TOWNS AND VILLAGES WITH EXPANDING CENTRALITIES

The urbanisation of Dongguan was given new momentum after regional restructuring in the late 1990s started a new round of inter-city competition. At that time, Dongguan's economic growth was fuelled by a new industrial boom. While industrialisation had started with the relocation of industries from Hong Kong and then from Shenzhen's SEZ from the mid-1990s, it expanded again as a result of the large influx of foreign enterprises after the 1997 Asian financial crisis. In contrast to other Asian cities hit by the crisis, Dongguan attracted a large number of Taiwanese enterprises that had withdrawn their investments



from South-East Asia and relocated factories to China. Thus, Dongguan became well known as the 'world's factory', hosting a wide range of export-oriented, labour-intensive industries such as clothing, footwear, furniture, toys and food processing. Town governments promoted the specialisation and clustering of industries and provided the infrastructure required. For example, Humen became a clothing manufacturing town and a nationwide clothing trading centre. The Taiwanese enterprises also transformed Dongguan into a major computer manufacturing hub (Yang and Liao 2010). By 2007 Dongguan had become the fourth largest exporter in China and the second largest in the Guangdong Province (Yu and Wong 2011). Industrial growth came with a rapid increase in the migrant population, rising from 1.45 to 5.87 million between 1997 and 2006 (Dongguan Statistics Bureau 1998, 2007). However, they had no right to benefit from local welfare, education and social services.

This process of industrial expansion had an enormous impact on the urban space of the towns and villages which had undergone a radical expansion in built-up areas (see configuration map: industrialised towns and villages). In Chang'an, the largest manufacturing town (which specialised in producing metal and mould) in Dongguan, the migrant population grew to 678,000, with 78,000, 83,000 and 84,000 people living in three of its villages in 2004 (Dongguan Statistics Bureau 2005). Large amounts of village farmland had been transformed into dense, self-contained neighbourhoods with factories and multistoreyed houses, shops, trading markets, public facilities and infrastructure. Different social and economic activities flourished, including the construction industry, wholesale and retail markets, entertainment, transportation

and various consumer and producer services. Nevertheless, Dongguan soon entered a period of crisis and uncertainty when its exports declined rapidly in the wake of the global financial crisis in 2008. This resulted in the closure or relocation of many factories as well as a drop in the number of migrants.

In the aftermath of the economic crisis, the city of Dongguan turned its attention to large-scale territorial restructuring. This was no easy task. The rapid growth of towns and villages had strengthened the power of town governments and village collectives (see previous section) and undermined the leading role of the city government, which had to face the issue of the fragmented urban pattern (Wong 2023). This extensive and dispersed form of rural industrialisation was regarded as the 'spread of numerous stars in the sky without a large shining moon in the centre' (quoted in Lin 2006) and its city-territory was commonly described as 'a city that does not look like a city; a rural area that does not look rural'. This was exacerbated by the issue of political fragmentation, in which local party officials executed political tasks while at the same time circumventing certain regulations to pursue their own economic interests.

This situation triggered a paradigm shift towards concentrated urbanisation in Dongguan. At the highest level, the central state enforced more stringent land regulations (Yang and Wang 2007). At the city level, Dongguan began a political realignment that tried to recentralise the administrative power and reshape its relationships with the town governments. However, the city government could not get full control over its entire territorial and urban development because, unlike Shenzhen, it could not transform the towns into urban districts.



'Modern' village with high-rise apartments.
Tangxia town, Dongguan, 2018

Only in 2015 was Dongguan finally granted legislative authority from the central state to resolve the contradictions of its government. Thus, this turn towards concentrated urbanisation was still strongly influenced by the old city-town-village administrative structure that had produced the fragmented form of Dongguan's extended urbanisation. And Dongguan still lacked a thriving urban centre.

It was in this context that Dongguan started an urban development strategy to build new regional centres and create a new city image with the goal of becoming the third leading city in the PRD. The 'Five-Year City-Building' project launched in 2000 included the construction of Nancheng (the southern city), a large-scale new city centre as the new heart of Dongguan, in contrast to its historic walled-city centre, Guancheng. Nancheng became a political, business and cultural centre with spectacular landscape and architecture emphasising 'size' (大) and 'greatness' (強), rivalling Shenzhen's Futian CBD and Guangzhou's new University Town. Next to it, Dongcheng (the eastern city), became a new residential area attracting urban professionals and the middle classes. Both centres experienced rapid urban growth in the following 10 years, covering a surface area of 35 km² in total (interview with local scholars, 2014). Dongguan's ambitious plan also included a number of additional new centralities. The most important one was the Songshan Lake high-tech zone in central Dongguan with a surface area of 72 km², mainly built on expropriated village land on the periphery of four towns and connected to Nancheng by new ring roads and expressways (interview with local planners, 2014) (see configuration map: Hi-tech development zone). Space around the lake and on nearby hills was transformed into expensive condominiums, villas, tourist sites, high-tech industries, a university and the like. It attracted corporations such as Huawei, which relocated its headquarters from Shenzhen to Songshan Lake and built a campus based on the models of European towns.

All these efforts finally led to the spectacular transformation of Dongguan. The city government increased its planning powers in the towns, created new regional centres for top of the range urban development and additional centralities, and it also expanded its railway network, including a metro line, three inter-city railway lines and two high-speed railways. Towns and villages followed suit by expanding their town centres, starting urban renewal projects and constructing high-rise apartments for villagers. This dramatically restructured the existing, fragmented urban patchwork of the town and village territories and shifted urban development towards concentrated urbanisation.

CONCLUSION

In this study I emphasise the importance of the political and historical context in shaping and influencing the rapid transformation of the cross-border territory of Hong Kong, Shenzhen and Dongguan. My analysis of the patterns and pathways of urbanisation shows the development of a polycentric, internally complex and closely interconnected urbanising territory. The three cities have undergone divergent trajectories under two fundamentally different regimes: capitalism (Hong Kong) and socialism (Shenzhen and Dongguan). In this conclusion, I highlight the three main features of this territory and consider the conceptual and empirical implications of the production of this particular urban space.

Firstly, although China's open-door policy and subsequent globalisation can be seen as a turning point for the entire PRD region, its cross-border urbanisation processes have to be situated in Hong Kong's colonial historical context and pathway of urbanisation. The urbanisation of Shenzhen and Dongguan since 1979 followed the postwar growth model of Hong Kong, based on export-led industrialisation, which served as the role model for Deng Xiaoping's national economic reforms. Consequently, his strategy was to dock Shenzhen's and Dongguan's urban development onto Hong Kong's urban infrastructure and to take advantage of its established international financial centre. Hong Kong's pathway towards an international financial centre had been anchored in its strong export-oriented industrialisation and its long-established economic function as an Asian trading and capital hub, which took advantage of its colonial privilege of being included in the sterling area and its deliberate lack of capital control. The rise of Hong Kong to a global city was further advanced by its urban strategy of metropolisation.

Cross-border urbanisation processes were also rooted in Hong Kong's colonial institutional arrangements and policies, such as the land leasehold system, the land exchange practices of the villages and the model of railway-led development and urban renewal. These profit-driven mechanisms were replicated in a modified form in developing various state and local governmental instruments in Shenzhen and Dongguan. In turn, the specific urban pathways they took were important in the formation of this rapidly transforming region, which is quite different from Macau, although that city also developed from a former colony into a SAR connected to the Zhuhai SEZ.

Secondly, the development of this cross-border region was greatly determined by the territorial power of the Chinese state, which defined and circumscribed the roles and institutional arrangements of the three city-territories, as well as their interactions and mutual relationships. The

Chinese government adopted a thoroughgoing and flexible political territorial strategy that mediated the forces of concentrated and extended urbanisation in Dongguan (see Wong 2023). Shenzhen experimented with the political configuration of Special Districts for containing capitalism in the bounded space of the SEZ. In Hong Kong, a similar configuration was applied to manage its capitalist arrangements after 1997. The state's specific definition of the city-territories in Shenzhen, and later also Dongguan, served to control the form of urbanisation, infused with new sets of political power and institutional arrangements. In this way, the Chinese state differentiated state powers so that it was able to control all local governments from the outset through several rounds of territorial restructuring.

The borders or boundaries of the political territories can be understood as instruments to manipulate urban change, to add new centres and to create territorial differences. They enabled the relevant authorities to implement different policies to manage the SEZ and non-SEZ areas in Shenzhen and the city centre and town and village areas in Dongguan, and they led to differences in laws and regulations as well as land and property values. In the same way, the political framework of 'two systems' in 'one country', designed to integrate Hong Kong into China's territorial system, was exploited by the state in order to participate in international markets. On the domestic scale, China's land policy was an important tool for commodifying space without privatising the land, and importantly, to exploit migrant workers as a pool of cheap labour for economic growth (Pun 2016).

Last but not least, there is the question of major contradictions and contestation in this cross-border territory. All three city-territories were influenced by different dominant yet shifting political forces, which were challenged and contested in various ways. Hong Kong's pathways of urbanisation was constantly interrupted and reshaped by changing political circumstances, such as its geopolitical vulnerability during the Cold War, and the diplomatic deal that was done for the retreat of the British empire and the handover of sovereignty to China in 1997. The colonial power structure of the pragmatic coupling of colonialism with capitalism was enhanced by Beijing so that the state could strengthen its hold on Hong Kong and institutionalise its interests through its alliances with local elites that would facilitate Hong Kong's regional integration into the PRD, eventually fuelling the growth of social movements throughout the last two decades.

For Shenzhen and Dongguan, two different frameworks of state power were used to combine political and economic interests from the beginning. Both saw a period of rapid growth and radical transformation in the 1980s and 1990s. However, this was accompanied by the fragmentation of

governmental structures and territorial relations. As shown in this chapter, the changes in Shenzhen's power framework re-articulated the city government's relation to its city-territory, but this process led to massive rounds of plotting urbanism, which continued even during the wave of large-scale urban renewal projects in the 2000s. As for Dongguan, its decentralised power framework enabled it to become the 'world's factory' in the 2000s. Its three-tier territorial structure had the goal of enabling profit sharing and although the domination by town and village officials guaranteed fast growth and development, it also led to different forms of villager activism so that they could get hold of village land. This period of extensive but fragmented urbanisation would eventually force Dongguan to switch to its current paradigm of concentrated urbanisation.

To conclude, the cross-border region of Hong Kong, Shenzhen and Dongguan does not display a continuous economic gradient from central to peripheral areas and it does not form an integrated institutional, political and economic entity, as the official discourse of 'regional integration' wants to make us believe. On the contrary, this urbanised region incorporated the changing political economic regimes that set the larger context, and the three city-territories generated very complex political, institutional and socio-economic conditions on the ground. They worked together to spur several decades of economic growth; however, in recent times, they lost their previous advantages of making use of different forms of export-led industrialisation. As a result, they vigorously enacted a process of large-scale urban restructuring and intensification to maintain their leading roles in the PRD. This development paradigm was recently reformulated in the new strategy of the 'Greater Bay Area' that aims at restructuring the region from the 'world's factory' to an international innovation, science and technology hub with a green environment and a high quality of life. Nevertheless, before achieving these goals, the move of this urbanised region towards regional integration has not only to face and overcome the obstacles of the complex pattern of different administrative systems and territorial regulations, but also the different economic strategies of local governments. In the face of the dominant mode of state planning by Beijing, Hong Kong still struggles to navigate its changing position in the Greater Bay Area. It also faces considerable public opposition against its large-scale development plans and regional integration projects.

