

2. Class, consumption and the economic restructuring of consumer space

Carolyn Cartier

From the national economy to the local level of the household, consumption has become a major subject for defining the new Chinese middle class. The Central Government is relying on household consumption to transform the country from a production-led to a consumption-led domestic economy, in which private household consumption – rather than continued state investment – drives annual GDP growth. In the process of this planned transition, consumption is proving to be a key context for debate over diverse issues of social and economic change. This chapter examines several conjunctures between consumption and class formation in urban China, where the rapidity of urban development and economic restructuring has compressed the trajectory of the production–consumption transition and limited middle class hopes and possibilities.

The rapidity of urban growth and transformation in contemporary China complicates understandings of production–consumption and class relations because values and priorities in urban society have been subject to multiple extraordinary upheavals. Indeed, across the twentieth century Chinese cities have been the geographical focus of political-ideological debates over production and consumption. In the Republican period, cities were sites of state-promoted consumer campaigns in favour of China-made goods (Gerth, 2003). After the Chinese Communist Party established leadership in 1949, the Party-state sought to transform ‘consumer cities’ into ‘producer cities’ (Murphey, 1980), which halted commercial development. When Shanghai and the other 13 coastal port cities opened under reform in 1984, pre-war facades characterized their urban built environments. Under reform, wholesale reconstruction of new urban commercial districts has created vast new landscapes for citizen–consumer experience.

This chapter begins by evaluating existing understandings of the middle class in China in relation to ideals about consumption and consumer possibilities. In contrast with historic understandings of class formation, new definitions of middle class are increasingly expressed in terms of income groups and their characteristics in new consumer citizenship. Next, the discussion turns to the landscape of the new Chinese city for expressions of class formation and consumption, and debates over income inequality and housing affordability. The chapter culminates in a discussion of the urban restructuring of consumer landscapes in Beijing and Shanghai, where transnational urban developments are replacing historic markets, leaving middle class consumers with more window-shopping opportunities and fewer destinations for daily necessities in the city centre.

CLASS AND CONSUMPTION

Examining consumption in relation to meanings of class is complicated by different understandings about contemporary meanings of 'middle class' in China, and the changing significations of class under reform. The official replacement of the language of class, *jiejī*, with the less politically resonant language of stratum, *jiecāng*, indicates how the contemporary Party-state has repositioned its interests: 'the embourgeoisement of cadres' (So, 2003, p. 367) under reform, through the reorganization and diversion of state assets, must be represented in relatively neutral and 'harmonious' language. Chinese Academy of Social Sciences (CASS) research discusses the problems of definition, and rejects the use of 'class' for its 'negative connotations' (He, 2006, p. 71). Officially, the defining of class in contemporary China has abandoned the socialist language of production and capital relations.

Whereas CASS surveys develop a triangulated analysis based on income, occupation and consumption, statistical data produced by the National Bureau of Statistics use income classes, typically broken down by decile and quintile (cf. Zhou, 2004, 2005; Guo, 2008b, 2009). The consumption portion indexes durable goods based on owning an array of home appliances and a car. Car ownership yields 12 points in CASS surveys, whereas pianos and motorcycles, for example, are worth only four points per item and washing machines, having become relatively common household appliances, count for only one point (Guo, 2009, p. 48). This suggests that big-ticket items weigh disproportionately in defining and symbolizing membership in the new Chinese middle class (see Table 2.1). Since the formation of a new middle class and class

mobility are also being constrained by the resurgence of historic elites in China and renewed elite networks (Goodman, 2008b), class dynamics will disproportionately concern representational meanings through consumption practices.

The portrayal of the middle class by government statistics presents a broad middle income group across the second, third and fourth quintiles of the income spectrum, in the descriptive categories 'lower-middle', 'middle' and 'upper-middle' incomes. This income-based definitional standard echoes international comparative norms: the idea of a broad middle class based on income and shared 'culture' has formed the societal core of American nationalism since the industrial era, destabilized only at the end of the twentieth century by the neoliberalization of the US economy. It may also be telling that the national imaginary of American middle class life includes democratic access to wage labour and skilled and professional employment, since Party-state ideology encompasses a democratic ideal. It is characteristic of Chinese economic planning to define economic futures before they materialize. Thus, the degree to which Chinese citizens may experience social mobility and whether they can afford a home is centrally at stake in the debate over the shift to a consumption-led economy. If the current economy limits material progress and brackets consumption, then middle class status may become an ideal limited to a didactic arena of discursive reproduction for state ideology of social harmony.

Statistics on the consumption of 'durable goods' – things that are purchased only once in three or more years and not consumed to completion – demonstrate some predictable and interesting patterns (Table 2.1). In 2009, while over 10 per cent of upper-middle-income households owned a car, overall fewer than 10 per cent of middle-income households claimed automobile ownership. By contrast, the highest income decile demonstrates automobile ownership at a rate nearly double that of the high-income group. Ownership of a motorcycle decreases with increasing income, demonstrating the predictable pattern seen in developing countries, and suggesting that car ownership is a widespread aspirational condition for the middle class. Indeed, in 2009 automobile sales in China overtook sales in the USA for the first time and the trend continues. In 2011, US auto sales totalled 11.6 million cars by comparison to 19 million in China (Leggett, 2011). The statistics also show near-universal adoption of mobile telephones and that consumption of mobile phones has likely replaced the demand for cameras, which is otherwise inexplicably low as a single category. Government statistics also include the piano as a distinct item of consumer demand, which identifies it as an indicator of known aspirational interests and places its

Table 2.1 Ownership of durable goods per 100 households by level of income, 2009

Income Item	1st Decile	2nd Decile	2nd Quintile	3rd Quintile	4th Quintile	9th Decile	10th Decile
	Lowest	Low	Lower-middle	Middle	Upper-middle	High	Highest
Motorecycle	18.8	23.4	26.4	24.2	22.5	19.24	15.4
Automobile	1.2	2.2	4.2	7.4	13.6	20.2	38.1
Washing machine	85.5	91.6	94.8	97.1	98.8	100	102.4
Refrigerator	75.4	86.8	94.0	97.3	100.4	103.4	106.4
Colour television	111.3	120.9	125.9	133.5	143.4	155	168.6
Computer	25.6	41.8	54.5	66.2	78.2	89.4	109.8
Stereo system	12.8	19.1	23.4	27.1	32.8	38.5	48.3
Video camera	0.7	2.1	3.4	6.4	10.4	14.3	22.2
Camera	10.7	18.7	28.8	39	53.1	66.9	85.8
Piano	0.2	0.4	1.2	1.9	3.3	4.6	7.5
Microwave oven	23.2	36.5	47.8	59.2	70.6	77.0	85.4
Air conditioner	35.6	60.0	79.3	101.6	130.3	159.0	206.0
Water heater/shower	52.5	68.1	77.2	86.3	92.6	98.9	106.4
Dishwasher	0.3	0.5	0.5	0.7	0.8	1.2	2.3
Exercise equipment	0.5	1.4	1.8	2.8	5.3	8.5	12.3
Fixed telephone	66.9	74.0	78.0	82.2	87.1	90.6	94.8
Mobile telephone	129.5	157.8	174.8	184.5	194.5	205.5	216.4

Source: China Statistical Yearbook (2010, p. 351).

ownership among urban households as a relatively high-level consumer practice of cultural-educational-leisure pursuits.

In comparison with the evolution of consumer society in industrialized countries, the difference of consumption in China under reform is the collision of didacticism – experiential realities of people learning to consume (again) – with extreme income inequality in the consumer marketplace. For the middle class, real estate dominates consumer possibilities and spotlights the contrasts between classes. Number one of the two ‘big items’, the home (whether flat, duplex, townhouse or free-standing house), is the focus of household investment allocation. New housing in China is regularly sold with unfinished interiors, giving rise to an enormous market for interior finishing and design services. On the one hand, if a middle class household has purchased a flat, then household income will be allotted to finish and furnish the home. On the other hand, middle class homeownership – a cornerstone of social stability in industrialized countries – is rapidly becoming a myth in many cities because middle class households, as defined by income (rather than occupation), are being distanced from entering the housing market. People want answers to skyrocketing real estate prices: just who can afford to buy a flat?

One calculus around the blogosphere has it that a farmer working an average plot of land would need to have toiled since the Tang dynasty – over 1000 years – in order to afford a 100 m² apartment in central Beijing at 2010 prices, about 3 million RMB (US\$450 000). In 2009 the common contemporary statistical standard of housing affordability, a ratio of median house price divided by gross annual median household income, stood at 25 for Beijing (‘Beijing residents ...’, 2010), compared, in 2010, with 11 for Hong Kong, seven for major Australian cities, led by Sydney, and seven for the most expensive US cities, New York and San Francisco (Demographia, 2011). That Hong Kong has the highest Gini coefficient (measuring income inequality) among industrialized economies underscores the severity of the inequality in mainland Chinese cities.

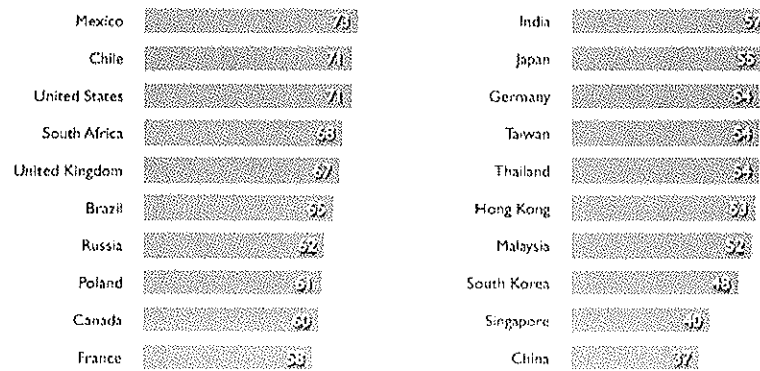
Concerns about lack of housing affordability and unreliability of official statistics are spurring local and national public interest in China. In 2010, the online media company Sina.com¹ initiated a public survey to assess the extent of unoccupied investment property. Consider the contexts generating such national interest: day after day, urban homeowners return to their buildings and look up to realize repeatedly that, in about half the units, literally no one is home – disproportionate numbers of flats are dark week after week and month after month. Results of the survey found that about 65 per cent of flats that had been sold in apartment

buildings were visually vacant in Beijing over a six-month period, compared with about 50 per cent in Shanghai ('Netizens hone ...', 2010). The estimate for total unoccupied and unsold flats nationwide is 64 million, enough to house approximately 200 million people (Xie, 2010) – two-thirds of the total population of the United States. Empty flats demonstrate not only the extent of property speculation but also how individuals or households with investment income have no need to generate rental income: re-selling or 'flipping' a flat is easier if it is kept in new condition. With no property tax in China, and relatively simple transactions for cash sales, spurred by considerable 'grey' or unreported income fuelling cash transactions, real estate is the prime site in which to place investment capital.

Whether or not families own their own home, representations of middle class homeownership ideals bombard the consumer marketplace. From advertisements to real estate fairs and on-site show flats, consumer citizens are faced with a vast array of information on the values and styles of homeownership.² The significance of residential property development in the contemporary Chinese city and its marketing to consumer citizens draws on aspirational representations of values and lifestyle, literally constructing notions of upward mobility and mapping them onto new housing developments. This conjuncture of the rise of the new middle class with the rebuilding of the contemporary city makes the middle class 'about segregation of social strata in a new mapping of urban space' (Anagnost, 2008, p. 499). The distinctively close relational meanings between property, social strata, class formation and consumerism are effectively 're-branding class as propertizing culture' (Skeggs, 2005, p. 46).³

Conjunctures between urban restructuring, new class formation and processes of globalization intersect international and transnational meanings of class – meanings that complicate and extend the definition of class by the conventions of nation-state geography. Where globalizing capital intersects China's production–consumption transition, the transnational capitalist class is especially interested in understanding class in China on the basis of household income and consumption. The transnational capitalist class is the mobile, international formation of mutually interested corporate executives, high-level government officials, leading technical professionals and the merchants and media interests who furnish, entertain and represent them (Sklair, 2001). Formed under late capitalism and coextensive with the rise of China under reform, the transnational capitalist class includes China's economic, political and cultural elites, who shape the future of China's economy and its major cities.

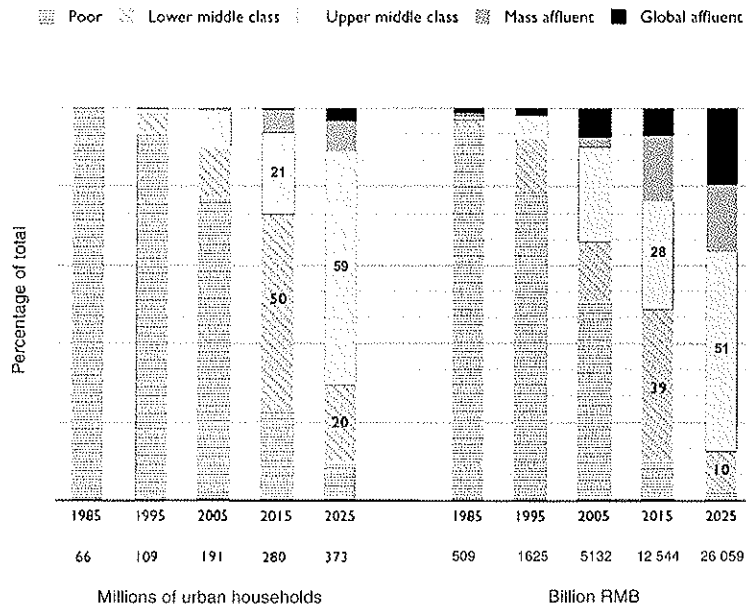
The consumer arena of the transnational capitalist class is highly specialized and differentiated by branded goods and services, including informational services and sources. The service base of the transnational capitalist class increasingly produces its own information through in-house research groups of the major consulting, finance and investment firms. Among these firms, whose publications challenge and supplement both official sources and published peer-reviewed academic information, reports published by the McKinsey Global Institute circulate widely. The report, 'A Consumer Paradigm for China' forecasts China's production-consumption dynamics (Devan et al., 2009); 'From "Made in China" to "Sold in China"' charts the rise of a Chinese middle class based on future income and purchasing power (Farrell et al., 2006b). Figure 2.1 draws on selected data from 'A Consumer Paradigm for China'. Its data show how China's private domestic consumption as a percentage of GDP is comparatively low in relation to both industrialized economies and those of its frequently co-named 'BRIC' members, namely Brazil, Russia and India.



Source: Devan et al. (2009).

Figure 2.1 Private domestic consumption as a percentage of GDP, 2008

Figures 2.2 and 2.3 draw on the McKinsey report, 'The Value of China's Emerging Middle Class' (Farrell et al., 2006a), which divides the middle class into two income bands and projects up to 2025 when the 'upper-middle class' is predicted to reach its spending potential. Thus, not unlike



Source: Farrell et al. (2006a).

Figure 2.2 Chinese urban households Figure 2.3 Urban disposable income

China's official government sources, the world economy of international brands defines class by household income but with particular emphasis on predicting what the Chinese consumer will spend. Such forecasts guide product development targeted at middle-income and affluent consumers, who differ demographically in contrast with populations of industrialized countries because they are and will continue to be relatively young, ranging in age from late 20s to early 40s. These forecasts do not include the contribution to total spending of 'grey income' and illegal income.

Past official estimates allowed that in 2008 grey income amounted to up to 15 per cent of GDP. While widely circulating non-government studies on grey income conclude that disposable income of urban households is significantly higher than the official figure (Credit Suisse, 2010); these studies were funded by the multinational financial services company Credit Suisse and conducted by Wang Xiaolu, Deputy Director

of the National Economic Research Institute, China Reform Foundation. Based on over 4000 samples taken in 64 cities in 19 provinces in 2008, the data show that nearly two-thirds of grey income accrued to the wealthiest 10 per cent of households, tripling actual income over official figures. High-income households of the ninth decile had income twice as high as reported figures. Together the top two income groups gained 80 per cent of total informal income (*ibid.*, pp. 3–4). Grey income is so common that it grew faster than GDP during 2005–08 and '[T]he facts show that grey income has its origins in the misuse of power and is closely connected to corruption' (*ibid.*, p. 32). To return to housing affordability, the inclusion of shadow income would bring down the Beijing housing affordability ratio by a factor of three for Beijing elites, making the housing market in China's capital more comparable to expensive housing markets in Australia and the USA. However, this condition further peripheralizes the possibilities for middle class homeownership, in both financial and geographical terms, to relatively distant suburbs.

URBAN RESTRUCTURING AND NEW CONSUMER LANDSCAPES

Developing in an era of rapid global change, China's new urban modernity draws on unprecedented international access to information and knowledge, investment capital, technical expertise and cultural forms. In the past 30 years under reform, many cities in the coastal region, including Guangzhou, Hangzhou and Shenzhen, have redeveloped old city centres and developed iconic new city centres in an international style on lands peripheral to the historic urban area (for example, see Cartier, 2002). These rounds of redevelopment have restructured the urban economy and the urban landscape, transforming cities from places of manufacturing into places of international business services. New urban landscapes present the Chinese city as a mix of sleek spaces for transnational elites and boutique destinations for urban trendsetters, yet also as virtual dreamlands for those who are marginalized by the redevelopment process.

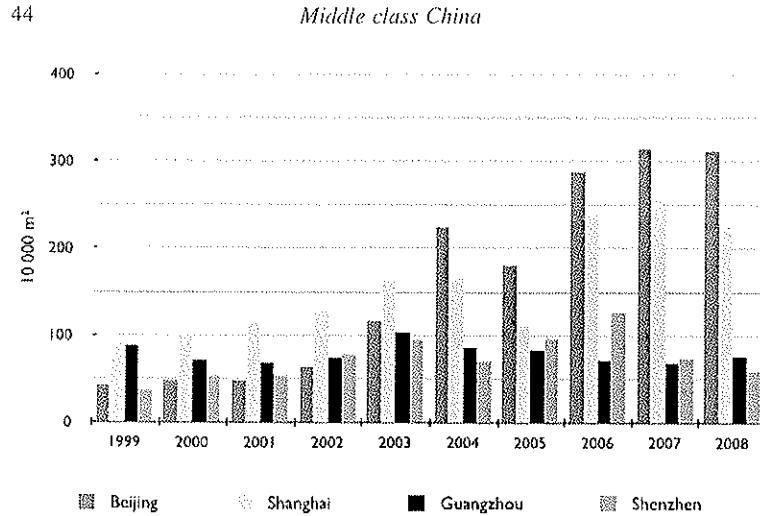
The redevelopment and expansion of existing cities and the construction of hundreds of new ones in China under reform has been driving industrial growth. The new Chinese city has re-instantiated capitalist commercial development in urban cores by replacing socialist era housing and factories of the Maoist producer-city with landscapes of urban

modernity: gated housing compounds, outsized commercial developments, luxury high-rise housing and architectural icons with spectacular rooflines vying for recognition along ever-changing skylines. In the aftermath of the 2008 Summer Olympics in Beijing and the 2010 Shanghai Expo, the special positions enjoyed by Beijing and Shanghai in national development planning continue to resonate across their contemporary urban landscapes in triumphal event architecture. Their built environments are the material evidence of the production process fuelling urban growth, offering in turn vast new landscapes for private consumption.

The urban landscape of new consumerism in China has often been associated with cities of the south, especially Guangzhou, Shenzhen and Hong Kong, where export-oriented economic reform kicked off in the 1980s. In the 1990s, after the Chinese government allowed citizens to begin to travel overseas for leisure vacations, Hong Kong became the typical first choice for an 'overseas' shopping trip (Cartier, 2008, 2009). Yet the side story missed in the widespread coverage of the Beijing Olympics and the Shanghai Expo was the simultaneous development of extensive commercial and retail space (Figure 2.4). Data on commercial floor space show that Shanghai and Beijing have led the country in the redevelopment of commercial space, commonly for service-industry offices and retail, since 2003. Moreover, contrary to expectations that Shanghai would lead the way in new commercial development – enjoying a return to its status as the historic centre of fashion, style and commercial culture in China – Beijing substantially outpaced Shanghai in commercial development from 2004.

Rapid urban redevelopment and modernization of the built environment regularly results in gentrification – the process of new real estate development that pushes out historic residents and businesses in favour of elites and high-value enterprises better able to pay the higher rents. But the concept of gentrification is seldom directly discussed in analysis of Asian urbanization. Across Asia, government norms of post-war redevelopment have stressed goals of urban renewal and modernization as core elements of nation-building, in which beleaguered urban residents play their part by lining up for housing compensation and packing up for housing reassignments. In Beijing, the rapid development of commercial space in the mid-2000s directly reflects the highly documented loss of historic courtyard houses in the central city during the run up to the Olympics.

Historic centres of consumption in China, especially markets, have also been widely lost. The first major case in Beijing was the controversial redevelopment of the dynasty era Dong An Market in the Wangfujing



Source: *China Real Estate Statistics Yearbook* (1999, 2001, 2004, 2007, 2009).

Figure 2.4 Commercial floor space completed, 1999–2008

district. The city closed the historic market for redevelopment in 1993. The site was redeveloped in the run up to the Beijing Olympics into a shopping mall and office towers, named Xin Dong An Plaza, built under a 50–50 joint venture between the state-owned Beijing Dong An Group and Sun Hung Kai Properties (SHKP), one of the three big property firms of Hong Kong. The market demolition ‘signified the first phase of Wangfujing’s redevelopment and the imminent eviction of hundreds of people from their neighbourhood. For this reason, many Beijingers resented Xin Dong An’s appropriation of the famous market’s old name’ (Broudehoux, 2004, p. 115). The rapidity of urban growth and transformation in contemporary China complicates understandings of class formation through the production–consumption transition because many people question the new priorities and values being thrust upon them. After opening, the B1 level of Xin Dong An Plaza offered rental space to some stallholders from the original market at vastly higher rents in a faux ‘Old Beijing Street’ setting.

Demonstrating the speed and style of urban change, and paralleling transformations underway around central Beijing, SHKP announced in 2007 that it would re-brand Xin Dong An Plaza ‘Beijing apm’ to target young consumers aged 19 to 35 (SHKP, 2007). A contrivance of am–pm, ‘apm’ is a brand that SHKP conceived for a shopping mall in the Kwun

Tong district of Hong Kong to attract young consumers to the marginal location with the promise of 'late night shopping'. An industrial area of the Kowloon Peninsula, Kwun Tong is a Hong Kong 'new town', one of several established by the British colonial government to provide post-war public housing. After China opened to the world economy, Hong Kong industry moved into the Pearl River Delta and new towns became targeted for high-rise and commercial redevelopment. Taking the 'apm' brand to Beijing instantiates SHKP's youth consumer strategy for Hong Kong, featuring 'trendsetting international brand retailers, some ... opening in China for the very first time' (ibid.), in the heart of China's historic marketing landscape. The project demonstrates how commercial property development targets and develops China's developing social mobility. It also demonstrates the calculus of planned gentrification: the renovation, according to SHKP, 'will lift annual rental income ... by 30 percent to 50 percent ... per square foot ... making rents at the top end of the range in the capital' ('SHKP lands ... ', 2007).

Historically the centre of Chinese modernity, Shanghai has also emerged from two decades of redevelopment under reform as a city socially and economically restructured. According to a popular maxim, the centre of Shanghai is now for elites and foreigners, the next ring is for professional newcomers and the outer ring is for locals. Costs of living in the city centre have skyrocketed with the redevelopment and replacement of old central city residential areas with new commercial spaces and mixed-use commercial-residential real estates. Housing costs in the centre are now associated with upper-middle and high-income groups, whereas costs are lowest in the outer ring, where many middle- and lower-income households and retired state workers relocated to after being compelled to move out of central city locations. Households that were forced to relocate often received compensation at levels lower than the cost of new housing in the same location (Hsing, 2009), thereby potentially leading to a lower standard of living. The process of state-led gentrification reshuffles who lives where, with the outcome that the primary beneficiaries of accumulation are government, private property developers and the recipients of grey income.

The spatial process of change also demonstrates the effects of class formation in the commercial and mixed-use residential spaces of new transnational-style buildings in urban cores. Especially in new commercial districts, each better-designed commercial-residential building becomes a site for reworking the production-consumption dynamic. In the spare, high-modernist landscapes of China's new financial districts, mixed-use design is contained vertically within the building: retail services at the bottom, office space in the middle range and hotels and

private condominiums at the top. This arrangement of mixed-used verticality is common in contemporary skyscraper design, placing the transnational capitalist class in its social position at the symbolic top of the global economy. Entering by car and living in spaces from which they view the city from great heights, residents of such buildings have little need to encounter the semi-public space of the street – where real life inequality may play out with discomfiting unpredictability. The 21st Century Tower in the Lujiazui financial district of Pudong is an outstanding example of a project developed for the transnational capitalist class (Figure 2.5). Such state-planned projects in China wholly subsume historic places and people as a collateral process of producing the new built environment, as if Pudong was a vast greenfield site when it was named Shanghai's special economic zone in 1990.

On the Puxi side of the city, Shanghai transformed part of its internationally renowned commercial street, Nanjing Road (in the Hankou district, perpendicular to the renewed historic Bund) into a pedestrian shopping area. It offers a mix of local, national and international brand shops and has become a primary destination for domestic and international tourists. However, to position themselves as having discriminating taste, local Shanghai people regularly proclaim that they do not shop there, distancing themselves from the tourist masses. They prefer instead local neighbourhoods and the department stores of Huaihai Middle Road, the artery of the historic French Concession, which has re-emerged as Shanghai's leading place of consumer distinction under reform. Several fashion department stores punctuate Huaihai Middle Road and a few side streets maintain historic consumer character, including South Maoming Road where women's clothing businesses continue to specialize in the *qipao*, a form-fitting sheath dress that provoked a national debate and launched an international style.

Huaihai Middle Road crosses the Puxi side of Shanghai through Luwan and Xuhui districts, which have been significantly spared the wholesale raze-and-redevelopment treatment. Many streets in these districts are lined with plane trees, fronting blocks of historic low- and medium-density housing. Dozens of historic houses from the Concession era are now under government conservation, suggesting how Shanghai's historic elite populations have managed to maintain the district through the upheavals of the twentieth century. Luwan district¹ is also the site of China's nationally outstanding culture-led urban redevelopment, Xintiandi, a heritage conservation retail and entertainment district, and Tianzifang, a gentrified concentration of boutique shops on Taikang Road that grew out of artists' studio spaces and creative industry flats in a former state-socialist era factory



Note: 21st Century Tower is a mixed-use, 50-storey building in the Pudong district of Shanghai, a dynamic international business centre. The first 21 floors will be Class-A office space, followed by an 11-floor Four Seasons Hotel, and 12 floors of condominiums managed by the Four Seasons. The office lobby and residential entrance will be at the base of the tower, with the hotel's reception and amenities areas located in the adjacent podium. The project is located on Century Avenue, the main East-West Pudong thoroughfare.

Source: Reproduced with permission of Gensler Design, ©2011.

Figure 2.5 21st Century Tower, Shanghai

compound. Economically and aesthetically successful, Xintiandi introduced the paradigm of cultural heritage redevelopment to China (Luo and Sha, 2002; Xue, 2010). In 2006, Tianzifang was named the best creative industry zone in China, in addition to receiving numerous municipal awards (Zhu, 2009).

Xintiandi and Tianzifang are emblematic of creative industry developments and boutique consumer destinations in world cities, and the Shanghai government has designated dozens of creative industry zones. Tianzifang especially represents the current popularization of art in consumer culture and the crossover between shopping and art in the gallery shop of new urban design. It is one among several gentrified art studio districts in China on the international map of cultural consumerism, including the Moganshan Road/Suzhou Creek area in Shanghai and '798' in the Chaoyang district of Beijing. The concept behind Xintiandi is different, deriving from an earlier version of 'urban renaissance' redevelopment, first realized at Faneuil Hall in Boston and later adopted in the revitalization of Covent Garden, London, and other post-industrial landscapes. Architects characterize Xintiandi as China's version of the 'festival marketplace' (Xue, 2006, 2008), reinterpreted for Shanghai by a US architecture firm and another Hong Kong property developer, Shui On Land.

In each case, the cultural political economy represented by their commercialization foregrounds the cultural-knowledge economy's basis in design aesthetics, intellectual property rights and associated brands. The small, mostly independent retail businesses of Tianzifang present things in artisanal style, while Xintiandi emphasizes a combination of international chain stores, boutiques and high-end regional chains selling 'Chineseness' in an all out environment of sophisticated display, which works on the semi-rational principle that people will pay more for a distinctively presented product. Local reception of Xintiandi and Tianzifang in Shanghai is predictably mixed, and both have become associated with transnational lifestyle interests and cosmopolitan tourists in search of 'hip' Shanghai. Yet, however transnational in appearance, the consumerscapes of Xintiandi and Tianzifang are not architecturally elite spaces globally and, among places like 'festival marketplaces' and gentrified artists' districts, are emblematic of new middle class leisure destinations patronized by urban professionals. As China's middle-income households grow in number, places like Xintiandi – copied by cities across China – will become normalized within the consumer landscape.

In contrast to these well known consumer sites of the new urban cultural economy, the most popular consumer destination on Huaihai Middle Road was further west, at the juncture of Xiangyang Road in

Xuhui district. The Xiangyang Road Fashion and Gifts Market was Shanghai's famous market for fabric, fashion and 'fakes'. Drawing millions of domestic and international consumers each year to over 800 shops in an area of 24 000 m², the market reportedly served 50 000 customers a day and 100 000 people on holidays ('Curtain call ...', 2006) (Figure 2.6). In the space of the contemporary city, the scale of the low-rise Xiangyang blends with the surrounding housing of the historic Concession. But like markets in other cities, it became a site of targeted redevelopment. The market operated normally, regularly paying its municipal taxes, until the Shanghai government gave it notice for closure on 30 June 2006.



Source: 新华网 (Xinhua Net) (1 July 2006).

Figure 2.6 Xiangyang Road Market, Xuhui district, Shanghai, 30 June 2006

Covered widely in the media in the run up to its closure, the Xiangyang Market became the focus of public discussion over intellectual property rights (IPR) and intellectual property law enforcement ('Government

cramps ...', 2006). The closure of the market was timed to coincide with the 2006 Ministry of Commerce national 'Action Plan on IPR Protection in China' and in recognition of multiple legal actions on IPR infringement brought by international luxury brand companies in Shanghai, which had begun to win large legal settlements ('Shanghai suppresses ...', 2006). Since Luwan district is engaged in economic planning to form a 'brand corridor' on Huaihai Middle Road, transforming its commercial occupants from local shops to famous national and international brands, these forces converged to close the market. Yet as a reporter for the *Liberation Daily* observed, 'Xiangyang Market also has originality', because the majority of retailers at Xiangyang were selling common Chinese brands ('Xiangyang market ...', 2006).

The Shanghai government targeted the Xiangyang Market site for mixed-use commercial residential development, and like the Dong An Market site, SHKP was the property developer for the project, named the Shanghai International Commerce Centre (ICC). The name Shanghai ICC also transfers a name from an existing SHKP Hong Kong property to a major mainland city – the ICC in Kowloon is the tallest building in Hong Kong. The project for the Shanghai ICC is not a skyscraper but rather a set of mid-rise office buildings and residential towers with a multiple-storey shopping mall, called the 'International apm'. In the run up to the opening of the 2010 Shanghai Expo – with its symbolic ideological platform to present Shanghai to the world as a consummately 'better city', achieving higher standards on all fronts – the closure of the Xiangyang Market and development of the Shanghai ICC was arguably a symbolic statement about the nature of the production–consumption shift in the city. Like other consumer redevelopments, the Shanghai ICC replaced a historic low-cost market with a destination for international branded goods targeting high-middle and high-income groups and urban elites. The Shanghai ICC has won several design awards, and the *China Daily* characterized the project as 'green, elegant and efficient' ('New Shanghai ICC ...', 2010).

In substantially different ways, the problem of destroying the 'fake' in order to clear the ground for new consumer futures also implicates the work of the China Consumers' Association (CCA). In 1997, the CCA rolled out its first annual campaign, 'Good faith no fraud' in conjunction with '3-15', International Consumer Rights Day. Since then, its annual themes track national government policy (Table 2.2). Working in the interests of low- and middle-income consumers, the CCA is guiding the development and consciousness of the consumer citizen. It operates in rural and urban places, issuing warnings about scams and low-quality products, and didactic materials on the selection of quality products. In

response to rising social problems associated with youth consumerism, it develops programming to quell the youth consumer luxury trend (China Consumers' Association, 2008, 2010). But in the rapidity of China's contemporary transformation, in which production, consumption and industrial and post-industrial cultures collide, meanings and symbols of branded goods serve the need for differentiation among a vast array of consumer possibilities and choices. As some local media commentators observed at the close of the Xiangyang Market, what is the market problem with 'fakes' if there is a huge demand for copies?

Table 2.2 China Consumers' Association – campaign themes

Year	Campaign	
1997	Good faith no fraud	讲诚信反欺诈
1998	For rural consumers	为了农村消费者
1999	Safe and healthy consumption	安全健康消费
2000	Knowledgeable consumption	明明白白消费
2001	Green consumption	绿色消费
2002	Scientific consumption	科学消费
2003	Build a reliable consumer environment	造放心消费环境
2004	Credibility and rights protection	诚信维权
2005	Health and rights protection	健康维权
2006	Consumption and the environment	消费与环境
2007	Consumer harmony	消费和谐
2008	Consumption and responsibility	消费与责任
2009	Consumption and development	消费与发展
2010	Consumption and service	消费与服务

Source: China Consumers' Association, annual reports.

CONCLUSIONS

Contested definitions of class point to the nature of changing values in society as well as to tensions over the emergence of the new middle

class. On the one hand, urban professionals expect higher incomes and higher standards of living with rising economic development. Yet the idea of middle class as consumers who 'vote in the marketplace' also serves as the context for the construction of a discursive middle class, through which the high-income groups, as political and economic elites, may also seek to represent themselves in order to disassociate themselves from the taint of grey income. If elites seek to converge with the idea of a Chinese middle class, and 'middle classness' becomes an element of nationalism, then consumption and 'consumerability' will shape emergent class relations in the domestic marketplace, intersecting with globalizing consumer citizenship. The marketplace – the mall – will be the reliable place of class mixing if the sorting of the housing market, based on extreme income inequality, continues to define class as 'propertizing culture'.

China's urbanization in the contemporary era of globalization intersects myriad consumer cultural forms, and the new urban cultural economy in the Chinese city draws on these resources to develop its new retail economies for increasingly sophisticated consumer interests. Urban China's highly aestheticized spaces of consumption are seductive in new ways, providing surfaces of elite-styled spaces for both elite and public consumer experience. Yet aesthetic minimalism in the contemporary consumer environment is also the new spectacle, masking how this latest round of urban and economic restructuring contributes to increased social inequality. The cultural-knowledge economy leads growth in the world economy, while its entry into China intersects with the intensification of intellectual property rights enforcement and the opportunities it engenders for international and luxury brands.

Consumer activity is expanding in urban China and is experienced across income brackets and in diverse contexts. Supported by the Chinese Consumers' Association, consumption is turning into knowledgeable activity in the simultaneous interest of both the household and the state. The design of new urban landscapes beckons consumer interaction and guides consumer experience. New transnational shopping malls are built on sites of significant historic markets, drawing associated meanings from past places in a process not unlike that of the construction of colonial Christian churches on sites of native worship. Housing affordability for the middle class may be partly resolved by increased automobile consumption in order to access suburban housing. Even access to the city in China is being redefined through consumption, less by dependable opportunities to participate in the consumer economy than by property investment, allied with municipal governments, projecting life-style futures.

NOTES

1. Sina owns Weibo.com, the leading microblogging service.
2. In Shanghai, I visited a show flat in a multiple-building 'gated community' in which the closet of the master bedroom was made from clear lucite panels suspended from the 3 m high ceiling and hovering above the floor, lending the room an appearance of spaciousness and rendering the designer clothing it contained as galleried aesthetic objects.
3. These conditions explain the proliferation of studies on Chinese 'gated communities' in China, which focus on the manifestations of urban residential redevelopment rather than the overall process of urban restructuring and socioeconomic change.
4. With some controversy, the Shanghai municipal government merged Luwan district into Huangpu district, the district fronting the Huangpu River, in 2011.