

ARTICLES

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GENTRIFICATION AS A GLOBAL URBAN STRATEGY - IS THERE AN ALTERNATIVE?

Abstract

This article investigates if there is an alternative to gentrification as a global urban strategy and policy, which resettle poor population from their homes, in order to free space for building new, luxurious settlements for rich. Gentrification practice, strengthened by neo-liberal urban policy, has been implemented in cities worldwide, causing great spatial and social inequalities and injustice. City leaders often avoid the dialogue with local population causing protests, riots and even direct conflicts including violence. Nowadays, one can find worldwide a shameful practice of maltreatment of poor population, prosecuting them as criminals (revanchist urbanization). Research methods used in this paper are: analysis as description and explanation, contextual and qualitative analysis, comparison and case studies. The first part of the paper will include description of gentrification as a cause of great spatial and social problems, which is an indicator of authoritarian political culture. The second part of the paper, is dedicated to case studies of gentrification from two great world cities: London as European city, and Shanghai as an Asian, Chinese city, as a kind of contextual analysis. The third part of the paper and conclusion will analyze an alternative to this neoliberal urban policy basing on experiences of urban regeneration which totally exclude or decrease bad practice. In creating a city for people and not primarily for profit, urban leaders and planners should include citizens in creation of redevelopment projects and plans, asking for their participation, suggestions and final consent. These are good lessons for reaffirmation of open cities, just society and satisfied citizens.

Key words: spatial planning, neoliberal and social democratic urban policy, gentrification, spatial injustice, resettlement, affordable housing.

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1 GENTRIFICATION

Gentrification means gentrifying and beautification of neglected urban settlement which involves destroying old buildings, building new ones, better organization and design of space in order to create beautiful, functional and attractive spaces for living and business. Gentrification has got negative connotation because regeneration process was predominantly *led and motivated by the interest of profit*, often violating rights and interests of poor, marginalized and social sensitive groups, which are resettled without or with symbolic compensation. In this way, gentrification represents a *source of various spatial injustices*, it ruins *democratic tradition and principles of open city* and contributes to divided and separated city of unsatisfied and unhappy citizens. Reluctance of public officials to protect vulnerable social groups, evident in resettlement process, can be seen as an indicator of serious democratic deficit in societies around the world.

Globalization and global economy represent convenient ambient for gentrification worldwide. Global cities of each nation or state are active in fight to get better position in global economy, in attracting investments, getting jobs and big projects (Saskia Sassen 2000, Neil Smith 2000). Many cities from *developed world* have lost investments, becoming the losers of globalization. Standard of their inhabitants decreased, as well as the quality of public services, which caused great social tensions. On the other hand, *third world cities*, mostly from Asian, Latino - American and African countries get, with globalization, developmental chance. They traditionally have poor capacities to procure good living conditions and good quality of services for its population, but in globalization, investment of global capital in these cities changes this situation. Some of them, as economic incubators of global economy, can now offer a wide range of well paid jobs and can be seen as developmental engines for their nations.

2 CASE STUDIES

A. London

This part of the article deals with London, the capital of Great Britain, and important European and world city. It presents the tradition of urban planning, housing and changes that appeared in time of globalization. In that sense three examples of gentrification of settlements on excellent locations are presented: Docklands in centre and Carpenters Estate in eastern part of London are both examples of *classical gentrification* and Barnsbury in western part of the city, situated by Regents Park, is an example of *super-gentrification*. This analysis includes also appearance of new urbanism which creates isolated and gated settlements for rich population, as contrast to concept of open, democratic and available city.

Britain has, in the period of welfare state, developed concept of participative spatial planning (Reimer et al., 2014, p. 189-215) and in practice great attention was paid to affordable housing for all citizens. In London, as well as in other British cities and municipalities, the quota of social housing made possible for inhabitants of weaker material conditions to stay in renewed and regenerated settlement, to continue with their way of life (schools, primary health centers, parks, neighborhood centers for meetings and socializing, pubs, coffee shops etc). The regeneration process contributed to the welfare of this population, preventing bad consequences of gentrification.

In time of globalization, this practice was strongly suppressed and according to numerous researches, this field is not among policy priorities. Although local governments mostly have in their spatial and building plans precisely defined quotas for affordable housing, and they should in process of issuing building permits to investors demand from them to implement this kind of obligation, the fact is that they mostly hesitate to demand it.³ Public housing fund was sold and numerous researches identified high decrease of affordable housing, the rise of rents and prices of housing, decrease of standard of the entire population and especially of social vulnerable groups (poor, migrants, young people, unemployed, etc) who have to move on periphery in much worse living conditions.

2.1 Examples of regeneration and gentrification

Regeneration of Docklands in 1980^{ies} and Carpenter Estate in 2000^s, were in function of upgrading capacities of London to *maintain and strengthen the position of world financial and business centre in new globalised world* in the context of deindustrialization, industrial restructuring and globalization (Hamnett, 2003, p. 760, Slater, 2006, p. 737-757). In both cases city authority closely cooperated with British government in implementing these projects. In both cases market led gentrification was implemented, transforming poor settlements into luxurious ones created for rich population. Original inhabitants (workers, migrants and poor people) was removed either by direct resettlement, or by high prices of housing, rents and services. In these settlements, only small number of old inhabitants stayed. They lost former community, neighborhood, and between them and new inhabitants exists a big gap, misunderstanding and even tensions.

a. Regeneration of Docklands, with resettlement of poor population, created

3 Researches pointed out that only 40% of local governments implemented planned quotas. Data from 82 greatest housing building projects in Britain, have shown that only 20% of demands for building affordable housing were accepted, meaning that even **80% affordable housing planned for building, were lost for the communities, because investors denied** this kind of demand, and refused to built it! See: Guardian, Saturday, April 28, 2018. <https://www.theguardian.com/society/2018/apr/28/proportion-home-owners-halves-millennials>, visited 1.05.2018.

residential settlements for richer middle class, high professionals in the field of finance, IT and business while original, poor population was resettled. (Butler, 2007, p. 760). The three renewed communities which belong to Docklands (Isle of Dogs, Royals and Surrey Quays)⁴ are characterized by highly educated population with high percentage of empty nesters of both genders (represent around 54% of the whole settlement's population). Only 14% of population are families with children (Butler, 2007, p. 771 - 773, Robinson G, Butler T, 2002, p. 70 - 86). Inhabitants from these settlements have specific life style: they devote most of their time to work, and even their socializing primarily includes their colleagues and clients. They mostly do not enter in personal relationships, rarely get married and mostly don't have children. The older inhabitants mostly have another house (in suburbs or in other settlement in metropolitan region) in which they spend weekends with families and flat in Docklands is used only for working days in week. Mostly they are satisfied with tranquility and security of their settlement, as well as closeness to centre with all cultural, commercial and entertainment contents which London offers. This population expresses little interest in socializing which cannot be found in other parts of London.

Small part of poor population who stayed in this settlements, have no contact with newcomers. There is a huge gap between them which creates certain tensions that could potentially turn into conflict. In central part of Docklands additionally exists conflict between original inhabitants (workers, poor, frustrated) and population that came from Bangladesh. All these factors don't contribute to the image of successful and content community. Unfortunately, the quality of local community and neighborhood is not a topic of great importance for city government.

b. The case study of settlement Carpenters Estate,⁵ shows how regeneration changed old community, destroyed it and how former inhabitants could not cope with high prices and the lifestyle (unaffordable housing, jobs and services) in new settlement. (Watt, 2013, p. 99-108).

In the period of welfare state, this part of the city had a big fund of affordable housing, which enabled poor population to live here: young people

4 Docklands contain three parts of cities (in earlier periods used to be municipalities): *Isle of Dogs* and *Royals* as two parts of city on left bank of river Thames. Isle of Dogs contains financial and business part of London (City) while Royals contains *Quays* of Queen Victoria, Prince Alberta and King George V. Third former municipality is *Surrey Quays* on right bank of the river Thames, across the building of Parliament and Westminster. Although situated on excellent location, Docklands were pretty neglected part of city in which mostly lived poor population. (Hamnett, 2003, p. 760, Slater, 2006, p. 737-757).

5 This settlement is situated in a part called Stratford, in Newham municipality. In 2005 London was in competition for hosting summer Olympic Games for 2012 with the idea to use this project for regeneration of central - east part of the city, which was very poor and neglected.

and migrants created interesting, multiethnic community (Gunter, Watt, 2009, p. 515-529, Kennelly, Watt, 2012, p. 151-160).⁶ Three quarters of inhabitants lived in social housing (with subsidized rents), but part of them managed to buy their housings (Jones, Murie, 2006), using very favorable Law which contained Right - to - Buy legislation stipulated by Government in 1980s.⁷ The remaining quarter of the population rented private housing with higher rents, but still lower than in other, richer parts of city

In the process of regeneration, Council additionally sold social housing and building lots, highly decreasing possibility for poor people to stay and survive in this settlement. The old buildings were demolished or completely renovated, the lots have been re-arranged and completely new settlement was created. The number of homeless increased, the flats became overpopulated and around 8000 families stayed in temporary housing.

In this context, most inhabitants expressed a great dissatisfaction. A part of former inhabitants resettled instantly and regretted almost immediately. The other part of the population decided to stay and fight for their rights. They organized protest marches, riots, debates and round tables. Even a film was shoot about gentrification that happened in this part of the city (Watt, 2013, p. 110,111). All of this, however, had small influence on the final results of the regeneration process. Only small share of former population managed to survive in new circumstances, staying, similar to such population in Docklands, marginalized and without adequate neighborhood and community.

At present, these parts of the city are renewed, with luxury housing and facilities, which attracted rich inhabitants to settle here. This quarter is one of the most attractive parts of the city because it is close both to city centre and the City in which the majority of the new inhabitants works.

City of London, and municipality Newham again did not put on agenda the question of injustices made through this project: the violation of rights of original inhabitants to decide on changes in their settlement and then, in the process of resettlement, they violated their right to get just compensation that would allow them to procure good life conditions and good quality of services in new community and neighborhood.

c. Barnsbury is a settlement in Islington municipality in north-western London, near Regent's park, and is an example of super-gentrification. This phenomenon means great investment in housing and facilities by extremely rich newcomers, creating elite settlement in which, by time, only the richest population can reside

⁶ In this community lived African and east Asian population, recently settled European migrants as well as domestic workers and poor population known as East Enders.

⁷ They greatly improved their position in regeneration processes because they have better bargaining position than inhabitants who only rented housing. Land and housing ownership of original inhabitants seriously decreased chances for their resettlement.

(Butler, Lees, 2006).⁸

This part of the city during 20th century was nicely arranged in urban and architectural sense and settled by middle and higher social class (architects, planners, university professors, teachers in schools, social workers, physicians and other medical professionals, etc).⁹

Since 2000, this part of the city was inhabited by extremely rich financial professionals (popularly called Oxbridge)¹⁰ who work in the City or in Canary Warf. They bought nice villas with swimming pools and rearranged them into extremely luxurious villas. They drive the most expensive cars and live the luxurious lifestyle. The quality of local community and neighborhood suffered because new inhabitants have poor communication with community. This pattern of behavior of rich newcomers is common in almost all super-gentrifications around the world.¹¹

d. Some authors point out on appearance of gated, rich settlements with fences, gates, guards, electronic protection systems which guarantee security and privacy to its inhabitants. These settlements appeared first in USA and later developed in British cities including London.¹² They are considered as phenomenon of

8 Loreta Lee is urban sociologist who lives in this settlement, and has researched for decades changes in this part of London. She recently identified super gentrification as pretty interesting phenomenon and together with Tim Batler, made case study.

9 When it comes to political values, this population was predominantly liberal and inclined to Labors party, which gave to this community and neighborhood certain democratic and civil quality. In time of welfare state, in period from 1960 to 2000, inhabitants of this settlement, using the stimulative measures offered by Islington municipality, bought out their flats and houses and consequently *the structure of housing owners* changed. The share of housing owners rose from 7% to 34% of the entire population. Municipality developed social democratic policy that procured adequate number and good quality of affordable housing. In this period the growth of the population who live in public housing was evident. The share of this population rose from 15% to 48%. During these 40 years, Barnsbury transformed from neighborhood in which population mostly rented private housing into the settlement where population owns their housing (34%) or lives in public housing (48%). Private renting fell from 75% to 16% (Power, 1972, Hamnett, 1973, p. 252, 253, Butler, Lees, 2006, p. 473).

10 Oxbridge is an allusion on their expertise, high education and the best British universities on which they graduated: Oxford and Cambridge.

11 The authors rightly compare the experience of super-gentrification of Bursnbury in London with the one in Brooklyn Heights in New York. These two world cities are in top position for getting most favorable jobs in global economy. In both cases super-gentrification appeared from investments in housing from excellently paid professionals from financial and IT sectors. Traces of their enormously high wealth can be seen in these luxurious settlements, where housing prices reach astronomic levels (Lees, 2003, p. 2487- 2510, Lee, 2000, p. 389-408).

12 As examples of gated communities in London, are often mentioned: borough of Lambeth Gated Community (GC) and Runnymede, Surrey as Commuter belt of London. Case studies show that all communities have gates, walls with punch code and key entry systems. Surrey GCs has additional guards, while the Lambeth GCs has CCTV. (Atkinson, Flint, 2004, p. 879)

new urbanism motivated by greater security and privacy that they offer to their inhabitants. It is, however, questionable how well gated settlements succeed in this intention.

On the other hand, consequence of these settlements is great isolation of their inhabitants from other people (even in this settlement, because they are inclined to have as less communication with others, as possible). This seriously threatens the quality of neighborhood, prohibits the concept of mix housing, as well as the principle of open and democratic cities and urban communities (Butler, 2007, p. 763,769,770, 772-777, Atkinson R, 2006, p. 819-832, Atkinson R, Flint J, 2004, p. 875-892, Grant J, Mittelsteadt L, 2004, p. 913- 930, Law S, 2004).

B. Shanghai – urban regeneration and gentrification from 1990^{ies} to nowadays

This part will be devoted to urban regeneration and gentrification of Shanghai as the most populated and economically developed Chinese city. It is interesting to analyse how this city in country with socialist political system and market economy, regulates urban planning, building and reconstruction and how it solves emerging problems. Two cases are presented: *the first one* is an example of classical regeneration with gentrification on centrally located lots of Xintiandi and Taipingqiao park and *the second one* is the example of rehabilitation of Taikang street and Tianzifang neighborhood as a kind of piecemeal gentrification with active participation of inhabitants and without enforced resettlement.

China as a socialist country used to have developed planning system, centralistic management, state ownership of land and building lots, and great state housing fund, with flats of various quality. In Chinese cities one can often find poor informal settlements (lilong) with neglected infrastructure and poor living conditions. Another characteristic of China is a regime of territorial registration of population (Hukou system) which enables inhabitants to use public services on this territory.¹³

Since 1990^{ies} when China has turned to market economy, it started development of market oriented urban regeneration. Reform of housing policy and especially political decentralization has transferred competencies for urban

13 Hukou system appears as *urban and rural hukou* means that right to education, health care, social and other public services are available only for registered on this territory. All others, including huge number of migrant population who came from rural settlements in Shanghai, have no rights for using these services. Out of 25 million of Shanghai inhabitants, 10 million are migrant population which are in poor living conditions (Sha, Wu, Ji, Chan, Lim, 2014, p. 13). This system causes great inequalities and injustice, which are even more visible in processes of urban regeneration.

redevelopment and public finances (for these activities) from state on local governments. The regime of urban land use and construction has changed, stimulating market and privately financed urban regeneration (a form of public private partnerships). These partnerships were very efficient in great urban reconstruction which made huge transformation on the face of Chinese cities. Most of them are classical gentrification with both, good and bad sides.¹⁴ (Wang, 2014, p. 16)

Although Shanghai was the greatest production and financial contributor in the country, the quality of life in this city was very bad. With urban reconstruction in 1990^{ies} Shanghai went through huge transformation and became one of the most beautiful world cities.

Case 1: Classic gentrification with resettlement of population

Project of strategic regeneration of main commercial centers situated in famous Huaihai street was initiated in 1996 (Wang, 2014, p.89).¹⁵ Basic problems for inhabitants in these settlements were overcrowded flats and poor living conditions caused by longstanding lack of investment. First lots planned for regeneration were in Xintiandi and Taipingqiao park. Housings were demolished and population resettled in two peripheral Shanghai districts – Pudong and Minhang (Chang, Yang, 2007, p. 29, Wang, 2014, p. 182).¹⁶

In the beginning, it was very important for district government to have a good start with the project. Therefore, it procured adequate compensation for inhabitants who had to be resettled.¹⁷ Inhabitants have gained greater and better quality of housing, together with ownership of them. Mostly, they were satisfied because their quality of life upgraded and they have got a good quality of services

14 Central government remains in charge for macroeconomic planning. Local government gets charges for urban reconstruction and higher financial autonomy in order to regenerate cities and to develop and properly maintain infrastructure (building funds are transferred to them through reallocation of central and local tax revenues). It was also of great functional importance for local government their right to lease state land. Reform of housing policy in 1990^{ties} established great private, besides public housing market in China. Transforming socialist, welfare housing system in market housing system also stimulated greatly urban development (Sha, Wu, Ji, Chan, Lim, 2014, p. 13)

15 Taipingqiao district has a space of 52 hectares, settled with about 70 000 of inhabitants (20 000 households) and around 800 enterprises which work on this territory. In this district, around million m² were covered with lilong settlements, mostly owned by state (Wang, 2014, p. 165).

16 Plan of regeneration for this district considered demolition of these lilong settlements. Several actors were part of the project. Investor was in charge for procuring finance for building and new housing for resettlement in accordance with the district government policy, standards and recommendations. Special commissions were in charge for resettlement of inhabitants and negotiations with them. (Wang, 2014, p. 186)

17 In this period still existed only compensation like donation of housing and not compensation of financial means.

on these locations.¹⁸ Later, however, new resettled inhabitants got worse quality of housing, inadequate location with poor quality of services, poor transport connections to jobs, schools, health centers, parks etc. Therefore, a lot of citizens consider resettlement as very unjust activity of authoritarian government, that has jeopardized the rights and interests of social vulnerable groups.¹⁹ (Wang, 2014, p.190).

Although citizens are almost never included in decision making process, and their opinions are not of a great significance for officials, Chinese governments try to avoid riots, procure legitimacy and general satisfaction of inhabitants. Therefore public dissatisfaction with resettlement process and inadequate compensation, followed by riots, stimulated government to reform compensation policy.

Since 2001 the compensation in housing was replaced by financial compensation, which should allow inhabitants to purchase new housing. Unfortunately, monetary compensation did not solve problems for citizens. Financial compensation were not transparent and investors and companies in charge of resettlement, have taken a share of compensations for themselves (Wang, 2014, p.199). Therefore the amounts that inhabitants receive were not high enough to buy housing. Additionally, the housing prices were constantly increasing (both, for buying or renting), while compensations stagnated (Wang, 2014, p. 197). In these circumstances citizens resisted to resettlement, trying to get more money from investors. Younger, more influential and more skillful got higher compensation, while older and marginalized population could not manage to get support and sunk in poverty. This example is a good illustration of regeneration projects that happened in other parts of Shanghai as well.

Case 2: Market gentrification with rehabilitation

Besides numerous regeneration projects which included demolition of old settlements, there are also examples of regeneration without resettlement and negative results (Wang, 2014, p.238). Since 2000, Shanghai government considered the political and cultural importance of historical conservation of old buildings

18 The size of housing was defined by the size of the family. For example, three member family which used to live in housing of 20m² was entitled to 70 m² equipped with toilet, kitchen and all comfort and privacy. The practice of sharing common rooms did not exist in new settlements. (Chang, Yang, 2007, p. 29).

19 Social relations in lilong settlement were main factor for perception of the resettlement process from resettled population. Resettled population lost neighbors and friends, lost *sense of belonging to community*, and their life drastically changed. Besides this, they lost *centre location* which made their everyday life easier, because of good transport connections, closeness to schools for children, health and social institutions for old and poor, markets, shops, etc. The closeness to parks made them possible to have common activities as recreation, dense, singing which represent specifics of Chinese culture.

and neighborhoods stimulating appearance of *piecemeal gentrification*.²⁰ One of such examples is rehabilitation of Taikang street and Tianzifang neighborhood in Dapuqiao district, which in 10 years transferred from old neighborhood into “creative industry cluster” and one of the most visited tourist attractions in city. In order to revitalize and turn Dapuqiao district in residential and commercial part for rich middle class,²¹ Dapuqiao Street Office in 1998 recommended to change the use of industrial buildings in Taikang street. The idea was to conserve the exterior of these industrial buildings while regenerating interior for commercial and artistic activities. Increasing number of businesses wanted to open their boutiques, bars, galleries, elite artistic schools (sculpturing, painting, music), shops for jewelry, souvenirs, tea, etc. In this way, this neighborhood transformed into attractive settlement. (Arkaraprasertkul, 2017, p. 3).

This trend was also beneficial for local inhabitants because collected good rents from their valuable rented space and sometimes, they even voluntarily moved in other parts of the city. In such a way this lilong settlement became an example of *market led commercial gentrification* (Wang, 2014, p. 247). It turned out that this kind of gentrification resulted beneficially for everyone: city preserved the spirit of old Chinese culture and neighborhood, enterprises developed new creative industries and businesses and local population profited as well.

The consequence of this regeneration was creation of new mixed community combining both old and new inhabitants which resulted in new vibrant neighborhood.²²

Although China has developed market economy, it also preserved socialist values and concept of social justice. In the field of urban regeneration, local governments turn from profit oriented policy to the concept of “balanced and sustainable development”. Wang pointed out that local governments are increasingly promoting socially responsible entrepreneurship, where issues of justice and social harmony are integral parts of competitiveness. (Wang, 2014, p. 324-325).

In previous years the governments showed more sensitivity to citizens' needs trying to solve emerging problems. A number of important strategies and laws was stipulated regarding the transparent and just compensation policy with

20 Piecemeal gentrification means long-term changes with participation of inhabitants and implementation of various measures tailored for this specific situation.

21 District government had a plan to demolish this settlement and to build the new one.

22 Great part of lilong settlements were in state ownership. Formally regarded, inhabitants of these settlements had right to rent their housing for this purpose. The changing of purpose was not legal but government tolerated it. (Wang, 2014, p. 253-254) conclude that this “bottom-up” revitalization process was possible because of that government support which is good indicator of changes of local governments' attitudes.

precise formula for its calculation. A lot of funds are now dedicated for building affordable housing of good quality, supported with good public services, protecting citizens from identified malversations and scams. These activities, although new, are encouraging. In that sense one can assume that in future urban regeneration projects will be more socially responsible.

2.2 Is there an alternative for gentrification as social and spatial injustice?

Having in mind overall presence of gentrification in the world, last years the more intense professional and academic debates have been led in order to identify if there is an alternative to gentrification. Is it possible to conduct regeneration of neglected parts of the city without resettlement of original inhabitants (especially poor population), without violating their rights and without causing social and spatial injustice? Can regeneration project also upgrade the living conditions of these vulnerable groups?

It is not easy to find an alternative for gentrification in sense of complete exterminating of spatial injustice which goes with this phenomenon, but one can say that until neoliberal concept dominates, gentrification in present form will survive. If neoliberal urban policy remains, one can expect further spatial and social inequalities, injustice and possible social conflicts. In a number of cases, when local government ignored citizens' needs and rights, inhabitants *resisted and tried to protect their right to city* with more or less good results.^{23\}

Local governments should abandon the practice of imposing already prepared projects without consultation with citizens and include them in this process. Numerous authors are that gentrification should be rather managed instead of resisted. (Lees, Ley, 2008, p. 2382)

3 CONCLUSION

It can be concluded that affirmation of social democratic instruments connected to participative urban planning and building should maintain, strengthen and consequently be implemented as a remedy for bad practice.

Participative spatial planning together with debates on spatial plans, on creation of urban policies, and on building projects are important instruments

23 Good examples are Sternschanze in Hamburg, good examples of inhabitants' win over city which changed the legal regulation and made possible for other people with similar problems to use these instruments in fight (Yuerba Buena Center in San Francisco in 1970^s, resistance to removing *Social Centre* from *excellent location in the centre of LA*, and procurement more just and favorable *public transportation network* for poor population both in Los Angeles in 2000^s). Great examples of resistance to resettlement with tailoring regeneration to their needs can be seen on examples of settlement *Pedro Aguirre Cerda* in central zone of *Santiago (Chile)* and *Vila Autodromo* favela in Rio Rio de Janeiro (Brazil). (Lees, Shin, Lopez-Morales, 2016, p. 163-167)

for creation of “cities for people”. It is good to affirm the *concept of mixed housing* because it is one of the instruments for decreasing spatial injustice and inequalities. Beside this concept it is important to procure *building quotas* for affordable housing, and if they already exist, to implement them consequently.²⁴ Additionally, vulnerable social groups should be better supported with a number of instruments such as: increase of affordable social housing fund (almost destroyed with selling and privatization), subventions for rents, procure housing for free, etc.

Implementation of urban regeneration projects has to be defined in detail, especially when these projects affect living conditions of local population. Numerous examples have shown how local inhabitants can be creative and devoted to regeneration project, procuring great benefits for themselves, their settlement and the city as a whole.

If project however includes resettlement of local population, it is vital to establish clear and transparent criteria on prepared compensation as well as to organize debates with the beneficiaries regarding the adequacy of compensation in size and in scope (which costs can be covered by it). This procedure is democratic, transparent, decreases dissatisfaction and potential conflicts. It also decreases chances for misuse and profiting from unhappy situation of this vulnerable population. Finally, local government should make sure that resettled population has all the necessary services provided in new settlements (kindergartens, schools, health and social institutions, good transportation system, etc).

Local community is a crucial word for urban system. Besides the beauty of the buildings, settlements and public spaces, the true beauty of the city *comes out of its community*, from satisfied people, good quality of their relationships, good values as trustfulness, friendship, solidarity, security, good neighborhoods, democracy, etc.

Countries which have a good regulation and are devoted to good participatory practice in planning and implementation of regeneration projects procured very good results. Their citizens are happy with the life in their community and society as a whole.²⁵ Therefore they give us excellent lessons from experiences.

24 As it was already mentioned in the text, British cities often have building quotas in their plans, but their officials rarely implement them, what presents a bad practice.

25 Denmark has good regulation and Danish cities affirm participatory urban planning, creation and implementation of urban projects. Copenhagen has a number of excellent solutions made in the process of communication between city officials, Urban Architecture Centre (experts) and inhabitants. Citizens in Denmark are very happy with living condition in their cities and society as a whole.

Economic development should not be the only priority for local government in local reconstruction projects. Local government, as the closest to citizens, should represent their interests, care of their needs and help them with problems that emerge in local community. The stimulation of local economic development is highly connected to the quality of life of all citizens. If local economic development turns out to become instrument of making wealth for the few at the cost of the majority of inhabitants, then local government lost its primary purpose.

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