CITIES IN TRANSCONTINENTAL CONTEXT: 
A COMPARISON OF MEGA URBAN PROJECTS 
IN SHANGHAI AND BELGRADE

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This study of urban developments in Belgrade and Shanghai is set in the context of comparative urban research. It presents two ostensibly contrasting cities and briefly examines urban development patterns in China and Serbia before focusing more specifically on mega urban projects in the two cities – Pudong and Hongqiao in Shanghai contrasted with New Belgrade. While the historical genesis of the Chinese and Serbian projects differs markedly, together they provide complementary examples of contemporary entrepreneurial urban development in divergent settings. China and Serbia share a heritage of state ownership of urban land, and this characteristic is still very much a feature underpinning development in Shanghai and other Chinese cities, as well as in New Belgrade. In both territories, state ownership of land has contributed to a form of urban development which – it is argued in this paper – can best be seen as state-based but market-led. The comparative study that this work initiates will, it is hoped, contribute to an understanding of contextual change in the two worlds regions of East Europe and East Asia.

Key words: comparative urbanism; urban restructuring; mega urban projects; state ownership of land; Shanghai; New Belgrade.

THE CASE FOR COMPARATIVE URBAN RESEARCH

There may be an element of surprise, even incredulity, in placing Belgrade alongside Shanghai. What can be the point in this act of urban comparison, when on the face of it there is so little in common between these two cities? Shanghai is one of four municipal provinces in China, with a population of over 23 million, but standing at the centre of an even larger conurbation that stretches far inland. If Belgrade, with its population of well under 2 million, were located in China, it would be ranked a small-scale city. In the European context, it is a medium-sized regional centre with important locational advantages within Southeast Europe. Relatively small it may be, but Belgrade is a capital city; Shanghai is not. Comparative research, however, does not need to limit itself to the predictable. Any research that focuses on cities is likely to include a comparative element, if only obliquely. Indeed, one could claim that it is only with an element of comparison that the fruits of research can rise above the parochial and say things to broader audiences about change in the contemporary world.

The urban setting lends itself to comparative work, given a base line of commonality that occurs when we apply the same (or very similar) terminology – city, metropolis, the urban, etc. However, to avoid random and haphazard acts of city twinning, some sort of typology of comparison should be observed. The historian Charles Tilly proposed four types of comparison – individualizing, encompassing, universalizing, and variation-finding (1984:81). In adapting this typology to the context of comparative urbanism, I suggest a three-fold framework: systemic–convergent, strategic, and contextually sensitive–regional (Waley, 2012). Each has its own value, and none is exclusive of the others.

Systemic–convergent comparative work tends to be driven by a preoccupation with underlying patterns related to the movement and impress of capital. This approach sees contemporary capital as a force for global convergence. Urban research, such as the work of those writing under the rubric of global cities, while not overtly comparative, nevertheless serves to draw attention to commonalities through its focus on the role of capital management industries. Strategic comparisons draw attention to specific conditions in order to build up arguments, as will be shown here. Contextually sensitive–regional comparative studies seek to position themselves at a meta or regional scale in order to draw out a finer stratum of distinctions and commonalities. Such work has been particularly fruitful in the context of research on European cities (Le Galès, 2002; Stanilov, 2007). This paper is particularly inclined towards strategic comparison, in the belief that selective, indeed strategic, comparative work of this nature can help by highlighting certain key aspects of urban change in the contemporary world. Strategic comparative work, it could even be argued, holds a crucial role in the everlasting tension that marks all social theory, between the search for...
commonality and the identification of difference (Pow, 2012). As Hörschelmann and Stenning (2008:349) have argued, the trick is to get the balance right in comparative work between an appreciation of local difference and an understanding of ‘embedded[ness] in global networks and relations’.

Research on cities in Central and Eastern Europe (CEE) has alternated between a convergent approach emphasising transition towards a recognisably global capitalist model and a regionally sensitive approach built on the concept of path dependence, paying close attention to historical embeddedness. A number of commentators, especially in the 1990s, posited a set of common patterns in the trajectories of countries in Central and Eastern Europe alongside China and Vietnam, especially in urban development, although with a growing assertion of the importance of path dependency (see Ma, 2002, for a review from a Chinese perspective). They saw countries in both parts of the world as going through a similar ‘phase’ of transition, even if along differing paths – market socialist in the case of China and Vietnam, neoliberal capitalist in Eastern Europe.

This bracketing of China with Eastern Europe can be seen, in one sense, as a brave attempt to avoid the pitfalls of what Pow (2012) refers to as ‘China exceptionalism’, the treatment of China as a distinct case, but it runs the risk of obscuring major differences by bringing discrepant cases under the same roof (Ma, 2002). At the same time, the concept of transition has been widely criticised for being excessively teleological, with its suggestion of an acknowledged starting point (socialist state/city) and a recognised end point (capitalist state/city) (Ferenčić, 2005) writes of the high social costs.

This paper, then, represents an exercise in strategic comparative urbanism. It seeks to compare developments in two very different cities in divergent world regions, cities which nevertheless exist within a governance framework that bears some similarities. It does this both as an exercise designed to contribute to comparative urban studies but also as a contribution to a discussion of possibilities for planning and governance in Belgrade and Serbia. The paper starts with an overview of urban restructuring in the two countries, laying out very briefly some of the major trends in urban development. It then moves on to a consideration of the two outstanding mega urban development projects in Shanghai, one of them, Pudong, well established, the other, Hongqiao, still in the construction phase. It compares these with developments in New Belgrade, which, although very different in its conception and history, is a field for the same types of entrepreneurial investment as is Shanghai. Special emphasis is placed on the role of mega urban projects to engineer change in the production of urban space through the marshalling of regional and global capital.

**URBAN RESTRUCTURING IN CHINA AND SERBIA**

In this section, I examine the ‘ground rules’ of urban restructuring in China and Serbia. In doing so, I draw special attention to the crucial point in common between urban areas in the two countries, that urban land is still (largely) owned by the state, even if it is not always entirely clear what is meant by ‘the state’ in this context, and even though the Serbian Government is pursuing land privatisation policies.

The nature of urban change in China is conditioned by a number of factors that are of interest and relevance in view of developments in Serbia and in the wider region. In the first place, urban and rural lands are under different ownership regimes, the state in the first case and rather ill-defined rural collectives in the second. The ambiguous state of rural land has led to a disorderly and problematical process of development on the urban fringe as it has often been hard to discern the exact nature of the entity owning rural land (Wu and Gaubatz, 2013:196). The consequence in terms of urban sprawl can be seen as China’s version of informal urbanisation (Li and Wu, 2008). In urban areas too, difficulties have arisen as to the nature of the state entity that owns the land. Many state-owned enterprises have resisted local government claims on ‘their’ land. When they have moved factories and other facilities out of central and inner city areas, they have insisted on ‘owning’ and managing the redevelopment process themselves.

China’s local-level governments have generally managed to remain in control of urban restructuring. They have created a host of joint-venture companies and wholly owned subsidiaries whose raison-d’être is property development, companies that have pursued urban restructuring projects to the benefit of both municipal but also corporate coffers (Hising, 2010). Urban restructuring in China is indeed led by the state, but it is animated by capital. Urban land therefore has become partly commodified, even though it is owned by the state, and the buildings built on it are largely assimilated into the market. The urban landscape is no longer flat; instead, it has the peaks and troughs that we associate with commodified urban space. State-owned enterprises have played their part in this transformation, alongside municipal governments, making available plots of vacant land in central and inner city areas.

It is a real restructuring that is occurring, both at the city-wide level, as Chinese cities become centres of consumption and consumerism, but also at the level of personal experience of urban living, as block by block Chinese cities are being torn down and rebuilt, with inevitable consequences on where and how people live in them. It is hardly surprising therefore that the process, although put across and wrapped up in an entrepreneurial discourse, especially in the case of Shanghai (Wu, 2003), is kept under close control by the state as it has engendered significant if sporadic resistance. In sum, the role of the state is generally seen as paramount. It is developer and place maker through property-led restructuring schemes.

The picture in the cities of Central and Eastern Europe differs markedly in some important respects, notably in the extent of involvement and influence of the state. The general consensus among scholars seems to be of a move towards entrepreneurial city governance throughout Central and Eastern Europe. Petrović (2005) writes of the high social costs attached to this shift. The influx of global capital has helped to create a new hierarchy around leading cities such as Warsaw, Prague and Budapest, while smaller cities have struggled ‘to compete’ at a number of levels. The serious problems of population decline in provincial Serbian towns is testament to these difficulties. The consequence, so it is argued, has been the forging of new cores, semi-peripheries and peripheries. Some writers have seen the same processes at play within cities; Hirt (2006) has observed these trends in Sofia.
These overall patterns can be applied in the context of Serbia and within Belgrade. Petrović (2005) sees three institutional patterns at play in contemporary Serbian cities: those of pre-existing socialism, of informal urbanism and of market-driven forces. Planning in contemporary Serbia has been characterised as ‘project-led cum market-based’ (Vujošević and Nedović-Budić, 2006:280), although I argue below that in the context of New Belgrade it might be more accurate to characterise planning as state-based but market-led, aligning it more closely with the situation in China. Planning in Serbia is generally considered to be dominated by a technocratic approach, with a focus on physical infrastructure. Perhaps reflecting this emphasis on the entrepreneurial and the infrastructural, Belgrade has its own Chief Architect and City Manager. The Urban Planning Institute of Belgrade is affiliated to the city government, but its budget is received on a project by project basis. As elsewhere, then, planning has been relegated both in its institutional position but also in its capacity to shape the urban terrain.

Two bursts of legislation have occurred in recent years, first in 2003 and then in 2009. The overall aim of these laws has been to bring Serbia closer to EU norms, to ‘regularise’ the physical infrastructure. Perhaps reflecting this emphasis on the entrepreneurial and the infrastructural, Belgrade has its own Chief Architect and City Manager. The Urban Planning Institute of Belgrade is affiliated to the city government, but its budget is received on a project by project basis. As elsewhere, then, planning has been relegated both in its institutional position but also in its capacity to shape the urban terrain.

MEGA URBAN PROJECTS IN SHANGHAI AND BELGRADE

Nowhere has the process of urban restructuring been more pervasive than in Shanghai, whose central and inner areas had been characterised by poor housing conditions interspersed with factory compounds. Shanghai’s transformation originated in decisions taken by senior party and government leaders in Beijing and Shanghai in the late 1980s, when Shanghai was considered to be in the doldrums (Marton and Wu 2006). The restructuring has taken various forms, and has led to the regeneration of the city centre, the development of Pudong and now the construction of the commercial and transport hub at Hongqiao in the city’s western outskirts, examined in the sections below.

The initial impetus for the development of Shanghai came as a result of what was seen as the success of the Special Economic Zones (SEZ) in the south of the country. Throughout the 1980s, Shanghai had remained reliant on manufacturing. Across the Huangpu river, Pudong was an area of rusting old factories, poor quality housing and fields. It was given SEZ status in 1990, with backing from the State Council in Beijing. An Administrative Commission was set up to run Pudong, with a development corporation for each of the four special zones that were set up. In 2000, a special administration, the Pudong District Government, was established, with a high status directly under the Shanghai municipal government.

Of Pudong’s four special zones, Lujiazui was the nearest to the old city centre and was designed as a centre for the global higher order service sector, especially finance companies. The development corporations set up to undertake the construction of Pudong have used two development techniques, known colourfully in Chinese as zhouchao yinfeng and yinfeng zhouchao, or fix the nest then attract the phoenix, and attract the phoenix then fix the nest. The first refers to the construction of infrastructure and buildings prior to attracting investing companies, while the second involves first obtaining interest from investors who then develop and make profits from the sale of property. In Lujiazui, the development corporation has tended to construct buildings and infrastructure and then find buyers rather than vice versa. Elsewhere in Pudong, where foreign owned companies are involved, they have tended to lease land first (Wu and Barnes 2008). Much of the actual construction, however, especially outside Lujiazui, has been unrelated to the plans of the district government and the development corporations.

The overall picture presented of this giant development project, larger than any other mega urban project, is one of great success. Lujiazui, Pudong’s CBD, presents a glitzy assortment of skyscrapers that have come to epitomise China’s place in the globalising world of big business. Inevitably, however, the picture is a mitigated one. Problems have been encountered as a result of over-investment and over-construction, much of it off-plan. There is no local representative congress and no avenue for objections to be expressed by local residents.

Shanghai is currently undertaking a second, only slightly more modest version of Pudong. This is the Hongqiao commercial and transport hub in the west of the city. The Hongqiao mega project has a total area of 86 square kilometres, with the core area of Hongqiao Business District covering 26 square kilometres. If the development goes as planned, by the end of 2015 the construction of the core area will be finished. The plan is for the core area to attract more than 50 headquarters of trade and investment companies and 500 to 700 related companies (SMMBD 2010). The job of attracting companies to move to Hongqiao belongs to a municipally owned organisation. It is anticipated that many of these companies, unlike in Pudong, where international and diaspora Chinese capital were central, will be firms with a regional base and sphere of activity, within the Pearl River Delta. Hongqiao is designed to become Shanghai’s western gateway (Waley and Jiang, 2012).

These are projects that apparently bear no resemblance to developments in Belgrade. There could after all be little more different from the carefully planned, ostensibly egalitarian grid of New Belgrade than the piecemeal urbanisation of Pudong. And yet this is not quite the case. There is for a start the coincidence in the location of Pudong and New Belgrade, both on the far side of a main river, both exploiting land that had been lying fallow – or at any rate under-used.

New Belgrade is deceptive, and one could argue that there are two New Belgrades that overlap like a palimpsest (Waley, 2011). Modernist New Belgrade was an incomplete city that left large gaps, and many of these have only latterly been filled. The years leading up to the onset of the economic downturn in 2009 saw a surge of activity and the completion of a number of projects, including the Delta shopping centre and Airport City. Other projects, such as Ušće and Sava City, have been completed more recently. Still others, such as Blok 26, appear to be awaiting an economic recovery. So on top of the orderly rectangles of the socialist era, the structural manifestations of urban entrepreneurialism have accrued in disorderly fashion. Capital investments in New Belgrade have come from a variety of sources, including local tycoons (Delta and Ušće shopping centres), Slovenian interests (Merckator), and Israeli investors (Airport City) to name but some of the most prominent. The nature of these investments – in office complexes, shopping centres, expensive residential blocks – has been drawn from the standard repertoire of urban entrepreneurialism.

Relative to the size of the two city’s populations, New Belgrade is more extensive than Pudong and Hongqiao combined, but the availability of capital is much more limited. It
is perhaps not surprising, therefore, that the development process has been slower. Despite the obvious contrasts and differences, the intent behind the development strategies represented by the New Belgrade of today and by Pudong and Hongqiao in Shanghai is not so dissimilar — to stimulate the growth of prosperous CBDs through the creation of an appropriate environment for corporate investment. In Shanghai, the tendency has been to fix the nest to attract the phoenix, whereas in Belgrade, the nest fixing tends to come second, or at best concurrently with the task of attracting the phoenix. There is nothing particularly imaginative about the strategies followed in Shanghai and Belgrade. Nor is the approach unusual, even if the mega size of developments in Shanghai is. What is distinctive to both Belgrade and Shanghai is the pursuit of a state-based but market-led approach in which land remains in the hands of the state — even if Belgrade is attempting to move away from this state of affairs (Nedović-Budić et al., 2012).

In both Belgrade and Shanghai, there is less than clarity as to who or what the state is. Urban development in Shanghai and other Chinese cities has been dogged by disputes between municipal governments and state-owned enterprises and organisations, which lay claim to the ownership of land that municipal governments tended to assume was their own (Hsing, 2010). In Belgrade, land ownership and management of land has been tossed back and forth between city and central governments, and especially in New Belgrade, ownership of some plots is held by large ex-Yugoslav para-statal organisations. There are, crucially, no issues of restitution in New Belgrade, where development commenced during the Socialist period.

In both Shanghai and Belgrade, though the mechanisms have differed, the state has transferred or auctioned off rights to use of the land. In Belgrade the process has been managed by the Belgrade Land Development Public Agency. In Shanghai, the introduction of a policy of open, public auctions was ordered by the central government, but this is after all no lack of grey areas in systems of private land ownership. A further point that Hall makes, one that might arguably be brought into consideration in the context of Serbia but cannot be properly considered here for lack of space, is that the emphasis on the legalistic aspects of a land market leads to a diminished regard for the production and distribution of housing as a social good (2007:15).

New Belgrade will never resemble Pudong or Hongqiao in its scale. It will always comprise this strange visual tableau of modernist blocks with strongly evident post-modernist fillings. But in its mixture of state-based but market-led urbanisation, it bears important commonalities with the two mega developments in Shanghai. Together, they remind us that there are diverse approaches to an entrepreneurial urban strategy.

**CONCLUSION: MARKET FORCES ON STATE GROUND**

As has already been noted, there was a brief period when China and Vietnam were thrown into the same ‘transition’ pot as the ‘post-socialist’ countries of Central and Eastern Europe; and their cities were seen to be undergoing the same transitional processes. Since then, most research in this area has leaned towards an emphasis on path dependency, and this has particularly coloured comparative urban research in CEE, where it has become important to observe divergences in historical paths. Yet the concept of path dependency can also be deployed comparatively, to help build up an understanding of urban change in different geographical settings. This can reinforce the sort of strategic comparative exercise that I am undertaking here.

This paper is short and exploratory in nature, designed to generate discussion. But it is not the first essay in East Europe East Asia comparative urbanism. The historian of Shanghai Jeffrey Wasserstrom has written a paper in which he compares Budapest with Shanghai (2007). Wasserstrom’s work is built up out of impressionistic and discursive appreciations of the two cities, recognising the importance of popular epigrammatic and metaphorical narratives, such as when both cities are referred to as ‘Paris of the East’ (2007:228). Despite the occasional conceptual focus on ‘cities in transition’ and ‘post-socialist’ cities, strategic comparative urban work has seldom been attempted for Chinese cities. Equally, as I suggested at the outset, Belgrade has tended to be left out of the story of urban change in CEE countries.

China and Serbia share a common regime of ownership of urban land. In both Shanghai and Belgrade, we can see what I have called here a state-based but market-led process of urbanisation. In both cities, mega urban projects with differing histories have been used to engineer change in urban space. Although the process has not always been straightforward, especially in peripheral areas of Shanghai, the development of these large expanses of urban land has been facilitated by their ownership on the part of the state. The ultimate control exercised by the state has, it could be argued, allowed for a more coordinated process of development of the urban terrain.

Having followed not totally dissipalist socialist paths in the past, both China and Serbia retain this heritage of state ownership of urban land. It is true that collective ownership remains in place in rural China but not in rural Serbia. It is also the case that Serbia is attempting to move away from state ownership, but with little success (Nedović-Budić et al., 2012). Perhaps the time has come then to call a stop to the clumsy and largely unfulfilled attempts to restore private ownership of urban land and take advantage of the benefits of state ownership, despite the mixed heritage this has in the Yugoslav context. It is to be hoped that planning authorities in Belgrade and Shanghai might perhaps come together to discuss the possibilities that this common form of urban land ownership holds.

**References**


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