

Untangling a global–local nexus: sorting out residential sorting in Shanghai

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Abstract. The local ‘touchdown’ of globalization gives rise to many complex global–local nexuses, and understanding their nature, structure, and consequences presents a major analytical challenge for globalization research. This paper attempts to untangle one global–local nexus by examining the ‘sorting’ of people into residential or neighborhood spaces in globalizing Shanghai as a function of individual demographic and socioeconomic attributes and by examining personal global connectivity as a key relational variable. We begin with an overview of how local residential differentiation in general and particularly in Shanghai has evolved through the current phase of accelerated globalization and through the city’s booming decade of the 1990s. Then, using survey data from the Pudong New Area of Shanghai in 2001, we present a statistical account and analysis of the increasingly varied and layered residential spaces of Shanghai into which people are ‘sorted’ by both internal local and extralocal factors. The analysis shows that, net of a number of demographic and socioeconomic variables, personal global connections have an effect on people living in different neighborhood areas, especially in more expensive and exclusive housing estates. Finally, we discuss the implications of the findings for how the individual-level impact of global connectivity could reinforce local spatio-social stratification in rapidly globalizing cities like Shanghai.

Introduction

Research on globalization confronts the challenge of understanding the complex and multifaceted global–local relationship. Despite the varied ways of labeling and conceptualizing this relationship as interdependent and interpenetrating in terms of ‘glocalization’ (Robertson and Khondker, 1998) or ‘grobalization’ (Ritzer, 2003), it remains empirically difficult to clarify how the global and local are linked and interact with each other in different sociospatial contexts. What complicates this further is that, while macro and institutional analysis of the global–local relationship is more common and fruitful, untangling it at the micro or individual level is rarely done—primarily due to data and measurement constraints. In other words, there is a shortage of studies to measure and model how people’s personal global connections (PGCs) may affect their social positions or life chances in local settings. This paper attempts to untangle one global–local nexus by examining how the ‘sorting’ of people into residential spaces in Shanghai may be accounted for by their PGCs, while taking their demographic and socioeconomic attributes into account.

The residential pattern of a city reflects a sorting process by which people settle in and move between neighborhood areas based on a variety of individual demographic and socioeconomic characteristics and community and neighborhood features. These factors drive residential sorting in a market economy in which people tend to end up living where they live in response to varied conditions and constraints. And this sorting process produces and sustains highly differentiated or hierarchical residential spaces that largely correspond to their occupants’ socioeconomic status and lifestyles

(see Semyonov and Kraus, 1982). In a socialist planned economy, however, this sorting process hardly exists as the government, instead of the market, regulates where people live through land control, public housing construction, and the administrative allocation of housing units. State control over housing gives rise to a largely undifferentiated residential landscape. What happens to the residential space of a transitional-socialist city after residential control and redistribution by government planning have given way to an active real-estate market and thus unleashed a residential sorting process? Moreover, if a transitional-socialist city is also a rapidly globalizing city, is residential sorting also subject to external or global forces besides internal or local socioeconomic conditions?

China's booming coastal metropolis of Shanghai has experienced dramatic residential transformation since the early 1990s as both a transitional city moving away from socialist planning and a globalizing city becoming integrated with the outside world. This process is characterized by rapid real-estate development in place of the traditional government control of the housing sector, on the one hand, and the penetration of global capital, on the other, which in turn has fueled a 'hot' housing market. For example, the proportion of overseas funds directly flowing into real estate rose from 16.1% to 25.4% in 2001–03, and further increased to 32.6% in the first five months of 2004 (*Asia Times* 2005). This mammoth market share of foreign funds in the Shanghai real-estate market has exerted a strong influence on the market. The average sales price for residential property in Shanghai has doubled since 1997, with a surge of 26% in 2004 to US \$784 a square meter (Aredy, 2005). Units in a few prime estates near the Bund doubled in selling prices one year after they were built, from less than US \$1000 to almost US \$2000 a square meter in the first quarter of 2005 (O'Neill, 2005). Luxury apartments in Shanghai and Beijing with names like Rich Gate and Home of the Tycoons could sell for prices comparable to those of some high-end properties in New York. These internal and external dynamics have unfolded in conjunction with more differentiated individual lifestyles resulting from more diverse socioeconomic characteristics and resources. The combination of these conditions raises the central issue of how they may account for a sorting process of residents into varied neighborhood areas. To provide the theoretical backdrop to the analytical focus, we offer a brief overview of how research on local residential differentiation has evolved through the contemporary era of globalization.

Local residential spaces before and during the global era

The pattern of residential distribution in cities is a perennial concern in urban sociology, dating back at least to the classical human ecological studies associated with the Chicago School in the 1920s. That early body of research done primarily in the city of Chicago attributed spatial differentiation such as the separation of place of work from that of residence to the competition for and succession of land use. Given the more intensive competition for land in the central city, its value and price tended to be higher but declined with distance away from the city center. This differential in land price had a corresponding effect on the cost of housing stocks between the city center and outlying areas. While the rich started out living near the city center, they moved to the outskirts as the land and housing prices became too high and as bigger living space and a better (less noisy and polluting) environment became more desirable (Orum and Chen, 2003). This outward residential movement also occurred among successive generations of some immigrant groups as a result of their upward socioeconomic mobility, with the exception of many African-Americans trapped in the segregated parts of older and declining industrial cities due to a combination of persistent discrimination (Massey and Denton, 1993) and declining economic opportunities (Wilson, 1997).

One could view these earlier patterns of residential divisions and segregation in US cities as an outcome of people being sorted by local economic and spatial factors during those times.

Later research on residential differentiation or sorting took on a new dimension around the relative importance of the local spatial boundary versus the network structure of urban communities in light of a broadened definition of community that includes interpersonal networks, residence in a common locality, and sentiments and activities of solidarity (Gottdiener and Pickvance, 1991). Unlike traditional research, which placed a stronger emphasis on common locality by mapping local area boundaries and then examining the extent of communal interactions and sentiments within these boundaries, a social network approach advocated by Wellman (1979) focused on delineating structures of relationships and flows of activities within and beyond local communities, thus freeing the study of community from only normative and spatial concerns with immediate neighborhoods. This perspective views social ties (both direct and indirect) as crucial factors in shaping community residents' orientations and behaviors (Wellman, 1999). It also raises the issue of whether and how social ties stretching beyond the boundaries of neighborhoods and local communities may influence the process of people being sorted into different residential spaces.

More recent research has begun to link local residential differentiation to the impact of globalization by moving farther away from the classical (and dated) idea of a community as a well-bounded local system and replacing it with a new emphasis on how urban life is (re)ordered across time and space within and beyond local and national boundaries. Consistent with this new research orientation, Marcuse and van Kempen (2000a, page 2) posed two closely related questions: "Is there a clearly visible direct impact of globalization on the internal spatial pattern of cities? How (if at all) can the impact of globalization be separated from other macro-societal changes that are linked to globalization and/or parallel it?" This 'global turn' in the literature on local residential space begs the more explicit question of how and to what extent globalization functions as a new sorting mechanism for local residential differentiation.

The presumed impact of globalization on local residential differentiation in a city like Shanghai illustrates the conceptual and analytical difficulties in unpacking a complex global–local nexus. However, we try to resolve these difficulties by specifying the mechanisms that transmit the impact from both the supply and demand angles spanning the macro–micro interface. The flow of global capital into the local economy—especially the real-estate sector in recent years in the form of expensive, Western-style villa developments—has created the supply of a luxury segment of the local housing market (Gaubatz, 1999; F Wu, 2004). The demand for this market segment has come from wealthy buyers who may be successful private business owners or well-paid executives in foreign companies (Wu and Webber, 2004). Besides the ability to afford villa-type houses, the demand of some wealthy buyers, especially business executives in foreign companies, for luxury housing may be stimulated by their high level of education and strong exposure to glamorous living through peer comparison and overseas travel. To discern the relative effects of global and local factors on individuals' residential positions, we must be able to measure local residents' ties to the global system and then model how these relational variables 'fit' and 'work' with demographic and socioeconomic attributes as sorting mechanisms for the observed residential positions. To prepare for this kind of analysis, we first take a cursory look at the literature on housing reform and differentiation in urban China in order to highlight our distinctive contribution to it.

Residential differentiation in urban China: from local to global and back

First of all, scholars have studied the causes and consequences of spatial differentiation in major cities by focusing on reform policies and market mechanisms in land and physical infrastructure development (G Lin, 2001; Wu and Yeh, 1999; Wu, 1999; Yusuf and Wu, 1997; Zhu, 2000). This focus has provided a broad context for understanding the extent and type of spatial differentiation bearing on characteristics of and changes in the urban housing sector. Research on urban housing itself began with a focus on the macroreform policies and practices plus their local variations and how they affected the types of housing investment and provision (Chen and Gao, 1993a; 1993b; Chen and Hua, 1996; Lee, 1988; Song et al, 2004; Wang, 1990; Wu, 1996). While some studies (Wang and Murie, 1996; Zhou and Logan, 1996) examined the commodification of urban housing as a result of market reforms, others have shown that housing inequalities within cities and work units persisted due to the unequal control and allocation of valuable resources within the entrenched redistributive system and power hierarchy (Bian, 1994; Bian and Logan, 1996; Davis, 2003; Logan et al, 1999).

With better data, research on urban housing inequality has become more refined and varied at and across district, community, and neighborhood levels, especially in the largest metropolises like Beijing, Shanghai, and Guangzhou where large-scale morphological transformation has already taken place and created multiscaled spatial parameters for residential differentiation (Gaubatz, 1999; Wu and Yeh, 1999). The more fine-grained spatial analysis of housing inequality has focused on the increasing individual residential mobility and choices within cities in response to more varied housing types, housing tenures, traditional and shifting values of certain inner-city locations, and different income levels (Li, 2003; Li and Siu, 2001). Most recent studies (Wang and Li, 2004; W Wu, 2004) have found income, social status, differential price, neighborhood security, living convenience, and the lingering *hukou* (household registration) system to be important determinants of residential choice for locals and lack of housing options to be an important determinant for rural migrants. As these factors become more important, they are more likely to create serious residential segregation (Gu and Lu, 2002).

As research has moved from housing reform and inequality at the national level with aggregate data to increasingly detailed local studies of residential differentiation and choice using survey data, scholarly attention has also turned to the impact of globalization on local residential space (Sun and Chen, 2005; Wu, 2001). Having examined the high-end townhouse development projects carrying the names of transplanted cityscapes such as ‘Cambridge’ and ‘Orange County’ in suburban Beijing, Fulong Wu (2004) has argued that this phenomenon reflects a local imagination and social construction of globalization or a global lifestyle that developers promoted and sold to the new rich consumer in a niche property market. However, there remains a vacuum in terms of efforts to quantitatively measure and model the individual-level impact of globalization on residential space. To fill this lacuna in the literature, we have developed specific measures of PGC to predict its effect on residential differentiation in Shanghai. This analytical approach allows us to specify local residents’ explicit links to the global system and then to bring these personal global ties back to the local context as contributing factors in residential differentiation. Before we move to the data and analysis, we offer a brief contextual description of how the broad residential landscape of Shanghai has changed from earlier times through the reform–globalization era.

The altered spatial and residential landscape of Shanghai: past and present

The spatial landscapes of the Shanghai of yesteryear and today are remarkably different. During the 1930s Shanghai was China's most cosmopolitan city, with the most symbolic and material connections with the Western world. Besides the striking European-style buildings along the Bund and distinctive foreign concessions, there were migrant communities scattered around the city before 1949. The different socio-economic status and native-place identities of the migrant communities from northern and southern Jiangsu Province were evident in occupational and spatial patterns. There was a common belief that, despite economic, cultural, and dialectic differences among areas north of the Yangtze River, people from northern Jiangsu Province shared a common identity and represented a homogeneous group. From at least the mid-19th century on, migrants from any part of northern Jiangsu could be described by the categorical term *subei ren* (northern Jiangsu people) or *jiangbei ren* (people from north of the [Yangtze] River) (Honig, 1992). It seems that the spatial landscape in the old or pre-1949 Shanghai could be characterized as largely *migrant-based* or *native-place based*.

In post-1949 Shanghai, as in other large Chinese cities, spatial differentiation was largely eradicated by socialist urban planning. In reality, however, the landscape took on a cellular look created by the partitioning of urban space into self-contained and spatially bounded *danwei* or work units (Wang and Li, 2004). Be they factories or government institutions, work units built almost all of their own housing stocks through state-allocated funds around their premises, with few exceptions where they acquired city land farther away. Housing was allocated to employees based on bureaucratic criteria with little personal choice and residential mobility, and residents tended to live in one area for life and even passed their housing units to the next generation. *Danwei* have been effective in shaping social space and relations in urban China because they carried a symbolic and functional meaning of power, knowledge, and discipline of the party state through their walled compounds (Bray, 2005). We characterize this spatial pattern, which still exhibits some historical imprints but is fading away, as *work-unit based*.

In postreform Shanghai, especially during the 1990s, the city's spatial landscape went through the most dramatic face-lift in history. On the broad surface, more than 4000 skyscrapers (double the total number of buildings in New York City) of eighteen stories or higher, mostly commercial and residential projects, have been erected, which has turned Shanghai into a 'sea of steel and concrete'. And there are designs to build 1000 more skyscrapers by the end of this decade. From 1995 to 2003 the total demolished residential floor space amounted to 31 million m², involving 704 423 households and about 2 million resettled residents, more than one tenth of Shanghai's permanent population of approximately 16 million (Shanghai Statistical Bureau, 2004, page 172). The simultaneous build-and-destroy process has unleashed residential mobility on an unprecedented scale. Although some of the residential movement was 'forced' or pressured, involving vacated longtime residents in old downtown neighborhoods, a large proportion of the residentially mobile population involves people across a broad spectrum of income and wealth, with the very rich having the most resources and free choices for high-end commercial housing such as garden villas. With the kind and scale of spatial transformation and residential movement in Shanghai, the old *work-unit-based* spatial order has given way to what is increasingly a *market-based* spatial order in which residential differentiation is shaped more by the demographic background, economic resources, and taste of individuals and households than by traditional institutional factors.

Under this market-based spatial order, residential differentiation increasingly takes the form of people being ‘sorted’ into different types of neighborhoods. While this sorting process has quickened as a result of more unevenly distributed individual and household resources, it may be accelerated by how people use extralocal ties to help improve their residential positions or destinations. In other words, having certain global connections could motivate people to seek out nicer neighborhood areas of better and more expensive and exclusive housing stocks, while being able to actually end up in these neighborhoods will also depend on certain advantages or resources associated with their global connections. The essential purpose of our study is to ascertain whether and how these personal global ties make a difference in people ending up in various types of residential areas, once we control for their demographic and socioeconomic attributes.

The study setting: the newly built and rapidly globalizing Pudong

Having set up the broad context and analytical goal for this paper in the preceding sections, we now introduce the Pudong New Area or Pudong District as an appropriate site where data were collected for the analysis in this paper. Figure 1 shows the location and boundary of Pudong District in the Shanghai Metropolitan Region. Since 1990, when the development of Pudong was launched, this part of Shanghai has undergone arguably the most remarkable transformation of any part of any city in the world. Previously a mostly agricultural county of rice paddies and farm houses

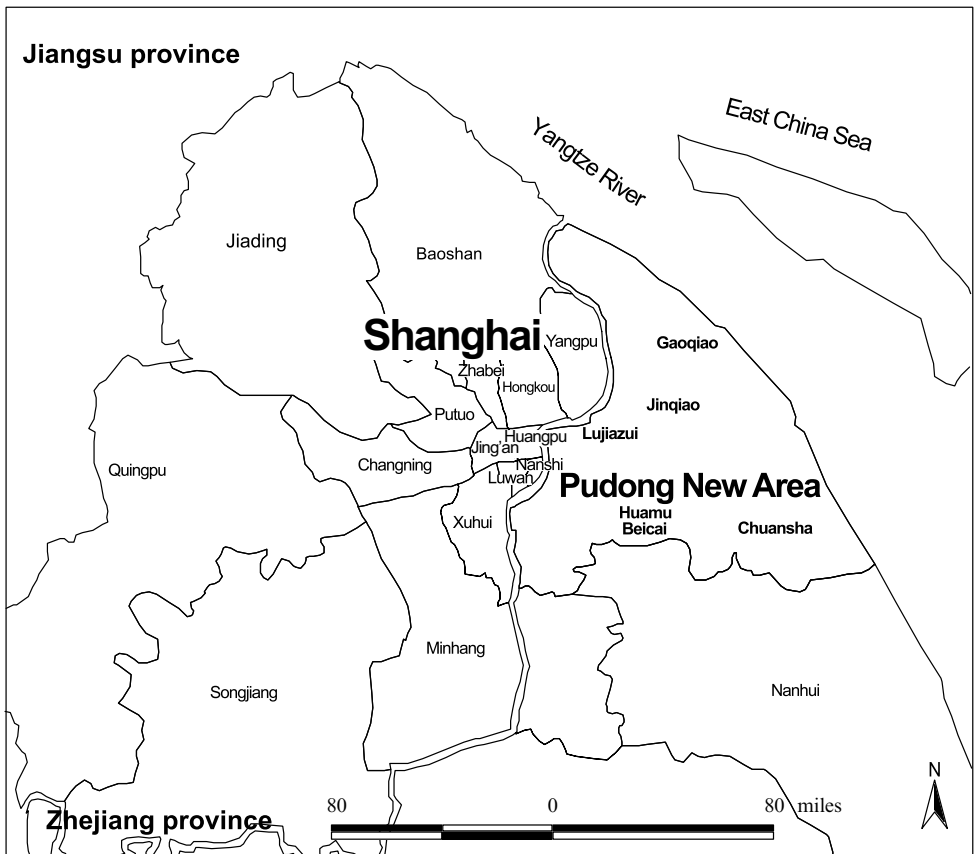


Figure 1. The Shanghai Metropolitan Region with Pudong.

on the less developed east side of Huangpu River, Pudong is now dotted with modern factories (including semiconductor plants) and with commercial skyscrapers (including the world's tallest hotel, a Hyatt Regency on the 88th floor). Japanese real-estate tycoon Minoru Mori is spending nearly US\$1 billion to build one of the world's tallest buildings, the 492 m, or 1614 ft, Shanghai World Financial Center in Pudong's Lujiazui financial district (Barboza, 2005).

The rapid transformation of Pudong from a backwater of Shanghai to its crown jewel is reflected in demographic, urbanization, and economic trends and weights. In 1990 Pudong had a registered population of 1.3 million; the number rose to 1.8 million in 2003, accounting for 13.2% of Shanghai's total population, even though it occupies only 8.4% of the city's land area (Shanghai Statistical Bureau, 2004). Pudong's GDP as a share of Shanghai's total GDP rose from 8.1% in 1990 to 21.9% in 2001, when it also accounted for 27.1% of the total contracted foreign investment in Shanghai. From 1990 to 2001, agricultural labor as a share of Pudong's total employment declined from 47.7% to 21.9% (Pudong Social Development Bureau and Pudong-Fudan Social Development Research Center, 1995; 2002).

Rapid industrialization, urbanization, and globalization in Pudong have made it the most prominent and perhaps economically most important of Shanghai's sixteen districts, some of which, located toward the outer boundary of the metropolitan region, have been upgraded administratively from former rural counties (see figure 1). Fuelling Pudong's economic and spatial transformation has been its soaring real-estate sector. In 2003 newly constructed residential space in Pudong accounted for 17.5% of Shanghai's total, considerably ahead of the second-place Minhang District at 10.3%. In completed villas at the top end of the real-estate market, Pudong's share of Shanghai's total (18.9%) in 2003 only trailed the more rural and scenic Songjiang District (figure 1), which accounted for 38.9% of Shanghai's total space in completed villas, although a lot of the villa space in Songjiang has remained empty—worsened by the price drop in the suburban real-estate market in the second half of 2005. In the citywide distribution of residential high-rises of 16–19, 20–29, and over 30 stories, Pudong led all other districts in the share of the city's total (Shanghai Statistical Bureau, 2004).

Sampling, data, and variables

In 2001, Pudong District administered twelve urban subdistrict offices (*jiedao banshichu*), which governed 506 neighborhood committees (*jumin weiyuanhui*) in officially defined urban areas. Pudong also administered fourteen towns (*zhen*) above 291 village committees (*cunmin weiyuanhui*) in officially defined rural areas, while the towns proper or centers were officially urban and actually more urbanized. To obtain a representative sample of both urban and rural residential areas, we employed a three-layered or three-stepped sampling procedure.

First, we selected nine subdistrict offices and five towns to give more weight to the larger official urban population, which accounted for about 80% of the total population in Pudong in 2001 (Shanghai Statistical Bureau, 2002). Second, we selected two neighborhood committees under each of the nine subdistrict offices for a total of eighteen neighborhood committees. To sample residents in the more urbanized areas, we picked one village committee in the center of one town (Huamu), one village committee in the town center, and one village committee in the agricultural portion of another town (Beicai) close to the urban subdistricts. To capture residents in less urbanized areas, we chose one village committee in the town center and one village committee in the rural sections of two towns (Gaoqiao to the north and Chuansha to the southeast) located farther away from downtown Pudong near the bank of

the Huangpu River. To ensure that exclusive residential areas with a concentration of villas were included, we surveyed one such development project (Lujiazui Garden) bordering Lujiazui financial district in downtown Pudong and another nearby compound located in another town (Jinqiao) (see figure 1 for the locations of the surveyed sites).

The third stage involved sampling households. To ensure that we would have about twenty-five households in every chosen neighborhood committee, about thirty households in the town center, and agricultural village committees in three of the five towns (Beicai, Gaoqiao, and Chuansha), we randomly oversampled an average of thirty households in each area. To get a minimum of fifteen households in the town center of Huamu and the upscale housing compounds in Jinqiao town and Lujiazui Garden, we sampled an average of twenty households in each unit. Using a prepared questionnaire, and with assistance from the neighborhood and village committees, we conducted a face-to-face interview with one member of each chosen household, preferably the household head. From a total of approximately 700 interviews, we excluded a number of low-quality questionnaires after logical checking and ended up with 452 in the urban subdistricts, 74 cases in the town centers, and 74 cases in the rural parts (agricultural villages) of the towns for a total of 600 cases, yielding a completion rate of close to 90% or a rejection rate of 10%. The broad geographical coverage of Pudong coupled with the random selection of the subjects gave us a fairly representative sample of residents in various types of neighborhood areas along the dimensions of administrative status, degree of urbanism, and location relative to downtown Pudong (see figure 1).

Despite the survey's focus on Pudong District alone, it is broadly reflective of Shanghai in two ways. First of all, the basic demographic and socioeconomic indicators on Pudong were very similar to Shanghai's averages in 2001, the year of the survey. The share of nonagricultural population, rate of natural increase, and household size for Pudong were 82.8%, -2.7% , and 2.7 against 75.3%, -2.7% , and 2.8 for Shanghai. The agricultural, industrial, and service shares of Pudong's GDP were 0.6%, 52.2%, and 47% versus 1.7%, 47.6%, and 50.7% for Shanghai as a whole, while the average wage in Pudong (20 349 yuan per year) was higher than that for Shanghai (at 17 764 yuan per year) (Shanghai Statistical Bureau, 2002). The somewhat higher levels of urbanization and industrialization plus the higher average wage in Pudong are strong evidence that, while Pudong had previously been more backward than Shanghai, it had caught up, if not surpassed the rest of the city in development and standard of living in 2001. Chen's fieldwork in Shanghai reveals that more and more people in Puxi (west of the Huangpu River), who used to look down at Pudong and the people there, have recently bought new commercial flats in Pudong and moved there. This shift in practice and in perception, which mirrors the closing of gaps between Pudong and Puxi, gives us more confidence that the findings would 'cross the river' through Shanghai, so to speak. To the extent that there may be less variance in some of the variables used if the survey would include Puxi, the findings will serve a better purpose in revealing the extent and determinants of residential differentiation in Pudong during its accelerated and most likely more varied socioeconomic and spatial development.

Second, through our conscious effort to include the less urbanized and developed parts of Pudong (irrespective of the official 'urban' status of some of them) in the survey, we intend the results to reflect the conditions of more peripheral areas in Shanghai's suburban and outlying districts (see figure 1), which have been exposed to and affected by the short-distance spillover caused by accelerated urbanization and globalization from central Shanghai over the past decade. For example, in the supermarkets or department stores in the small town centers of Pudong one encounters

goods of the varied global brands that one would see in Shanghai's central shopping districts. Although the local impact of globalization may diminish beyond a city like Shanghai, our analysis of the global–local nexus in residential space may point to how it may play out in smaller cities as they and their residents become more globally connected.

Neighborhood types as slots for residential sorting

In light of the accelerated residential differentiation as discussed earlier, and for the purpose of the statistical analysis later, we focus on residential sorting as an outcome variable. For residential sorting to take place, there must be slots into which residents are sorted by various factors. It makes good sense to represent these slots with six different types of neighborhood areas that we used in the survey: (1) agricultural villages, (2) town centers, (3) urban residential villages,⁽¹⁾ (4) old urban settlements, (5) new commercial housing complexes, and (6) luxury flats and villas. Both agricultural villages and town centers are part of the officially designated towns within the boundary of Shanghai municipality. While the towns vary considerably in the level of urban development with regard to the proportion of nonagricultural population and the extent of physical buildup, the town centers are more urbanized than the agricultural villages around or beyond them. Old urban settlements refer to areas in central Shanghai with predominantly traditional one-story or two-story alley houses going back to pre-1949 Shanghai or earlier. Most of these settlements, which occupy prime land, have been demolished for new real-estate development of office buildings and shopping plazas in recent years, and their longtime residents have been 'forced' to relocate with monetary compensations that are often insufficient. New commercial housing complexes contain varying numbers or blocks of medium-rise or high-rise buildings constructed during the 1990s and their units sell at middle-middle to upper-middle prices. Both luxury flats and villas are at the very high end of the real-estate market. While luxury flats are generally in high-rises, and villas are mostly low-rise, single-family houses, or townhomes, both tend to be located in exclusive and often gated communities and sell at very high prices, with those priced above 17 500 yuan per square meter being officially defined as luxury homes—whose capital gains tax was doubled in mid-2005 by the Chinese government to slow down their sales (O'Neill, 2005).⁽²⁾ The similarities between luxury flats and villas justify combining them into one neighborhood/housing category.

Although the majority of the sampled residents (63.2%) lived in urban residential villages (see table 1 below), with the percentage distributions across the other types being relatively even and small, these neighborhood types represent a variety of individual residential status or destinations. The analytical question is: how did the

⁽¹⁾ The original Chinese term for this urban neighborhood type is *gongren xincun*, translated into 'workers new villages', which refer to the main housing settlements in urbanized Shanghai mostly for factory workers and their families from the 1950s through to the early 1980s. From the early 1990s, these residential villages became a main destination for many lower-income people in the old urban neighborhoods (type 4) displaced by rapid urban redevelopment in Shanghai. Since they differ sharply from the agricultural villages, we have adopted the term 'urban residential villages' to avoid potential confusion.

⁽²⁾ Developers began to struggle to get customers interested, with offers of discounts, price guarantees, and presents. A developer announced that he would return, with interest, the price of units in one of his projects if customers bought one before 31 October 2005 and decided within the next two years not to keep it. This offer was a guarantee to buyers who are fearful that prices will continue to slide in 2006 and beyond (reported by *South China Morning Post* online, <http://www.scmp.com>, accessed on 24 September 2005). Home prices dropped by 7.9% between June and October of 2005, according to a report by *China Daily* online (<http://www.Chinadaily.com>, accessed on 16 December 2005).

residents in each type end up there or how were they ‘sorted’ into each slot? The six types may imply some sort of residential hierarchy as the quality, prestige, and price of housing tend to go up from type (1) to (6), with much larger differentials in these dimensions from (4) to (5) and (6). We, however, eschew emphasizing and explicating the implicit hierarchical aspect of the six types because it is difficult and controversial to discern a clear rank order due to the arbitrary administrative definition and designation of some types such as agricultural villages and town centers vis-à-vis urban residential villages.

Demographic and socioeconomic attributes

Assuming that the demographic and socioeconomic attributes of residents have different effects on their being sorted into different neighborhoods, we focus on a number of these important variables including *age* (in years), *marital status* (a dummy variable with yes = 1), *household registration*, *education*, *occupation*, and *household income*. (Given the small variation in the small average household size and number of children due to the one-child norm, we excluded those household features that might otherwise have effects on housing choices in a market economy.) Household registration is a dummy variable consisting of three categories: (1) urban household registration, (2) rural household registration, and (3) migrant (temporary) registration (the omitted category in the analysis later). Education is measured as an ordinal variable (1 = below primary school; 2 = primary school; 3 = junior high school; 4 = senior high school; 5 = vocational school; 6 = two-year [community] or television colleges [dazhuan or dainda]; 7 = four-year college or university; and 8 = postgraduate study). We have compressed the multiple categories of occupation into a dummy variable of three categories: (1) Communist Party and business leaders (party and government officials and senior company executives); (2) professional and knowledge workers (office workers, scientists, and teachers); and (3) all others (mainly factory workers, employees in retail and services, and farmers), which is the omitted category in the analysis. Household income is the total monthly income of a household in Chinese yuan and is logged to normalize its skewed distribution. We chose to use household income over income per capita because housing purchase and choice are more likely to be a household decision rather than an individual decision and thus to depend on household resources.

We expect age and marital status to play a role in sorting people into new commercial housing complexes and luxury flats or villas since they represent higher earnings from advanced careers and double incomes. Urban household registration (or urban hukou), which still offers some advantages of education and jobs, is expected to help sort people into new commercial housing complexes or luxury flats or villas relative to rural household registration and migrant (temporary) status, which carries housing disadvantages in large cities like Beijing and Shanghai (W Wu, 2004). Both education and household income are expected to provide human and economic resources that channel people into new commercial housing or luxury flats or villas, with people in possession of most human and economic capital being most likely to end up living in luxury flats and villas. The sorting effect of occupation stems from the prestige and power of Communist Party and business leaders, and of professional and knowledge workers who are more likely to obtain more housing advantages (Davis, 2003) in living in new commercial housing complexes or luxury flats or villas. In comparison, given the past and recent characteristics of urban residential villages and old urban settlements, we do not expect education, occupation, or household income to matter much to people living in these areas except that they are much more likely to have urban household registration by default.

PGCs as relational social assets

While the independent variables above are expected to have differential effects on residential sorting, we are much more interested in measuring and modeling the influence of PGCs on where people end up residentially net of the demographic and socioeconomic attributes. Since PGCs represent different ways in which local (Shanghai) residents are linked to the outside world, we conceptualize them as *relational social assets* that can help bring about social and economic advantages including living in an upscale neighborhood area. These relational assets may function in a way similar to the ways in which social networks, in general, have been shown to generate economic returns like good jobs, higher salaries, access to materials, and markets for officials and entrepreneurs (Bian, 1997; N Lin, 2001; Parish and Michelson, 1996). What is distinctive about PGCs is that they provide connections with people, resources, and information in an extralocal or global network beyond the local context. This permits people who are connected or more strongly connected to the global system to have a better chance of living well locally than those who have no or weak global connectivity.

To measure PGCs as relational assets, we use four dummy variables: (1) having worked for a foreign company locally (1 = yes); (2) having been abroad (1 = yes); (3) having relatives and friends overseas (1 = yes); and (4) often surfing foreign websites (1 = yes).⁽³⁾ However, we did not treat these as restrictive or mutually exclusive categories in the survey, by allowing the respondents to choose up to four categories if they had all four PGCs. The extent of overlaps across the four dummy variables is indicated by their moderate bivariate correlations, which range from 0.13 to 0.30. For example, about one third of the people who have worked for a foreign company either have been abroad or have overseas relatives. As we will use multinomial logit modeling later, the fact that the PGCs are not mutually exclusive constrains using them as a simple scale ranging from 0 to 4, which indicates the incremental strength of global connectivity from none to complete, even though the four variables represent different global connections.

In regard to 'having worked for a foreign company', Shanghai ranks at the top of all Chinese cities in the number of foreign companies. Although the proportion of people working for the foreign companies including those owned by overseas Chinese capital accounted for 14.5% of the total workforce in 2001, they numbered 607 800, up from 517 700 a year ago. The average wage in the foreign sector in 2001 was 24 352 yuan per year, 37% higher than the average of the total labor force (Shanghai Statistical Bureau, 2002). Working for a foreign company not only pays much better (by the local standard) but also enhances one's purchasing power for high-end housing and may also stoke one's desire for a global lifestyle embodied in an expensive, high-quality unit, especially when one sees one's expatriate bosses or colleagues living like that. Therefore, working for a foreign company as a PGC may exert a strong effect on one's slot in the local residential space net of the other independent variables, including household income. Second, in an open and prosperous commercial city like Shanghai, more and more people have in recent years traveled abroad on business and increasingly as tourists. Compared with the past when people going on overseas business trips were limited to a very small allowance in hard currency, now one can save up more money

⁽³⁾The proportions of the sample having zero, one, two, three, and four PGCs are 46.1%, 31.6%, 13.3%, 6%, and 3%, respectively. With regard to the distribution of PGCs, 15.6% of the respondents have worked for a foreign company; 14.3% have gone abroad; 23.8% have relatives and friends overseas; and 37.9% have surfed foreign websites. Unfortunately, we cannot separate overseas relatives from friends in our sample. This, however, is not a problem because we will use the PGCs as a scale instead of as categories in the multinomial logit modeling later.

from higher allowances for business trips, perhaps even by tapping into loose public funds. In other words, overseas travel now allows one to obtain some financial resources that may help afford a more expensive housing unit. Moreover, overseas travel exposes one to the more glamorous housing standards and styles in Western countries that could translate into an imitative desire and preference for upscale local residence.

Having overseas relatives and friends in 2001 was a different PGC than before in terms of both its symbolic and functional implications for one's local residential position. In prereform or even early-reform China, despite the limited and difficult contacts and communications, those with overseas relatives and friends could receive some financial assistance, but had no way of using this form of wealth transfer for housing consumption. In the more prosperous recent years, while people are less dependent on overseas relatives and friends for monetary help, whatever amount they receive may still help the purchase of a housing unit. More frequent and convenient contact with overseas relatives and friends may also foster Shanghai residents' interest and desire to aspire to a higher housing standard.⁽⁴⁾ Finally, although searching foreign websites does not yield financial income, at least not directly, it provides direct access to different sources of information, which may include new trends in architectural styles and residential living that can inspire individuals to pursue them. Irrespective of the varied mechanisms of the PGCs, they form a set of relational social assets that may facilitate residential sorting depending on the number of PGCs one possesses.

Analysis and findings

Descriptive overview

We begin the analysis by presenting the descriptive statistics on the dependent variable and on all the independent variables discussed above (see table 1). Figures 2 and 3 display the distribution of household income and the PGCs across the six neighborhood categories or areas. To simplify and sharpen the graphic presentation, we recoded monthly household income into six levels,⁽⁵⁾ although we will return household income to a continuous variable (in logged form) in multinomial logit modeling later. It is not surprising to find that 94.6% of the residents in luxury flats and villas fall into the top two household income categories, while none in agricultural villages belong to the top category. The income of the residents in new commercial housing complexes approaches a normal distribution with 50% of the cases in the upper-middle income category. People in urban residential villages and old urban settlements have more or less similar distributions of household income. The fact that a small proportion of the residents in town centers falls into the two highest income categories can be accounted for by some relatively wealthy farmers who have become rich after selling their land to the government for industrial or commercial use. In general, figure 2 shows household income rises from agricultural villages to luxury flats and villas.

Figure 3 shows how the PGCs—which range from zero (no PGCs) to four (a full set of PGCs) along the horizontal axis—vary across the six neighborhood areas.

⁽⁴⁾ The proportion of people with a relative or friend overseas (23.8%) in this survey was higher than the 12.6% of respondents surveyed in eight Chinese cities (Beijing, Shanghai, Guangzhou, Congqing, Xi'an, Nanjing, Dalian, Qingdao) in 2003 (see Guo, 2005).

⁽⁵⁾ The six categories are: (1) below 1000 yuan (low income); (2) 1001–1500 yuan (lower-middle income); (3) 1501–2999 yuan (middle income); (4) 3000–4500 yuan (upper-middle income); (5) 4501–9999 yuan (upper income); and (6) over 10000 yuan (very rich).

Table 1. Descriptive statistics on the dependent variable and independent variables.

Dependent variables	Means	Standard deviations	Medians	Modes	Minimum	Maximum
Neighborhood types ^a (shown as a scale)	3.16	1.11	3	3	1	6
Age (in years)	41.09	16.55	41	32	14	82
Marital status (yes = 1)	0.66	0.48			0	1
Urban household registration	0.82	0.39			0	1
Rural household registration	0.09	0.28			0	1
Education ^b	4.64	1.70	4	4	1	8
Party and business leaders	0.10	0.31			0	1
Professional and knowledge workers	0.26	0.44			0	1
Household income (in Chinese yuan)	3 319	3 546	2 500	2 000	300	50 000
Household income (logged)	3.40	0.29	3.40	3.30	2.48	4.70
Have worked for a foreign company locally	0.16	0.36			0	1
Have been abroad	0.14	0.35			0	1
Have relatives and friends overseas	0.24	0.43			0	1
Often surf foreign websites	0.38	0.49			0	1
Personal global connections	0.88	1.04	1	0	0	4

^aNeighborhood types and their distribution of the sampled are: (1) agricultural villages (8.2%); (2) town centers (6.8%); (3) urban residential villages (63.2%); (4) old urban settlements (10.1%); (5) new commercial housing complexes (5.3%); and (6) luxury flats and villas (6.2%). The six categories are collapsed into a four-category variable for multinomial logit modeling in the paper (see text).

^bEducation is an eight-category ordinal variable: (1) = below primary school; (2) = primary school; (3) = junior high school; (4) = senior high school; (5) = vocational school; (6) = two-year or TV colleges (*dazhuan* or *dianda*); (7) = four-year college or university; and (8) = postgraduate study.

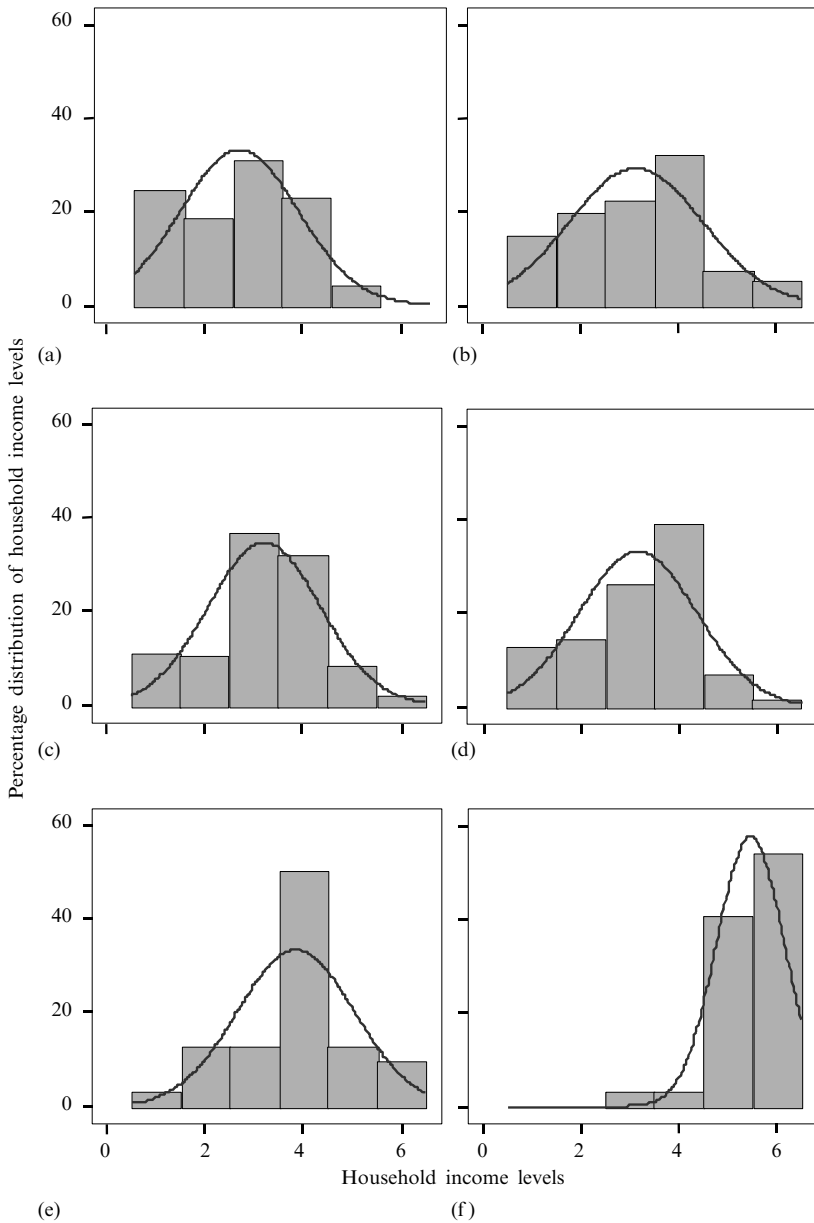


Figure 2. Household income levels by six neighborhood types: (a) agricultural villages, (b) town centers, (c) urban residential villages, (d) old urban settlements, (e) new commercial housing complexes, (f) luxury flats and villas.

Most striking is that 73.5% of the residents in agricultural villages and 53.7% of the residents in town centers have zero or no PGCs, whereas 56.8% of the residents in luxury flats and villas have at least three PGCs. The proportions of residents with zero to four PGCs in both urban residential villages and old urban settlements decline steadily. It is also worth noting the fairly even distribution of PGCs among the residents in new commercial housing complexes, with the exception that only 3.1% of them have all four PGCs (see figures 2 and 3).

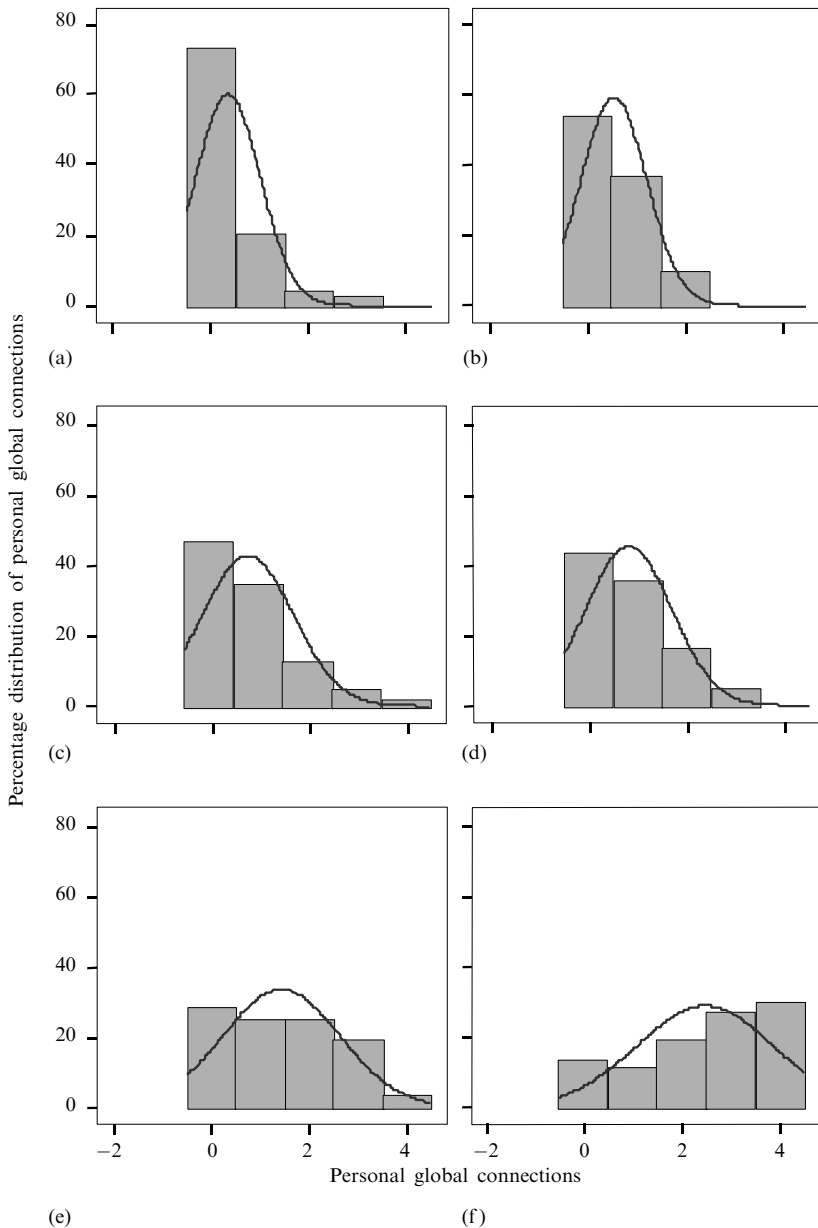


Figure 3. Personal global connections by six neighborhood types: (a) agricultural villages, (b) town centers, (c) urban residential villages, (d) old urban settlements, (e) new commercial housing complexes, (f) luxury flats and villas.

Multinomial logit regression analysis

The two descriptive graphs demonstrate clear bivariate relationships between the six neighborhood types and such key independent variables as household income and PGCs. To estimate the relative effects of all the independent variables (in table 1) on the likelihood of being sorted into any of the neighborhood areas, we chose to use multinomial logit models. When we are not sure if the categories are ordered or sequential in the response, multinomial logit models should be used (Liao, 1994). Since there is unlikely to be any clear ranking order to the six neighborhood types, as

mentioned earlier, this dependent variable should be treated as discrete and unordered, which calls for no other statistical models than multinomial logit regression models. A natural extension of the binary logit model, a multinomial model, can be written as:

$$\text{prob}(y = j) = \frac{\exp b_j^x}{\exp x1^x + \exp x2^x + \dots + \exp bk^k},$$

where $j = 1, 2, \dots, J - 1$. Note k is the number of neighborhood categories, and b_j is the set of logit parameters corresponding to being in neighborhood j . Since the probability of ending up in each of the k neighborhood categories must sum up to 1, only $(J - 1)k$ independent sets of parameters can be estimated (Liao, 1994; Semyonov and Gorodzeisky, 2004).

For both substantive and technical reasons, we have decided to combine agricultural villages and town centers into a larger category and urban residential villages and old urban settlements into another category that we call ‘traditional urban neighborhoods’. Besides the similarities between agricultural villages and town centers and between urban residential villages and old urban settlements regarding household income and PGCs (see figures 2 and 3), the first two types are more rural, while the other two neighborhood types are long-term urban residential areas. Reducing the dependent variable into four categories also makes the estimation and interpretation easier as there is a smaller number of estimated parameters. In the models shown in table 2 we treat the combined (agricultural villages and town centers) category as

Table 2. Multinomial logit models predicting ‘sorting’ into three types of neighborhood areas versus village–town residence, Pudong, Shanghai (standard errors in parentheses).

	Traditional urban neighborhoods		New commercial housing complexes		Luxury flats and villas	
Age	0.01	(0.01)	0.04**	(0.02)	−0.01	(0.03)
Marital status (yes = 1)	0.17	(0.33)	−0.16	(0.58)	2.39***	(0.81)
Urban household registration (hukou) ^a	0.14	(0.47)	0.14	(0.79)	−1.73**	(0.84)
Rural household registration (hukou) ^a	−2.27***	(0.55)	−1.64	(1.30)	−46.62	− ^c
Education	0.14	(0.12)	0.43**	(0.19)	0.59**	(0.24)
Party and business leaders ^b	−0.27	(0.56)	−1.15	(0.89)	0.27	(0.98)
Professional and knowledge workers ^b	−0.08	(0.36)	−0.55	(0.58)	0.72	(0.81)
Household income (logged)	0.60	(0.61)	2.35**	(1.03)	7.59***	(1.35)
Personal global connections (PGCs) scale ^c	0.27	(0.20)	0.60**	(0.27)	0.58**	(0.29)
Intercept	−1.67	(2.07)	−12.55***	(3.63)	−32.50***	(5.34)
Log-likelihood			345.48			
χ^2			254.52			
Number of observations ^d			554			

** $p < 0.05$; *** $p < 0.01$.

^a Migrant status is the reference category.

^b All other occupations combined is the reference category for occupation.

^c From zero to four (0–4) PGCs.

^d Those aged 18 or younger were excluded in order to focus on people of employment age.

^e The standard error for this coefficient is zero due to perfect prediction by the model (ie, not a single person with rural household registration lived in luxury flats and villas in the data).

the reference or basis for comparing the likelihood of being in ‘traditional urban neighborhoods’ (urban residential villages and old urban settlements), new commercial housing complexes, or luxury flats and villas (see table 2). Although the first two categories of residence are much more established and contain long-term and less mobile residents, some of whom may have been there forever, we are more interested in uncovering the upward mobility of people into the last two newer and market-oriented residential destinations as a result of their sociodemographic attributes, economic and human resources, and PGCs that had changed or developed since the 1990s and influenced their housing locations by 2001.

The results are somewhat mixed regarding the expected effects of the demographic variables. While age increases the likelihood of being in new commercial housing complexes, married couples have a much greater likelihood of living in luxury flats and villas. The significant coefficients are interpreted as the partial effects on the odds of being in any of the three neighborhood categories as opposed to the reference category (agricultural villages and town centers). Specifically, the odds for married people living in luxury flats and villas instead of being in agricultural villages and town centers are 10.914 times (exponentiating the coefficient of 2.39) as high as the odds for the unmarried. The variable of household registration has an uneven effect in both expected and unexpected ways. As expected, people with rural household registration have very little chance of living in traditional urban neighborhoods (odds of 0.103) versus those with migrant registration. The extremely large negative coefficient and associated zero standard error for rural household registration indicate that it is extremely unlikely for people with rural household registration to end up living in luxury flats and villas. Somewhat unexpectedly, the odds for those with urban hukou to be in luxury flats and villas are only 0.177 times as high as the same odds for those with migrant status, other things being equal. It is also a bit surprising that people with urban household registration are not more likely to be in new commercial housing complexes than those with migrant status.

With regard to the important human and economic resources variables, education improves the likelihood of living in new commercial housing complexes and luxury flats and villas, whereas the odds of being in either high-end neighborhood category are not significantly affected by occupation. Household income has a strong significant effect on raising the odds of being in new commercial housing complexes and luxury flats and villas, with the likelihood of being in the top neighborhood category being significantly higher. In comparison, neither education nor occupation nor household income has any effect on the likelihood of living in traditional urban neighborhoods. The results clearly indicate that human capital and economic resources rather than the politics-based or power-based occupation categories are powerful mechanisms for sorting people into the nicer and more expensive neighborhood areas net of the demographic attributes or administratively based factors like household registration.

Given this mix of effects of some independent variables in a local domestic context, will people’s external connections make any additional difference to their likelihood of being in a given neighborhood category? The findings provide affirmative evidence, albeit in a somewhat less than ideal fashion. As the coefficient for the PGC scale indicates, those with stronger global connectivity are more likely to live in new commercial housing complexes or in luxury flats and villas. Since the PGCs are not mutually exclusive categories as discussed earlier, we use a simple scale of 0–4 PGCs to measure the strength of PGC. This measure assumes that, if zero represents no global connectivity, global connectivity becomes stronger with the increase of each additional PGC (see footnote 1 earlier). The measure not only captures the incremental strength of PGC but also renders the models parsimonious and the coefficient easy to interpret.

The models show that, if we control all other predictors, the odds for living in new commercial housing complexes or luxury flats and villas instead of being in agricultural villages or town centers will increase by 1.804 and 1.822 times, respectively, with each additional PGC.⁽⁶⁾

The findings as a whole provide a clear and complex picture of how an array of demographic, socioeconomic, and extralocal factors work to ‘sort’ people into the two distinctive and market-driven residential categories of high price and prestige. We attempt to tease out and discuss the substantive meanings of the statistical findings below in light of the analytical goal and the reviewed literature before drawing conclusions.

Discussion and conclusion

The primary objective of this paper is to measure and model the impact of globalization, if it exists, on local residential differentiation in the Shanghai context. Moving beyond the traditional concern about local individual-level determinants of residential differentiation, the literature has recently made a ‘global turn’ to address how extralocal or global forces have begun to affect the local spatial and residential landscapes in today’s cities, especially in world or global cities (Marcuse and van Kempen, 2000b). However, little attention has been devoted to how the global–local relationship or nexus in residential differentiation can be untangled or sorted out at the individual level. By using several measures of PGC and modeling its effect on residential sorting, we have shown that, despite being a broad and somewhat ambiguous concept, globalization can be operationalized into concrete measures at the individual level for quantitative analysis of local residents’ neighborhood locations given how strongly they are linked to the global system.

While research on urban China has also turned to different global–local nexuses (see Logan, 2002; Wu, 2005), few studies have taken on the challenge of measuring and modeling the specific effects of PGCs on local residential differentiation. By focusing on whether PGC facilitates residential sorting—people living in alternative neighborhood areas—net of the demographic and socioeconomic attributes, we have produced fresh insights into how residential choices and positions are influenced by both expected and new dynamics and their broader implications for spatial stratification in rapidly globalizing cities like Shanghai.

First of all, our findings have confirmed the important effects of some factors on residential differentiation that would be largely expected from the shift of a work-based to a market-based spatial order as discussed earlier. The clear, albeit uneven, effects of the demographic attributes (age and marital status) suggest that the economic resources generally associated with older and married people increase the likelihood of them living in new commercial housing complexes and luxury flats and villas. Greater wealth gained as one gets older and strong commitment in marriage strengthen people’s purchase of expensive housing as an investment, which has recently become a more explicit purpose of the wealthy homebuyers in Shanghai. Our analysis has also shown that urban household registration is no longer a barrier for living in the best housing under a real-estate market. In fact, those with urban hukou have a lower likelihood of ending up in luxury flats and villas versus people with migrant status. On the other hand, there are wealthy migrants, some of whom are successful entrepreneurs from nearby Jiangsu and Zhejiang Provinces, now living as part-time residents in Shanghai.

⁽⁶⁾ We also tried entering the PGCs as an index of 0–100 by multiplying the scale by 25 in the mode. As the result was identical, we decided to stay with the simple numerical scale for the easiest and most straightforward interpretation.

They not only can afford to buy luxury flats and villas in gated communities, sometimes with two or three millions of yuan in cash, but also harbor the desire to live in style as new migrants to cosmopolitan Shanghai from smaller cities or towns in the broader region. During Chen's fieldwork in Shanghai, he spoke with informants who have witnessed some luxury cars with Jiangsu and Zhejiang licenses parked in exclusive housing compounds. And some of these cars belong to people who have bought luxury flats and villas and established long-term residence in Shanghai, and some of these people often drive into Shanghai to spend the weekend. These cash-rich and housing-rich migrants differ sharply from the poor migrant workers who are disadvantaged in the housing market (see W Wu, 2004). In contrast, the low likelihood of people with rural household registration living in traditional urban neighborhoods reveals that the lingering household registration system, signaling the entrenched official urban – rural division, continues to limit residential mobility even in the same metropolitan region.

Double transitions toward an overall market economy and a specific real-estate market have engendered the opportunity and probability for those armed with greater human capital through more education and financial resources from larger household income to occupy the expensive and exclusive housing niches. While higher household income has the more obvious and immediate effect on being able to afford expensive housing, investment in human capital through education increases people's expectation and potential for higher future earnings in a more marketized economy. This may account for the growing tendency among some well-educated people in Shanghai to purchase new luxury housing beyond their current levels of income and savings.⁽⁷⁾ In the meantime, education and income appear to have no bearing on people's likelihood of living in the large and relatively undifferentiated transitional urban neighborhoods that consist of both the urban residential villages dating back to the 1950s and the even older urban settlements undergoing urban renewal.

As the demographic and socioeconomic attributes have interacted to create a sharply differentiated residential pattern toward the higher end of the real-estate market, this sorting is further enhanced by the strength of PGCs net of the other factors. Since the PGCs are distributed unevenly among people, especially in an open and diverse city like Shanghai, those who possess extralocal or global connections have a set of valuable social assets for increasing their chances to occupy the more expensive and exclusive end of the local housing spectrum. While working for a foreign company gives one higher income and greater purchasing power, having been abroad and surfing foreign websites expose one to a higher housing standard and stoke one's desire to reach it. Having friends and relatives overseas allows the transfer of economic resources to local residents for buying new commercial housing. Chen's fieldwork in Shanghai and Beijing has encountered cases where grown children working and living overseas have provided financial assistance to their parents' purchase of high-end commercial housing upon the latter's move from traditional but privatized work-unit housing. Besides the opportunity to cumulate or pool financial sources, the PGCs help to elevate people's 'taste' for high-status housing as a social symbol. If people can move up the housing ladder by leveraging PGCs as both financial and symbolic assets besides internal and local resources such as human capital and higher-paying jobs,

⁽⁷⁾It was reported that a woman with a college education, a well-paying job (10 000 yuan per month), and only 50 000 yuan in savings had bought a luxury flat in Pudong district costing 920 000 yuan; but she expected to afford the high monthly mortgage payment in anticipation of getting a more lucrative position in an assets management company (*People's Daily* 8 May 2005, page 2).

it reflects a more complex process of residential differentiation driven by both rapid transition to market and a stronger local impact of globalization. This process only strengthens the broader socioeconomic stratification that has already taken place in Chinese cities, especially in rapidly globalizing cities like Shanghai.

Finally, if the PGCs are construed as extended ties from local communities to global networks or as bridges between them then we have made a contribution toward connecting the earlier research on the scope and density of local ties within and beyond spatially bounded communities with the more recent attempt to capture how local network ties are embedded in a complex global system and its socioeconomic consequences. The PGCs that we have focused on are different examples of how the global and local are intertwined and are thus capable of fostering residential sorting in both functional and symbolic ways. With this analytical approach, we have managed to sort out how the relational global and characteristic local factors operate in conjunction to create a more differentiated residential landscape.

Beyond our analytical scope, which is limited by data constraints, lies another intriguing question: how will the PGCs continue to influence people already at the top tier of Shanghai's real-estate market (ie luxury flats or villas)? Some of these residents, for example, are neighbors with foreign expatriates in gated communities, which exposes them to direct daily contact with a privileged lifestyle. This tempts us to speculate, or advance a hypothesis for future inquiry, that PGCs can channel these residents deeper into the global economy and cultural lifestyles and farther beyond the boundary of their local communities, with the likely outcome of creating a globally oriented and residentially exclusive local elite. This scenario heralds the emergence of more complex and layered global–local nexuses that need to be sorted out through more fine-grained empirical analysis. With the findings from this paper, we hope to have paved the way for future research to delve more deeply into how different types and degrees of PGC may affect other important dimensions of local socioeconomic and spatial transformations unfolding in Shanghai and other great cities around the world.

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