Second homes, amenity-led change and consumption-driven rural restructuring: the case of Xingfu village, China

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Abstract: This paper explores the linkages established by second home developers and owners with local residents in host communities, and further discusses how these extra-local linkages stimulate amenity-led change and rural restructuring. Research, comprising mix of semi-structured interviews and site visits, was conducted in Xingfu village, China. That research focused on the increasing importance of extra-local economic and social capital to consumption-driven rural restructuring. Urban incursion not only drives change in the rural economy, but also brings important landscape and community impacts: a once homogenous and stable community is now characterized by dynamism and heterogeneity. The research draws attention to interactions between extra-local and local actors over time, as the second home industry in the area grows, and aims to contribute greater understanding of the exogenous drivers of rural restructuring, especially in the Chinese and developing country context.

Key words: Extra-local linkages, second homes, rural restructuring, amenity-led change, China

Introduction

Globalisation, alongside attendant patterns of mobility and urbanization, presents a variety of challenges to rural areas in China (Logan, 2002; Long, et al., 2010; Long, 2012; Shapiro, 2012; Tian, 2015). The country as a whole has experienced an extraordinary transformation of its economic and social structures during recent decades, especially since the reforms of 1978 (Bian, 2002; Ge, 2009; Lin, 2006; Long and Liu, 2016; Long et al., 2012; Woods, 2005; Wu et al., 2016; Wu and Ma, 2006). In that context, rural restructuring – the ‘reshaping of socio-economic morphology’ (Tu and Long, 2017) - has become an important research domain: recent studies have drawn attention to critical questions around land-use shifts, consolidation and ensuing conflicts (Liu et al, 2016; Yep and Forrest, 2016; Fang, Shi and Niu, 2016), changing patterns of rural settlement (Wang et al., 2016), the transformation of rural livelihoods (Tian et al., 2016) and population mobility and movement (Qian, 2016). These studies are largely concerned with the ways that urbanization, or the outflows of rural people into cities, generate direct or indirect impacts on rural demographic structures, community life, local industries, rural production, or living and ecological spaces (Woods, 2005; Long et al., 2012; Long, 2014).
As in many other developing countries, rural restructuring in China is facilitated not only by a combination of industrialization, rural depopulation, and urbanization (i.e. the same processes driving change in Western countries during the early-to-mid twentieth century) but also by the almost simultaneous processes of counter-urbanisation, rural commodification, and the integration of peripheries into global networks, which were a feature of later restructuring in Western countries (Gant et al., 2011; Hoggart and Paniagua, 2001a; Woods, 2007).

As in Europe and North America, second homes in China have become an important signifier of counter-urbanisation and rural restructuring (Bai and Chow, 2014; Bao and Deng, 2019; Chen, 2017; Qviström et al., 2016; Tuulentie, 2007; Vittersø, 2007). Individual mobility, alongside the rapid development of the housing market and the assetisation of residential property (Wu et al. 2020), population aging, and growth of the middle class have all contributed to the popularity of western-style second homes over the past 20 years (Bian, 2002; Deng et al., 2011; Dong and Ding, 2009; Yang and Wall, 2008). Nevertheless, much analysis of rural restructuring in China is confined to the impacts of urbanization and industrialization (Kan, 2016; Zacharias and Lei, 2016; Yep and Forrest, 2016), and underplays the significance of counter-urbanisation and the part played by second homes and urban-to-rural migrants in rural development.

The rapid emergence of a ‘second home industry’ has impacted on the economy, demography, community organization, lifestyles, openness and accessibility, culture, and also the perceived function of space – now meeting aesthetic and recreational rather than purely productive needs – in some parts of rural China (Fløysand and Jacobsen, 2007; Long and Liu, 2016; Van Auken, and Rye, 2011). There is a new heterogeneity in the economic, spatial and social life of rural areas arising from these changes (Boyle and Halfacree, 1998; Milbourne, 2007). Past studies have been preoccupied with the general association between second homes and rural restructuring, focusing on the movement of urban migrants into rural communities (Hoggart and Paniagua, 2001b; Marjavaara, 2007; Nelson, 2001; Müller, 2011). But new patterns of social interaction, impacting on local development pathways, are also significant. To date, limited attention has been paid to the ways in which the interplay between extra-local and local actors is configured, and how that configuration affects rural restructuring. Second home owners and developers, as the bearers of resource and capital, play a significant role in undermining or strengthening local influence over rural restructuring (Luloff and Bridger, 2003). Rural communities may increasingly rely on the capacities of extra-local actors and on the interplay with local residents to adjust to macro-societal trends (Halfacree, 2006).

Against that backcloth, this paper examines how commercial second-home developers and owners form linkages with local residents, and how those linkages stimulate and direct amenity-led change and rural restructuring in China. Our contribution to analyzing rural restructuring, arising from the building and use of second homes, is through the lens of local networks and relational capital. The arrival of second home developers and owners into
rural areas has introduced ‘an overlay of past dense person-to-person interactions [with] more complex, extended and open networks’ (Gallent, 2014: 179). This study is critically concerned with the way in which new linkages stimulate, and are an important impetus behind, socio-economic change in an amenity area. Attention to networks reveals the interaction dynamics between extra-local and local actors that occurs over time in the rural restructuring process, and also contributes a deeper understanding of the significance of these interactions for rural places, especially in the Chinese context which is replete with complex networks and their embedded resources (Luo, 1997).

The paper is organized into four parts, beginning with (1) a review of extent literature linking second homes and rural development. This is followed by (2) a brief introduction to the study area and an explanation of methods. The findings (3) focus on a) the arrival of extra-local actors in Xingfu; b) interactions between the triad of second home developers / local residents / second home owners; c) amenity-led change and the commodification of Xingfu and its environs; d) economic impacts and the opening up of new economic pathways; and e) inter-group tensions and social change. The (4) fourth and final part returns to our driving question concerning the role and consequences of amenity-led change in China’s ongoing rural restructuring.

**Part I: Framing Rural Restructuring**

*Second homes as exogenous sources of rural restructuring*

A growing body of research has drawn attention to the significance of second homes in rural restructuring, both as a signifier and driver of change (Adamiak et al., 2017; Mitchell, 2004; Stockdale et al., 2000). Many studies have explored the impacts of second homes on rural housing markets (Hajimirrahimi et al., 2017; Müller, 2002; Volo, 2011), on the generation of new employment opportunities (Czarnecki, 2018), or on retail demand or local service use (Hjalager et al., 2011). The diversification of the economic base of rural communities has often been read as a shift towards post-productivism (Hoogendoorn and Visser, 2010; Hoogendoorn, Visser, and Marais, 2009). The rapid growth of residential tourism, driving new types of land-use and popular concern for the amenity of the ‘surrounding environment’, may be viewed as part of a commodification of the countryside, from a space of production to a space of consumption (Boyle and Halfacree, 1998; Van Auken and Rye, 2011; Woods, 2005). Its agricultural base may become less politically important than ‘new enthusiasms’ centred on conservation and leisure (Urry, 1995). Revised demographic structures, alongside new lifestyles and outlooks - both individual and collective – mark a shift in rural identities, driven in part by the influx of second home owners (Fritz, 1982; Karsten, 2007; Marjavaara, 2009; Müller, 2004). Changing identities translate into new priorities that are reflected in the management and governance of rural areas (Wu and Xu, 2018): farming’s actual decline will be mirrored in its political decline, whilst new economies – particularly those focused on the
service sector and underpinned by new patterns of consumption - are ascribed greater significance (Woods, 2009; Milbourne, 2007). New relationships, and relational perspectives, become increasingly important in driving and understanding rural change.

Past studies have certainly looked at the ways different types of extra-local capital and resources are embedded into the interactions between extra-local actors and local residents (McHugh and Mings, 1996; Müller, 2002; Stedman, 2006), at the different roles played by second home owners and local residents in rural restructuring (Laposa and Mueller, 2010; Overvåg, 2010), and specifically at collaboration between second home developers, owners and local actors in the promotion of rural development (Jeong et al., 2015; Lauber et al., 2008). The channeling of extra-local resource into rural communities, via the relationships formed between migrants and existing residents has been an emergent theme in rural studies (see Gallent, 2014; Hoogendoorn and Visser, 2010; Rinne et al., 2015) and one which has diverged from the narrative of broadly generated economic, spatial and social restructuring (Åkerlund et al., 2015; Kondo et al., 2012; Lagerqvist, 2014; Rye, 2011; Velvin et al., 2013). However, limited attention has been given to non-spatial and social forms of proximity, to the multi-scalar interrelatedness between extra-local actors and local residents, and to the relational dimension of restructuring in affected communities. It is this relational dimension that provides the focus for this paper.

Second homes, in-migrants and extra-local linkages

Second homes are either purpose-built or existing homes transferred from permanent to seasonal use (Coppock, 1977). In places where new second homes are built by local developers or specialist companies, the ‘second home industry’ will be a catalyst for attracting urban migrants to rural communities (Hoogendoorn and Visser, 2015; Müller, 2011; Robertsson and Marjavaara, 2015). The inflow of new actors may have an almost immediate social impact, replacing ‘[…] past dense person-to-person interactions [with] more complex, extended and open networks’ (Gallent, 2014: 179) and a range of new socio-economic linkages. Linkages take many forms, ranging from family links, to new established networks, to individual-organisation relationships. Family links tend to be important in regions with long histories of residential tourism (Kaltenborn, 1997a, 1997b; Müller, 2007). Urban residents might inherit rural properties, which belonged to their parents or grandparents, converting them into vacation homes out of a sense of nostalgia for their family’s rural past – or because of the investment and amenity opportunity (Gallent et al., 2005: 129). Such links often have an important influence on how the second home owners act, live and interact with these places and with local people (Flemsetaer and Setten, 2009; Grubbsström, 2011). Where second home ownership is not focused on family inheritance, high levels of mobility will play a part in helping nurture local relationships (Sullivan, 1985). Recurrent visits, increasing the likelihood of encounters, as well as the availability of social venues (places to meet and interact) may result in the broadening and extension of networks (Müller, 2002). The characteristics
of second home owners is also important in shaping local relationships (Adamiak et al., 2015; Brida et al., 2009). Retired owners, for example, may have the time and inclination needed to embed themselves in host communities, getting involved in a range of social activities (Gustafson, 2008; Huber and O’reilly, 2004). A less researched area of interaction is the way in which housing developers, actively promoting places to second home seekers, may create a new nexus of economic opportunities for local businesses and residents through the local supply chain, comprising both goods and services (Eversole and Martin, 2006).

Population movements generally result in the substitution of flat and closed social networks with more mixed, hierarchical and open networks within rural communities (Tuulentie, 2006). These arise from a mix of power and resource asymmetries and also relate to the income and educational advantages of many urban households moving to developing rural areas (Pitkänen et al., 2014). Network interactions at an individual level can be both interpersonal and public, with those buying into a community becoming involved in public affairs (Hay and Visser, 2014; Kietäväinen et al., 2016). On the other hand, external economic actors, such as real estate companies, are the bearers of financial and social capital and bring an easily recognized resource and opportunity into rural communities, quickly forming economic and supply-chain relationships with existing economic actors (Jones and Tonts, 2003).

Together the inflow of resourceful people and organizations catalyzes rural restructuring: whilst seldom transforming the entire social structures of rural areas, their arrival often signals quite fundamental change in the operation of rural economies, with clear implications for social life and for rural revitalization (Rinne et al., 2015; Rye, 2011). Prior research on rural development has underscored the role of extra-local linkages in effecting economic change (Guimond and Simard, 2010; Hay and Visser, 2014; McIntyre and Pavlovich, 2006), but the developmental role of second home developers and owners, who have spearheaded amenity-led change in some areas, has been under-researched, especially in China.

Therefore, drawing on interviews and observation, the remainder of this paper explores how critical relationships between new and established actors shapes amenity-led change and restructuring in rural China, drawing on the example of Xingfu village.

**Part II: Methodology**

*Introduction to Xingfu village*

Xingfu village is 50 kilometres from Chengdu, the capital of Sichuan Province (See Figures 1 and 2). A large part of the village today comprises a purpose-built second home community of 1,000 recreational houses and a range of amenities (including parks, sports and health centers, restaurants, and tea bars etc.). The development, by Xingfu Enterprise (XE), was a response to the 2008 Wenchuan earthquake. XE is a privately-owned entity, but it has built and maintained a good relationship with Qingxia Local Authority since the 2008 Wenchuan
earthquake. That relationship grew from XE’s offer to assist with post-disaster housing reconstruction for local residents. In order to facilitate that reconstruction, XE worked with Qingxia Local Authority (QLA) and Xingfu residents to agree the transfer of farmland to state ownership and onward to XE. After several rounds of negotiation, a price for the land was agreed that would enable XE to generate significant profit from private sales, which could then be recycled into a broader programme of reconstruction and rural development, including in-kind compensation to villagers in the form of refurbished and new homes. Such transfer-and-compensation arrangements are often facilitated in China by local government, and then agreed upstream by superior authorities and the Land Bureau, which is responsible for putting transfers of land status into legal effect (Tian, 2015). The Xingfu transfer was, however, part of a broader programme of transfers and reconstruction led by Sichuan Province, in response to the Wenchuan earthquake. But the general process was the same: collective land was brought into state ownership and then leased to the private entity, with compensation generated from the lease flowing to villages and, in the Xingfu case, to a broader reconstruction programme. Local government, with the assistance of XE, mobilized institutional, land, and financial resources to help local residents recover from the disaster, which risked consolidating the decline of the core village, which had already experienced a significant population loss during the previous 20 years as young people moved to the city in search of better public resources and employment opportunities.

XE became local government’s vehicle for realizing post-disaster recovery and revitalization. It commenced three phases of second-home development from 2009 onwards, building 400 units in the first phase (to the end of 2009), 600 in a second phase (completed mid-2015), before adding a single five-floor block of apartments in 2019. The development has proven popular amongst buyers from Chengdu, who tend to be in the 40 to 70 years age range. Many are professionals (there are many doctors and teachers among them), government officials or business owners. XE markets the harmony, tranquility and unity of life in the village – attaching such slogans as ‘Farming life, hand-made villages’ or ‘I am for everyone, everyone is for me’ to its sales brochures and advertising. The relationship between villagers and XE was evolved in three ways during the development phases. Firstly, XE rehoused villagers in new or refurbished homes, subsidized from the sale of second homes built on former collective land acquired with a discount against full market value (see above). Second, villagers were often employed by XE in roles that supported the development of second homes: for example, in marketing or maintenance. And thirdly XE contracted local farmers to provide agricultural and craft products to support the anticipated growth in the local tourism economy. It also worked with villages on the development of local skills and capacities, including entrepreneurial and management skills needed to connect to new opportunities. XE has made particular efforts to promote the benefits of integration between groups, viewing
its development as symbiotic with the existing village, possibly because of the public drive to revitalize that village rather than simply replace it.

A combination of rural tourism growth and population aging in China means that purpose-built second home communities like Xingfu village have become a new focus for leisure, retirement and rural development.

Figure 1: The location of Xingfu Village (Source: authors)
Data collection and analysis

This study, drawing on the case of Xingfu village, examines how extra-local actors stimulate amenity-led change and rural restructuring. Site visits, observation and semi-structured interviews were used to generate the required data, between July and September 2019. A total of twenty-eight interviews were conducted, with eight employees of XE, nine second home owners, ten local residents and one government official representing Xingfu village and Qingxia Local Authority (QLA: the next level of jurisdiction). Interviews therefore captured a spectrum of interests: from community actors engaging directly in second home development, through those using or potentially benefitting from - or otherwise feeling the impact of - second homes, to those directing development and its regulation.

XE was a first point of contact. An employee in charge of managing second homes on behalf of owners was able to put us in touch with owners and also with village residents. A separate interview was arranged with the official. This ‘snowball’ tactic worked well, providing us with access to seasonal residents, who might otherwise have been difficult to track down. Each interview lasted between 20 minutes and two hours. Different sets of questions, and prompts, were designed for XE employees, second home owners, residents and the government official, though broadly those questions were all concerned – in the first part of interviews - with daily activities in the village, interactions between groups, and perceptions
of others. On the issue of interaction, we were most concerned with the perspectives of second home owners and local residents, though understanding the ways in which XE engages the local community was also an important facet of the research. Interviews then extended, in a second part, to look at community change and the impacts attributed to extra-local linkages, judged by the different groups interviewed. Confidentiality was maintained at all times, with interviews marked simply as ‘enterprise’, ‘second home’ or ‘resident’.

Besides these interviews, observation was used to gain further insight into local interactions. Rather than covert surveillance, this took the form of visiting public places in the village and recording in a field diary, very generally, the presence of different groups and any social interactions: groups talking, use of services, shops and so on. The diary recorded, for example, interactions at Xingfu Fair (see below) and discussions, during a public seminar organized by XE, between groups on the unfolding development strategy.

Upon completion of the interviews and observation, field data were transcribed, coded and analyzed using NVivo12. The major theme in that analysis was linkage and interaction, and the influence this exerted on amenity-led change. The findings of the research are presented below under two broad themes: actors/interaction and impacts. In terms of actors, we explore the catalysts for change and the arrival of extra-local agents; interactions between XE and exiting residents; and interactions between arriving second home owners and residents. In terms of impacts, we focus on the creation of an amenity-driven second home landscape; the commodification of the village; the boom in the second home market; the opening up of a new development pathway; and the remaking of the Xingfu community and the creation of ‘parallel’ sub-communities.

Part III: Findings

Actors and Interaction

Catalysing change: the arrival of extra-local actors

Following the 2008 Wenchuan earthquake, the Sichuan government established a new framework for promoting recovery in affected areas, encouraging local government to partner with private enterprise in rebuilding homes and developing new areas of economic activity. It was in that context that Qingxia Local Authority (QLA) entered into discussions with Xingfu Enterprise (XE). After several joint visits to Xingfu, and numerous rounds of negotiation with residents and the Village Committee, it was agreed that XE would be contracted to help local residents either relocate to Qingxia town or move to new homes on the other side of Fenshui River. These options were explained by Respondent E3, an employee of XE:

The 2008 Wenchuan earthquake seriously hit Chengdu, and Xingfu village was also affected. At that time, some of the local residents’ houses collapsed and others had
large cracks in the walls. Our company was introduced by [QLA] to help local residents relocate to the Qingxia town or on the other side of Fenshui River. (E3)

A majority opted to cross the river and stay in Xingfu, but a few chose to leave their ancestral homes and move to Qingxia, perhaps for personal reasons or to secure perceived educational and employment advantages for their children. The exact reasons why some villages left were not investigated in this research, though the prospect of exchanging a home on collective land with a home on state land (that could, in the future, be transacted in the general market) may also have been a factor enticing some villagers take this unusual step.

The same respondent, E3, described the building of second homes in Xingfu as an ‘unexpected outcome’ of its reconstruction focus. This rather odd statement, given the importance of investment housing in the revitalization of the village, is part of the presented narrative of XE’s presence in Xingfu: its primary mission was reconstruction, with the building of second homes a means to an end rather than an end in itself. Though away from the gloss of ‘social responsibility’, building homes for the wider market was the principal means by which that reconstruction would be supported and realized.

It was eventually agreed, after numerous meetings with the Village Committee, that farmland would be transferred from collective to state ownership and then leased to XE at a preferential price. The combination of that price, and the freedom to build and sell second homes on the leased land, would provide XE with the financial resources needed to pay for the relocation of those residents whose homes had been damaged by the earthquake. The deal struck allowed XE to capture local development value, profit from it, but also finance local reconstruction and compensation. That deal was a means for QLA to overcome its own resource and capacity limits: in essence, XE acted as an arms-length company of QLA, assisting local government to resolve the immediate challenge of post-disaster reconstruction following the Wenchuan earthquake. This agreed transfer of land created a development opportunity that was realized in the three phases noted above: just over 1,000 second homes for purchase were built between 2009 and 2019.

During that decade, many of these homes were bought by investors from Chengdu: doctors, teachers, other professionals, public officials and business owners. During the first phase of development, 40% of buyers were over 50 years old. Many were ‘return migrants’ who had grown up in rural Sichuan, moved to the city, and wished to purchase a home in the country. Slightly younger buyers, in their 40s, were less likely to be returners but were attracted by the rural landscapes of Xingfu and also the villa-type houses built by XE, which are unavailable in cities like Chengdu.

Second home owners spend time in Xingfu for three reasons. First, they pursue leisure activities, such as hiking, jogging or fishing, in this rural setting. They are drawn by local amenity. Second, they work on their second homes, gardening, decorating or undertaking
more substantial works. Many homes are renovated or improved (Figures 3 and 4), perhaps to increase the value of their investment or as an expression of identity. Renovations often involve ‘self-conscious’ attempts to conform to rural stereotypes or achieve, through modification, a perception of the ideal rural dwelling (Lagerqvist, 2014). Thirdly, owners come to Xingfu for its particular social life, which is ‘another world’ compared to life in Chengdu:

*We always gather in this way: today we bring our home-made dishes to visit one of our neighbours and have lunch together. Tomorrow, I will welcome other second home owners to visit my house in return. If we are reluctant to cook, we will drive our car to local restaurants instead. Then we come back in the afternoon and have a little nap. In the evening, I will hang out with other second home owners again. (S6, second home owner)*

This pattern of sociability differs from life back in the city, largely because people have time on their hands. In Xingfu, owners find themselves in a community with people whose motives and inclinations align with their own. Such patterns of second home owner sociability are repeated around the world (Gallent, 2015). Having a surplus of spare time is also important in shaping wider relationships.

*Interactions between Xingfu Enterprise and the local community*

During the three phases of second home development, XE engaged local residents in a limited range of jobs. Some worked in site security during the construction phases, moving to general security once the developments were complete. But these were generally unskilled jobs, available to only a small number of residents, and did not deliver any substantial economic impact. Recognizing this shortcoming, QLA – together with Dayi County Council –
urged XE to bring local residents into the wider eco-system of economic opportunity being created in Xingfu.

The first initiative from XE was to source ‘souvenir products’ from local producers, in part to counter the argument that the company was only about bringing aging investors to the village and doing little to support the wider economy and especially young people. Indeed, after the first phase building project started in March 2009,

* I realized that ageing tourism is not suitable for the sustainability of Xingfu village, as the more you attract an ageing population, the more you reject the young. Thus we adjusted to develop [broader] rural tourism by integrating different rural resources, such as agricultural products (E8, employee of XE)*

XE started contracting local farmers to produce new types of agricultural product, which it then branded for sale to tourists, substantially increasing its price. It sought to valorize, for example, local Xingfu rice. The average price of rice at the time was 10 yuan per kilogram, rising to 180 yuan a kilogram after it had been packaged for tourists as a souvenir, or memento of their visit to Xingfu. Some of the rice was sold in local shops, but a great deal more was sold on the ‘Taobao’ website – China’s equivalent of eBay. Once this partnership was up-and-running, more farmers signed up, triggering a local revival of Xingfu’s agricultural sector.

The second initiative by XE was to provide retraining opportunities. Having demonstrated the potential to revalorize farming products, the company worked with residents to help develop new local capacities. Drawing on expertise from universities, professional planners and government officials, regular Friday seminars were organized. These focused broadly on entrepreneurial skills, but specialist classes were also scheduled on hotel management and different handicrafts. One of the interviews (E1, another XE employee) described the desire to help residents start their own businesses and harness the new opportunities arising from Xingfu’s development:

* We are running a design school and providing technical training courses for local residents every month. These comprise free public lectures. For those who have entrepreneurial ideas, we can also offer some guidance. (E1, employee of XE)*

Interviewees regarded both the sub-contracting and business training as important means of ‘crossing boundaries’ and connecting with the local community. Becoming more embedded in that community, and providing opportunities for economic revitalization, went to the heart of the relationship that QLA had brokered between XE and Xingfu village. XE’s investment in the village was not an entirely private matter: the local authority continued to push for a more integrated development model.

*Interactions between second home owners and the local community*
To what extent do second home owners remain in their separate bubble, engaging only with other seasonal residents? At first, interactions with ‘locals’ tend to be service-based: second home owners engage local workers to undertake decoration or renovations works, often overseeing that work when they are in Xingfu. When they are away, residents may be engaged as housekeepers or gardeners. Local residents were generally positive about these relationships, viewing second homes as an important source of additional income. For that reason, many appeared to be on good terms with seasonal residents, as one of the owners observed:

*Local residents are [...] very kind to me and often give me some eggs, grapes, and wild mushrooms.* (S6, second home owner)

Acceptance and clear benefit can seed deeper social connections, with good local relationships encouraging second home owners to extend their stays and even start their own businesses in Xingfu. XE has encouraged second home owners with particular skill sets – e.g. in architecture and construction, handicrafts, catering or hospitality – to become permanent parts of the community. In 2017, it implemented an ‘entrepreneurs’ plan’ (in partnership with QLA), part of which incentivized business start-ups in the village by waiving the first year’s rent on studios or small work-units. Twenty second-home owners subsequently took out leases on studios in Xingfu. The aim of bringing new entrepreneurialism and new skill sets to the village seems to have delivered tangible benefits, both for the ‘local’ community and new business owners. QLA is keen to ‘beautify’ the village and surrounding areas in ways that will appeal to second home investors and users: it wishes to create a ‘second home landscape’; a commodification that draws more people to the area. To that end, a second home owner who set up a planning studio in Xingfu – taking advantage of the entrepreneurs’ plan and rent relief – was appointed the principal of that ‘commodification project’ in 2015:

*We [the local community] invited a second home owner [S9] to be our principal village planner. She led the team to make a series of transformations on our main street and local residents’ houses, making the landscape here more compatible with the second home landscape.* (V7, local resident)

This sort of transfer of skills into the local community illustrated how second home owners have come to drive and lead amenity-led change in Xingfu, bringing economic benefit but also landscape changes with impacts that warrant closer scrutiny.

**Material impacts**

*The creation of a second home landscape*

Xingfu’s first phase of development resulted in housing following the Japanese rural vernacular – two-floors, small courtyards and white exterior walls (Figure 5) - and a
streetscape comprising intimate tree-lined avenues with soft lighting (Figure 6). The aim was to deliver homes with a rural feel, in a rustic setting.

This formula proved extremely popular and led to a second phase of development from 2013. Increased demand allowed XE to move the development to a higher price-point. Therefore homes in this phase had three or four floors and many had larger ‘feature windows’. The yellow exterior walls of these ‘urban villas’ became the hallmark of this second phase, although yards contained within rustic brick walls tried to deliver a sense of rurality (Figure 7). It was during this phase of development that XE laid out a pedestrianized commercial street lined with handicraft outlets and cafes. The objective, of the urban villas and upgraded community facilities, was to entice a younger and wealthier clientele to Xingfu: those who might want a rural experience, and associated amenity, but also value a comfortable modern environment with plentiful facilities. For that reason, the rustic charm of phase one was replaced in phase two by a more typical investment landscape of the type found across peri-urban China.

Figure 5: First-phase second home  Figure 6: Avenue in the first-phase district

The third phase of development, completed in 2019, comprised a single five-floor mansion block of 36 flats. Its purpose was to add economic space to the overall development (its first and second floors were reserved for retail and business studios) whilst also providing new investment opportunities. The first two phases had generated an awareness of, and demand for, second homes in Xingfu. The third stage capitalized on that demand with a more modern and conventional development: an urban-scale block, with more limited attention to identity (delivered by a few large paintings on the exterior walls), but high-quality external space – in the form of a large communal terrace – for social gatherings (Figure 8). It aimed to appeal to younger buyers, attracted to the recreation and amenity of Xingfu, which was now becoming more firmly established.
By the end of 2019, the three phases of development formed a second home agglomeration to the south of the Fengshui River, an expensive enclave separated from the old village on the other side of the river (Figure 2).

*Commodification of rural landscapes*

This physical separation has become more pronounced over time. It was in 2015 that QLA, with the agreement of local residents, contracted ‘S9’ (the second home owner with the required planning skills) to work in the design and street layout of the unfolding XE development. Their brief was, in essence, to give prospective second home buyers and users what they wanted: a commodified landscape of investment opportunity with a branded rural feel, adaptable to their needs and with good nearby facilities. But as well as focusing attention on saleable space, XE engaged in a wider upgrading project designed to ‘ruralize’ the old village, as part of the broader compensation and reconstruction package that they had been contracted to deliver. The existing windows and doors of residents’ houses – made of various materials and sometimes in a dilapidated state - were replaced with traditional wooden ones. The walls of those houses were repaired and plastered with a mix of yellow clays, straw and stick rice, to give a more uniform and rustic look (Figure 9). The aim is to ensure that the old village meets the expectations of second home owners: a sanitized rural experience in a commodified landscape.

That commodification extends to surrounding farmland. When land was transferred out of collective ownership in 2009, much of it was used for the three-phase development. But surplus land remained, divided into large traditional agricultural plots. This was subdivided by XE into smaller allotments and made available to those second home owners wanting to grow vegetables and therefore participate in a more complete rural experience (Figure 10).
Further changes were made within the old village, arguably to meet second home owners’ expectations but also as part of a wider upgrading programme after the Wenchuan earthquake. Xingfu’s streets had never been paved: they comprised bare earth, which became muddy when it rained (almost every day in high summer) and made walking or driving extremely difficult. During the development of the second homes by XE, QLA paved the streets of the old village with local green bricks. This made life easier for the residents and also increased the attractiveness of Xingfu: the bricks were similar to those used for the courtyards of the second homes, creating a more compatible architectural style. Works were also undertaken on the old village’s public spaces: in Fengshui Plaza, for example, a rather functional and dilapidated public shelter was replaced with a new steel structure wrapped in bamboo and shaped like a wave from the river, with a large hole in the middle to permit the flow of vital energy. The Plaza has since become an important focal point, where second home owners and villagers gather and where local traders sell their wares to the seasonal and weekend residents.

Such developments can be viewed as public benefits arising from new investment: but they are also part of a commodified second home landscape comprising direct investment spaces and spaces of broader experience – extending to the old village and surrounding farmland. Wider public benefit can also be read in measures of economic change, including rising property values – assuming those values can be captured by residents.

**Economic and Community Impacts**

**The second home market boom**

The driver of the housing boom in Xingfu was a temporary suspension of *hukou* rules, by Sichuan Province, which allowed urban residents to purchase property in Xingfu that was
delivered, by XE, under the auspices of the post-disaster reconstruction policy. This suspension unleashed pent-up housing demand, thereafter satiated by XE through its three-phase second home development. However, supply could not possibly keep pace with demand, triggering a sharp rise in house prices – centred on available housing in the second home market. Interview E8 (a XE employee) claimed that the average value of second homes in Xingfu increased four-fold (by 400%) between 2011 and 2019. There were no second homes before 2011, so this is a comparison between homes sold in the first and last years of development. Second homes form a discrete sub-market as local residents’ homes are not available for purchase by urban households. Although recorded sale prices in that sub-market affect overall house-prices – pushing Xingfu village prices above the average for Dayi County (Figure 11) – the value of residents’ homes are not increasing. The second homes, on the other hand, become central to the growth and circulation of capital for middle class urban households: exchangeable assets in a model of wealth creation from which rural households are excluded.

Figure 11: Average house prices - Xingfu village, Dayi and Chengdu, 10/2018 to 09/2019 (Source: https://xingfugongshe.fang.com/)

The separation of sub-markets arguably protects rural households from the forces of gentrification and displacement. These households benefited from the development through the upgrading of their own homes and rising incomes linked to the growth of second homes tourism. They did not, however, ‘capture’ the rising value in property, which flowed instead to investors from Chengdu (and XE when it released the later phases of development). Indeed, second homes in Xingfu went from being places of recreation and amenity at the beginning of the project, to pure investment assets by 2019. The clearest evidence of this was the development of the final mansion block, comprising flats that were marketed specifically as investment opportunities:
The third-phase second home is different from the first and second ones, because we built flats to satisfy younger families who have a strong desire to invest housing as well as to enjoy rural life. (E3, employee of XE)

XE collaborated with another company, Tujiang Hotel Management, on the decoration and furnishing of the flats, which were then targeted at ‘buy to rent’ purchasers. Once sold, Tujiang provides a letting and management service, helping owners achieve maximum rental yield (from tourists) in the short term. And those owners will hope for steady capital appreciation over a longer period. Some of the third-phase investors were new to Xingfu. But more than half, however, were existing phase one and two second-home buyers looking to expand their Xingfu property portfolios, become multiple second home owners, and benefit from rising property values and land rents.

A new path to the revitalization of the rural economy

A focus on housing market dynamics might suggest that Xingfu, and similar second home developments elsewhere, are merely sites of profit-taking for middle class urban households. Whilst there are clear inequalities in outcome, more general economic effects can be observed involving new patterns of land and resource use, a diversification (and valorization) of activity and rising incomes.

Prior to the Wenchuan earthquake, much of the farmland around Xingfu had been abandoned or was under low-level and sporadic cultivation. This was because of a population exodus in the 2000s. In that context, the transfer of land to state ownership and then development use after the earthquake – combined with the suspension of hukou rules – made a lot of sense. It drove up land values and gave the community a new source of income. XE was the instrument of provincial and local government policy and although cash benefits were arguably skewed towards XE and investors, the wider benefits for the community are undeniable. These include the upgrading of local infrastructure and homes and access to the jobs and spending generated by the development. A range of new sectors took root: construction and site security during the development phase; and tourism and catering following completion and occupancy of the first phase. Some residents have become directly involved in making and selling tourism products. Others simply benefit from the spending of second home owners, on local foodstuffs and services. The Xingfu Fair, organized by XE, has become a focus for exchange between owners and local businesses: it takes place every Saturday on the Fengshui Plaza and provides an opportunity for local farmers to sell their produce to second home owners. The rate of out migration in the last decade has slowed compared to 2000 to 2010: more residents are able to work and make a living in Xingfu.
But the visible success of the Fair, and evidence of rising average incomes, masks the reality that not all residents have seen their incomes grow. Many remain poor\(^1\) and live separate lives from the wealthy second home investors from Chengdu. But what has happened in Xingfu is not simply a speculative commercial development, which would have been impossible given China’s system of state and collective land ownership. Rather, it is a public intervention involving provincial and local government. Where land is in state ownership, disposal on leasehold terms provides government with income for public services and investments (Cao et al., 2008; Lin and Yi, 2011). In the case of Xingfu, land was originally owned by the residents – in the village collective. Land value was low because of the bar on non-agricultural use and on the private purchase of that land. Sichuan Province, through its coordination of local authority activity in response to the Wenchuan earthquake, generated demand for that land by moving it from collective to state ownership, enabling its sale to XE at below market value: for the purpose of incentivizing investment whilst obliging the buyer, XE, to undertake post-disaster reconstruction and development. Within the framework created by the Province, QLA licensed XE to capture the consequent rising value through development and onward sale to housing investors. That value has been recycled into local infrastructure and the promotion of economic diversification. The revitalization of the rural economy has not been achieved through housing development, but rather through a partnership between government, at two levels, and a private enterprise. That partnership has delivered amenity-led development and re-orientated the economy towards the consumption of assets and tourism, with the former producing much of the capital that is then recycled, through tourism consumption, in the local economy.

Growing tensions within the community

This transition in the economy, and in the social life of Xingfu, has not been frictionless. Tension has emerged around the pace of change: some second home owners believe that Xingfu is being over-developed and their amenity undermined. It was noted earlier that many first-phase investors were older and closer to retirement. They were attracted to the village by the promise of peace and quiet rather than rental yield or capital return. However, later development, and especially the densification signaled by the 2019 mansion block (which will not be the last such block in Xingfu), marks a significant change in the character of the village. Roads and streets are busier. It is more difficult to find a parking space or seat in one of the tea bars during the weekend. Many first-phase owners judge the quality of life in

\(^{1}\)Benefits from the development have not been shared equally. Land moved from collective to state ownership before being leased to XE at below market value. Under the collective arrangement, land was allocated to individual farmers based on household size. Once the land was sold / leased, the distribution of proceeds was based on the previous allocation of land. Moreover, some collective land was not included in the sale / lease. Therefore smaller households, or households outside the redevelopment area, received less direct financial benefit from the sale to XE.
Xingfu to have been eroded and its rustic charm lost: some of those interviewed were not at all happy, for instance, with the painting of a large ‘Hello Kitty’ on the façade of one of the second-phase properties, asking why this was necessary and how it contributed to the aesthetics of the village. One of the second home owners, S7, who came to Xingfu in the first-phase, notes both the shift in architectural style and in clientele:

For me, I prefer a Chinese-style house built in the first phase, which is more in line with our aesthetics. This is more like what we understand as a second home or a retirement home in the suburb. (S7, second home owner)

Many such owners have turned against XE: the company started off building homes that were in keeping with the rural surroundings, but then switched to an out-of-place urban vernacular, which renders Xingfu increasingly ‘placeless’. These owners now regularly object to further development proposals, defending what they see as ‘legitimate’ character and amenity, and are reluctant to participate in community activities organized by XE.

Another point of tension, for some resident households, is the service-based relationship between second home owners and local people. Whilst there are examples of positive social exchange, including gifts given to owners, the unequal economic relationship and sense of dependency reinforces class differences and an ‘us and them’ mentality. Service-based relationships (locals working for XE or directly for second home owners as housekeepers or gardeners) shape interaction, putting owners in a privileged position in contrast to the subservience of locals. The rural / urban binary is shorthand for the wealth, income, socio-cultural capital and educational differences between second home owners and local residents. Feelings on this point are captured in this quote from a XE employee:

There are some very arrogant owners. They never wind down their car window to ask me to open the parking door. Rather, they just wave their hands. These second home owners regard themselves as superior to us. (E3, employee of XE)

There is also evidence of resentment towards the power assigned second home owners in the reshaping of Xingfu. Residents lacked the education and skills of S9 – the second home owner given a role in planning and designer XE development after 2015 – and felt excluded from decision-making, suggesting that their voice had been lost and change was no longer ‘for them’. Rather, it happens to them and without their consent – a form of creative destruction that privileges the gaze of second home owners. Whilst XE was eager to replace doors and windows, fix roads, and install a new public shelter on Fengshui Plaza, these were all primarily for the benefit of investors – who might be otherwise repulsed by the shabbiness of residents’ homes. Inside those homes, more urgent repairs have not been undertaken: compensation, for the loss of farmland, is therefore perceived by some residents to have been largely cosmetic. Moreover, amenity-led change has left local residents marginalized: it is not their amenity that has been prioritized but rather an ersatz form of rurality that satisfies urban
tastes. Such resentment - rooted in social difference, patterns of behaviour and a sense of injustice – can translate into an unwillingness to interact and therefore the development of parallel lives and communities.

A parallel second home community

Invisible boundaries arise from the different values, motivations and lifestyles of second home owners and local residents. Daily routines are determined by personal reasons for being in Xingfu: for leisure or for making a living. Resident households are working households, engaged in agriculture and in traditional rituals. Second home owners, on the other hand, are taking a break from their working lives and are focused on leisure, on consuming local amenities, and on the improvement of their homes and gardens. These are discrete interest groups and, as such, find little common ground in their daily lives. Given these contrasts, many second home owners eschew boundary-crossing or joining the social groupings of local residents. They are much more interested in building links with other, like-minded and similarly-motivated, second home owners. Thus, their social lives centre on engagements – dinners out or other social gatherings – with other owners, or with friends and family that they invite down to their Xingfu home. Second home owner S7 provided some insight into how groups form:

_There are five families in the Xingfu village who are from Gansu province. We created a WeChat group called ‘Gansu Family in Xingfu Village’. We always gather together to hang out._ (S7, second home owner)

The activities of some second home owners are structured by the activities organized by XE or centre on facilities provided exclusively for their use. A second home community has coalesced, which reinforces the sense of separation already felt by local residents. But the situation is not binary: residents display a general antipathy towards all seasonal residents, viewing them as a homogenous group. But the first-phase second home owners, who are older and more likely to be occupying than renting-out their properties, now form a subgroup, critical of the projects of XE and of the tastes exhibited by later arrivals. Those later arrivals, who are younger and more concerned with financial return than the authenticity of rural experience, seem more content with the services provided by XE. These are of course generalizations, formed from a relatively small number of interviews. There are bound to be positive interactions between various groups and individuals. But responses to amenity-led change are inevitably different, rooted in contrasting needs and experiences. Interests will conflict and relationships are shaped accordingly.

Part IV: Discussion and conclusions

This study has aimed to contribute greater insight into the consequences of amenity-led change and the incursion of extra-local actors into rural communities through the lens of local
networks and emerging relationships. A number of dynamics were considered in our case study, between second home owners and residents, and between XE – our example of a second home developer, working in partnership with the local state – and community and investor interests. In Xingfu, XE was the instrument of amenity-led restructuring and was directed to pursue a property-led model of economic development that integrated with the life of the existing community, introducing new opportunities and upskilling the local workforce. Arguably, the boom in the housing market, triggered by hukou suspension and housing development, occupied centre-stage in Xingfu’s revitalization. But the control exerted by QLA ensured wider benefits.

But those benefits were not so great as to forestall tension and conflict. Overtime, the interactions between owners, XE and the community became more complex and nuanced, with different interest groups forming, each with its own set of priorities and prejudices. The beautification of Xingfu – driven by the desire to draw in more tourists and more investment – was largely cosmetic and left deeper questions, concerning local livelihoods and life chances, unanswered. Façadism dominated interventions – including yellow clay wall cladding – and served to support an economic model grounded in assetisation and consumption. That is not to say that XE did not deliver against its responsibilities. At the request of QLA, it advanced an integrated model of rural development, mobilizing its knowledge and resources to deliver new training opportunities for local people. Similar models have been deployed elsewhere (Robertsson and Marjavaara, 2015) and value was certainly added to the general effects wrought by housing development – i.e. bringing in new consumption and spending.

The Chinese model of state and collective land ownership gave the local state considerable control over the both the housing market and the use of land, with added value being delivered through compensatory arrangements. However, one wonders whether the compensation – in the form of housing repairs and training opportunities – was sufficient given the significant profits flowing to XE and homebuyers and the level of control that local government is able to exert over development and ‘value capture’.

The landscape of Xingfu has been transformed by XE’s presence. The productive landscape of the past – especially the pre-2000 landscape, pre-dating the population exodus – has been replaced by one of commodification and consumption. This can be seen in the built form, in the aesthetic upgrading and in the division of viable agricultural holdings into allotments and hobby farms. Although it is only the second homes themselves that have been ‘sold’, Xingfu itself has been sanitized and commodified to support the investment priorities of XE and second home owners. The changing landscape and streetscape of Xingfu is further evidence of the material and symbolic reconfiguration of rural space that occurs as production is eclipsed by consumption (Halfacree, 2006; Stockdale, 2010; Woods, 2005; Lagerqvist, 2014) and places become subservient to the interests of capital.
Some benefits have flowed to the community. Rural decline was compounded by the disaster of the Wenchuan earthquake. In that context, the intervention and investment kick-started the local economy. Some incomes rose and at least a minority of locals found employment, directly and indirectly, in the emergent second home industry – which generated new demand for local services and products. Similar economic effects have been observed elsewhere (Farstad, 2011), as has the nexus between urban development and the rejuvenation of the ‘post-productivist’ countryside (Marjavaara, 2007; Fløgnfeldt, 2004; Hoogendoorn and Visser, 2010).

But economic revitalization, on an apparently modest scale from the perspective of local residents, has come at a substantial cost. Service providers are always economically dependent on consumers – and economies are more generally structured by myriad inter-dependencies (Kalantaridis, 2010). But in Xingfu, and elsewhere, dependencies are more clearly visible and have been accompanied by social and political marginalization. For the second home owners, Xingfu is a playground in which their needs are catered for by a local population lacking economic alternatives. Stark divisions in wealth and poverty, when juxtaposed, become a source of group identity (Jenkins, 2008) and resentment, which is compounded by the asymmetry in economic and political power between different groups.

Xingfu offers an important glimpse into the restructuring of socio-economic morphology in near-urban communities in rural China. Economic and social disparities between urban and rural areas, as well as rapid rural decline have been observed in many parts of China (Knight and Gunatilaka, 2010; Li, et al, 2016). The handrail provided by extra-local actors and the investment they bring has been important for rural areas in many parts of the world (Bosworth and Atterton, 2012; Ray, 2000; Xue, Kerstetter, and Hunt, 2017). That investment often comes from a growing middle class, whose wealth is now being underpinned by the assetisation of housing (Wu et al, 2020). But in order to understand how that investment shapes rural places, it is necessary to shine a light on the links and bonds that develop between existing and new actors. In Xingfu, local networks have been important in the mobilization of capital and its continued circulation in the local economy. Whilst XE has undoubtedly profited from the land transfer arrangement licensed and brokered by the Province in response to the Wenchuan earthquake, QLA has placed obligations on its private partner which ensures that a proportion of local value, inhering in land and amenity, is retained by the community. But segregation problems remain, often linked to the relative powerlessness of villagers. The loss of control over collective land has meant that existing residents are arguably sidelined when decisions are taken over the future development of Xingfu: they have become reliant on QLA exerting influence over XE in a way that is perhaps reminiscent of western democracy. However, and more positively, the experience in Xingfu can be presented as a hybrid, combining external investment with the mobilization of local actors as a route to integrated rural development. The experience has been neither wholly
‘exogenous’ nor entirely ‘endogenous’ (Bosworth and Atterton, 2012; Gkartziás and Scott, 2014) largely because the local state retains considerable control over land and land-use through China’s land lease model. It seems clear that QLA can and will hold XE to its obligations for reconstruction and local development. Indeed, particular opportunities exist to deliver integrated rural development built on a sharing of released land value: the system of land ownership and state or collective control makes that possible in China. But either because of power asymmetry or vested interest, those opportunities are not always fully grasped and there is a constant risk that a greater part of the benefit is captured by extra-local development and investment actors. Second homes – together with the second home industry – now play an important role in rural restructuring in many parts of China. This study has drawn attention to some of the opportunities and risks arising from that restructuring.

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