

# Study on the Current Situation and Problems of Whole Village Reconstruction in Foshan City under the Strategy of Rural Revitalisation

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**Abstract:** In the context of rural revitalisation, this paper provides an overview of the current state of whole-village renovation in Foshan City, including the different renovation methods and their respective advantages and disadvantages. It also identifies issues in policy renovation across economic, social, management, and cultural aspects and analyses their underlying reasons systematically.

Keywords: Rural Revitalisation; Whole-village Rehabilitation; Problem Study

#### 1. Introduction

From the 1980s to the 1990s, in order to vigorously develop township enterprises and private economy, village-level industrial zones in Foshan City rose rapidly, presenting a trend of "fire in every village and smoke in every household". As the problem of large population and small land becomes increasingly prominent, the development of old villages in Foshan City still faces many problems such as insufficient construction land, spatial carrying capacity approaching the limit, complex historical problems left over from urban villages, and increasing supporting pressure. According to incomplete statistics, as of January 4, 2023, from the approval of the project to the finalization of the main body of the market transformation, to the sale of commercial housing, Foshan has a total of 32 old village transformation projects entering different transformation stages.

# 2. Current situation of village renovation in Foshan

### 2.1 Background of village renovation in Foshan

Driven by the "three old" renovation policy of Guangdong Province, in accordance with the "Implementation Opinions of the Foshan Municipal People's Government on Deepening Reforms to Accelerate Urban Renewal ("Three Old" Renovation) and Promote High-quality Development", the Foshan Municipal Government has formulated the Urban Renewal Planning Management Regulations, clarified the scope of urban renewal, the unit plan application management of demolition and reconstruction projects, etc., which will release greater policy dividends for Foshan's renovation work. The total land area of Foshan City is 379,778.89 hectares. As of the end of 2019, the city's construction land is 151,384.33 hectares, accounting for 39.86% of the total area, exceeding the average level of the Pearl River Delta region. Foshan is currently facing a bottleneck in land resources. According to the growth rate of Foshan's GDP, old factories, old villages, and old towns must be transformed, otherwise the construction land required for economic growth cannot be provided. The contradiction between economic growth and insufficient construction land continues to deepen, which will seriously affect the sustainable development of Foshan's economy and hinder the process of urban-rural integration.

# 2.2 Foshan's village renovation situation

# 2.2.1 Overall situation

Since Foshan proposed the village renovation, the government has actively promoted the renovation process. As of 2022, more than 50 villages have started old village renovation projects. However, due to the impact of the epidemic on the economy, the real estate industry is in a cold winter. Except for Yongsheng Village and Guofang Village in Xiabei Community, which have really progressed to the developer, the progress of old village renovation in other villages has slowed down, and basically only reached the preliminary work.

#### 2.2.2 Specific cases

Yongsheng Village began to vote on renovation opinions in 2018, and voted on land transfer in 2020. The villagers signed the "Relocation Compensation Agreement" and officially started the renovation project. One of the highlights of the renovation project is the dual assessment mechanism, which determines the property sharing ratio between the village

and the enterprise. This move established a relatively reasonable basis for village-enterprise cooperation and determined the renovation idea of "first collective, then individual", which is a major innovation in the renovation of old villages in Foshan. The renovation direction of Yongsheng Village was finally determined to be commercial housing, and the land was transferred to state-owned land. In the future, Yongsheng Village will account for 49.35% of the project, and Yongsheng Village will obtain about 430,000 square meters of distributable properties, including 231,159 square meters of residential land and 197,003 square meters of commercial and service land. After the renovation, Yongsheng Village is expected to have an annual income of no less than 60 million yuan.

The transformation of Yongsheng Village progressed rapidly and was completed within three years. Its approval rate, approval rate and signing rate were all over 83%, indicating that the transformation model of the government and enterprises in this transformation project can maximize the interests of the villagers and enable the Yongsheng Village project to proceed quickly. This not only set an example for other villages in Guicheng Street, but also accelerated the pace of urban renewal in Foshan.

# 3. Analysis of the current model of whole village transformation in Foshan City

## 3.1 Government account storage model

The government account storage model means that under the overall guidance of the government, after the rural collective economic organization votes and agrees, the government land reserve agency and the rural collective economy sign an account storage agreement, the government transfers the land through public transactions, and the bidder carries out development and construction [2]. At present, after the land of Jun'an Electronic Communication Equipment Industrial Park in Shunde was transferred to state-owned enterprises, electronic communication equipment was introduced, and the village collective income increased from 190,000 yuan per year to 3 million yuan per year, and the villagers received a dividend of 5,000 yuan per share, which is 6 times the original.

## 3.2 Government direct expropriation model

The government direct expropriation model is a model in which the government coordinates and expropriates the land of rural collective economic organizations according to the procedures and powers prescribed by law. The government is responsible for the demolition of the buildings above, and the government transfers or allocates the expropriated land according to the legal procedures[2]. However, this model is not applicable to the "three old" policy because the government has limited finances and it is difficult for the government to bear the huge resettlement costs of old village renovation. The renovation process is slow, and the government alone will reduce the efficiency of the renovation and reduce the enthusiasm of the villagers.

# 3.3 Government unified leasing and unified management model

The government unified leasing and unified management model is that after the government assists the rural collective economic organizations to complete the preliminary land consolidation work through unified leasing and unified management, the rural collective economic organizations provide land in the form of open circulation, and the government carries out development and construction, and returns the government's participation in the preliminary land consolidation costs in accordance with the agreed method[3]. This model can maximize land benefits, but its disadvantage is that it cannot attract leading enterprises and form industrial clusters.

#### 3.4 Enterprise independent transformation model

The enterprise independent transformation model has clear property rights, encourages efficient land use, can provide enterprise floor area ratio, and give play to the initiative of enterprises. Jason Home Appliances Intelligent Manufacturing Center is a demonstration project area for the autonomous transformation of Shunde Village Industrial Park. The transformation volume ratio has been increased from 0.84 to 4.0, creating an integrated smart home appliance park with an estimated annual tax payment of 53.1648 million yuan.

# 4. Problems and causes of the whole village transformation in Foshan

#### 4.1 Economic issues

# 4.1.1 Complex interest relations among multiple subjects

The whole village transformation process involves different interest relations among multiple subjects. Special circumstances such as unclear definitions and opaque interests are prone to occur during the transformation process, further

exacerbating the suspicion and competition mentality among the subjects, which will cause a strong obstacle to the promotion of the whole village transformation.

#### 4.1.2 Requirements for the transformation of rural collective economic development

Foshan's collective economic business is mainly based on land property leasing, with a relatively simple structure and a large proportion of contracting income. However, considering many factors such as the increasing downward pressure on the economy, the transformation of business models, and the reduction of available land resources for rural collectives, if the rural collective economy wants to achieve sustainable and healthy development, it needs to respond to changes in conditions and make corresponding transformations.

#### 4.1.3 Vacancy of industrial carriers after transformation

As the transformation of industrial land in village-to-industrial parks intensifies, the industrial carriers in Foshan have gradually entered a situation of oversupply from the initial shortage. The average plot ratio of industrial land in Foshan has reached more than 3.0, and the supply of industrial carriers will continue to increase in the next few years. Foshan's supply of industrial carriers is relatively large compared with other cities, but even if there is an oversupply of industrial carriers, Foshan's investment promotion pace cannot keep up with the industrial land provided.

# 4.2 Social and management issues

### 4.2.1 The traditional concept of land among villagers

The traditional concept of land in rural areas restricts most villagers from agreeing with the idea that "our ancestors have lived here for generations, and the land here is ours." Villagers have little knowledge of the country's laws and regulations on land rights, land management and urban planning[3]. Therefore, when carrying out the corresponding work of whole village transformation, they are likely to be constrained.

# 4.2.2 Rural social structure issues

At present, the rural population is mainly composed of original villagers and migrant population. Original villagers have gained greater economic benefits from property leasing, but they still retain their inherent living habits and consumption, becoming "marginal labor" or "rentiers" in a "non-agricultural and non-urban" environment. Therefore, whether a healthy community and social structure can be successfully built so that different groups of people have a common identity has posed a challenge to the work of whole village renovation.

## 4.2.3 The current land management model is inefficient

In the process of old village renovation, renovation within a larger scope can reduce the cost of renovation, but expanding the scope of renovation has formed a conflict with the village land management structure. Under the decentralized land management model, the difference in land ownership and value has led to different opinions on centralized renovation among village groups with different levels of dividend income. As a result, the implementation of whole village renovation is based on village groups as renovation units, which reduces the efficiency of renovation, makes it difficult to implement planned public service facilities, and increases the difficulty of negotiations between enterprises and governments.

# 4.3 Cultural issues

#### 4.3.1 Dilemma of cultural relics protection

On the one hand, facilities such as ancestral halls, ancient buildings and ancient trees in the village usually lack institutional guarantees, and even the inherent ideas of villagers may hinder the government from protecting cultural relics; on the other hand, villagers usually have considerable rental income and dividends, which makes them unwilling to spend their time on innovative development of cultural industries, making it difficult for revitalization work to be truly effective and the existing traditional culture unable to be revitalized.

#### 4.3.2 Cultural separation

In some urban villages, villagers are closely connected through dialect, clan relations and lifestyle, forming a closed small circle. The floating population living in urban villages, due to different household registration status and income status, go in and out of some unhealthy and vulgar cultural places. Both types of people find it difficult to truly integrate into modern urban civilization[5].

# 5. Summary

my country's three traditional transformation models are government-led, village collective-led and developer-led. Foshan's main whole village transformation model is derived from these three models. The transformation direction revolves around the two directions of "industrial transformation" and "industrial transformation". However, the common point of the transformation model is to ensure the benefits of the transformation and the villagers. Whether it is economic problems

caused by interest relations, social and management problems caused by land concepts, or cultural problems reflected in the dilemma of cultural relics protection, they will seriously affect the smooth promotion and implementation of the whole village transformation. It can be seen that in future whole village transformation projects, whether it is the government, village collectives or enterprises, they should choose the appropriate transformation model according to the actual situation, and should also optimize the existing transformation model to avoid and solve the above-mentioned problems, so as to enhance the coordinated development of urban and rural areas and realize the transformation and upgrading of Foshan city.

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