ISSN: 2455-8834

Volume:09, Issue:06 "June 2024"

The Densest City in The World and How It Would Work in Today's Economy

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DOI: 10.46609/IJSSER.2024.v09i06.008 URL: https://doi.org/10.46609/IJSSER.2024.v09i06.008

Received: 10 June 2024 / Accepted: 20 June 2024 / Published: 5 July 2024

ABSTRACT

The Kowloon Walled City was a unique, densely populated enclave in Hong Kong known. It was originally a Chinese military fort and evolved into a city where the buildings were packed so tightly that they grew into each other. Despite its chaotic conditions, the city fostered a resilient, tightly knit community.

In the 1980s, the Hong Kong government decided to demolish the city, completing the process in 1993, and transforming the site into Kowloon Walled City Park. The city's legacy endures as a compelling study of urban density, resilience and community dynamics in an unregulated environment.

If this unique city still existed, how would it survive in today's economy? What would be the changes? What about the positive and negative aspects? Would there be any positive aspects?

Introduction

The Kowloon Walled City dates back to the 1800s. It was a densely populated, largely ungoverned settlement in Kowloon City, Hong Kong. It was a site of conflict between China and the British during the lease of Hong Kong. It was known for its extremely high population density, lawlessness, and unique makeshift architecture. The city covered only 6.4 acres but housed around 55,000 residents at its peak.

Its population increased dramatically after the end of the Japanese occupation of Hong Kong during World War II, attracting mostly refugees fleeing the renewed Chinese Civil War.

For much of the 20th century, Kowloon Walled City operated outside the formal governance of Hong Kong and China, resulting in haven for unlicensed businesses, unregulated healthcare providers, and various illicit activities.

ISSN: 2455-8834

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Rules and government regulations were close to non-existent, so, it was full of crime and very challenging living conditions. But, along with this, it also had its own ecosystem. The city had shops, clinics, schools etc. even with the small area available. Since, businesses didn't have to meet any safety or labour regulations, they could produce goods and services at a fraction of the cost. Hence, industry thrived there, attracting more and more people looking for employment opportunities and therefore increasing the population more and more.

Background and Origin:

The Kowloon Walled City was created as a Chinese military fort in the 19th century. The fort was intended to protect the area and oversee the salt trade. When the British leased the New Territories from China, the Walled city was left under Chinese control due to jurisdictional cryptic environment.

Over time, this lack of governance turned the city into a densely populated and largely unregulated areas as both governments avoided interference and it attracted people seeking to operate outside the control of the British or Chinese authorities.

Construction Details:

- 1. <u>Construction Period</u>: The fort was built to house a small garrison of Chinese soldiers.
- 2. <u>Military Engineers and Labourers:</u> Military engineers from the Qing Dynasty were likely involved in the design and construction of the city, ensuring that it met the strategic and defensive needs of the time. The actual construction would have been carried out my local labourers hired by the Qing administration.
- 3. <u>Design and Layout:</u> The design of the Kowloon Walled City followed traditional Chinese fortification principles, with thick walls, watchtowers, and a gate. The layout included administrative buildings, military barracks, and civilian housing within the walls.

Relations, Dynasties and Territories:

- 1. <u>Song Dynasty (960-1279)</u>: A military outpost was established to defend against pirates and protect the salt trade. This allowed the Chinese government to exert control and maintain security.
- 2. <u>Qing Dynasty (1644-1912)</u>: Right after the First Opium War in 1842, the Qing Dynasty ceded Hong Kong to Britain under the Treaty of Nanking. In 1847, the Qing government constructed a fortified settlement in response to British colonial expansion. The city

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served as a local administrative centre and a means for the Qing Dynasty to assert its presence and control. This city later became known as the Kowloon Walled City.

- 3. <u>Sino-British Confusion:</u> The Convention of Peking in 1860 ceded the Kowloon Peninsula to Britain, but the Walled City remained under Chinese control. This resulted in jurisdictional loophole.
- 4. <u>Post-1899 Developments and the Decline of the Qing Dynasty:</u> After British forces took over the New Territories in 1899, the Chinese governance withdrew from the Walled City, leaving it ungoverned. The area gradually fell into neglect and made it a refugee for immigrants, squatters, and those seeking to avoid British colonial laws.
- 5. <u>World War II and Japanese Occupation (1941-1945)</u>: During this time, the parts of the Walled City were demolished, but after the war, the area saw a significant influx of refugees from Mainland China, further contributing to its growth as an informal settlement.

Name of the Settlement	Similarities	Differences
Name of the Settlement Dharavi, Mumbai, India	Similarities Extremely high population density, informal andunregulated economy, lack of formal governance, makeshift housing and infrastructure.	Differences Dharavi is much larger in terms of both area and population. Hence, the Walled City is much denser. Dharavi has more integration with the formal economy of Mumbai, with some residents engaging in formal
Rocinha, Rio de Janeiro, Brazil	Informal settlement, lack of official urban planning, strong sense of community structure, challenges due to inadequate infrastructure and sanitation.	employment and businesses. Rocinha is built on a hillside, leading to vertical expansion, whereas, Kowloon Walled City was a flat, high compact urban area. Rocinha is integrated into the larger urban fabric of Rio, whereas, the Walled city was more isolated.
Kibera, Nairobi, Kenya	Vibrant markets and small businesses. Self- built housing leading to varied and substandard building quality.	Kibera faces challenges in access to clean water, electricity, and sanitation, whereas, the Walled City despite its density, had some basic level services. Kibera has numerous

Comparison with other Urban Settlements:

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		community-based
		organisations and NGOs for its
		improvement, which Kowloon
		Walled City lacked.
Other Formal High Density	Although not as extreme, some	Quality of life of the residents
Urban Areas like Hong Kong,	e	in these urban areas is way
Tokyo, New York City	high population densities. A	•
Tokyo, New Tork City		These urban areas are subject
	e : e	to strict formal regulations
		e
	1 0	unlike the Kowloon Walled
	commercial buildings.	City.

Even with all the similarities with the other dense settlements, the Kowloon Walled City still stands out due to its small area, lack of formal governance, unregulated development of its infrastructure and intense population.

Lawlessness and Self-Regulation:

- 1. <u>Informal Authorities and Lack of Law Enforcement:</u> Both British and Chinese authorities were reluctant to enforce laws within the city. Residents developed their own systems of self-regulation and community governance.
- 2. <u>Triad Influence:</u> The Triads controlled various illegal activities such as drug trafficking, gambling, and prostitution.
- 3. <u>Unlicensed Businesses</u>: Businesses operated without being licensed offering services ranging from dentistry to food production, often in unsanitary conditions.
- 4. <u>Tight-Knit Community and Informal Leaders:</u> Community leaders and elder figures often mediated disputes and maintained order withing the community. The residents formed a close-knit community, relying on support networks.
- 5. <u>Daily Life</u>: With the dense channels, the residents creatively adapted to the lack of space, using every inch for housing and businesses. The only way to move from area to area was through narrow dark alleyways between the buildings. The residents even provided services for themselves like schools, clinics, and shops.

Rationale for the Demolition:

- 1. Unsanitary conditions
- 2. Fire hazards
- 3. Triad activity

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- 4. Unregulated businesses
- 5. Increasing land value
- 6. Modernization

Process for the Demolition:

- 1. In January 1987, the Hong Kong and Chinese governments announced their agreement to demolish the city.
- 2. To relocate the residents and businesses, public housing units and financial compensation was offered.
- 3. Efforts were made to consult the residents and negotiate the terms of resettlement.
- 4. Approximately HK\$2.7 billion was allocated for compensation based on the size of the residents' homes and businesses.
- 5. The residents were given a deadline to vacate the premises and the evacuation began in 1991.
- 6. The actual demolition started in March 1993 and was completed by April 1994

Transformation of the city into Kowloon Walled City Park:

After the demolition, the site was redeveloped into Kowloon Walled City Park, which opened in December 1995. The park features traditional Chinese gardens and preserved historical artifacts, serving as a cultural and historical landmark.

WOULD THE KOWLOON WALLED CITY WORK IN TODAY'S ECONOMY?

To envision the city in today's economy, several factors that differ from when it originally existed, need to be considered:

- 1. <u>Building Codes and Zoning Laws:</u> Modern cities have strict regulations that would likely prohibit the dense, unregulated construction which was present in Kowloon City. The lack of governance in the city allowed it to operate independently, which wouldn't be feasible today. Compliance with safety, health and environmental standards would be necessary and legal recognition and integration would be required.
- 2. <u>Economic Viability:</u> Kowloon's economy included unregulated business with a mix of legal and illegal activities. In today's economy, such an area would need to transition to

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formalized, tax-paying enterprises to be sustainable and orderly. There would need to be proper labour laws and economic regulations.

- 3. <u>Living Conditions and Community services:</u> There would need to be necessary standardised modern standards for living conditions, sanitation, and public health. Health care, education and social services would need to be formalized and regulated lawfully to ensure the residents' wellbeing. Providing adequate housing, clean water, electricity, and waste management would be critical.
- 4. <u>Technological Integration and Advancements:</u> Incorporating technology for efficient and effective resource management, safety, and communication could help address some challenges faced by the high density. To help with long term viability, green building practices and sustainable energy solutions could be integrated.
- 5. <u>Internet Connectivity:</u> With widespread internet access all over the world, residents could connect to global markets, access e-commerce platforms, and participate in digital economies. Further, online education and remote work opportunities could offer new alleys of skill, comfort, and creativity. Plus, even in an informal setting, adoption of digital payment systems could facilitate financial inclusion.

POSITIVE ASPECTS	NEGATIVE ASPECTS	
1. High density and low costs	1. Regulatory and safety concerns	
2. Low overheads for businesses	2. Legal and governance issues	
3. Innovation, flexibility, and a diverse economy in the entrepreneurial	3. Limited access to formal economy and underinvestment	
environment	4. Pollution and unsustainable practices	
4. Community based economy	putting a negative burden on the	
5. Unique attraction resulting to tourism	environment.	

HOW WOULD ECONOMISTS ANALYSE THE KOWLOON WALLED CITY IF IT STILL EXISTED?

• Informal Economy Analysis:

1. <u>Microeconomic Activity</u>- Economists would study the types of businesses operating within the Walled City and their economic contributions. Analysis of the labour market, employment patterns, wages, and working conditions would also be carried out.

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2. <u>Consumer Behaviour</u> - Spending patterns based on income, access to goods and services, and standard of living would be studied. Supply and demand dynamics within the dense area would also be analysed.

• Macroeconomic Insinuations:

- 1. <u>GDP Contribution and Productivity</u> Estimating the economic output of the city and understanding its contribution to the broader economy. Considering factors like efficiency, resource utilization, and innovation to measure productivity levels.
- 2. <u>Trade, interactions, and impact on surrounding areas</u> Analysing interactions with the formal economy, including trade, labour exchange, and financial flows, and the effects on housing markets, local businesses, and infrastructure.

Conclusion

The Kowloon Walled City serves as a fascinating example of a dense, self-regulated urban community. In a modern economy, there could be positive aspects like affordable living and entrepreneurial independence, and negative aspects like safety hazards and insufficient legal protection.

Economically, the Walled City's informal sector could enhance local economic diversity and resilience. Nevertheless, its detachment from formal financial systems and lack of public services would impede sustainable growth. For such a system to work today, a balanced approach for entrepreneurial freedom, improving living conditions, ensuring legal safety standards, and providing necessary public services would be needed. Technology and accessible worldwide connection could play a key role in managing resources efficiently and effectively and addressing environmental impacts.

In conclusion, while the city's model offers unique economic advantages, overcoming its inherent challenges is crucial for its success in a contemporary economy.

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ISSN: 2455-8834

Volume:09, Issue:06 "June 2024"

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