Public Participation in the Urban Regeneration Process

-A comparative study between China and the UK

Thesis submitted in accordance with the requirements of the University of Liverpool for the degree of Doctor in Philosophy

By Lei Sun

July 2015
ACKNOWLEDGEMENTS

My thanks to the supervisory team, Dr. Xiaonanzhang, Dr. Peter North and Dr Fei Chen, without whose consistent help it is impossible for me to accomplish the research. My special thanks to Dr. Sheng Zhong, who became my first supervisor at the late stage and provided me with the most needed help and encouragement. I also extend my thanks to members in the Department of Urban Planning and Design at XJTLU and the Department of Geography and Planning at University of Liverpool.

Finally, thank you my dear parents, my wife and my lovely son for your support, encouragement and love that accompanied me through this journey.
ABSTRACT

The primary aim of this research is to explore how the urban regeneration policies and practices are shaped by the larger social, political and economic structures respectively in China and the UK and how individual agents involved in the regeneration process formulate their strategies and take their actions and at the same time use discourses to legitimize their actions. It further probed the lessons could be learned by both countries from each other's success or failure in implementing the regeneration initiatives.

This thesis adopts a cross-national comparative strategy and intensively referenced the Variegated Neoliberalism, Neoliberal Urbanism and Critical Urban theory when developing its theoretical framework. The comparison was conducted at three levels. At national level, the evolution of urban regeneration and public participation policies and practices in both countries are compared; at city level, the neoliberal urban policies and their impacts on the development of two selected cities, which are respectively Liverpool in the UK and Xi’an in China are compared; at the micro level, the major players’ interactions and the discourses they used to underpin their actions in two selected case studies, which are the Kensington Regeneration in Liverpool and Drum Tower Muslim District in Xi’an are examined and compared. In carrying out the study, literatures regarding the transformation of urban policies in the two countries, detailed information in relation to the two selected cities and case studies are reviewed. Around 35 semi-structured interviews have been conducted.

The research results had demonstrated the suitability of the Variegated
Neoliberalism in explaining how the process of neoliberalization in both China and the UK are affected by non-market elements. It is found that the stage of economic development, the degree of decentralization, the feature of politics and the degree of state intervention in economic areas had played a significant role in shaping the unique features of urban regeneration policies in the two countries. In spite of the differences, similar trends towards neoliberalization could be found in the evolution of urban regeneration policies and practices in both countries, including the elimination of public housing and low-rent accommodation, the creation of opportunities for speculative investment in real estate markets, the official discourses of urban disorder as well as the ‘entrepreneurial’ discourses and representations focused on urban revitalization and reinvestment are playing significant roles in the formation and implementation of regeneration policies in both countries. Moreover, similar tactics are used by municipal government in both countries to conquer resistances from local residents. In the research, it is also found that the discourses used by the municipal government in describing the regeneration project is heavily influenced by the Neoliberal Urbanism, which is significantly different from that used by local residents who intensively referenced concepts from the Critical Urban theory.

It is suggested that the Chinese government should from its British counterpart’s experience in introducing partnerships in delivering urban regeneration programs and at the same to learn how to use the formal venues to resolve conflicts resulted in physical regeneration programs. For the British government, lessons could be learnt from China’s successful experiences in decentralization and the empowerment of municipalities.
**TABLE OF CONTENTS**

ACKNOWLEDGEMENTS ............................................................................................................. 2
ABSTRACT ................................................................................................................................. 3
TABLE OF CONTENTS .............................................................................................................. 5
LIST OF TABLES ......................................................................................................................... 13
LIST OF ACRONYMS .................................................................................................................. 14

CHAPTER 1: INTRODUCTION .................................................................................................. 16
  1.1 RESEARCH CONTEXT ....................................................................................................... 16
  1.1.1 Major considerations for a cross-national comparative study .................................... 18
  1.1.2 The Evolution of Regeneration Policies in Both Countries ......................................... 20
  1.2 RESEARCH AIM AND OBJECTIVES ........................................................................... 23
  1.2.1 Research Aims and Questions ................................................................................... 23
  1.2.2 Research objectives ................................................................................................... 24
  1.3 THE STRUCTURE OF THE THESIS ............................................................................... 25

CHAPTER 2 BACKGROUND THEORY ...................................................................................... 27
  2.1 NEOLIBERALISM ............................................................................................................ 27
  2.1.1 Neoliberalism in the UK ............................................................................................ 30
  2.1.2 Neoliberalism in China .............................................................................................. 32
  2.2 VARIGATED NEOLIBERALISM .................................................................................... 35
  2.2.1 The Varieties of Capitalism ........................................................................................ 35
  2.2.2 Variegated Neoliberalism ........................................................................................... 36
  2.2.3 The Applicability of Variegated Neoliberalism in the Chinese Context .................... 38
  2.3 NEOLIBERAL URBANISM .............................................................................................. 39
  2.4 CRITICAL URBAN THEORY ........................................................................................ 42
  2.5 THE AREA BASED INITIATIVES (ABIs) IN THE UK .................................................... 45
2.6 CHINA’S INNER CITY POLICIES ................................................................. 47
2.7 GENTRIFICATION AND LOCAL RESISTANCE ..................................... 49
  2.7.1 Gentrification in Developed Countries ................................................. 49
  2.7.2 Gentrification in China ........................................................................ 52
  2.7.3 The Resistance of Gentrification ............................................................ 54
2.8 PUBLIC PARTICIPATION ........................................................................... 55
  2.8.1 Public and their Motivations for Participation ........................................ 56
  2.8.2 Two Arguments regarding Public Participation ..................................... 60
  2.8.3 Participation as a Hegemonic Project .................................................. 61
  2.8.4 Public Participation in Urban Regeneration Process .............................. 63
  2.8.5 Factors that may Affect Public Participation .......................................... 65
  2.8.6 Public Participation in Britain’s Latest ABIs .......................................... 67
  2.8.7 Public Participation in China’s Recent Regeneration Projects ............... 67
  2.9 SUMMARY .............................................................................................. 69

CHAPTER 3 RESEARCH DESIGN .................................................................. 71
  3.1 A Cross-National Comparative Perspective ............................................. 71
  3.3 A CASE STUDY APPROACH ................................................................ 77
    3.3.1 The Advantages of a Case Study Approach ........................................ 77
    3.3.2 The Potential Constrains for Applying a Case Study Approach in the Cross-National Comparison .......................................................... 80
  3.4 CASE SELECTION .................................................................................... 81
    3.4.1 The Selected British Case and the Rationale ....................................... 82
    3.4.2 The Selected Chinese Case and the Rationale ..................................... 83
  3.5 RESEARCH METHODS .......................................................................... 84
  3.6 SUMMARY .............................................................................................. 90

CHAPTER 4 THE EVOLUTION OF URBAN REGENERATION IN THE UK SINCE 1945 ................................................................. 92
4.1 MAJOR FEATURES OF THE UK ................................................................. 92
4.2 ECONOMIC CHANGES ........................................................................ 94
4.3 POLITICS ............................................................................................... 98
  4.3.1 The Political System ................................................................. 98
  4.3.2 Relations between the Central and Local Government .......... 100
4.4 THE EVOLUTION OF URBAN REGENERATION POLICIES AND PRACTICES IN THE UK ................................................................. 101
  4.4.1 Neoliberal Urbanism and its Impact on the British Urban Policies 101
  4.4.2 Urban Regeneration Policies ....................................................... 105
  4.4.3 Urban Regeneration Programs and the Area Based Initiatives (ABIs) 110
  4.4.3.1 Urban Regeneration Programs before the 1990s ....................... 110
  4.4.3.2 The Area Based Initiatives (ABIs) ............................................. 111
4.6 THE DELIVERY MECHANISM OF REGENERATION PROJECTS IN THE UK 117
4.7 CONCLUSION ....................................................................................... 119

CHAPTER 5 THE EVOLUTION OF URBAN REGENERATION IN CHINA SINCE 1949 .............................................................................................................. 121
5.1 MAJOR FEATURES OF CHINA ............................................................. 121
5.2 ECONOMIC CHANGES ....................................................................... 123
5.3 POLITICS ............................................................................................... 132
  5.3.1 Pre-1978 China as a Totalitarian Country ................................ 132
  5.3.2 The Post-1978 PRC as an Authoritarian Regime ....................... 134
  5.3.3 The Communist Party of China (CPC) ...................................... 136
  5.3.4 Central-Local Relations .............................................................. 138
  5.3.5 The Relationship Between the Government and the People 140
5.4 CHINESE CITIES AND URBAN POLICIES ........................................ 143
  5.4.1 The Post War Housing Shortages and Urban Policies ............... 143
  5.4.2 Cultural Revolution and its Impacts on Chinese Urban Policies 148
5.4.3 Neoliberal Urbanism in China since the 1980s ........................................ 149
5.4.3.1 The Opening up of Land and Housing Market ................................. 149
5.4.3.2 Forced Eviction ............................................................................... 152
5.4.3.3 Routinized Protests and the Government's Reaction ...................... 153
5.5 URBAN REGENERATION POLICIES AND PRACTICES SINCE THE 1980S 155
5.5.1 Typologies of Community-Related Regeneration Projects in China (1990s -2000s) ................................................................................................................. 156
5.5.1.1 Property-led Redevelopment ............................................................ 156
5.5.1.2 Historical Area Conservation ............................................................ 157
5.5.2 The New Policy Trend: Social Housing and Slum Clearance ........... 160
5.5.3 Social Regeneration and the Local Residents' Committee (LRC) ......... 162
5.6 IMPLEMENTATION OF REGENERATION PROJECTS WITHIN THE PLANNING SYSTEM ................................................................................................. 163
5.6.1 The Framework of Legislations and Regulations ............................... 163
5.6.2 The Delivery Model of Regeneration projects in China ..................... 165
5.6.3 Governments' Control of Construction Activities ............................... 167
5.7 PUBLIC PARTICIPATION IN REGENERATION PROJECTS ...................... 172
5.7.1 The Evolution of Public Participation in China .................................... 172
5.7.2 The Legislations for Public Participation .......................................... 176
5.7.3 Major Forms and Venues for Public Participation .............................. 179
5.7.3.1 Public Hearing .............................................................................. 179
5.7.3.2 The People's Congress .................................................................... 180
5.7.3.3 Medias and the Internet ................................................................. 181
5.8 CONCLUSION .................................................................................... 181

CHAPTER 6 THE LIVERPOOL CASE ......................................................... 184
6.1 THE HISTORY OF LIVERPOOL CITY ............................................... 184
6.2 THE LOCATION OF THE KENSINGTON REGENERATION AREA AND THE BOUNDARIES OF THE ABIs ................................................................. 188
6.3 THE PROFILE OF THE ABIs IN KENSINGTON ............................................. 194
   6.3.1 The KNDC .......................................................................................... 194
      6.3.1.1 The KNDC Program and the Rationale ......................................... 194
      6.3.1.2 The Operation of the KNDC Programme ........................................ 196
      6.3.1.3 Progress made by the KNDC .......................................................... 198
      6.3.1.4 The Previous Evaluation of the KNDC Program ............................ 200
   6.3.2 THE KHMRI ......................................................................................... 202
      6.3.2.1 The Delivery of the KHMRI ............................................................. 202
      6.3.2.2 The Previous Evaluation of the KHMR .......................................... 206
   6.4 CONCLUSION ............................................................................................ 207

CHAPTER 7 THE XI’AN CASE ........................................................................ 210
   7.1 THE HISTORY OF XI’AN CITY .............................................................. 210
   7.2 THE MAJOR FEATURES OF THE DRUM TOWER MUSLIM DISTRICT
       (DTMD) ........................................................................................................ 216
   7.3 THE PROFILE OF THE DTMD REGENERATION PROJECT .............. 218
      7.3.1 Physical Regeneration Projects ......................................................... 218
      7.3.2 Social Regeneration Programs ............................................................ 225
   7.4 CONCLUSION ............................................................................................ 228

CHAPTER 8 DISCOURSE USED BY THE GOVERNMENT AND LOCAL
       RESIDENTS IN INTERPRETING THE ABIs IN KENSINGTON ............... 230
   8.1 THE OFFICIAL DISCOURSE REGARDING PHYSICAL REGENERATION IN
       KENSINGTON ................................................................................................. 230
      8.1.1 The Rational for Housing Renewal ...................................................... 230
      8.1.2 The Official Discourse for the HMRI .................................................. 232
         8.1.2.1 Basic assumptions for the intervention ......................................... 232
         8.1.2.2 How demolition rather than refurbishment was justified ............. 233
      8.1.2.3 Rationales for the major stake holders in the four-way partnership .... 235
10.3 THE INTERACTIONS BETWEEN THE GOVERNMENT AND COMMUNITIES IN PHYSICAL REGENERATION

10.4 VESTED INTERESTS IN BOTH CASES

10.6 SOCIAL REGENERATION

10.6.1 Social Regeneration in the KNDC

10.6.2 Social Regeneration in the DTMD

10.7 PUBLIC PARTICIPATION IN BOTH CASES

10.8 CONCLUSION

CHAPTER 11 COMPARING THE TWO CASES AS EXAMPLES OF VARIEGATED NEOLIBERALISATION

11.1 Long-term Stagnation VS Fast Development

11.1.1 Long-term Stagnation in the Kensington NDC and HMRI area

11.1.2 Fast development in the surrounding areas of the DTMD

11.2 Devolution VS Centralization

11.2.1 Centralization as one of the important features of the British Urban regeneration policies

11.2.2 Devolution reflected in the Chinese urban policies

11.3 Laissez-Faire VS State Capitalism

11.3.1 Laissez-Faire model in the UK

11.3.2 State Capitalism model in China

11.4 Democracy VS Authoritarianism

11.4.1 The British Democracy and its Impact on the Regeneration and Public Participation Process

11.4.2 The Authoritarianism in China and its Impacts on the Urban Regeneration Process

CHAPTER 12 CONCLUSIONS

12.1 THE INITIAL OBJECTIVES

12.1.1 Evidences for Neoliberalization in both Countries
12.1.2 Neoliberal Urban Policies Revealed in Both Case Studies ....................... 365
12.1.3 Social Dynamics Observed from the Case Studies .................................. 369
12.2 LESSONS FOR BOTH COUNTRIES .......................................................... 371
12.3 LIMITATIONS AND CONTRIBUTIONS OF THIS RESEARCH AND SUGGESTIONS FOR THE FUTURE WORK ............................................................. 375

APPENDIX A: QUESTIONS FOR THE BRITISH INTERVIEWEES .................. 379
APPENDIX B: QUESTIONS FOR THE CHINESE INTERVIEWEES .............. 385
APPENDIX C: LIST OF INTERVIEWEES ......................................................... 389

BIBLIOGRAPHY: ............................................................................................... 391
LIST OF TABLES

Table 2.1: Seven propositions about neoliberalism: ........................................ 29
Table 2.2: General trends of Neoliberal Urbanism: ....................................... 40
Table 2.4: Five propositions about critical urban theory: ................................ 42
Table 3.1 Indicators for the Comparison: ...................................................... 72
Table 3.2: The comparison conducted at a national level ................................ 74
Table 3.3: The comparison conducted at a city level ....................................... 76
Table 3.4: The pros and cons of case studies: .............................................. 80
Table 3.5: Aspects that are compared through the two case studies ............... 87
Table 4.1: Five processes of restructuring the relationship between central and local government. ................................................................. 104
Table 4.2: The UDCs .................................................................................. 110
Table 5.1: The Growth of GDP in China between 1978 and 2008:............... 131
Table 5.2: The change of average living space per capita in Shanghai (1950-1979) 145
Table 5.3: The procedure of identification and abrogation historical buildings in China: ................................................................. 157
Table 5.5: Procedure of getting the PNL ...................................................... 169
Table 5.7: Procedure of getting the BP ....................................................... 171
Table 5.8: The Articles in relation to Public Participation: ............................ 178
# LIST OF ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABIs</td>
<td>Area Based Initiatives</td>
</tr>
<tr>
<td>BP</td>
<td>Building Permit</td>
</tr>
<tr>
<td>CLG</td>
<td>Community and Local Government</td>
</tr>
<tr>
<td>CPC</td>
<td>Communist Party of China</td>
</tr>
<tr>
<td>CPPCC</td>
<td>Chinese People’s Political Consultative Conference</td>
</tr>
<tr>
<td>CPO</td>
<td>Compulsory Purchasing Order</td>
</tr>
<tr>
<td>CNP</td>
<td>Chinese Nationalist Party</td>
</tr>
<tr>
<td>CTCPA</td>
<td>Chinese Town and Country Planning Act</td>
</tr>
<tr>
<td>DETR</td>
<td>Department of the Environment, Transport and the Regions</td>
</tr>
<tr>
<td>DHC</td>
<td>Department of Housing and Construction</td>
</tr>
<tr>
<td>DTMD</td>
<td>Drum Tower Muslim District</td>
</tr>
<tr>
<td>REHALC</td>
<td>Regulations on the Expropriation of Houses on State-owned Land and Compensation</td>
</tr>
<tr>
<td>FAR</td>
<td>Floor Area Ratio</td>
</tr>
<tr>
<td>FPTP</td>
<td>First-Past-The-Post</td>
</tr>
<tr>
<td>FYP</td>
<td>Five Year Planning</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GLF</td>
<td>Great Leap Forward</td>
</tr>
<tr>
<td>HEAT</td>
<td>Health Energy Advice Team</td>
</tr>
<tr>
<td>HRMI</td>
<td>Housing Market Renewal Initiatives</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>KHMRI</td>
<td>Kensington Housing Market Renewal Initiative</td>
</tr>
<tr>
<td>KNDC</td>
<td>Kensington New Deal for Communities</td>
</tr>
<tr>
<td>KR</td>
<td>Kensington Regeneration</td>
</tr>
<tr>
<td>LDF</td>
<td>Local Development Framework</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>LRCs</td>
<td>Local Residents' Committees</td>
</tr>
<tr>
<td>LUPP</td>
<td>Land Use Planning Permit</td>
</tr>
<tr>
<td>MEP</td>
<td>Member of European Parliament</td>
</tr>
<tr>
<td>MP</td>
<td>Member of Parliament</td>
</tr>
<tr>
<td>NBSC</td>
<td>National Bureau of Statistic of China</td>
</tr>
<tr>
<td>NDC</td>
<td>New Deal for Communities</td>
</tr>
<tr>
<td>NDRC</td>
<td>National Development and Reform Commission</td>
</tr>
<tr>
<td>NEC</td>
<td>National Executive Committee</td>
</tr>
<tr>
<td>NIMB</td>
<td>Not In My Backyard</td>
</tr>
<tr>
<td>NPM</td>
<td>New Public Management</td>
</tr>
<tr>
<td>NPC</td>
<td>National People’s Congress</td>
</tr>
<tr>
<td>NSNR</td>
<td>National Strategy for Neighbourhood Renewal</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>ONS</td>
<td>Office for National Statistics</td>
</tr>
<tr>
<td>PNL</td>
<td>Permission Notes for Location</td>
</tr>
<tr>
<td>PPGs</td>
<td>Planning Policy Guidelines</td>
</tr>
<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>RPGs</td>
<td>Regional Planning Guidance</td>
</tr>
<tr>
<td>RSSs</td>
<td>Regional Spatial Strategies</td>
</tr>
<tr>
<td>SEU</td>
<td>Social Exclusion Unit</td>
</tr>
<tr>
<td>SOEs</td>
<td>State Owned Enterprises</td>
</tr>
<tr>
<td>SRB</td>
<td>Single Regeneration Budget</td>
</tr>
<tr>
<td>UDCs</td>
<td>Urban Development Corporations</td>
</tr>
<tr>
<td>UKIP</td>
<td>UK Independence Party</td>
</tr>
</tbody>
</table>
CHAPTER 1: INTRODUCTION

1.1 RESEARCH CONTEXT

In the early 2000s, urban regeneration became a highly debated issue in China. The unprecedented scale and speed of regeneration process has brought substantial changes to many inner urban areas, where dilapidated building blocks were replaced by brand-new properties with glazed facades while previous narrow alleys were expanded and beautified with pavements and plants (Enserikn and Koppenjan, 2007; Shin, 2010; Zhang, S., 2005). In many cases it has seen even more radical changes: both physical and social fabrics of the old neighbourhood were entirely swept away and the newly developed commercial and residential properties leave little room for the former residents and their activities (Wu, 2012; Xu, Tang and Chan, 2011). Additionally, the controversial roles played by municipalities and the grass-root resistances sometimes lead to tragic confrontations (Chen, 2011).

Lacking public participation is frequently seen as one of the major causes for various problems emerged from the contemporary Chinese urban regeneration process, such as the poor design quality, social injustice and constant conflicts between local people and the coalition of government and private sectors, etc. (Xu, 2007; Boland and Zhu, 2012). ‘Enhancing public participation’ has been formally required since the promulgation of the first version of the Chinese Town and Country Planning Act (CTCPA) (1990) and has been frequently used in the official discourses as an important instrument to mitigate various possible negative consequences. The rationales are numerical and government-centric: the input of local knowledge will help to
improve the design quality; the mutual communication will be enhanced and the implementation would be smooth. In reality, however, the concept of ‘public participation’ is more than often nothing but a hollow slogan with fuzzy definition of the ‘public’ and manipulation on the participation activities. In many cases, local residents are given insufficient rights and opportunities to influence the regeneration-related decisions that may have a great impact on their lives and, in some extreme cases, local people are even incapable of protecting their property rights from being infringed by the powerful coalition of municipal governments and private sectors (Putterman, 1995). The profit-driven urban regeneration and malfunction of public participation has been prevailing in China for years and so far little evidence shows the momentum would be reversed. There is a need to question if such a phenomenon only exists in China or rather it could also be found in other countries and what can be done to mitigate it.

Western countries had a long history in formulating and implementing regeneration policies in response to social and economic challenges, which is especially the case in the United Kingdom. Since the 1960s a number of innovative urban regeneration initiatives were implemented by the British government to address inner city deprivations (Atkinson and Cope, 1997; Tallon, 2013) and experiences learned from the previous practices constantly served as evidence base for the formation of new versions of regeneration policies (Chatterton, Paul, Bradley and David, 2000; SEU, 1998; Tallon, 2010). Yet until very recently, a number of issues, such as the effective model of regeneration and participation and the degree in which public should be empowered, are still highly debatable (Taylor, 2007; Webler and Tuler, 2011).
Studying the British experiences and current practices in relation to urban regeneration and comparing them with that in China would not only contribute to a better understanding of how the phenomena are shaped in different contexts, but also help to lay the foundation for questioning and probing potential alternatives to the prevailing models of urban regeneration and public participation in both countries.

1.1.1 Major considerations for a cross-national comparative study

China is a continental nation with nearly one and a half billion people. Britain, on the contrary, is an island state with around 60 million people. Coincidently both countries see a concentration of population in their southeast region and a spatial disparity between the north and south regarding economic vitality. In terms of urban development strategies, since the late 1990s, the development of Chinese cities generally followed a pattern of high-density property development alongside major public transport lines, which is widely adopted in many East Asian countries. Although the UK has long been a highly urbanized country, many of its urban areas have a middle-to-low density if measured using the Chinese standards. Moreover, the urban-rural inequalities in China are much larger than that in the UK regarding physical environment, residents’ income and educational level, accessibilities to social services and other public goods and people’s capacities in protecting their civil rights from being infringed.

To a large extent, China is still an authoritarian state with strong characteristics of central authority (Ortmann and Thompson, 2014; Weatherley, R., 2007). However, such a reality is generally accepted by its people with a notion that the government has a responsibility to mitigate
individual preferences for the good of the community. In the UK, the civic society is mature and ‘rule of law’ is deeply rooted in people’s mind. Capitalisms in both countries have different features. Generally, the Chinese version of capitalism imposes a much stronger central control of ‘critical sectors’ such as finance, energy, natural resources and rail ways. In the UK, radical marketization has been initiated by the Thatcher government in many of the industries listed above and it helps to shaped today’s British economy.

The relations between the central and local government in China are also different from that in the UK. Although the Chinese central government has considerable power in making policies and regulations and designating provincial major officials, which means a great capacity in implementing policies at its will when necessary, it indeed has a comparatively weak control of the land use and urban development practices at the municipal level. This is to some extent different from that in the UK, where central government can directly intervene into urban development cases at local level (Beatty, Foden, Lawless, and Wilson, 2010). Additionally, the sources of legitimacy for the governments in both countries are significantly different. While the British government is democratically elected, its Chinese counterpart is now intensively relying on its performance in developing economy to enhance its legitimacy (Heberer, Schubert, 2008).

In spite of the differences listed about, similarities could also be found from the two countries. Since the late 1970s, both UK and China had experienced significant social and economic changes that were shaped by neoliberalism (Brenner and Theodore, 2005; Jones, and Popke, 2010; Wu, 2008). In the transformation of urban spaces, similar trends such as the opening up of the housing market for speculation, creation of privatized spaces of elite
consumption and gentrification (Brenner and Theodore, 2002, pp. 369) can be found in both countries. A comparative study can help to reveal how similar outcomes can be reached within different contexts.

1.1.2 The Evolution of Regeneration Policies in Both Countries

The evolution of urban regeneration policies in both countries deserves a closer examination before any attempts in mapping the experiences across border. Policies are formulated either to resolve problems encountered by the government or to realize its political aims during a specific period of time. The consequences, in turn, help to shape the context for the formulation of new strategies, which always finds a position in between the reinforcement of the former policies or a radical break away from it. Most of the conventions followed by people at present are produced through such a loop.

Before the middle of the 1960s in the United Kingdom the local authority-led physical redevelopment was the major means to tackle urban problems such as the lack of housing and poor quality of existing properties provided in the 1930s. It resulted in problems such as poorly designed city centres and spatial concentration of socially and economically disadvantaged groups, especially in tower blocks. Moreover, the massive demolition and redevelopment has reconstructed many of the former communities together with the social fabrics (Wu, 2004b, 2012; Chen, 2012). Policies addressing urban problems led by social-economic changes such as deindustrialization and suburbanization evolved constantly since the middle 1960s, when the concept of ‘Urban Regeneration’ was firstly imported from the US, aiming at providing a ‘comprehensive and integrated vision and action that could resolve urban problems and to bring about a lasting improvement in the
economic, physical, social and environmental conditions of an area that has been subject to change’ (Roberts, 2000, p.17).

In China, Urban Regeneration (Chengshi Gengxing) firstly appeared in literatures in the early 1990s with an emphasis on the scale, speed and pattern of the physical redevelopment in inner city areas (Wu, 2004). Although it was later suggested by many academicians (Ruan and Gu, 2004; Ye, 2011) that regeneration projects should not narrowly focus on physical redevelopment but also give considerations to economical, social and environmental aspects of targeted areas, the idea in fact has never become popular among practitioners and government officials. Urban regeneration is usually replaced by terminologies such as urban redevelopment or urban renewal that are more closely related to the physical redevelopment.

In the Town and Country Planning Act 1968, public participation was formally introduced as a norm into the British planning system for the first time. It was hoped that formalized participation exercises together with various area-based policies could help to effectively address the challenges such deindustrialization, urban poverty and deprivation of inner city neighbourhoods faced by the government. Municipalities in the UK were required to undertake planning participation activities after dominating the physical development for 30 years. In spite of the debate on the question of whether this was a ‘genuine attempt in facilitating participatory democracy’ (Thornley, 1977) or a means of making the planning process as well as the public more manageable, a new dimension was added into the planning theory and practice and has a profound impact on the formulation of the planning regulations in many other developing countries.
Public participation was formally written into China’s Town and Country Planning Act 2008. Notably, this happened 30 years after 1978 when China took the first step to move away from the socialist ideology as well as the planned economy and to embrace the free market. The past three decades has seen rapid economic growth and fast urbanization across the country. However, the massive-scale physical developments dominated by the Chinese municipalities also led to severe challenges such as stratification, social unrests and the loss of city characteristics. Therefore, it was not a coincidence for the Chinese government to emphasize the significance of public participation at the moment, just like what the British government did 40 years ago.

As is pointed out by Giddens (1984, pp.303), there is a typical thinking regarding social changes: ‘in a society of a given type, there is only one way forward, which means every particular society must at some point follow if it is of that type’. Accordingly, for China, where capitalism and free market are now thriving, a certain pattern of development that has been repeated by many other capitalism and free market countries seems to be waiting ahead. Although currently China is comparatively retarded in social and political reform, it may have the potential for further democratization and liberalization. In spite of the development determinism nature, the ‘one way forward’ argument has indeed won a great number of supporters. However, it is questionable whether the logic could be applied in predicting China’s future social and political evolution, which is in such a puzzle that no one could really tell whether the expected changes would come, if yes, when and in what way?
1.2 RESEARCH AIM AND OBJECTIVES

1.2.1 Research Aims and Questions

Although there are no certain answers to the questions listed above, it is still possible to capture the dynamics of the Chinese society and compare it with that of its western counterparts from a particular angle. As is argued by Giddens (Giddens and Pierson, 1998, p. 95), social life is a ‘series of on-going activities and practices that carry on within, and at the same time, reproduce larger institutions’. According to him, within a society, ‘rules and resources recursively implicated in social reproduction’ (Giddens, 1984, p. 25) and is ‘established by the way agents operate: deploying, acknowledging, challenging and potentially transforming resources, rules and ideas as they frame and pursue their own strategies’ (Healey and Barrett, 1990, p.90), while agency, with certain rational and knowledge, is able to deploy a range of resources and causal powers within a certain framework that is provided by the structure to ‘make a difference’. The daily actions of agents contribute to maintaining or changing the structure over a time span while the structure, on the other hand, constrains or enables the agent’s actions at a specific point in time.

Urban regeneration provides an ideal arena for observing and comparing the social dynamics across different contexts as regeneration projects are more than often driven by market forces yet constrained by non-market relations, such as laws, regulations and the institutional setup in a given context, and at the same time involve players with different and sometimes contrasting interests and various capacities in mobilizing resources.
Since the late 1970s, the entrepreneurial state has become one of the most important players in the urban regeneration process in both China and the UK and the interactions between the government, private sectors and local residents in a regeneration project can well serve the purpose of capturing the social dynamics of the society.

This research focuses on how the activities of the government in inner urban regeneration projects are shaped by the wider social, economic and political factors and how these activities are legitimized in the official discourses. It also tries to explore how individuals experience and perceive the inner city regeneration and at the same time proactively mobilize the resources and power they have to maximize the benefits they can gain from it. Through both qualitative and quantitative analysis, this research will answer the following questions:

How are the urban regeneration policies and practices shaped by the larger social, political and economic structures respectively in China and the UK and how do individual agents involved in the regeneration process formulate their strategies and take their actions and at the same time use discourses to legitimize their actions? What lessons could be learned by both countries from each other’s success or failure in implementing the regeneration initiatives?

1.2.2 Research objectives

In reaching the above aims, there are several specific objectives to be achieved:
1) To examine the evolution of urban regeneration and public participation policies and practices in both China and the UK.

2) To observe and compare the regeneration process and the related public participation activities in both countries based on case studies and to probe the relationships between the phenomenon existing in both countries;

3) To have a better understanding of the social dynamics reflected in urban regeneration projects and the interactions between different players in both UK and China and to probe possible trends regarding social change in China for the next decade to come.

4) To explore possibilities for mapping experiences between China and the UK.

1.3 THE STRUCTURE OF THE THESIS

The thesis is divided into 12 chapters in total. In Chapter 2, the theoretical background is introduced and social and urban theories such as Variegated Neoliberalism are reviewed. In Chapter 3, the comparative strategy is elaborated. In Chapter 4, the evolution of British urban regeneration policies and practices are introduced after reviewing the UK’s social, political and economic change. The institutional setup and the delivery model of urban regeneration projects in the UK are also examined in this chapter. In Chapter 5, the Chinese context is introduced and the evolution of urban regeneration and public participation in China since 1949 are reviewed. The institutional set up and prevailing genre and delivery model of urban regeneration
projects in China are examined. The profile of Liverpool City and the Kensington New Deal for Community and Kensington Housing Market Renewal programs are introduced in Chapter 6 while the Xi’an City and the DTMD case is introduce in Chapter 7. In Chapter 8 and 9, the discourses used by different players in interpreting the regeneration programs as well as their behaviors in the regeneration process are elaborated. The comparisons are conducted in Chapter 10 and 11 and there is an attempt to generalize some of the research findings from both cases studies to the national level. Chapter 12 wraps the final conclusions for the whole thesis and gives some suggestions on future research.
CHAPTER 2 BACKGROUND THEORY

In empirical studies, theories help to formulate the research framework and to decipher findings in depicting different facades of social realities. Specifically, theories provide a specific perspective for the researcher to understand and explain the contextual factors and serve as a handy instrument to probe the connections between social realities existing in different countries. In this research, the concept of Variegated Neoliberalism, Neoliberal Urbanism Critical Urban theory and Gentrification are referenced in introducing the historical context, explaining the evolution and realities of urban regeneration related policies and practices and analyzing research findings from the empirical works.

2.1 NEOLIBERALISM

After the World War II, the forms of state were restructured based on a commonly accepted idea that government should give priority to full employment, economic growth and the welfare of citizens. Fiscal and monetary policies known as 'Keynesianism' were widely deployed in many western countries to ensure reasonably full employment. States actively intervened in making industrial policy and setting standards for social wage by constructing a variety of welfare system such as free health care and educational systems etc. (Harvey, 2005a, p.10). The system began to fall apart by the end of the 1960s, when many western countries saw tax revenues plunged while social expenditures soared. Neoliberalism emerged from such a crisis as an ideological alternative to Keynesianism, with a fundamental challenge to the legitimacy of collective interventionism at
national, regional and local levels. Focus of the state policies had since turned away from the former concerns for full employment and the wellbeing of all citizens.

Neoliberalism has since predominated for nearly half century in many democratic countries across America, Europe and East Asia. The term is more than often used to describe a model of governance and as a shorthand for understanding the trends toward privatization, welfare retrenchment, Labour-market flexibility, financial liberalization, public-private partnerships and the externalization of government responsibilities in maintaining social welfare and providing public goods and services (Peck and Tickell, 2002; Tickell and Peck, 2003). In spite of the fact that neoliberal policies generally focuses on curbing inflation, creating a good business climate and promoting market freedoms’ (Harvey, 2003, p.216), neoliberalism has its inherent contradictions in enlarging inequality, creating working poverty and endless chasing for growth at great social and environmental costs and is often tagged as one of the major causes of many unwanted outcomes such as legitimized ‘accumulation by disposition’, unregulated financial system with unprecedented risks and the deteriorated environment and low human rights in many developing countries, etc. (Harvey, 2005b).

Previous readings on neoliberalism generally fall into two categories. On the one hand, neoliberalism is examined from a macroscopic perspective and is seen as a systematic project propelled by a top-down disciplinary regime. It is described as a pervasive model featured with financial capitalization, unequal redistribution across classes and an emphasis on the structural coherence and global hegemony (Harvey, D., 2003, 2005a). On the other hand, Neoliberalism is examined through microscopic lens focusing on its
particularities revealed in different contexts, such as the fusion with different forms of governance and adaptive political technologies (Amable, 2003; Coriat et al., 2006). Peck and Theodore (2007) argued that neoliberalism coexists with the socio-economic and political systems in a parasitic way. Neoliberalism can only function through the existing institutional setup and power structure yet it also consistently erodes the system it coexists with. Brenner and Theodore (2005) gave seven propositions about neoliberalism, as is shown in Table 2.1:

Table 2.1: Seven propositions about neoliberalism:

1. Neoliberalism is a process of social, spatial and economic transformations rather than a fixed state or condition.

2. Neoliberalism does not exist in a single pure form, instead, it is always articulated through historically and geographically specific strategies or institutional transformation in ideological articulation;

3. Neoliberalism hinges upon the active mobilization of state power and does not entail the simple rolling back of the state and the rolling forward of the market. Instead, it generates a complex reconstitution of state-market relations in which state institutions are actively mobilized to promote market-based regulatory arrangements.

4. Neoliberalism does not lead to identical outcomes in each context in which it is imposed. Rather, place-specific neoliberal regulatory projects collide with inherited regulatory landscapes, contextually specific pathways of institutional reorganization crystallize and reflect the legacies of earlier
modes of regulation and forms of contestation. (Path dependent)

5. Neoliberalism is contested by diverse social forces that are connected to previous non-market or socialized forms of coordination that constrain unfettered capital accumulation.

6. Neoliberalization exacerbates regulatory failure. The imposition of neoliberalism has not established a framework for stable economic development or social cohesion. Rather, Neoliberalization projects are deeply contradictory insofar as they tend to undermine the many of the economic and institutional preconditions for economic revitalization. Instead of resolving the political-economic crisis tendencies of contemporary capitalism, neoliberalism exacerbates them by engendering various forms of market failure, state failure, and governance failure.

7. Neoliberalism project continues to evolve and the failures of neoliberalism have not triggered its abandonment as a project of radical institutional transformation and social rule. On the contrary, this project has continued to reinvent itself-politically, organizationally and spatially- in close conjunction with its pervasively dysfunctional social consequences.

Source: Brenner and Theodore, 2005, pp. 102-103

2.1.1 Neoliberalism in the UK

The welfare system experienced its ‘golden age’ in Britain during the 1950s and 1960s, when the economic prosperity inflated people’s expectations about the life-long employment, decent payment, well-established social
security system as well as the policy makers’ ambition in eliminating poverty. However, the deindustrialization in the 1980s had cost millions of jobs and led to spatially concentrated long-term poverty, depopulation, social unrest and urban blight in many former industrial cities such as Manchester and Liverpool. Indeed, since the late 1970s, in spite of the economic reform, endeavors have been made by both the Conservatives and the Labour to reshape the old British welfare system, yet their policies and actions in retrenching the welfare state system were based on different ideologies. In the 1980s and 1990s, under the Conservatives it has seen the rise of the ‘New Right’, which strongly challenged the efficiency and effectiveness of the welfare state system and put forward a series of radical changes aiming at departing from it. A considerable proportion of the state’s role in providing social security and services were either curtailed or transferred to private sectors. The prevailing measure for tackling spatial concentration of poverty at that period was property-led redevelopment, underpinned by a rational that improvements in the physical environment will naturally eliminate the poverty and uplift the poor. Although the Labour promised to restore cuts in public expenditure in the 1980s when they were in opposition, they had actually changed their tones after the 1992 defeat, with the realization that against the globalization, individuals are less likely to maintain life-long employment and ‘the social welfare system should provide individuals with skills needed for the modern global economy’ (Fawcett, 2008, pp.453). In 1997, when Tony Blair’s New Labour swept into power, a ‘Third Way’ between the ‘New Right’ and ‘Old Labour’ was advocated. With admitting the unsustainability of the old welfare system, ‘the discourse of ‘Third Way’ moved away from one of rights and entitlements to social protection, in favor of the welfare state’s role in social investment, facilitating a return to work, and thereby creating economic security and social protection’ (Fawcett, 2008, pp.455). New
Labour’s welfare reform was largely built on the foundation laid by the Conservative administration and welfare provision was used as incentives for individuals to join the Labour market.

During the past three decades it has also seen shrinkage in the size and increasingly blurring boundaries of the ‘working class’ in the UK. The influences of the unions had declined as well. The deindustrialization has forced many of the previous industrial workers to readapt themselves to tertiary industries and there emerge both ‘underclass of the dispossessed and unfortunate and upper class with enormous wealth and power’ (Marwick, 2008, pp.247, in Hollowell (eds.), 2008). The gap between the two had enlarged as both groups of people benefit disproportionally from the economic growth.

2.1.2 Neoliberalism in China

China is always seen as an outlier of the traditional notion of capitalism. For one thing, the country inherits a number of socialism characteristics such as the state ownership of land and nature resources and the state monopolization of key economic departments such as the finance and energy sectors. For another thing, the one-party system enables the government to be the regulator of the market and at the same time an active player in the market and the boundaries between the two roles sometimes can be fairly fuzzy. Taking the urbanization for example, the primary land market is monopolized by the Chinese government, which at the same time owns the power of regulating the land and housing market, municipal governments can therefore acquire farmland from peasants at a comparatively low cost and then lease it to property developers at a much higher price. In many cases,
the municipal government is as the market in driving the local economic growth. Several factors are frequently used to underpin the argument regarding the inappropriateness of using Neoliberalism to explain the Chinese situation. For one thing, Neoliberalism was mainly formed in reaction to the Keynesian that prevailed in developed countries after World War II, while in China the pre-1979 era was primarily dominated by socialism. Moreover, even after the 1978, the Chinese Communist Party still had a comparatively tight control over the society and leaves little room for the maturity and spread of liberal ideologies across the country, which is especially the case in the early 1990s after Tiananmen Square Incident was suppressed. Therefore, Nonini (2008, pp.146) argued that ‘the claims regarding the neoliberal capitalism and the dominance of neoliberalism in China cannot be justified and in fact are overstatements unsupported by evidences.

Cahill (2014) argued that the rise of neoliberalism is founded in the micro economic policies such as privatization, marketization, and deregulation rather than in the innovation of neoliberal ideas. In this sense, some of the notions of the neoliberalism are of great relevance to the general trends in China over the past four decades (Wu, 2008; Anagnost, 2004; Rofel, 2007). Evidence can be found from the significant social, spatial and institutional transformations and the active mobilization of state power in reconstituting the state-market relations and to promote economic growth, such as the massive dismiss of former SOE employees (Zhang, W., 2006) and the reform of labour market (Meng, 2000; Meng and Zhang, 2001) with more flexibility, the opening up of housing market and the privatization of collectively owned assets (Chen and Wu, 2011; Lee and Zhu, 2006), the changing attitudes of the government towards capitalists and the creation of business friendly
environment (Ng, LFY and Tuan, 2001; Dunning and Narula, 2003; Ali and Guo, 2005) as well as the enlarging gap between rich and poor that was resulted in by ‘legitimized accumulation by disposition’ (Wu, 2008; He and Wu, 2009; Lee and Zhu, 2006). Although the CPC still holds the power in loosening or tightening the leash on the capitalism to reach its political achievements, it has to carefully evaluate the consequences before taking actions that may violate the market principles (McNally, C.A., 2008).

The impacts of neoliberalism on China are also evidenced by its urban policies. Pursuing entrepreneurialism is widely accepted as the major way for a city to increase its competitiveness in the global economy’ (Hubbard and Hall, 1998). The Chinese government is now actively promoting economic growth, urbanization and globalization (Luo & Shen, 2008; Ma, 2002; Wei, 2005). Until very recently, progress in facilitating economic growth has been a decisive factor for the promotion and demotion of local politicians who are usually the major decision makers in local affairs. With limited resources yet great pressure to develop local economy, disposition became an important means for the entrepreneurial municipal government to accomplish their ‘primitive accumulation’ (Harvey, 2005a). The state ownership of urban land written in the Chinese Constitution (1982) and the monopolization of the government in the primitive land market enable the gap between the market price for transferring the land using rights to the developers and the compensation fees for expropriating land and property from the citizens to be collected by the municipal government. The Chinese government has long been proactively involved in converting inner city areas suffering long-term underinvestment into popular housing or commercial areas following the elites’ desire (Broudehoux, 2004) and hugely benefited from the process.
2.2 VARIGATED NEOLIBERALISM

2.2.1 The Varieties of Capitalism

The school of varieties-of-capitalism research (Berger and Dore, 1996; Hall and Soskice, 2001b) emerged from the early 1990s and was influential in cross-national comparative studies. One of the key focuses of the Varieties School is the interaction between free market and economic coordination. The Varieties literatures tend to make the case that economic coordination represents a key dimension of difference between national capitalism (Goodin, 2005). It is believed that in real world, 'markets are vulnerable to failure, far from exhibiting a self-sustaining autonomous logic, depend critically on a range of nonmarket coordination mechanisms, governance regimes, and regulatory frameworks, within which they are deeply embedded' (Peck and Theodore, 2007). And the embedding of market in non-market relations is one of the fundamental causes for the variety (Peck, 2005; Jessop, 2006; Deeg and Jackson, 2007). National scale is often selected for the comparative study as most of the structural reforms and isomorphic institutional adjustment occurs at this level, such as the opening up of real estate market, the restructuring of the central-local relationships, etc. ‘National states have different trajectories of capitalist development in which there is considerable variation in the role of markets and other institutional arrangements and coordinating mechanisms’ (Hollingsworth and Boyer, 1997b, pp.2). Moreover, against the background of globalization, national capitalsms build their competiveness on their unique comparative institutional advantages and will make a different reaction to ‘external shocks’, reflecting national cultures and institutional settlements (Peck and Theodore, 2007, pp. 747).
However, ‘reading differentiation primarily through the lens of (national) institutional coordination runs the risk of exaggerating and reifying some forms of geographical differences, while obfuscating threads of commonality and interdependence ‘(Peck and Theodore, 2007, pp. 761). In spite of the differences in the form of non-market elements, two national capitalisms may have similarities in some aspects regarding the degree of intervention. Market, as the other main constitutive element of the bipolar system, also has its fundamental rules accepted by agents across contexts. Potusson (2005a, pp.166) argued that ‘we ought to be interested in explaining common trends as well as cross-national differences…[but] not only does the [varieties] approach fail to account for these common trends, it directs our attention away from them’. In this sense, the variegated neoliberalism provides an overarching theoretical framework for exploring the common trends as well as differences in a cross-national comparison.

2.2.2 Variegated Neoliberalism

Although neoliberalism represents a general trend of marketization, deregulation and privatization, etc., the appearances of neoliberalism actually vary from context to context. As is argued by Peck and Theodore (2007, pp.765): ‘neoliberalism as a concrete abstraction describes the prevailing form of institutional restructuring across multiple contexts and locales even though it exhibits a range of contingent and context-specific form…it indeed exists as a variegated hybrid, an international phenomenon, a facet of national politics and a networked local construction’.

Neoliberalism as a polymorphic phenomenal could be understood from three perspectives (Brenner and Theodore, 2005): 1. It coexists with different
nonmarket elements, and has a variegated appearance across contexts; 2. Common trends and similarities could be found from different contexts as similar trajectories yield both divergent and convergent outcomes due to the intensity of intervention and implementation; 3. Neoliberalization happens at multiple scales and results in creative institutional destruction and challenges the old institutional variety.

For one thing, Neoliberalization is driven by a set of social processes, collide in place with inherited political and institutional arrangements (Peck and Theodore, 2007). ‘Neoliberalism is not some generic operating environment for end-stage capitalism but a historically specific and hegemonic mode of regulation’ (Peck and Theodore, 2007, pp. 765). There are many interrelated versions of neoliberalism across different contexts, with divergences but also connections. For another thing, the process of Neoliberalization usually has specific impacts on particular places, institutional arrangements or particular local formations, rather than reverberating throughout the entire complex as a whole. One of the key features of neoliberalism is the spatially uneven development, which contributes to differences within and between cities, regions and countries. ‘Neoliberalism is not associated with simple convergence tendencies but complex and combined coevolution and the neoliberalism power shapes but not determines the selection of policy strategies and technologies of governance; neoliberalism characterize both the ‘internal’ orientation of some (national) institutional systems and the ‘rules of the game’ in which these systems are embedded’ (Peck and Theodore, 2007, pp. 765). Simple convergence should not be expected from even deep Neoliberalization (Peck, 2004; Sparke, 2006). Hay (2004, pp. 232) further notes that ‘common trajectories associated with neoliberalism that implemented more or less enthusiastically and at variable paces would result
in both divergent and convergent outcomes’ (Peck and Theodore, 2007, pp. 758). Moreover, Neoliberalization is a ‘multidimensional process as specific reform measures are usually accompanied by a variety of outcomes and the impacts of Neoliberalization is more than often shaped by a wider institutional environment together with interactions that are spatially verified (Hall and Thelen, 2005. pp. 25). ‘When a particular analysis refers to identical institutional reforms, to speak as if they will have identical effects on all nations is misleading’ (Hall and Thelen, 2006, pp.27).

2.2.3 The Applicability of Variegated Neoliberalism in the Chinese Context

Peck and Zhang (2013, pp. 31) argued that the Chinese experiences could serve as ‘an affirmation to the entrenched nature of institutional path-dependence’. The one-party state had craved its own path using the opportunities offered by ‘neoliberal internationalism’ advocated in the Washington-consensus (McKay, 2013). China is now an integrative part of the ‘unevenly developed global system’ (Peck and Zhang, 2013). As the second largest economy in the world, the country’s progress in socio-economic transformation and development during the past 30 years has demonstrated that ‘there is no single development strategy or set of institutions that have to be adopted everywhere to foster economic growth’ (Whyte, 2009, p.388). Today, many of the economic sectors in China, such as the financial sector, energy, telecom, electricity and armaments, etc., are still dominated by the State Owned Enterprises (SOEs). For another thing, the Chinese system is still featured with ambiguities regarding private property rights, the political monopoly of the CPC (McGregor, 2010) and the absence of ‘clearly defined state-firm boundaries’ (Nee and Opper, 2007, pp. 94). Moreover, the one-party political system, the CPC’s experiments and
accumulation of experiences on how to govern the country and the party discipline together determine that the CCP harnesses capitalism with its political system in a unique way (Anagnost, 1997; Ng and Tuan, 2001; Lim, 2014).

The Chinese way of Neoliberalization, with its inner contradictions between the post-socialist and neoliberal features, is different from that of many developed countries and cannot simply be explained using the available model of ‘Variegated Neoliberalism’ that is primarily developed in the western context. I.e. ‘the western-centric ways of categorizing national economies in the style of ‘methodologically nationalist, firm-oriented and comparative political economy practiced under the Varieties of Capitalism banner are challenged’ (Peck and Zhang, 2013, pp.3). However, the Chinese case provides an potential opportunity ‘both to realize and operationalize the notions of variegated neoliberalism (Peck and Theodore, 2007; Jessop, 2012).

2.3 NEOLIBERAL URBANISM

Cities have now become the center of reproduction and reconstitution of neoliberalism, which in turn played a significant role in shaping the new spatial orders of cities. As is argued by Wu (2005, pp. 4), “the new urban realities have been created by the transfer of massive amounts of global and domestic capital to the built environment” while entrepreneurialism has replaced the managerialism to become the prevailing ideology for city governors (Hubbard and Hall, 1998). On the other hand, the ‘region-specific political, cultural and historical forces also played a crucial role in shaping urban spaces’ (Wu, 2005, pp. 9) as the design of neoliberal urban policies
and the implementation of urban projects are highly context-specific. An increasing number of cities have been dragged into the furious international competition for attracting investment, well-educated people with strong ability to consume. ‘Cities now must be sophisticated entrepreneurs-doing what it takes to attract wealthy investors, residents, and tourists’ (Harvey, 1989, 2000). Neoliberal urbanism has become a global phenomenal and is now a generalized strategy integrated with the circuits of global capital and cultural circulation (Lees, et al., 2013, p. 163). Brenner and Theodore (2002) argued that the mechanisms of neoliberal urbanization consists of both ‘moments of destruction’ of the old ‘embedded liberalism’ strategies and ‘moments of creation’ of new ones in comply with neoliberal ideology, as is summarized in Table 2.2:

Table 2.2: General trends of Neoliberal Urbanism:

<table>
<thead>
<tr>
<th>Mechanisms of Neoliberal Urbanization</th>
<th>Destruction</th>
<th>Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recalibration of Inter-governmental relations</td>
<td>Dismantling of earlier systems of central government support for municipal activities</td>
<td>1. Devolution of responsibilities to municipalities, without resources. 2. Creation of incentives to reward local entrepreneurialism and to catalyze endogenous growth</td>
</tr>
<tr>
<td>Retrenchment of public finance</td>
<td>Imposition of fiscal austerity measures upon municipal governments</td>
<td>Creation of new revenue collection districts and increased reliance on local revenues, user fees, and other instruments of private finance.</td>
</tr>
<tr>
<td>Privatization of the local public</td>
<td>Elimination of public monopolies for the</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Privatization of municipal services.</td>
</tr>
<tr>
<td>sector and collective infrastructures</td>
<td>provision of municipal services</td>
<td>2. Creation of new markets for service delivery and infrastructure maintenance</td>
</tr>
</tbody>
</table>
| Restructuring urban housing markets | 1. Elimination of public housing and other low-rent accommodation  
2. Elimination of rent controls and project-based construction subsidies | 1. Creation of new opportunities for speculative investment in central-city real estate markets.  
2. Introduction of market rents in low-rent niches of urban housing markets. |
| Labour market reform | Dismantling of traditional, publicly funded education, skills training and apprenticeship programs for disadvantaged workers | Creation of an new regulatory environments to encourage contingent employment.  
Expansion of informal economies. |
| Transformation of built environment and urban form | 1. Destruction of working class neighbourhoods to make way for speculative redevelopment.  
(Gentrification)  
2. Construction of mega-projects to attract corporate investment. |
| Re-presenting the city | Performative discourses of urban disorder, ‘dangerous classes’ and economic decline | ‘Entrepreneurial’ discourses and representations focused on urban revitalization, reinvestment and rejuvenation. |


Mayer (2007) argued that the social movements today no longer operate within the ‘Keynesian city’ but within ‘neoliberal cities’ that featured with pro-growth politics and dismantling of welfare state, undermined social and environmental justice and infringement of human rights especially of those struggling at the bottom of the society, such as migrant workers and underprivileged citizens. Indeed, ‘the Neoliberalization of the city has in many ways created a more hostile and more difficult environment for progress
2.4 CRITICAL URBAN THEORY

Urban ideologies are continuously used instrumentally to inform people’s understanding of the contemporary urbanization process and to legitimize and naturalize various urbanization processes. Smith (2002) argued that ‘the neoliberal state is now the agent of, rather than the regulator of the market and neoliberal urban policies now express the impulses of capitalist production rather than social reproduction’. Inspired by Marx’s critique of political economy and the work of Frankfurt School of critical theory, since 1968, it has seen a number of leftist and radical urban scholars, such as Henri Lefebvre, David Harvey, Manuel Castells and Peter Marcuse, etc., with their writings categorized as critical urban theory, projecting a fundamental rejection to the instrumentalist, technocratic, and market-driven forms of urban analysis that promote the maintenance and reproduction of extant urban formations and social relationships’ (Brenner, Marcuse, and Mayer, 2012, pp. 19). Instead, they pursue social justice and sustainable urbanization in spite of the suppression of the dominant institutional arrangements, ideologies and practices. Critical urban theory offers a terrain that counters to neoliberalism for deciphering the prevailing urban ideologies and urban transformation. Neil Brenner (2009) gave five propositions about critical urban theory:

Table 2.4: Five propositions about critical urban theory:

<table>
<thead>
<tr>
<th>Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Urban is a key site in which the social relations and contradictions of capitalism and modern political life are expanded and fought out. It is the</td>
</tr>
</tbody>
</table>
vessel of various political and economic initiatives and the arena for competing interest groups and players.

2. The nature of urban changes in patterned rhythms in relation to cycles of capital accumulation and state regulation. The appearance of urban forms differs from places to place and is closely with the cycles of capital circulation and phases of capital accumulation as inner contradictions of every accumulation regime lead to the breakdown of itself together with the associated regulatory configurations and a period of reconstruction.

3. The production of urban is mediated by historically specific forms of state power and regulations in the form of policies and planning, etc. Urban fabrics are mediated through state regulations and institutions at various scale and spatial locations and many of the state institutions and regulatory configurations have massive-scale impact on the form and transformation of cities. Whereas the state itself is a terrain of struggle in which diverse social forces engage and struggles over the form and pathway of urban development.

4. The urban itself is a terrain of struggle since urbanization is not simply imposed from above by rule of capital or by state institutions, rather, it is produced and mediated by social movements. Urban social movements are central agents of urbanization processes.

5. Urban social movements are not simply located within ‘cities’; they are qualitatively connected to the changing nature of urban development. And the nature of urban social movements changes and has to be understood in relation to accumulation regimes and modes of regulation. (The key
point is to understand how they are articulated towards neoliberal capitalism accumulation).


Critical theorists incline to position urban questions into a broader socioeconomic background with a time-space dimension and they ‘view knowledge of urban questions as historically specific and mediated through power relations (Brenner, Marcuse, and Mayer, 2012, pp. 19). It is argued by the critical urban theorists that ‘capitalist cities are...themselves intensively commodified in so far as their constitutive socio-spatial forms-from buildings and the built environment to land-use systems, networks of production and exchange, and metropolitan-wide infrastructural arrangements-are sculpted and continually reorganized in order to enhance the profit-making abilities of capital...capital’s relentless drive to enhance profitability has long played, and continues to play, a powerful role in producing and transforming urban socio-spatial configurations’ (Brenner, Marcuse, and Mayer, 2012, pp. 3.).

For critical urban theorists, the urban is the site and the stake of struggles over the future of capitalism. The alternatives to the prevailing capitalist urban formation provided by most of the critical urban theorists, including Lefebvre’s ‘right to the city’, are not ‘about inclusion in a structurally unequal and exploitative system, but more radically, about democratizing cities and their decision making process’ (Mayer, 2012, p. 70). Over the past several decades, as is pointed out by John Friedmann (1973, 1987), planning theory and practices ‘oscillates in its emphases between a radical, transformative intention and a role in maintaining the way cities function and governance works’ (Healey, 2012). During the 1970s, many of the social movements in
European cities used the slogan of ‘Let’s take the city’ (Lotta, 1972), while in the North America ‘Community Control’ (Fainstein and Fainstein, 1974) was frequently used for the campaign that demanded not only for the provision of basic infrastructure and social securities but also rights to participate in decision makings that would have an impact on their own interests. The community centers, autonomous media, and other self-managed projects thus emerged. Local spaces are increasingly viewed as key arenas for a wide range of policy experiments and political initiatives such as demolition of social housing, experiments in privatization of provisions of social services, the removing of social safety networks and etc. Without a sustainable regulatory fix at the national and global level, localities are continuously viewed as the remaining institutional arena in which economic growth could be reignited, despite the local resistance. A wide range of policy experiments have been implicated in order to unleash the supposedly latent innovative capacity of local economies, to foster an local entrepreneurial culture, and to enhance local Labour market flexibility and local competitiveness and place-specific location assets.

2.5 THE AREA BASED INITIATIVES (ABIs) IN THE UK

The Area Based Initiatives (ABIs) have a long history in the UK. Since the middle 1960s, urban policies in the UK began to shift away from physical development and the concept of ‘Urban Regeneration’ was introduced to address economic, social and environmental problems faced by deprived areas in many British Cities that were understood to have the following characteristics: ‘high level of individuals that are experiencing a range of negative or undesirable circumstances, such as unemployment, low incomes, lack of skills, poor health and bad housing conditions that significantly reduce
their wellbeing; a spatial concentration of ‘deprived households and individuals and the accompanied undesirable aspects such as poor physical environment, high crime level, lack of services, shortage of job opportunities that in turn reinforce the deprivation of community’ (Goodlad, 2005, pp. 923).

There were a plethora of regeneration initiatives with evolving assumptions and policy formulations in tackling one or some aspects of the difficulties faced by people in deprived areas, such as the Slum Clearance, Urban Aid, Sure Start, Action Zones, City Challenge, Single Regeneration Budget, etc. With the impacts of deindustrialization, the 1970s and the 1980s has seen sharp increase in the number of long-term unemployment in many traditional UK industrial cores. The conservative government came into power in 1979 and articulated its urban polices based on the belief that marketization is the only way to deliver equitable and efficient solutions to urban problems (Nevin et al., 1997). Urban regeneration policies gave emphasis to property-led initiatives and the creation of entrepreneurial culture (Hall and Hubbard 1996; 1998). Local authorities were believed to be incapable of leading the recovery of their cities and their powers in finance, housing, education, social services, planning and economic development were gradually striped away’ (Parkinson and Evans 1990, pp.65-66). ‘Wealth creation replaced the distribution of welfare as the aim of urban policy and efficiency was favoured as opposed to equity (Tallon, 2013, p49).

When New Labour came into power in the late 1990s, high priority was attached to tackling poverty and social exclusion. At that time, a growing realization emerged that local communities had rarely benefited from previous property-led regeneration programs as the expected ‘trickle-down’ seldom happened. Moreover, as is pointed out by Hausner (1993, P.526) ‘an inherent weakness of former approaches to regeneration is they are
short-term, fragmented, *ad hoc* and project-based without an overall strategic framework for city wide development’. Besides, there was also a changing understanding of the origins of urban problems. In 1998, the Social Exclusion Unit (SEU) published the first SEU report¹ arguing that after many years’ regeneration practices, the UK still have more than 4000 neighbourhoods in deprivation and a the problems in the deprived areas should be tackled so as to break the loop of deprivation. Against such a background, the New Deal for Community (NDC) was initiated in 1998 as New Labour’s flagship regeneration project to ‘reduce the gap between some of the poorest neighbourhoods and the rest of the country’ (DETR, 2001a, p.2). It aimed at attacking problems in five areas, namely: health, education, unemployment, crime and physical environment. The life span of the NDC was ten years, a regeneration fund of up to £2 billion from central government were given to 39 selected neighbourhoods over the 10 years.

### 2.6 CHINA’S INNER CITY POLICIES

In China, during the past two decades, people’s long-depressed demands for a decent flat in areas where facilities and services are well equipped have been released due to the opening up of housing market and the impacts on the social and spatial formation of many cities were significant. Both farmland

---

¹ Bring Britain together: a national strategy for neighborhoods renewal (SEU, 1998)
and underused inner city land were cleaned out for tower blocks that not only accommodate citizens who were formerly squeezed in small public housing unites but also migrants from other parts of the country, as long as they can afford the market prices of a property. The booming housing market also attracted huge amount of speculative money from both large corporations and ordinary families that have no better venues for investment. In fact, from 1991 to 2011, China’s urbanization rate had risen from 26.37% to 50% (NBSC, 2011). Over the past four decades, the ‘benefits of property-led development, such as added job opportunities, increased government revenues and profits generated from the increased tax bases made the government one of the biggest stakeholders of the inner-city redevelopment (Yu and Zhu 2009, pp. 217).

However, this massive-scale urbanization resulted in many new challenges. For one thing, housing prices in the majority of Chinese cities had inflated dramatically and led to a overheat housings market, which undermined the government’s popularity among middle-to-low income owners. For another thing, inner urban areas, with social-economic challenges such as spatial concentration of poverty, dilapidated physical environment and long-term underinvestment on public facilities, are now facing mountain pressures from the government-led gentrification.

So far China has not formulated any coherent policy framework to address inner urban issues. The highly decentralized executive power means local governments can formulate urban development policies within their own jurisdictions. Stimulated by the progress-based promotion mechanism for local governors, more stress is thus put on economic growth rather than social equity. ‘Land for money’ approach has been widely adopted and
property-led development has been prevailing in China’s urban regeneration process and is expected to play a dominant role for some time to come. At the same time, occupiers of inner city properties have also seen an inflated value of their dilapidated properties. Due to the state ownership of urban land, the majority of urban redevelopment programs are facilitated by a coalition of municipal government and private sectors and the irregular changes of land use rights have frequently been the focus of conflicts between local people and municipalities. In 2010, China was rocked by 180,000 protests, riots and other mass incidents—more than four times the tally in the previous decade (Orlik, 2011).

2.7 GENTRIFICATION AND LOCAL RESISTANCE

2.7.1 Gentrification in Developed Countries

Given birth by the British sociologist Ruth Glass in 1964, gentrification is now widely known as 'the transformation of a working-class or vacant area of the central city into middle-class residential and/or commercial use' (Lees, et al, 2008). 'Gentrification is the reinvestment of capital at the city center, which is designed to produce space for a more affluent class of people than currently occupies that space' (Smith, 2002, p. 294). Wyly and Hammel (2004, p.36) argued that 'the most durable result of gentrification may be its effect on new properties in the formulation of urban policy…It is gentrification that actually underwrites new configurations of highest and best use, reallocation of neighborhood public services and public space regulation. And the inherited landscapes and potential expansion of gentrification are now critical considerations in many domains of urban policy'.
As is argued by Smith (1982, pp.151-152), 'gentrification is the restructuring of capitalist urbanization and part of a larger redevelopment process dedicated to the revitalization of the profit rate'. Smith (1982) used 'rent gap' to explain gentrification as a product of investment and disinvestment in the urban land market. The rent gap is a 'short fall between the actual economic return from a land parcel given its present land use and the potential return if it were put to its optimal, highest and best use' (Lees, et al, 2008, p. 52) and the rent gap changes because of the various aspect of urban growth such as the improvement of accessibility and activities in its surrounding environment. Millard-Ball (2000, p 1688) finds the rent gap of limited use in understanding of the effects of state intervention and housing allocation in different political-economic contexts while Sykora (1993, pp. 287-288) projected the function gap, which he argued is 'caused by the underutilization of available land and building relative to their current physical quality and when centrally planned allocation of resources is replaced by allocation ruled by market forces, freely set rents influence the distribution of functions in spaces. Therefore, functions with an inefficient utilization of space may soon be outbid by more progressive functions with a highly intensive space utilization and in this way the function gap can be closed in a very short time without making huge investments.' The gap theories contribute to pin the explanation and interpretation of gentrification into a broader, critical perspective on capitalist urbanization and uneven development from the local scale to the globe.

Neil Smith (2002) argues that gentrification is now a 'global urban strategy' linked to a new globalism and neoliberal urbanism. It is no longer restricted to the North America or Europe but rather a generalized strategy that is connected to the circuits of global capital and cultural circulation (Lees, et al,
2008, p. 163). The policy mechanism is favored by many city mayors and has been integrated with capital market process, public sector privatization schemes, global city competition, welfare retrenchment and workfare requirements as well as many other facades of neoliberal urbanism. However, contemporary gentrification practice is also polymorphic regarding the selection of specific strategies and intensity of policy implementation. Since the 1980s gentrification has been embodied with a broader meaning which goes beyond the rehabilitation of decaying and low-income housing and the ‘gentry’ class is no longer confined to middle class. Gentrification is now more than often used to refer the process in which a group of people with similar social and economic background replaces another group of people that are relatively disadvantaged in certain spatial area. The process is accelerated by proactive state interventions in different countries and there is a new trend of state-led gentrification. According to Hackworth and Smith (2001), since the mid-1990s, interventionism governments have drifted away from merely passive support in the 70s and 80s and began to work with private sectors to facilitate gentrification. Powell and Spencer (2003) argued that the state intervention in facilitating gentrification is partly due to the devolution process. With increasing power devolved from the central, local government began to pursue economic development and housing policies that generally favor gentrification, and these efforts are now taking place in a national climate marked by the urban impact on national economic growth, creation of working opportunities, consumption of raw materials and absorption of surplus Labour forces as well as securing the investment from financial institutions.
2.7.2 Gentrification in China

The foundation of China’s economic miracles since 1979 was laid in Mao’s era, when the state took the control of nearly whole elements for economic activities and left a number of unexploited areas which later became China’s strongest comparative advantages, such as the abundant cheap Labour force, in the international competition and helped the new generations of governments to accomplish ‘accumulation by disposition’ (Harvey, 2005b). Opening up of the previously enclosed areas for speculation brought enormous economic bonus and stimulated the post-1978 government to progressively open up new areas through easing both economic and administrative shackles.

The development of housing market serves as an example. Between the 1950s and the early 1980s new houses in China were mainly built and distributed by the state and State Owned Enterprises (SOEs). Systematic reform started from 1982, when ownership of urban land in China was separated from the use rights and nationalized. In 1983, Housing Reform was initiated and private property rights were formally written into the Constitution drafted by the State Council. In 1987, local authorities were allowed to lease urban land on behalf of the state to private enterprises (Wu, Xu and AGO, 2006). The formal start of China's housing market boom was in 1997 (Zhou and Logan, 1996), when the down payment rate for residential properties was lowered to 30% and the limit was extended to 20 years. In 1998, public housing tenants were encouraged to buy the welfare properties they occupied and later the government made the growth of housing market the only provider of commercial properties while private sectors became the major deliver. Such a reform had greatly stimulated the housing market. In
2007, housing prices in many Chinese cities increased by three folder when compared with that in the 2003 (NBSC,2008).

Against such a background, the state-led gentrification was particularly the case for China. Land prepared for the constructions of new residential properties in China is generally converted from three sources: farmland, land previously occupied by SOEs or public institutions and land previously occupied by private property owners. In practice, it is the municipal governments that acquire land from farmers, the SOEs and public institutions and private occupiers and sell it to private developers. In the process, value gap is mainly generated in three ways: the conversion of land use, the change of configurations regarding the developments on the land and the provision of public infrastructures. Since the market price for agricultural and industrial land is much cheaper than that of the residential land, the state can acquire the former two types of land at a relative low price and use its statutory planning power to convert them into land for residential and commercial use. Additionally, since many Chinese cities are following a high-density development pattern so as to reduce the erosion of farmland, the recycling of urban land occupied by old neighborhoods with low Floor Area Ratio (FAR) itself generates a huge value gap, of which a large proportion is occupied by the state using its administrative power in planning. Moreover, the government also uses the provision of public facilities to control the inflation of land prices in an area. Without exaggeration, gentrification is now an integrative part of many Chinese municipalities’ accumulation strategy.
2.7.3 The Resistance of Gentrification

It is argued by some scholars that ‘the negative consequences of gentrification, such as the rising housing prices, the displacement and diminish of original characteristics of old communities are not simply isolated local anomalies but symptoms of the fundamental inequalities of property market that prioritizes the creation of urban environment for the aim of capital accumulation, often at the expense of the needs of home, community, family and everyday social life (Lees, et al., 2005, p.73). However, the resistance of gentrification at local level is shrinking. On the one hand, this is due to the fact that the local people's capacity of mobilization has been eroded. The majority of the recent resistances follow a trend that local people inclined to limit themselves to measures that seems feasible under the given circumstances. Harvey (2005) accused such movement loses in focus they gain in terms of direct relevance to particular issues and constituencies. They draw strength from being embedded in the nitty-gritty of daily life and struggle, but in so doing they often find it hard to extract themselves from the local and the particular to understand the macro-politics of what neoliberal accumulation by dispossession and its relation to the restoration of class power was and is all about (Harvey, 2005a, p. 200). However the traditional social and political struggle theory in practice seems to offer little theoretical back up: 'struggle against accumulation by dispossession are fomenting quite different lines of social and political struggle. It is partly because of the distinctive conditions that give rise to such movements; their political orientation and modes of organization depart markedly from those typical social democratic politics' (Harvey, 2005a, p. 199).

On the other hand, it is argued by some scholars (Newman and Wyly, 2006;
Marcuse, 1987; Lee, 2014) that the neoliberalism government had exerted too much institutional pressure at local level and had made challenges to gentrification extremely difficult to launch. As is argued by Harvey (2005, p.69): ‘one of the political problems of the neoliberalism is that ‘individuals are not allowed to choose to associate to create political parties with the aim of forcing the state to intervene in or eliminate the market’. With the continuity of gentrification, the spatial concentration of working class has been gradually dismantled together with their social networks, and strengths therefore can not be easily gathered for the resistance (Smith and LeFaiivre, 1984; Atkinson, 2004).

Public participation in many gentrification cases serves as a therapy (Arnstein, 1969) offered by the government to mitigate the tension resulted from the resistance. By doing this, local residents who are about to be gentrified seem to be offered with opportunities to fully express their thoughts and to defend their interests. However, more than often the participatory mechanism can exert very limited impact on the final decisions that are made in favor of the interests of the interventionism government and capitalists. In such a process, within pre-set conditions, local people usually are politically and economically disadvantaged and do not possess an equal position to bargain with the government or private sectors.

2.8 PUBLIC PARTICIPATION

The fundamental belief behind the idea of public participation in the discourse of participatory democracy is that ‘those who are affected by a decision have the right to be involved in the decision-making process and be able to make their input. Participants are able to obtain information that is needed for a
meaningful participation and will be informed with how their involvement would affect the final decisions’ (IAPP, 2015). Public participation for urban planning and development has an intention to shift the development paradigm, to promote a people-centred approach that prioritizes demand over supply mechanisms (Plummer, 2004). It is believed that public participation, especially starting from an early stage, in the urban redevelopment (regeneration) process could provide a channel for the residents to have a say regarding the future development of their neighbourhood and potentially bring more social sustainable solutions. The perceived benefits of public participation include added efficiency, sustainability, and collective community power, etc. (Jones, 2003).

2.8.1 Public and their Motivations for Participation

Public participation is seen by some scholars as a hegemonic project that can help to stabilize society and to create or maintain conditions for capital accumulation through achieving ‘relative unity of diverse social forces’ and resolving ‘conflicts between particular interests and the general interests’ (Jessop, 1997, quoted from Muir, 2004. pp.953) and the benefits of public participations accordingly draws more attention than the participatory democracy in practice (Atkinson, 1999). Some of the benefits of public participation are summarised by Lawson and Kearns (2010):

1. Public participation in the form of community engagement is part of ‘good governance’ as it helps to make ‘better decisions (DETR, 2001) and to increase the accountability of service providers. Public participation is a also an important exercise of citizenship rights that should form part of any due process (Burton, 2004).
2. Public participation is an important measurement to develop sustainable community. It also provides a contrasting perspective to the views of the professional or political elite (Burton, 2004) and their definition of needs, problems and solutions are different from that of planners (Burns and Taylor, 2000) thus the design will endure longer.

3. Public participation leads to better implementation and help to avoid conflict and competition for resources between established and newer residents.

Generally ‘Public’ contains the following meaning:

1. Public refers to interest groups (pluralism\(^2\))
2. Public refers to those making decisions with rational (public choice\(^3\))
3. Public is those who are delegated (from the legislators perspective)
4. Public is the customers (public service)
5. Public is the citizens.

In real world, ‘public’ is far from a harmonious idea and usually contains multiple interest groups, and various motivations. Blakeley and Evans (2009) classified people’s motivation of participation into three categories:

1. Personal rationality: i.e. only when the benefits generated from the

\(^2\) Belief that there should be diverse and competing centers of power in society, so that there is a marketplace for ideas.

\(^3\) [http://www.econlib.org/library/Enc/PublicChoice.html](http://www.econlib.org/library/Enc/PublicChoice.html)
participation exceeds the costs (time, money, energy etc.) will they participate and the participation will probably be terminated when their aims are achieved.

2. Citizenship: As is described by Clarke et al., (2007), in contrast with consumers, citizens operate in the public realm, fulfil mutual obligations, deliberate collectively and pursue the public interest. It frequently appears that participation in public life frequently begins on the basis of ‘immediate interests and experiences’ and it leads to an understanding of common interest, and that by engaging locally people learn to think globally (Burns et al., 1994)

3. Imagined community and social networks: Diani (2003) and Melucci (1996) use the social networks to explain the motives for participation. They also argue that embeddedness in a specific relational context is conducive to individual recruitment to a collective engagement and that activists are linked through ‘private’ and ‘public’ ties before collective identity develops. People are drawn to participation through friends, neighbours and contacts that sometimes result from previous participation (Blakeley and Evans, 2009). The strong desire of re-create a community also greatly motivate some people to be actively involved in the participation affairs.

Fairclough (1992a, 1995) argued that relations of power within institutions and organizations are affected by discourses. Atkinson (1999, pp.62) further pointed out that ‘discursive rules establish the context in which the operating procedures and everyday practices of an organization take place’. With the prevalence of New Public Management (NPM) approach science the 1979, commercial models of organizations and management practice are widely
transplanted to public sector services (Flynn, 2000). Barberis (1998) identified the characteristics of the NPM as ‘value for money, strong consumer orientation, business planning, performance management and “controlled delegation”’ (quoted from Rowe and Shepherd, 2002). Influenced by such an ideology, ‘partnership’ in New Labour’s regeneration policies is discursively constructed as the major vehicle for public participation and empowerment. In Arnstein’s (1969) Ladder of Citizen Participation, ‘Partnership’ falls in the ‘Citizen Power’ category. According to her, power at this rung of ladder is ‘redistributed through negotiation between citizens and power-holders. ‘Partnership can work most effectively when there is an organized power-base in the community to which the citizen leaders are accountable; when the citizens group has the financial resources to pay its leaders reasonable honoraria for their time-consuming efforts; and when the group has the resources to hire (and fire) its own technicians, lawyers, and community organizers. With these ingredients, citizens have some genuine bargaining influence over the outcome of the plan (as long as both parties find it useful to maintain the partnership)’ (Arnstein, 1969, pp.221). In one of the most important document-Involving Communities in Urban and Rural Regeneration: A Guide for Practitioners (DETR, 1997), Partnership was defined as the important means to achieve ‘relative unity’ between central government and the civic society and serves an important arena where conflicts can be managed, consensus can be built and actions are about to be taken. In the NDC programmes, the 39 Partnerships Boards are legitimized as the major decision makers and facilitators of regeneration initiatives funded by central government at neighbourhood level. While central government have the ultimate rights to approve or reject the annual delivery plan submitted by the partnerships, the latter enjoy a considerable freedom in deciding the overall regeneration strategy and funding particular
regeneration projects.

2.8.2 Two Arguments regarding Public Participation

During the last several decades, research on public participation is enriched by theoretical and empirical studies from various angles, such as analyses focusing on the deliberative and collaborative planning practices (Fischer and Forester, 1993; Healey et al., 2003), the quality of participatory outcomes (Brody, 2003) and research concentrating on the roles and relationships between planners, politicians and citizen participants in political process (Bedford et al., 2002; Hajer, 2003; Tang Bright and Brody, 2009). Two arguments are of particular relevance to this research:

1) Managerial Argument: this theory is based on observations of how managers make effective decisions. (Vroom&Jago, 1978). As is suggested by Tomas (1990), this model can be applied to prescribe how an official charged with organizing a public participatory program could choose among a variety of participatory strategies.

2) Procedure justice and participatory democracy: a considerable number of literatures in public participation concerns issues of fairness or procedure justice, which is considered as an important element in people’s satisfaction with decisions, perception of fairness, and support for authorities (Leventhal, Karuza & Fry, 1980; Lind & Tyler, 1988; Thibaut & Walker, 1978). The theory is associated with a variety of criteria, including the use of accurate information, representativeness, participation in decision-making, and the suppression of bias. The research itself is also evaluated against procedure justice (Brockner et al., 1997). Empirical research on how people perceive
the procedure fairness of public participation processes have been done by many researchers (Lauber & Knuth 1997; Smith & McDonough, 2001)

2.8.3 Participation as a Hegemonic Project

Public participation as an activity is indeed loosely defined and can be held in the form of consultation, public hearing and all other participation activities in a wider definition. Arnstein’s (1969) seminal work ‘A ladder of community participation’ (Figure 2.1) formed the basis of many following studies. She categorizes public participation according to the distribution of power and argues that without the distribution of power, the participation will become an empty experience. The widely spread eight-point typology of the participation process still serves as a signpost.

**Figure 2.1: The Ladder of Public Participation**

<table>
<thead>
<tr>
<th>Citizen Control</th>
<th>Delegated Power</th>
<th>Partnership</th>
<th>Placation</th>
<th>Consultation</th>
<th>Information</th>
<th>Therapy</th>
<th>Manipulation</th>
</tr>
</thead>
</table>

Source: Arnstein (1969)

Dargan (2009) argues that the idea of public or community that are frequently used by the government is far from homogenous and even lead to confrontation and naive policy expectations. It is worth noting that the rise of
the idea ‘public participation’ in western countries is associated with pluralism and direct democracy, which have risen over the last century or so at the expense of the managerial model of administration (e.g. Reich 1985; Laird 1993; Dryzek 1997). Gramsci (1971) raised the concept of ‘hegemony’, in which he argued the importance of a consensual social structure that allows power to be maintained through the establishment and upholding of dominant ideological positions within civic society. Accordingly there are ‘hegemonic projects’ implemented to ‘stabilize society and therefore to maintain conditions for capital accumulation through achieving relative unity of diverse social forces and resolving conflicts between particular interests and the general interests (Jessop 1997, p62). Muir suggested that ‘public participation is such a hegemonic project that secure relative unity between the organizations of state and civic society and have contributed to a strong ideology of common interest. It also provides an arena in which social conflicts can be managed’ (Muir,2004, P.954).

White (1996) holds the opinion that while participation may involve a degree of negotiation, it does not necessarily involve sharing of power. Evidences could be found from different contexts. In many British Area Based initiatives, the application of regeneration funding requires the involvement of local communities. Yet it has been discovered that in many practices the community representatives are often with marginalized power to influence the regeneration decisions and those who participate would sometimes have a feeling of being manipulated (Stiefel and Wolfe, 1994). As is questioned by Taylor (2000) ‘in the UK, there is a consensus that communities by and large, remain to be marginalized in most partnership programs to date, even when they are relatively well organized. In many cases participants from local communities are at the table but unable to influence central issues, which is
named as ‘peripheral insiders’ (Maloney, et, al., in Taylor, 2000, p. 1022).

Additionally, participation is also regarded by many scholars as inherently disordered and internally contradictory in contrast to the quantitative and bureaucratic nature of ‘planning’ which attempts to contain the chaos of development (Stiefel and Wolf, 1994; Nelson and Wright, 1995). The contractions may have a negative impact on the formation and implementation of planning. The phrase NIMBism represents a prevailing attitude among citizens in many western countries towards proposals as well as implementation of new development. Projects likely to be opposed include but not limited to all new buildings such as new communities, power plants, schools, wind turbines, etc., even if some of them may significantly benefit the whole region or country. In the UK, such a public attitude together with the planning system which emphasises the importance of public participation makes the process of obtaining a planning permission comparatively time and money consuming with high uncertainty. As is argued by Hall (Imrie, et al., 2009, pp28): ‘At some point you’ve got to have an authority that does things, particularly in the most problematic areas, and particularly since in many of those areas there is no one there, or very few people there, and they certainly make a hell of fuss… In King’s Cross, a few people hold up the development for months and they finally lose…there will always be someone who argue that you should go completely bottom-up and do it all through local inspiration. I don’t really believe that’s possible. What is at issue here is the right degree and form of local devolution’

2.8.4 Public Participation in Urban Regeneration Process

After the post-war booming in the UK, the 1960s and the early 1970s has
seen considerable social upheavals around the issue of basic rights, justices and access to power. It has seen in the realm of urban affairs that the era of big plans and governmental programs, or at least their unquestioned ambition been brought down or substantially undermined by citizen participation in municipal and other related affairs as well as the proliferation of civil society. It was at that time the sentiments of ‘Not In My Backyard’ (NIMBY) together with a general layering on scrutiny of any public and private plans by local citizenry, became a new order of urban deliberation in the UK, if not elsewhere in the developed Western world (Rowe,2005,P.159).

The idea of public participation in urban regeneration process has at least three tiers of meaning. 1. Public participation is a pluralistic concept and, at the same time, a dynamic process. Public refers to different, and are often competing interest groups, while participation is a process in which different participants interact, negotiate, bargain and, ideally, reach a final agreement on the outcomes. It is more than often a political process involving the distribution of power and resources, the creation of winners and losers, and the prioritization of some aims and objectives over the others. Urban regeneration project in many cases refers to both spatial and socio-economic changes in targeted areas and is currently integrated with neoliberal urban policies that are designed and implemented in particular context. Therefore, public participation in urban regeneration process is a micro political process involving multiple players and taking place in a particular environment with unique socio-political and economic features shaped by structural factors. Muir (2004, pp. 952) pointed out that public participation could be affected by the following factors at different scales:

1. Micro level power relationships, primarily within formal structures (Lukes,
2. Network and regimes, at the micro and meso levels, primarily outside formal structures (Stoker, 1995; Rhodes, 1997; Dowding, 2001);

3. Macro-level forces which influence and maintain economic, social, political and cultural stability, through the structure of regulation theory (Jessop, 1990; Painter, 1995)

### 2.8.5 Factors that may Affect Public Participation

The institutional factors and networks are found to have a profound impact on public participation (Gittell & Vidal, 1998; Moser, 1989). The former refers to formal structures within which the boundaries of public participation are defined, including the forms and procedures of participation, degree of empowerment and the significance of the participatory activities as a whole. The informal structure, on the other hand, implies the relationships between interest groups and government involving resource exchange, which often takes place out of the formal structure (Rhodes, 1997). In particular projects, both formal and informal structures can exert great impacts on the results of public participation through shaping the prospect of the participation. Since for local people, ‘the prospect of control and self-determination is a motivator for community participation and is crucial to attracting and retaining high-quality participants and to motivating continued engagement.’ (Xu, 2007, p.624)

The interactions between indigenous culture and imported values and thoughts may also have an impact on the public participation. Rowe
(2005, p.31) stressed that 'in the East Asia there seems to be a cultural bias towards collectivism and the interests of family, or company, above those of the individual and consensus building rather than debates is the preferred way to reach agreement and to avoided the appearances of dissent and disputation'. On the other hand, in these countries there is also an obvious adoption of western thoughts and values, including the rising awareness of civil rights, the increasing demands for fairness, justice and transparency, the growing consensus in embracing competition among market forces and eliminating the social disparities. Different cultural traditions, thoughts and values may help to shape not only the way public participation is organized but also the participants’ behaviors in the participatory process.

It is found in the western society that people with relatively higher social, economic and educational backgrounds are more likely to involve in organized community activities (Steggert, 1975). On the other hand, 'it is difficult to arouse the poor from their apathy and indifference to development issues...' (United Nations, 1981, p.16). People with deep roots in a community or have strong organizational links tend to participate more proactively (Rubin & Rubin, 2001; D.H. Smith et al., 1980). The beneficiaries of the community programs and people that are well entrenched in a neighbourhood group (e.g., political social, cultural, or sports related), are more likely to participate (Thomas and Hugh, 1990). It is also found that when the personality, situational variables, and professional interventions are statistically controlled, variables in relation to personal characteristics can actually exert very little influence on the public participation (C.S. Cohen & Phillips, 1997; Wandersman, 1981).
2.8.6 Public Participation in Britain’s Latest ABIs

Public participation was one of the most important features of the NDC programme. With the argument made by the government in the National Strategy for Neighbourhood Renewal (NSNR) (SEU, 1998, 2000, 2001) that ‘lacking quality participation was one of the biggest flaw of the previous ABIs’ (Dargan, 2009), communities were placed at the centre of the NDC. All regeneration initiatives were subject to the management of partnerships and local residents were required to be involved in every aspect of decision-making (Hall and Nevin, 1999; Marinetto, 2003; Dargan, 2009). A NDC Partnership typically consists of representatives from local community organizations, local authorities, voluntary organizations, the private sectors and other statutory bodies (DETR, 1997, p.2). According to Lawless (2012, p.314), partnerships in the NDC programme were to ‘maximise their efforts to involve and engage all local residents and some residents would play a direct role in devising and implementing local strategies through their role as resident board members on one of the Partnership Boards, of which the main function was to oversee the 10-year strategies for each locality’. It is worth noting that ‘community representatives on the Partnership Board are not delegates but representatives…where a partnership is registered as a company, then the directors have to act in the best interests of the company’ (DETR, 1997, p. 38).

2.8.7 Public Participation in China’s Recent Regeneration Projects

As distinct from that envisioned in the West, public participation in China’s urban regeneration projects must be understood contextually. As observed by Plummer and Taylor (2004), a primary difference in the operating context
and the background to participatory initiatives is that, unlike most other countries recently embarking on participatory processes, economic reform has preceded socio-political reform in China, and economic rights are prioritized over social and human rights. This places the participatory activity – which is fundamentally concerned with inclusion and social equity – on a different footing. Some scholars have linked participation in China with local governance (Benewick, Tong, & Howell, 2004; Chen & Zhong, 2002; Jennings, 1997; Shi, 1997). The phrase ‘public participation’ stems from neighbourhood mutual help and seldom involves decision-making (Xu, 2007). Before the 1980s’ reformation, people were mobilized to participate in social and political actions such as the Cultural Revolution, in which they blindly followed the government’s orders and relentlessly worshiped the leader. Later in the Tiananmen Square incident in 1989 seriously dampened people’s enthusiasm to get involved in political related issues (Tang & Parish, 2000). In 1993, with the initiation of Chinese community service agenda, community participation was raised again as an important issue. For one thing, the retreat of local government from social welfare obligations needed a succeeding institutional setup whereas the emerging community interest groups and organizations were looking for their position within the political system. For another thing, the limited community service budget required the authority to mobilize local residents to participate in the delivery of services (Shi, 1997). Public participation in China’s social regeneration programs is therefore primarily facilitated by the Local Residents Committees (LRCs) (Xu, 2007), which is a neighbourhood-level, quasi-governmental organization present in all cities and towns across China. LRCs often work closely with the local government in carrying out various administrative tasks (Derleth and Koldyk, 2004), such as monitoring family-planning compliance and maintaining household registry rolls.
In contrast with the established networks of the LRCs is China’s premature civic society (Rowe and Peter, 2005) within which Non-Governmental-Organizations (NGOs) are less well developed. In China, an NGO needs to find an official organization as its upper-level administration (Fan, 2014). Such a semi-official statues severely constrained NGOs’ function as a real civil organizations and they often distant themselves from confrontations between local people and the coalition of government and private sectors (Johnson, 2010). Which is to say, when it comes to issues such as property-led regeneration that involves the distribution of interests between local people and the government, NGOs are more than often in absence. Besides, in many of China’s recent physical regeneration programs, the institutional setup leaves little place for individuals to influence the decision makings. Alternative approaches, such as refusing to cooperate and acting as a “Nail Household” or repeatedly submitting petitions are frequently employed by local people to resist such programs.

2.9 SUMMARY

This chapter provides a theoretical framework for the research. It is argued that in conducting a cross-national comparative study, variegated neoliberalism could provide an overarching theoretical framework for exploring the similarities and differences existing between China and the UK. The theoretical framework accepts that capitalist system is unevenly developed and the degree and intensity of non-market intervention varies across spatial locations. Various forms of non-market interventions with different intensity may yield both divergent and convergent outcomes. Variegated Neoliberalism theory can help to decipher the formation of differences as well as common traits found in urban regeneration and the
related participatory practices in both UK and China through connecting them with the global trend of Neoliberalization, which is polymorphic, context-specific and happens at multiple spatial and institutional scales. Among the various aspects of the neoliberalism, this research focuses on urban regeneration and participation related activities. The notion of neoliberal urbanism helps to explain the general trends in regeneration policies while critical urban theory provides a different perspective to read the prevailing regeneration practices in both countries. Regarding the physical regeneration in both countries, the concept of gentrification serves as an effective instrument for reading the essence of the phenomenon to some extent.
CHAPTER 3 RESEARCH DESIGN

3.1 A Cross-National Comparative Perspective

This research applies a cross-national comparative perspective in exploring the differences and similarities in urban regeneration and the related public participation activities in both UK and China. A cross-national perspective is frequently applied in observing social phenomenon and understanding the operation of social process in different countries and is also used for mapping experiences regarding best practices across different nations (Hantaris, 1999). In doing a cross-national comparison, a profound understanding of the evolution of socioeconomic, political and cultural context is required. Generally there are three different understandings about the relationship between the social realities and the context. One is ‘universalism’ (Dogan and Pelassy, 1990, p.19) with a belief that social realities are context free and generalizations from a particular context can be applied universally. Another one is the ‘culturalism’, which argues that social reality is context-bounded and the only way to get a proper understanding of the social realities is to position them within the context as experiences generated from one society are confined by temporal and spatial factors and can hardly be generalized to other societies (Hantaris, 1999). The third one takes a central ground between the first two perspectives and argues that ‘social realities are context-dependent, but the context itself serves as a important explanatory variable and a enabling tool, rather than constituting a barrier to effective cross-national comparisons and experience mapping’ (Hantrais, 1999, pp. 95), which is adopted in this research.
In spite of the many advantages in exploring the differences and similarities, the cross-national comparative methodology is notoriously time and resource consuming. Besides, the quality of the research is constrained by various factors regarding the research objects as well as the researchers (Hantrais, 1999). For instance some of the data can be easily obtained through public venues in one country while in another country it might be confidential while the selection of case and indicators and the interpretation of the research findings are also highly constrained by the researcher’s knowledge and capacity. Comparative analysis can be easily overwhelmed by ‘large numbers of variables and lose the possibility of capturing the controlled relationships’ (Lijphart, 1971, p.690). Based on Hantaries’ (1999) work, indicators that may need for conducting a cross-national comparison study regarding the urban regeneration and the related public participation activities are listed in Table 3.1:

Table 3.1 Indicators for the Comparison:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Political institutions: Political system, representation and power, interest groups;</td>
</tr>
<tr>
<td>2.</td>
<td>Administrative structures: Machinery of central and local government, public and private organizations;</td>
</tr>
<tr>
<td>3.</td>
<td>Economic systems: Housing policies, housing market;</td>
</tr>
<tr>
<td>4.</td>
<td>The legal framework: National legislations, planning laws and regulation, formalized structures in resolving the regeneration-related disputes;</td>
</tr>
<tr>
<td>5.</td>
<td>Social institutions and structures: Community organizations, social stratification;</td>
</tr>
<tr>
<td>6.</td>
<td>The cultural environment: Values, elite structures and media;</td>
</tr>
</tbody>
</table>
Neoliberalism penetrates not only in various aspects of the social, economic and political life but also takes place at multiple scales. At the national level, it can be observed from the evolution of socio-economic policies and the reformation of institutional setup; at the intermediate level, which mainly refers to the city and regional level, it is embedded in the entrepreneurial municipal governments’ strategies and actions in promoting local competitiveness against the background of intensive global competition. At the community level, the process and impacts of Neoliberalization can be examined more closely from the behaviors of social groups that are affected by the privatization of municipal services, the retrenchment of social benefits, the restructuration of the urban housing market, and various policy incentives in driving people to undertake working opportunities in both formal and informal sectors. Moreover, the resistances against neoliberal polices from those who are negatively affected can also be observed at the community level. In this research the cross-national comparison is designed to cover the three levels: the national level, the city/regional level and the community level.

Nation as a contextual frame reference provides a convenient reference system for comparing the characteristics of culture, politics, legislation as well as the administrative system in different countries (Hantrais, 1999, pp. 98). The national level also provides a proper scale for examining the formulation and implementation of social and economic policies. The comparison conducted at a city/region level, however, helps to reduce the impacts exerted by the internal diversification of a country on specific cases and at the
same time to lower the risk of inappropriate generalization of the research findings. The community level provides an ideal arena for obtaining empirical data for the comparative study. It is believed that a perspective focusing on how individuals perceive, experience and take actions in the regeneration practices can help to explain the contemporary social realities.

The comparison of this research is therefore divided into three major parts. Firstly, the context of the two countries are introduced and compared at the national level, including the geographical and demographical features, the politics and institutional setup, the social and economic challenges they are respectively facing (Table, 3.2). Besides, the evolution of urban regeneration and public participation-related policies and practices in both countries are also closely examined and historical moments of destruction and reconstruction in both countries are reviewed, including the reconstruction of former accumulation regime, the recalibration of central-local government relations and devolution, privatization and dismantling of the welfare state and urban housing market restructuring and physical environment transformation. How did the fusion of the old political system and neoliberalism take place at a national level in both countries was probed.

Table 3.2: The comparison conducted at a national level

<table>
<thead>
<tr>
<th>Major Features</th>
<th>UK</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territorial area; Demographic feature; Industrial sectors; Administrative Configuration; Politics and political</td>
<td>Territorial area; Demographic features; Industrial sectors; Administrative configuration; Politics and the CPC;</td>
<td></td>
</tr>
</tbody>
</table>
| Economic Changes | Intergovernmental relations;  
parties;  
Intergovernmental relations;  
Economic development and challenges;  
From Keynesianism to Neoliberalism;  
Labour and Conservative’ economic policies - consistency and no uniformity;  
The major institutions for the implementation of the initiatives;  
Economic development and challenges;  
From command economy to market economy;  
The CPC’s economic policies- evolution and mutation;  
Political turmoil and its socio-economic impact;  
China’s progressive opening up of areas for speculation; |
|-----------------|-------------------------------------------------|
| Political System | British Political parties and the First-past-post democracy  
The central central-local relations;  
China’ tradition as a centralized state and its first 30 years as a authoritarian country since 1949;  
China as a authoritarian regime since 1978;  
The structure of CPC and its entanglement with the government;  
Central-Local relations; |
| Social Changes   | Dismantling of welfare state and the shrinkage of ‘working class’;  
Pluralistic Society;  
The retrenchment of welfare system and the ‘Third Way’ (argument between Left and Right);  
The consequence of Cultural Revolution and the surging protest regarding economic issues in recent years;  
The argument between leftists and rightists and the reflections on urban policies;  
China as pluralistic society and players in regeneration process |
The focus of the research was then shifted to the city level. In introducing the history of the development of the two cities selected from each of the countries, it is intended to show how neoliberal urbanism is embedded in urban policies and how its appearances at the city level vary across contexts. Several aspects are compared at the city level, as is shown in Table 3.3:

Table 3.3: The comparison conducted at a city level

<table>
<thead>
<tr>
<th>Profiles of the cities</th>
<th>KNDC and KHMRI (UK)</th>
<th>DTMD (China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>History and current status of the city</td>
<td>History and current status of the city</td>
<td></td>
</tr>
<tr>
<td>Socio-political and economic challenges</td>
<td>Socio-political and economic challenges</td>
<td></td>
</tr>
<tr>
<td>The on-going transformation</td>
<td>The on-going transformation</td>
<td></td>
</tr>
<tr>
<td>Regeneration history and progress</td>
<td>Regeneration history and progress</td>
<td></td>
</tr>
</tbody>
</table>
In the third part, the comparison is conducted through examining two regeneration projects taking place at the community level. The strategies adopted by different players and the discourses used by them to legitimize their activities were examined and compared. Special attention is given to examining and comparing how the conflicts resulted in by the neoliberal urban policies and practices are resolved within different contexts.

### 3.3 A CASE STUDY APPROACH

#### 3.3.1 The Advantages of a Case Study Approach

According to Yin (2013, pp. 16), ‘a case study research is an empirical inquiry that investigate a contemporary phenomenon (the ‘case’) in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident’. Yin and Davis (2007) argued that case study is frequently adopted for striving a better understanding of a real-world phenomenon with the assumption that significant contextual conditions in pertinent to the case are likely to be involved. Unlike other research methodologies such as experiment that would deliberately separate phenomenon from context and strive to define the contributions of several narrowly defined variables, case study enables the researcher to have a holistic view, in-depth examination and interpretation of a social phenomenon
and has already reiterated its appropriateness for dealing with a process or complex real-life activities in great depth (Noor, 2008). Yin (1989) pointed out that a case study is a suitable strategy for researchers to probe the ‘how’ and ‘why’ questions when they have very little control over the event. A case study approach also contributes to a better understanding of the interactions between different participants together with their strengths and weaknesses in relation to the context and time. To obtain an in-depth understanding of real-life activities, empirical work is necessary for exploring not only what happens contemporarily but also in the near past due to the consistency of the players and the context.

In a case study, one result usually relies on multiple factors. Which implies that: 1, data covering a range of related aspects should be collected; and 2, the traditional variable-based analysis methods are constrained by its capacity in revealing the holistic picture of the relations between various factors and the result (Yin, 2013). Therefore a theoretical proposition is needed not only to guide the data collection from the beginning but also for a better interpretation of the data collected form empirical works. As is noted by Rosenbaum (2002, pp. 277-279), ‘a complex pattern of expected outcomes should be elaborated in the preferred theoretical statements-the more complex the better’. Having the theoretical propositions in the first place also plays a critical role in generalizing the lessons from the case study in an analytical manner in the later stage (Yin, 2013, p. 40). The ‘analytical generalization may be based on either (a) corroborating, modifying, rejecting or otherwise advancing theoretical concepts that was firstly referenced in designing the case study or (b) new concepts that arose upon the completion of the case study’… and ‘In either situation, the generalization would be at a conceptual level that is higher than that of the specific case (Yin, 2013, p. 41).
As is suggested by Kohn (1987, p. 716) ‘intensive comparative analysis of a few cases may be more promising than a more superficial statistical analysis of many cases’. According to Yin (2013, p. 52), there are generally five reasons for selecting a single case: ‘1). The case can represent the critical test of a significant theory; 2). The case represents an extreme case or an unusual case, deviating from theoretical norms or even everyday occurrences; 3). The case is common and can represent the circumstances and conditions of everyday situation; 4). The cases is revelatory while the researcher has the opportunity to observe what is previously unavailable; 5). The case is longitudinal which could be studied at two or more different points in time’.

In this research, the context of the UK and China serve as a pair of unique cases that are highly contrasted against each other. The current policies and practices of urban regeneration are largely shaped by contextual factors and have variegated appearances across the two countries. It is therefore proper to use case study as a means to examine the variegated appearances of neoliberalism reflected in urban regeneration and public participation policies and practices in both UK and China.

It is worth noting that ‘case study is not the best method for assessing the prevalence of phenomena and a case study would have to cover both the phenomenon of interest and its context, therefore yielding a large number of potentially relevant variables which in turn requires large number of potentially relevant works that are beyond the capacity and means of the researcher to explore’ (Yin, 2013, p. 59). The pros and cons of case studies are summarized in Table 3.4:
Table 3.4: The pros and cons of case studies:

<table>
<thead>
<tr>
<th>Pros:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Case studies enable the researcher to have a holistic view of a small phenomenon and have in-depth examination and interpretation.</td>
</tr>
<tr>
<td>2. The evidence and data of case study comes from various sources of real life and therefore are more convincing.</td>
</tr>
<tr>
<td>3. Case study is also useful in capturing the emergent and immanent properties of life and the ebb and flow of the governing system in a fast changing social-economic context.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cons:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. As case study is selected from particular context and has unique features, it is hard to generalize the research findings based on single case study.</td>
</tr>
<tr>
<td>2. The difficulty of analysing the cases is correlated with the complexity of the context.</td>
</tr>
</tbody>
</table>

Source: Noor, 2008

3.3.2 The Potential Constrains for Applying a Case Study Approach in the Cross-National Comparison

It has to accept that attempts to show the full picture of the current urban regeneration practices in both countries and to compare them through single case study is too ambitious as both countries are internally diversified. While in the UK there is a clear north-south division regarding the economic development and population density, in China a similar division can be found between the west and the east part of the country. Moreover, cities in both countries not only vary in size but also have unique histories and characteristics regarding the indigenous culture, micro political environment as well as development strategies. Even within a city, spatial inequalities
exist among different communities. All the factors listed above have an impact on the unique features of a single case and the research findings may only reflect a façade of the whole picture.

However, this doesn’t mean a cross-national comparison based on studying a single case selected from each of the countries is meaningless. Firstly, although micro environment plays a significant role in shaping the characteristics of a particular regeneration case, such as the interactions between different players, structural factors such as institutional setup and national policies play an equally, if not more, important role in deciding the patterns of the regeneration programs as well as the delivery procedures. Secondly, within a country, similar patterns can be found from regeneration programs initiated across cities and communities as the mutual learning process helps to facilitate the diffusion of models of regeneration programs that are thought to be ‘effective’ by decision makers. Therefore, comparing single regeneration cases in a cross-national comparative study does not only have the potential of revealing the differences and similarities existing in the structural factors between different countries but also enables the research findings to be generalized to a certain pattern of regeneration program that is prevailing in particular country. More importantly, through analysing the context and real cases, it is able to have a better understanding of the social dynamics in both countries and to seek opportunities for mapping experiences from one context to the other.

3.4 CASE SELECTION

In exploring how the polymorphic appearances of neoliberalism are revealed in recent inner city regeneration initiatives that address both physical and
social problems in inner city areas in the UK and China, there are some

general criteria for the selection of the case studies. Firstly, the selected
cases should be able to reveal some common features of the prevailing
regeneration practices in each of the countries. Secondly, the geographical
location of the regeneration projects in the urban areas and the size of the
community within which the two selected cases took place should share
some similarities. Additionally, it is appropriate to add another criteria that the
selected cases should include physical regeneration projects in relation to
urban neighborhoods and are accompanied by resistances and conflicts as
this research aims at exploring answers to the questions of how the recent
urban regeneration process is affected by the neoliberalism urbanism and
how the process is resisted by those who are affected and in what ways are
the conflicts resolved within the given institutional setup.

Bearing in mind the criteria listed above, a number of regeneration cases in
both UK and China have been reviewed. Regarding the numerous Area
Based Initiatives, the New Deal for Community (NDC) and the Housing
Market Renewal Initiatives (HMRI) in the UK were given particular attention.
A number of Chinese regeneration projects took place in old urban
neighborhoods across the country were also reviewed. Finally two cases
were selected for the comparison.

3.4.1 The Selected British Case and the Rationale

The British case selected is the Kensington New Deal for Community (KNDC)
area and the Kensington Housing Market Renewal Initiative (KHMRI). The
physical boundaries of the two projects are almost overlapped. Detailed
information regarding the two projects is given in Chapter 6 and Chapter 7.
The NDC program is New Labour government’s flagship regeneration project with great importance attached to public participation. All the 39 NDC projects had well defined boundaries regarding the duration, population and spatial area and most of them share similar features regarding the amount of funding they received and the number of population they covered. The KNDC shares common features with other 38 NDC programs regarding the regeneration aims, contents and delivery strategies, etc. and it serves as a common case for observing the general features of the British regeneration practices under New Labour. However, to some extent the KNDC is also a unique case as it had received the largest amount of funding among all the NDC programs yet yield rather moderate improvements to the communities. Besides, the KNDC area overlaps with and another national regeneration project - the KHMRI. While the KNDC aimed at deliver a holistic regeneration covering both social and physical aspects, the KHMRI mainly focused on regenerating old residential properties and the large-scale demolition proposed by the KHMRI was resisted by some of the local residents. The two projects together provide a perfect opportunity for studying the reality of contemporary regeneration practices in the UK.

3.4.2 The Selected Chinese Case and the Rationale

In China, the majority of the inner city regeneration projects involve significant change of social structure. The prevailing property-led redevelopment model often not only replaces the old inner city poor with gentry class, but also change the original residential properties into commercial use. Moreover, many of the inner urban regeneration projects in China are propelled by powerful municipalities, which is to say resistances from the local communities more than often make no differences. The selected Chinese
case for further study is the Drum Tower Muslim District (DTMD) regeneration in Xi’an City, Shanxi Province. On the one hand, the DTMD regeneration is a common case that share similar features with many other inner city regeneration cases that follow the prevailing regeneration model in China, i.e. property-led regeneration dominated by the municipal government. The case is a manifestation of how neoliberal urbanism is materialized through the existing institutional setup and how it as resisted by the communities that are affected by it. From the DTMD case the dynamics of current Chinese urban regeneration practices can be observed. On the other hand, the DTMD regeneration is unique for its process and outcomes. Although in many cases there are resistances from local people against the regeneration initiatives with a nature of ‘accumulation by disposition’, very few of them can actually hold the municipal government back for nearly a decade. Local residents in the DTMD have their own features that are distinguishable from other inner city communities. The interactions between the DTMD residents and the municipal government serve as an extreme case for understanding what resources and power are held by the municipal government and local residents and how do they utilize the resources to maximize their interests during the interactions.

### 3.5 RESEARCH METHODS

In 2012, a preliminary data collection was conducted in the DTMD area. Informal interviews were given to local people and around 40 questionnaires designed based on the Structural Equation was distributed. It was found that data collected through the quantitative research methodology was ineffective in telling the whole story of the regeneration case. Besides, the educational background of the residents in the DTMD area was generally low,
which directly affected their completion of the questionnaires. On the country, interviews conducted with local residents brought more valuable information.

The formal fieldwork took place in the Xi'an DTMD in November 2013. 15 semi-structured interviews were taken with people who deeply involved in the redevelopment process, ranging from planners, politicians, local residents, and relocates that are currently living outside the area. The local residents' living conditions and community-oriented activities organized by the Residents' Committee and supported by the volunteers were observed. In terms of the KNDC case study, from April to July 2013 and in October 2014, semi-structured interviews were undertaken with 11 interviewees that had directly or indirectly participated in the KNDC regeneration, ranging from local residents, councillors, community activists, academicians and managers of social enterprises. Local government officials in the DTMD case and former members in the KNDC partnership were absent from the interviewees as requests for an interview were either neglected or refused. Their opinions and attitudes were mainly interpreted based on previous documents, including official announcements, newsletters, annual progress reports, etc.

In comparison with other research methods, semi-structured interviews are accompanied by a number of challenges. Perhaps one of the biggest challenges for both cases was to find the proper interviewees who had not only deeply involved in the regeneration project but were also willing to offer a talk. It has been approved in both case studies that finding a gatekeeper can be effective for approaching people that have a deep knowledge about the cases. Before going to the DTMD, a local elite that had a number of publications regarding Hui people's ethnic culture was visited. Indeed he was also born in the DTMD and was then a high-rank official in the Xi'an city.
government. At that time although he could not directly undertake a interview, he actually showed great interests to the research topic and gave the researcher some of the local activists' cell phone number. One of these activists was Mr. Ding, who had deeply involved in the resistance. According to him, a important reason for him to make the determination of giving a detailed description about the implementation and resistance of the West-DTMD regeneration projects was that this research would be written up in English and he hoped to let more people out of the country to have a sense of what had happened in his community. These activists then introduced the researcher to some of the people they are familiar with for a talk about their own experiences regarding the regeneration process. Generally interviewees that were approached through the referees appeared to be more outspoken when answering questions regarding some quite controversial issues. Mr. Ma at that time was refurbishing his property on the street. The researcher saw the refurbishment and asked whether he would like to undertake an interview and he gladly accepted, as he hoped that his financial difficulties brought by the refurbishment could be understood by they government, which would then provide him with an interest-free loan in support of his rebuilding activities. Although the researcher had explained that there was less likely to have a connection between undertaking the interview and receiving financial support, the interviewee still acted quite proactively. There was an obvious concern from his wife regarding his outspokenness, and she attempted to stop him from taking too much. Yet it appeared that many of the local Hui people's family were male-dominated and a female can hardly influence the decisions made by her husband. Mr. Ma interrupted his wife abruptly when she attempted to stop him and continued to complain about his situation. His wife did not make any further argument.
In the UK case, Jerry Spencer, a professional working for the Liverpool Vision was firstly introduced. After the interview, he wrote an email to Allen Tapp, who gladly undertook the interview and introduced Steve Faragher… While some of the interviewees, including the politicians and scholars were contacted through emails. The two selected cases are compared form the following aspects, as is shown in Table 3.5.

Table 3.5: Aspects that are compared through the two case studies

<table>
<thead>
<tr>
<th></th>
<th>KNDC and KHMRI (UK)</th>
<th>DTMD (China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profile of the selected regeneration cases</td>
<td>Major features of the regeneration area</td>
<td>Major features of the regeneration area</td>
</tr>
<tr>
<td></td>
<td>Source of funding</td>
<td>Source of funding</td>
</tr>
<tr>
<td></td>
<td>Delivery strategy and the dominant body</td>
<td>Delivery strategy and the dominant body</td>
</tr>
<tr>
<td></td>
<td>Regeneration aims and the priorities</td>
<td>Regeneration aims and the priorities</td>
</tr>
<tr>
<td></td>
<td>Forms of public participation</td>
<td>Forms of public participation</td>
</tr>
<tr>
<td>Evaluation of the regeneration outcomes</td>
<td>Statistic changes regarding economic and social figures</td>
<td>Statistic changes regarding economic and social figures</td>
</tr>
<tr>
<td></td>
<td>Effectiveness of public participation</td>
<td>Effectiveness of public participation</td>
</tr>
<tr>
<td>Opinions of the participants and observers about the regeneration</td>
<td>Challenges faced by the area and the causes identified by local people; Diversified opinions about the area;</td>
<td>Challenges faced by the area and the causes identified by local people; Diversified opinions about the area;</td>
</tr>
<tr>
<td>projects</td>
<td>Local people’s perceived political and economic reasons for the initiation of the regeneration project;</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The effectiveness of partnership as the delivery body;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Costs and benefits of the regeneration project for local residents;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local residents’ reactive strategies towards physical regeneration and their rational behind it;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The gap between the expectation and reality;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unsustainable social regeneration programs and the reasons;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inequality created by the area-based features of regeneration projects;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partnership as a mal-functional delivery body that facilitate alienation rather than participation;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deep embedded political reasons behind the formation of partnership and political struggles within the micro-environment;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Difficulties to facilitate real</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local people’s perceived political and economic reasons for the initiation of the regeneration project;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The effectiveness local government as the predominant deliver of the regeneration project;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Costs and benefits of the regeneration project for local residents;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local residents’ reactive strategies towards physical regeneration and their rational behind it;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The gap between the expectation and reality;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social regeneration programs and the delivery mechanism;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inequality created by the area-based features of the regeneration projects;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Municipal government’s role in manipulating public participation to realize its primitive accumulation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interactions between local residents and the municipal government in the regeneration process;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Difficulties to facilitate real participatory democracy;</td>
<td></td>
</tr>
</tbody>
</table>
In this research, the discourses used by different players involved in the regeneration projects are analysed and compared. According to Jacobs (2006, pp. 44), discourses used by different players that involve in one particular social event can be viewed as a 'complex set of competing ideas and values'. Discourse analysis is often accused for its interpretative nature and limited utility in a practical context (Jacobs, 2006). Indeed discourse analysis is more than often employed by scholars (Lemke, 1995; Rydin, 1998; Dean, 1999; Fairclough, 2000) to ‘highlight organizational inequalities and contested dynamics of power’ (Jacobs, 2006, pp.46) yet seems to have little contribution to changing the inequalities. Moreover, the effectiveness of discourse-related approaches are also likely to be undermined by bias and distortion in selecting evidences that are used for analysis. Goodchild and Cole (2001, p.195) raised the concern that discourse analysis ‘risk degenerating into a confusing set of episodic narratives that cannot be put together’.

In spite of the shortcomings listed above, discourse analysis is still an effective instrument in exploring the rationales and power-relations behind different players involved in the inner city regeneration projects. It is argued by Foucault (1980b) that language plays an instrumental role in establishing ‘Regimes of Truth’ which determines the formations of social problems as well as their solutions that are acceptable. A study of language can provide
‘significant insights that are not always evident from other research methodologies’ (Jacobs, 2006, pp. 40). Connolly (1983, p.1) argued that ‘the language of politics is an institutionalised structure of meaning that channels political thoughts or actions in certain directions’. Discourse analysis has been employed by Skillington (1998) as an instrument to study inner city development projects in Dublin and it was argued that ‘symbolic and referential discourses have created an insular hegemonic paradigm that promotes a tight demarcation of public and private space, thereby making it difficult to establish progressive or alternative visions of urban renewal’ (Jacobs, 2006, pp. 43)

In conducting the discourse analysis, Fairclough (1992a, 1995) provided a three-layer framework (Jacobs, 2006, pp. 41)

-Text analysis: Studying the structure of the text, vocabulary and grammar cohesion;

-Discursive practice: Analysing the process in which texts are framed, I.E, the context in which statements are made and feed into other debates;

-Social Practice: Relating the discourse to wider power structures and ideology.

3.6 SUMMARY

This research adopts a cross-national comparative perspective and use case study as the major research methodology. The selected British case study is the KNDC and the KHMRI in Liverpool and the Chinese case study is the
Drum Tower Muslim District regeneration in Xi’an. Both cases provide unique opportunities for observing the social dynamics and interactions between different players in urban regeneration practices. Research methods include literature review, semi-structured interviews and discourse analysis.
CHAPTER 4 THE EVOLUTION OF URBAN REGENERATION IN THE UK SINCE 1945

In the first part of this chapter the major features of the UK are outlined and the socio-economic and political changes since 1945 are reviewed. In the second part the evolution of the concept of Urban Regeneration policies and practices in the UK are introduced.

4.1 MAJOR FEATURES OF THE UK

The United Kingdom of Great Britain and Northern Ireland locates to the North-western coast of continental Europe and consists of the island of Great Britain, the North-East part of the island of Ireland and some smaller islands. With a total territorial area of 2430,610 km² and a population of around 62.3 million in 2010 (ONS, 2010), it ranks the sixth-largest economy in the world and the third largest in EU by the Gross Domestic Product (GDP). Service sector accounts for around 70% of the national GDP in 2006.

The United Kingdom consists four countries: England, Scotland, Wales and Northern Ireland, of which the last three have their own devolved administrations. The politics of United Kingdom is a constitutional monarchy with a parliamentary government. Instead of a having a codified constitution, much of Britain’s constitution is written down in the form of Acts of Parliament, secondary legislation, charters, judge-made case law and international treaties, etc. The UK parliament has the political power to change almost all
the components of the constitution by passing Acts of Parliament, yet no law passed by one parliament can be exempted from modifications imposed by the future parliament.

The parliament of the UK has the House of Commons with democratically elected MPs and the appointed House of Lords. Elections of councilors and MPs in the UK adopt a First-Past-The-Post (FPTP) voting method, which is also known as the ‘winner-takes-all’ or ‘simple plurality’. Normally the candidate with the highest number, not necessarily a majority, of votes is elected when there is only one vacancy. When there are more than one vacancy, the positions are filled by candidates in a order of the highest votes.

There are three major political parties in the UK: Labour Party, the Conservative Party and the Liberal Democrats, of which the last one is comparatively new (formed in 1988) and had never been form the government independently. Besides, there are also some small parties such as Scottish National Party, Green Party and UK Independence Party (UKIP), etc. The head of the UK government (prime minister) is separated from the head of the country (the monarch) and is usually undertaken by the leader of the party that has won the majority seats in the parliament (Over 50%). The parliament holds the power to defeat the government with a ‘motion of no confidence’.

With a territorial area of 130,395 km², England accounts for around half of the total area of the UK and accommodates over 80% of the British population. It is by far the largest economy among the four countries. Unlike Scotland, Wales and Northern Ireland, England does not have a devolved parliament and is directly ruled in almost all matters by the UK government through
different departments and the regional offices.

**4.2 ECONOMIC CHANGES**

The internal and external economic situation for Britain has experienced several major changes over the period since the World War II, so did the dominant ideology and rationales behind the formulation of economic policies. Immediately after the WWII, UK faced extremely difficult economic situations. The country was suffering great losses in population, industrial basis, housing stock and foreign exchange reserves. The post-war revitalization of the UK was triggered by the Marshall Plan, a Europe Recovery program based on the US aid with the belief that a prospering Europe is in the interest of the U.S. Rising from the 1930, Keynesianism became the orthodox for the formulation of British economic policies from the late 1940s to the early 1970s, when priority was given to maintaining full employment through demand management and direct state intervention. Against such a background, the Labour government (1945-1950) nationalized some key industrial departments ranging from finance, energy, telecommunication, transportation and heavy industries while adopted highly interventionism approaches for those remained in the private hands (Broadberry, 2008, in Hollowell (eds), 2008). Although under the Conservative government (1951-1964), some of the previously nationalized industries such as steel and road haulage were denationalized from 1953 and competition was encouraged, state owned industries were still in a dominant position and the interventionism remained strong.

Generally the 1950s and 1960s saw great progress in the British economy with comparatively high productivity and low unemployment and inflation.
rates. The welfare state that was put in place since the late 1940s by the Labour government also experienced its ‘Golden Age’ as the Conservative (1951-1964) continued Labour’s policies such as the high-level public expenditures and high proportion of state economic entities, in preventing poverty and low payment. Although long-term and large-scale unemployment as was experienced in the 1980s and the associated social changes were not envisaged (Fawcett, H., 2008), the efficiency and sustainability of the welfare state were questioned by politicians and scholars linked to the ‘New Right’ in the middle 1960s. Welfare state policy was not only accused for consuming a large proportion of public expenditures that come directly from taxation, but also thought to have cultivated a culture of dependency (Broadberry, 2008, in Hollowell (eds.), 2008).

The British economy was seriously affect by the first oil shock in 1973 and suffered great inflation pressures and large payment deficit in the early 1970s. One of the significant consequences was the abandonment of the Keynesian system that has been playing a dominant role for around three decades since the 1940s focusing on maintaining full employment through demand management. The swinging took place partly due to the fact that the inflation and deficit was pushed up by Keynesian policies such as expansionary fiscal policies since the early 1970s endeavoring to lower unemployment rate. However, it was not easy for policy makers from both Labour and Conservatives to turn away from the welfare state policy due to pressures form the then strong unions. The dramatic depreciation in 1976 led to borrowing from International Monetary Fund (IMF) at the expense of tough deflation conditions which made the unemployment even worse in short term. With the inflation continued to rise, a limit for wage increase was put in place by the Labour government, which led to a series of strikes and was
undermined by the second oil shock in 1979.

The Conservative party was elected into office in 1979 and remained in power until 1997, with Margaret Thatcher as the prime minister for the first 11 years until 1990. The 1980s inherited the high inflation and unemployment from the 1970s and saw a tide of deindustrialization driven by containerization and globalization and the decline of many cities in Britain’s former industrial heartlands, especially in the North England. Economic policies under the conservative changed consistently yet were with unexpected continuity and coherence. One of the major features of the Conservative’s economic policy was its commitment to restraining inflation with instruments ranging from money generated from the North Sea oil, squeezing on public spending and imposing restrictions on the rise of wage and connecting pensions to prices rather than incomes. Another significant feature of the Thatcherism economic policy was the privatization. Thatcher was committed to limit the state intervention as ‘it created more problems than it solved’ (Hudson and Lowe, 2009, pp. 40). One of the privatization initiatives that had profound impacts on the British’s lives was the ‘right to buy’, which was passed as a component of the Housing Act 1980 and enabled council tenants to get access to home ownership through acquiring their council house at a discounted price. Although the privatization has paved the way for the economic recovery since the late 1980s, some of the initiatives such as privatization of British Rail in 1994, the British Gas in 1986 and devolution (1985) and privatization (1995) of the bus services seems to be too radical from today’s perspective, as it makes it very hard for the government to use public transport system as a effective tool in mitigating the increase of private car use.
Economic policies under the Conservative government of John Major (1990-1997) remained largely consistent to that of his predecessor, so did that under the Labour Party of Tony Blair since 1997. Fundamentally, ‘New Labour has accepted that there is simply no alternative to the Neoliberal orthodoxy’ (Hay and Watson 1999: 150) and the ‘Old Labour was wrong while Mrs Thatcher was right’ (Driver and Martell, 2006, pp. 73). By the end of the 2000s, both ‘right’ and ‘left’ had reached a consensus to some extent that ‘large social security systems are unsustainable and need to be retrenched’ (Fawcett, H, 2008). For one thing, globalization has made capital increasingly mobile and demands to some extent are no longer manageable by the state (Bevir, 2005). To cope with the international competition, public funding needs to be spent in a more productive way, i.e. to make the economy more attractive to footloose investors. For another thing, it was economically unviable to maintain the demand through government intervention as ‘budget deficit manipulation only disturbs the natural rhythms of the economy, and all government debt eventually becomes monetized and contributes to the inflation’ (Hutton, 2003b: 116).

One of the major features of the New Labour’s economic policies was that it followed a ‘Third Way’ (Giddens, 1998, 2000) philosophy in connecting economic efficiency with social justice. In response to socio-economic changes in the British society since the late 1990s, New Labour combined neoliberalism with the revival of civil society and viewed the state as a enabler to ‘promote civic activism and endorse engagement with the voluntary and community sector to address society’s needs’ (Haugh and Kitson, 2007, pp. 983). Compared with the Conservatives, New Labour moved away from the belief that private ownership was the only alternative to state ownership. Alternatively, it combined elements from both neoliberalism
and socialism and adopted a middle road between the Old Labour’s state interventionism and the Thatcherism’s prioritization of free market. Since 1997, the ‘Third Sector’, which was defined as ‘business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community’ (Office of the Third Sector, 2006A, p. 10), has received great support from the government (Kendall and Almond, 1999) and since played an increasingly important role in Britain’s economic, social and political life.

New Labour saw the third sector as an active agent of change for the public sector and an important source of knowledge of the needs of users (Haugh, H. and Kitson, M., 2007). The ‘Social Enterprise’ was an important form of the ‘third sector’ and was heavily funded by New Labour’s New Deal for Community program with the aim of helping extend the role of market in public sectors. Sharing the same characteristics with ‘non-profit’ organizations in pursuing positive social objectives rather than monetary profits, social enterprises under New Labour were defined as: ‘any private activity conducted in the public interest, organized with an entrepreneurial strategy but whose main purpose is not the maximization of profit but the attainment of certain economic and social goals, and which has a capacity of bringing innovative solutions to the problems of social exclusion and unemployment’ (OECD, 1999, p. 10).

4.3 POLITICS

4.3.1 The Political System

Since 1945, for most of the time Britain’s politics has been a two-party game.
The ‘first-past-the post’ electoral system decides that it is very difficult for the third party to win seats, not to mention elections. Since the World War II Labour party and the Conservative party held the power alternatively until 2010, when a coalition government was formed by the Conservatives together with the Liberal Democrats. The Conservatives had remained in power for long terms respectively in the period of 1951-1964 and the 1979-1997, while Labor under the lead of Tony Blair and Gordon Brown had stayed in power between 1997 and 2010. Long administration terms for both parties had enabled the consistency of policies and guaranteed the quality of implementation.

The two parties are organized under different principles. Within the Conservative party, normally two candidates of the party leader will be selected by Conservative Members of Parliament and presented to the membership of the whole party for a vote following the ‘one member one vote’ principle. The elected leadership has a control over the policy formulation, construction of manifesto and the decisions on election strategies. While the Labour party leaders were elected by the electoral college, which gives Party Members, MPs/MEPs and Unions a third of the votes each before 2014, when the policy was abolished in favour of ‘one member, one vote’, and only full party members rather than trade union ‘affiliated supporters’ will have the right to choose candidates for parliament and councils. Power within the Labour party was dispersed among the National Executive Committee (NEC), the Annual Conference, and the parliamentary Labour Party, of which the former two are responsible for formulating policies while the latter is in charge of implementation (Heffernan, 2000). However if parliamentary leaders can gain support from the trade union leaders who are in procession of large block votes, then they may be
able to control over the conference. The Labour party had seen the ‘strongest and most centralized form of leadership’ under Blair, who ‘on the one hand encouraged the membership participation in the policy-making process while on the other hand ensured that the process was mediated through party gatekeepers who were appointed and accountable to the party leader (Heppel, 2013, pp.4 in Strangio, et al (eds.), 2013).

4.3.2 Relations between the Central and Local Government

Immediately after the war, to meet the demand of housing became an important issue for central government and housing delivery accordingly became one of the most important measures for the government to win support from the general public. Central government, however, had to rely on municipalities to accomplish the massive scale housing constructions. By 1957, of the 2.5 million new houses flats that had been built, three quarters were delivered by local authorities. Indeed, the first 20 years since the end of the war saw high aspiration and surge in funding among British local authorities, which also enjoyed considerable power and freedom in implementing national policies. The relationship between the central and local government, however, has drifted away from partnership since the late 1960s, when local authorities’ revenues were unable to cover their expanded functions and a reliance on the central aid has been cultivated. At the same time, local autonomy has been frequently overridden by the power of ministers and changes to the local authorities were no longer premised on consent but to a large extent the will of central government. Under the Thatcher government, it has further seen a wholesale centralization of power where as local authorities’ responsibilities regarding housing were accordingly striped away and many of the housing stock that were previously
owned by local government together with the management responsibilities were transferred to housing associations.

Indeed since the late 1970s, both Conservatives and Labour were struggling with restricting local expenditures and centralizing the fiscal rights, and ‘by the late 1990s, no more than one fifth of total local expenditure was met by locally raised taxes’ (Rao, 2008, pp. 202 in Hollowell (eds.), 2008). Although the fiscal rights of British local government are constrained by central government, their power in regulating local development, which was ascribed by the Town and Country Planning Act 1947, was retained. Currently the power is exercised following the Planning and Compulsory Purchas Act 2004. At regional and local level, the spatial planning system consists of Regional Spatial Strategies (RSSs) and the Local Development Framework (LDF), of which the latter encompasses a collection of both compulsory and optional planning and development documents prepared by the local planning authority.

4.4 THE EVOLUTION OF URBAN REGENERATION POLICIES AND PRACTICES IN THE UK

4.4.1 Neoliberal Urbanism and its Impact on the British Urban Policies

The 70s and 80s had witnessed traditional UK industrial cities declining dramatically in terms of manufacturing. This deindustrialization brought sharp increase in the numbers of long-term unemployed concentrated in manufactory as well as the polarisation of the economic depression in many
UK cities that were former manufacturing heartlands.

The Conservatives’ swept into power in 1979 had brought sea change to the urban policy and regeneration in the UK. Budgets on public housing were slashed and privatization of the currently occupied public housing was encouraged through the policy of ‘right to buy’. Thatcher government accomplished a progressive replacement of direct public capital expenditure on social housing by private finance. Direct housing expenditure dropped from £13.1 billion in 1980 to £4.9 billion in 1996 (in 1998/99 prices). The share of housing expenditure in the central government's budget declined from 5.6% in 1980 to 1.3% in 1999. As can be seen from figure 4.1, stepping into the 1990s, new houses delivered by the public sector had decreased dramatically to an insignificant level while the private sector became the major supplier in the housing market. It was followed by the housing associations, which shared a much smaller proportion at the supply end.

**Figure 4.1: UK housing provisions (Housing Unites)**

Source: UK Housing Review 2010/11.
Generally, the shifts in the UK government policy comprise a number of strands (Heywood, 2011):

1. An decline in direct housing expenditure as a proportion of government expenditure involving a shift from supply-side to demand-side subsidies (housing benefit);

2. A move away from provision of homes by local authorities towards housing association, and from the provision of homes for general needs to provision for the most disadvantaged;

3. A strong emphasis on the promotion of owner-occupation for all but the most disadvantaged and an overall shift away from the provision of new public/social housing in favor of private homes mainly for owner-occupation.

Central to this change of policy was the idea “urban entrepreneurialism” in which greater emphasis was placed on the private sector. Indeed, from the 1980s, the government formed its urban polices based on the belief that the marketization was the only way to deliver equitable and efficient solutions to urban problems (Nevin et al.,1997). Moreover, urban regeneration policies placed a strong emphasis on property-led initiatives and the creation of an entrepreneurial culture (Hall and Hubbard 1996; 1998). Borrowing experiences from the U.S, public-private partnerships became another key characteristic of the Thatcherism urban regeneration policies during the 1980s (Harding 1990). ‘The main role for the public sector was to attract and accommodate the requirements of private investors without unduly influence of their development decisions’ (Tallon, 2013, pp.46). The central -local
relationship was also restructured through the introduction of five processes:

Table 4.1: Five processes of restructuring the relationship between central and local government.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Displacement involving the transfer of powers to non-elected agencies, thereby by passing the perceived bureaucracy and obstructiveness of local authorities.</td>
</tr>
<tr>
<td>2</td>
<td>Deregulation, involving a reduction in local authorities’ planning controls to encourage property-led regeneration (Enterprise Zones).</td>
</tr>
<tr>
<td>3</td>
<td>The encouragement of partnership between central government and the private sector.</td>
</tr>
<tr>
<td>4</td>
<td>Privatization, incorporating the ‘contracting out’ of selected local government services, housing tenure diversification and provision for schools to ‘opt out’ of local education authority control.</td>
</tr>
<tr>
<td>5</td>
<td>Centralization of powers through a range of Quangos (Quasi-autonomous non-governmental organizations).</td>
</tr>
</tbody>
</table>

Source: Pacione, 2005, P.178

Behind the changing urban policies was the government’s belief that ‘local authorities are incapable of leading the recovery of their cities and is gradually stripping off a wide range of their powers in finance, housing, education, social services, planning and economic development’ (Parkinson
and Evans 1990, P.65-66). ‘Wealth creation replaced the distribution of welfare as the aim of urban policy and efficiency was favoured as opposed to equity’ (Tallon, 2013, P.49).

4.4.2 Urban Regeneration Policies

Being informed by the modernist philosophies, planning and urban construction during this period was characterised by the introduction of modernist architectural styles, functional zonings, the development of tower blocks and shopping centres. On the one hand, the massive scale of the developments and constructions helped to accommodate people that desperately need decent housing with basic facilities. Furthermore, between 1955 and 1974, around 1.2 million dwellings were demolished during the Slum Clearance which resulted in a need to re-house 3.1 million people (Tallon, 2013). On the other hand, these local authority-led strategies raised several issues. The first one is the compatibility of new buildings within existing urban fabrics, as it was criticized that the modern buildings, such as poorly designed inner-city commercial complexities, often show no respect to the surrounding environment. Moreover, the former businesses and residents were displaced by Compulsory Purchase Orders and had to pay higher living costs if taking rents and transportation fees into account. Secondly, the post-war urban planning was featured with demolition, clearance and redevelopment at a large scale yet with little understanding of the consequences. It is often accompanied with demolition of old neighbourhoods and the creation of spatial concentration of socially and economically disadvantaged people in the council houses.

Those living in deprived areas were often separated from proper services.
such as education, health care as well as social security provision. Many of the residents choose to leave council housing in deprived communities once they can afford houses in more prosperous communities with high quality services and low crime rates. Consequently, the vacant properties would be filled by other disadvantaged people, which led to further issues of local disadvantage (Atkinson and Moon, 1994a). Helping the poor together with mitigating the growing fear of social unrest thus became the major concern of the urban policies.

The concept of ‘Urban Regeneration’ emerged in the 1960s as a reaction to urban decline. The term has been used together with a number of other phrases such as urban revitalization, urban redevelopment, urban renewal and urban renaissance by government, media or academics to characterize a similar process, as is defined by Roberts (2000, p.17)

“A comprehensive and integrated vision and action which leads to the resolution of urban problems and seeks to bring about a lasting improvement in the economic, physical, social and environmental conditions of an area that has been subject to change”.

Revitalization goes beyond restricting the physical fabric and focused on conservation and preservation of historically important buildings and rehabilitating buildings in deteriorating conditions while redevelopment is usually pushed forward by profit-oriented private sectors that treat the dealing with minority groups and lower income as a tactical compromise rather than a strategic goal (Fainstein and Fainstein, 1983). Thus the process is based with scarce inner city land resources and is business- dominated. It is always seen the social linages that support community and small local business
been destroyed by such a way of development.

Urban renewal mainly refers to the physical change in the use of land or buildings stemming from prevailing economic forces (Public Affairs Committee, 2010). It is described as actions that rebuild the city, clear away vacant sites and obsolete buildings and produce new building design and forms (Healey, et al., 1992). It may involve different parties yet is not comprehensive and proactive enough to facilitate neighbourhood growth (Tang, et al, 2011).

Urban Regeneration represented a more careful, sensitive, harmonious development that adopts means such conservation and rehabilitation, re-use and new development (Wise, 1985). Turok (2005, P.57) gave three distinctive characteristics to current urban regeneration programs:

"1. It is intended to change the nature of a place and in the process to involve the community and other actors with a stake in its future.

2. It embraces multiple objectives and activities that cut across the main functional responsibilities of central government, depending on the area’s particular problems and potential.

3. It usually involves some form of partnership working amongst different stakeholders, although the form of partnership can vary.

After the World Commission on Environment and Development released its report, Our Common Future, about sustainable development in 1987, Urban Regeneration became a jargon that implies multi-dimensional urban
revitalization (Healey, 1991) with an emphasis on maintaining the continuity as well as history and natural embedded within the community (Lynch, 1981). The scope of urban regeneration goes beyond revitalization of old structures and consists of “radical urban rebirth” and “sustainable self-renewal” as its final goal (Furbey, 1999). Couch (1990) states that while urban renewal is a process of physical change mainly led by government or states, urban regeneration represents a wider process within which the state or local community seek to attract investment, employment, consumption going back to an urban area and improvement the quality of urban life (Couch, 1990). Regeneration also aims to improve the appearance of a place so as to attract people and business. At personal level, regeneration aims to enhance individual skills, capacities and provide them with opportunities so as to enable them to participate and benefit from the process (Turok, 2005). It tries to get a balance between social, economic and environmental elements. (Turok, 2005)

With the passing of the Local Government Grants (Social Need) Act as well as the following Urban Aid Programme\textsuperscript{4}, urban regeneration models were introduced from the US as an explicit strategy which initiated four decades of continuous central government intervention in urban affairs (Johnstone and

\textsuperscript{4}The Urban Aid Programme was launched in 1969 by the First Wilson Government to provide community and family advice centers for the elderly, money for schools and other services, thereby alleviating urban deprivation.
Whitehead 2004b). During this phase, the emphasis of Urban Programmes was on small-scale community projects and social schemes (Atkinson and Moon, 1994b; Cullingworth and Nadin, 2006). Even given the changes, what specifically constitute deprivation and what issues should be addressed by the proposed projects still remained unclear. Subsequently, the second generation of key area-based policies were the Community Development Projects\(^5\), which were action-based research projects. This policy promoted a way of examining the poverty, which could result in changes within the economic, educational and housing markets allied to the weak bargaining position of the poor (Atkinson and Moon 1994b). Moreover, the Inner Area Studies\(^6\) (1977) arrived at similar conclusions to that of the Community Development Projects in terms of developing the argument that the root cause of deprivation was the poverty of the residents. Moreover, the inadequate social security provision for disadvantaged groups resulted in low personal incomes and reduced the chance of social mobility.

\(^5\) Community Development Projects (CDPs) were set up in areas with high levels of deprivation to encourage self-help and participation by local residents in order to improve their communication and access to local government, together with improving the provision of local services.

\(^6\) In 1977 three major Inner Area Studies were completed, analysing in detail the nature of inner area problems in Birmingham, Lambeth and Liverpool.
4.4.3 Urban Regeneration Programs and the Area Based Initiatives (ABIs)

4.4.3.1 Urban Regeneration Programs before the 1990s

From 1945 to the middle 1960s, the lack of housing provision combined with poor quality of existing properties, urban sprawl, and urban blight were tackled largely through public funded projects such as ‘Comprehensive Redevelopment’, ‘Slum Clearance’, ‘Urban Area Renewal’ and ‘City Revitalization’ (Wise, 1985). Generally these programmes were criticised for the lack of public participation, over reliance on the property-led regeneration, over emphasis on profit generate and insensitivity to local needs (Healey et al., 1992).

Among the plethora of urban policies, the creation of Urban Development Corporations (UDCs) was the flagship urban regeneration programme of the Conservative government in the 1980s and 1990s in terms of amounts of money invested, the political and media attention received, and the extent to which they embodied the ideology of New Right (Anderson, 1990)

Table 4.2: The UDCs

| The UDCs were government agencies or Quangos, implanted directly in designated areas where they are responsible to regenerate. They were run by appointed boards consisting largely of representatives from the local business community and typically exhibited little representation from the local resident community. They aimed to encourage the private sector back to run-down inner city areas through a market-oriented and property-led approach. UDCs were given substantial power to achieve these aims, |
including to acquire, hold, manage, reclaim and dispose land and other property; carry out building and other operations; enhance the environment; seek to ensure the provision of water, electricity, gas, sewerage and other services; provide a transport infrastructure; carry out any businesses or undertakings for the purpose of the objective of urban regeneration; and provide financial incentives for the private sector.

Source: Imrie and Thomas, 1999

With the nature of negating local democratic accountability, it was hoped that UDCs would facilitate redevelopment swiftly. The total 12 UDCs were scattered in places, including London Docklands, Merseyside, Trafford Park, Black Country, Teesside, Tyne and Wear, Central Manchester, Leeds, Sheffield, Bristol, Birmingham, Heartlands and Plymouth. Projects subject to the UDCs actually helped to promote the physical as well as the economic environment. However, the communication between the UDCs and the local authorities was not always smooth. Criticisms to the UDCs mainly concentrated on an over reliance on the property-led regeneration and mega-projects, the high-end nature of the housing development and the lack of legitimacy, community involvement as well as the natural environmental concerns (Imrie and Thomas 1993; 1999; Rowley, 1994). According to Hausner (1993, P.526), ‘an inherent weakness of approaches to regeneration is they are short term, fragmented, ad hoc and project-based without an overall strategic framework for city wide development’.

4.4.3.2 The Area Based Initiatives (ABIs)

In the 1990s it has seen the centrally planned urban regeneration regime shift
to a local-based cooperation containing local authorities, local organizations and local people (Oatley, 1995). Policy-making began to focus on community engagement in regeneration. An emphasis on multi-sectorial partnerships emerged during the 1990s and the rediscovery of community became the main characteristic of the urban regeneration policies. This was a result of a growing realization that the local community in the regenerated area had obtained few benefits from the property-led regeneration as the anticipated ‘trickle down’ process seldom happens. In practice, this change of direction was embedded by two flagship-programs: the City Challenge and the Single Regeneration Budget (SRB) Here, communities were given central role in the competition for the allocation of urban regeneration resource. Indeed, to successfully bid for the regeneration funding, the coalition of local government, private sector and local communities were expected to demonstrate that the project can lever in extra private sector investment, add value to current public-private investment, stimulate wealth and an enterprise culture and widen social provision, benefit the local community, improve the quality of life and create long-lasting multi-level partnerships (Oatley and Lambert, 1998). After two rounds’ bidding benefiting 31 areas, the City Challenge was replaced by the SRB, which consisted of six rounds of bidding

---

7 Started in 1991, City Challenge innovatively introduced competition as the methods of allocating regeneration funding.

8 The SRB was launched in 1994 with a core principle that local people should be engaged in and benefit from regeneration.
between 1994 and 2000 and funded 1027 schemes with £26 billion in total. Overall, SRB funding accounted for only 22 per cent of the total expenditure with the other 78 per cent coming from local authorities, Training and Enterprise Councils, the voluntary and private sectors and European funding (CLG, 2007d) According to the evaluation by (CLG, 2007b), SRB contributes to improving the household income, employment level, perceptions of security, satisfaction with the housing and the physical environment, community cohesion and social capital. Criticisms of the SRB are mainly focused on three issues: finances available for urban regeneration; the real extent of community participation in the regeneration projects; and the co-ordination of urban policy (Tallon, 2013). Between 1990 and 1996 urban funding was cut by 40%. Due to the uneven distribution of power and resources, community participation in the City Challenge and SRB schemes were largely manipulated. Although the City Challenge and SRB brought the former 20 programs together, introduced some organizational changes and brought local authorities back onto the stage, urban regeneration policies at different levels of governance remained fragmented and confusing (Atkinson, 2004)

New Labour returned to the power in 1997. The urban regeneration policies under the Blair government was mainly defined by two key policy documents: the Towards an Urban Renaissance (Urban Task Force, 1999) and Bringing Britain Together: A national strategy for neighbourhood renewal (Social Exclusion Unit,1998). In the Towards an Urban Renaissance, it was believed that inner city areas should be more attractive so that people will choose to live within it. Urban-Regeneration-Companies (UDCs) were proposed to be set up by local authorities, hosing associations, private developers, local community representatives and the Regional Development Agencies. Three
pilot Urban Regeneration Companies were firstly established in Liverpool, Manchester and Sheffield. Generally the *Towards an Urban Renaissance* aimed at improving the quality of a city or town as a whole rather than emphasising on particular area based actions. Many design principles and measures proposed in it still function in today’s UK city regeneration programs, among which public participation is particularly emphasised as a useful way to improving the design quality. The *Bring Britain Together: A national strategy for neighbourhood renewal*, on the other hand, focuses on the problems of people in the most deprived neighbourhoods. It firstly review a number of lessons learned from the past, as is criticised:

‘*Often huge sums of money have been spent on repairing buildings and giving estates a new coat of paint, but without matching investment in skills, education and opportunities for the people who live there*’ (Social Exclusion Unit 1998, Foreword by the Prime Minister).

However, Cameron (2001) pointed out that:

‘*although the switch from bricks and mortar to people-focused action was carried through, it was largely achieved through a further proliferation of special zones and funding programmes such as New Deal for Communities, which is heavily funded but concentrated on a few very small areas but also a wide range of special-purpose zones*’ (Cameron, 2001,p.4).

The Neighbourhood Renewal Strategy Action Plan: A New Commitment to the Neighbourhood Renewal: National Strategy Action Plan(Social Exclusion Unit, 2001) represented that the policy focus has shifted from the area-based
special funding initiatives to mainstream public services delivering targets for improvement in the most deprived neighbourhoods, and from the ‘challenge funding’ approach in which local areas competed for funding—extensively used in the area-based programs of the Conservative government towards a ‘contract’ approach (Cameron, 2001,p.6). The local Strategic Partnership (LSP), which was essential to the development of the Neighbourhood Renewal Strategy, was set to bring together local stakeholders from public, voluntary and private sectors and provide a vision and strategy for the development and regeneration of the area and a framework within which other programmes and partnerships will operate at the more local level.

Being different from the earlier attempts, New Labour's Area Based Initiatives (ABIs), including Single Regeneration Budget (SRB) (5th and 6th round), New Deal for Community (NDC), Sure Start\(^9\), and Employment, Education and Health Action Zones, were co-ordinated by the Social Exclusion Unit and the eighteen Policy Action Teams (PATs) (Chatterton and Bradley, 2000). Working within such a framework, practitioners, academicians and residents from deprived neighbourhoods were brought together to collectively address issues such as unemployment, neighbourhood management, derelict housing, anti-social behaviour and community self-help. Additionally, nine Regional Development Agencies (RDAs) were established in 1999 to

---

\(^9\)Sure Start was launched in 1998, with the aim of "giving children the best possible start in life" through improvement of childcare, early education, health and family support.
develop a regional strategy to tackle the urban problems. Further, in 2000 the Indices of Multiple Deprivation were introduced. A number of indicators such as income, chronic unemployment rates, education, skills and training, crime and living environment were selected to measure the deprivation level of a small areas and help to target communities and small areas most in need.

In practice, the SRB project was retained for three years in spite of some refocusing. The publication of Towards an Urban Renaissance (Urban Task force 1999) and the Urban White Paper 2010 (DETR 2000a) set out the strategy for achieving an urban renaissance for the first time in 23 years. It was backed up by £1 billion government investment in urban areas. Meanwhile, the 2000 Urban White paper placed more accents on architectural aesthetics and planning design, while urban poverty and disadvantage are no longer the major concern of urban policies (Lees 2003a; 2003b; Hoskins and Tallon, 2004). The SRB was ceased in 2007 due to the shortage of replacement funding. In the final review, it was clearly emphasised that the priority of the SRB was to enhance the involvement of the private sector in local urban regeneration (CLG, 2007).

One of the flagship regeneration projects under New Labour was the New Deal for Communities (NDC) initiated in 1998 to eliminate competition and give long-term grants (up to £2 billion been distributed in 10 years) to community-based partnerships. The initiatives helped to regenerate the 39 most deprived neighbourhoods the UK from 6 aspects, which are respectively unemployment, health, education, crime and community safety and housing and environment.

Another key regeneration program of New Labour was the Housing Market
Renewal Initiatives (HMRI) initiated in 2002 and operated in the selected 9 North and Midland Pathfinder areas with failed housing markets and low housing demands. The programs were initiated to curb the consistent falling housing prices in the area and reconnect the area to the demands from the main stream housing market. The major means it used was to demolish the terraced houses in the selected areas and replaced them with new buildings. The nine Pathfinder areas were: Birmingham/Sandwell, East Lancashire, Hull and East Ridging, Manchester/ Salford, Merseyside, Newcastle/Gateshead, North Staffordshire, Oldham/ Rochdale and South Yorkshire. It was planned to be a 15-year program with an initial funding support of £1.2 billion between 2002 and 2008. There was a further £1 billion channelled in from 2008 to 2011.

4.6 THE DELIVERY MECHANISM OF REGENERATION PROJECTS IN THE UK

The planning system in the UK has two major characteristics. On the one hand, it is strongly based in local government, which holds a considerable discretionary power in guiding and regulating local development. One the other hand, the British Central government plays a significant role in preparing national guidance, which is now known as the National Planning Policy Framework (NPPF)—a replacement to the former national and regional guidelines such as Planning Policy Guidelines (PPGs) and Regional Planning Guidance (RPGs). The latest trend in the UK is to further devolve planning power to local level, which is realized through the Neighbourhood Planning with its statutory identity given in the 2011 Localism Act.
The current landscape of the British urban planning system is complex and fragmented due to the devolution of power to the national assemblies of Scotland and Welsh, both of which have their own system of planning policy guidance. The Central government’s planning guidance is therefore mainly prepared for England, where local authorities produce the Local Development Framework—a statutory planning document in guiding local development affairs.

Regarding specific development project, planning proposals are usually submitted to local planning authorities by the private sectors or individual property owners. Planning officers will then produce an evaluation document with their discretionary judgements and recommendations. The planning committee composed by councillors holds the power of granting permissions to or rejecting the proposal while the applicants together with local people who are potentially to be affected by the planning decisions have the right to appeal to central government when they are dissatisfied with the outcomes. Once an appeal is made, an inspector from central government will be sent to re-evaluate the planning proposal and to make the final decision. The applicant as well as those who will be affected, however, still holds the right to make the case a lawsuit if they are still unconvinced.

For local authorities, the planning gains are mainly realized through the Sections 106 Agreement, which allows private sectors to make concessions in return for the planning permissions during the bargaining process. The system is greatly different from regulatory systems, such as zoning, that are prevailing in the U.S and China. The Section 106 is often accused for lacking transparency, causing delays and contributing to uncertainties.
4.7 CONCLUSION

In the first part of this chapter, some major features of the UK are depicted. It then moves on to examine the evolution of British regeneration policies since the World War II. Special attention was given to the shifting rationales behind urban regeneration initiatives and New Labour’s Area-based Initiatives.

It is found that the economic and political changes in the UK had a significant impact on the evolution of urban regeneration policies. Against the background of globalization and deindustrialization in the 1970s, both the ‘left’ and the ‘right’ reached a consensus on the unsustainability of large social security systems and it has seen national polices gradually drifted away from Keynesianism and the welfare housing system was reformed through marketization under the Thatcher government. ‘Urban entrepreneurialism’ later became the predominant ideology in the formation of urban policies and the relationship between the central and local government was accordingly restructured with an emphasis on the central-local partnership and the role played by private sectors. New Labour considered ‘Social Enterprises’ as one of the most important vehicles for delivering its economic and social targets, which to some extent camouflages its intention for the centralization of power.

The factors listed above together set the context for the evolution of British urban regeneration polices. There were numerous regeneration initiatives implemented in the UK. With a changing understanding of the causes for deprivation, it has seen British regeneration policies shifted away from physical-regeneration centric since the 1990s. In New Labour’s flagship regeneration policy- The New Deal for Communities, social regeneration was
attached with great significance. Greater emphasis was also given to public participation in New Labour’s regeneration initiatives.
CHAPTER 5 THE EVOLUTION OF URBAN REGENERATION IN CHINA SINCE 1949

In the first part of this chapter the major features of China are depicted and the political and socio-economic changes since 1949 are reviewed. It then moves on to introduce the evolution of urban regeneration policies and practices in China over the past half-century.

5.1 MAJOR FEATURES OF CHINA

The People’s Republic of China (PRC) locates in East Asia with a territorial area of around 9.6 million km$^2$, which makes it the second-largest country by land. With over 1.35 billion population, it is the world’s most populous country. Although in 2011 China became the second largest economy, the real GDP per capita of in 2013 only ranks the 93$^{rd}$, far behind that of the UK (the 21$^{st}$) (IMF, 2013). In China, tertiary industry accounts for less than half of (46%) of the total GDP, only slightly higher than that of the secondary industry (NBSC, 2013).

At subnational level, China is divided into 22 provinces, five ethnic minority autonomous regions, four direct controlled municipalities and two special administrative regions. Taiwan is also claimed to be part of the country, although it is temporarily governed by a separated political entity due to historical reasons. Excepting for Taiwan and the two special administrative regions- Hong Kong and Macao, the rest of China is usually called as
Mainland China. The PRC is one of the few countries today that still claims socialism as its orthodox ideology and it is a single-party state ruled by the Communist Party of China (CPC). The country’s polity is ‘National People’s Congress’ (NPC), which theoretically holds the power of legislation, to supervise the operation of the government and to elect the key officials of the government. However, in practice such a one-party leadership more than often makes it a ‘rubber stamp’ for legitimizing the decisions that were premade by the government. The CPC is organized following the Leninist principle of ‘democratic centralism’. The highest body of the CPC is the National Congress held every five years, and the Central Committee is instead the highest body when the former is not in session. Most of the powers and duties of the committee are further centralized to the Politburo and its Standing Committee chaired by the leader of the party, who is also the president of the state and holds both military power and the office of General Secretary in dealing with the party-related affairs. The premier, normally one of the high-ranking members from the standing committee of the Politburo, is the head of the government, presiding the State Council composed by four vice premiers and the heads of ministries and commissions. Excepting for the CPC, there are eight small political parties without real power but serving only consultative roles in the Chinese People’s Political Consultative Conference (CPPCC).

Contemporarily in China, the economic power is highly decentralized to local level. Governments of the provinces, autonomous regions, direct controlled municipalities, special administrative regions and cities all enjoy a comparatively high-degree autonomous right as long as their social, economic and political policies are consistent with that of the central. However, central government retains a tight control of the nomination and
removal of local cadres and legitimate rights in making national policies and granting permissions for strategically important spatial plans, projects and industries.

5.2 ECONOMIC CHANGES

The Communist Party (CCP) won the civil war (1945-1949) against the Chinese Nationalist Party (CNP) and found People’s Republic of China (PRC) in 1949. The first 30 years of the post war period saw an economically and politically enclosed China with ‘command economy’ (Naughton, 2007). The command system, ‘through central planning, centralized budgetary processes, and state monopoly over the production and distribution systems, rendered all economic activities being state-managed’ (Mantzopoulos and Shen, 2011, pp.250). Since 1951 the CPC accelerated it pace in taking control over all means of production and distribution of goods and services following a socialist ideology. The process began with the land reform in rural areas between 1951 and 1952 together with the campaign against ‘counter-revolutionaries’, of which the former was mainly about forcefully depriving land and properties from their previous owners and redistribute them to impoverished peasants in return for their support. By 1955 “the foundation of the regime had been consolidated” (MacFarquhar, 1974, P. 16). The state then moved on to the socialist transformation of non-agriculture sectors between 1955 and 1957. Capitalism industries, businesses and bourgeois were the major targets of the political movement, by the end of which the majority of the secondary and tertiary economic sectors were nationalized. Since then market economy was progressively curtailed and the state began to hold a panoramic control of the production. ‘Producers depended on the state to dictate to them as to what, when, where, and how
much to invest, produce, and deliver, while consumers were limited to how much of what each person was permitted to purchase per specified time period’ (Mantzopoulos and Shen, 2011, pp.250) The state was thus able to mobilize enormous resources to support the post-war recovery. By the end of the first Five-Year Plan (FYP) 1953-1957, with the help from the former Soviet Union, the foundation of Chinese modern industry was preliminarily established. Between 1958 and 1960, the PRC further controlled rural economy through a series of socialism policies, including the Hukou system, the establishment of Commune, the unified purchase and sale system and restrictions on commercial activities. The Hukou system is an identity-registration system that not only records the socio-economic eligibility and residential location of the Chinese People but also categorized them into ‘Agricultural’ and ‘Non-Agricultural’ groups. While people in the former category were legitimized to get access to land as the means of production, only Non-Agricultural identity could guarantee the holder a job in factories and other non-agricultural sectors. Initially in some areas people actually had an opportunity to choose the Agricultural/Non-Agricultural identity and the later seems to be more promising because of the distribution of land ownership, yet it was later clear that in the following three decades surplus from the first industry was consistently extracted to compensate the development of industries. The entrenchment between ‘peasants’ and ‘citizens’ regarding their rights and incomes continued to be enlarged and few venues were left for peasants to make a change of their life. The establishment of Commune was such a process in which the state deprived the land ownership through a movement from peasants who previously got their share of land in a similar way. And the establishment of unified purchase and sale system and restrictions on commercial activities in practice enabled the state to predominate the production and distribution of agricultural
products while peasants were left with little choice but working like thrall. However, it was later realized that eliminating private ownership had seriously dampened peasants’ enthusiasm for working and undermined the productivity. Since 1958, decentralization was also adopted by central government to empower provincial and municipal governments to develop local economy. The central government’s spending in 1958 had declined by 14% while the figure for provincial governments increased by almost 150%, accounting for over half of the total government spending in the same year (MacFarquhar, 1983, P. 59).

From 1958 to 1961 Mao initiated the ‘Great Leap Forward (GLF)’. It has later seen the ambitious targets for economic development and the aggressive exploitation on peasants and over-investment on heavy industries caused severe shortage of food, services and basic commodities in cities and unprecedented famine in rural areas. Population increased by 13 million people between 1958 and 1962, yet agricultural production decreased by 13.9 percent in 1959 and decreased further by 11.2 percent in 1960 from the previous year and did not regain its 1958 production total until 1962 (Mantzopoulos and Shen, 2011, pp. 13). It was estimated that the wrongly headed economic policies caused an extra death of around 40 million people in China between 1958 and 1961 (MacFarquhar, 1997, p. 10). The erratic fluctuation of population is shown in Figure 4.1.
Figure 5.1 Birth and mortality rates in China (1949 – 2008).

Source: China’s National Bureau of Statistics

Because of the overexpansion of industrial basis, urban population had increased dramatically from 99 million in 1957 to 130 million in 1960, including around 24 million industrial workers. Due to the pressure on food supply, in June 1961 central government drafted a plan to reduce the urban population. Newly enrolled full time workers, apprentices and part time workers together with their Hukou were sent back to rural areas where they came from. A census conducted in the middle of 1964 showed that the urban population had shrunk dramatically to 98 million and the urbanization rate in China dropped by 6.3% (Liang and White, 1996).

In 1962, realizing the devastating consequences of the Great Leap, central government began to review and modify its economic strategies. At the
Central Working Conference held in May 1962, three principles regarding the economic development were announced:

1. Giving priorities to agriculture, increasing the distribution of steel and wood products by 13% and 16% respectively;

2. Slashing the targets for the output from heavy industry by 5%-20%;

3. Curtailing investment on infrastructures by 25%;

The formerly decentralized economic powers on investment, allocation of resources, energy, Labour and salaries were reclaimed by central government and the economy had seen a steady recovery between 1962 and 1964. From 1957 to 1964, the Chinese economic reality had demonstrated how bitter the consequences of state monopoly on economy could be. The devastating consequences had also shaken the legitimacy of the regime and left it with no choice but to step back to some extent. The tight control of peasants was later loosed and rural families were allowed to undertake private jobs as long as their duties for the collective have been fulfilled. The Commune as the basic unit of rural economy, however, was retained and was later transformed into collectives that were rendered with ownership of rural land and the rights to retain residuals from some of the rural economic activities, which was previously monopolized by the state in the age of the Commune. One of the economic policies that had a great impact on the urban economy was the ‘Three-line Strategy’ proposed by Mao in the middle of 1964. With a concern of the national security, resources were channelled into West-China cities that were far away from the East Coast region and would be less vulnerable if a war is declared against the US. A number of inland cities such as Xi’an and Lanzhou therefore received unprecedented opportunities of development, at the expense of the anemia of many
traditional economic centers. It once again reverted the upward momentum of China’s economic development after the GLF.

The radical economic policies of the Great Leap and the devastating consequences almost excluded Mao from the small circle of top-tier party cadres. He then allied with some secondary-class cadres, including his ambitious wife Jiang, that were known as the ‘Gang of the Four’ and initiated the Cultural Revolution using his personality cult (1967-1976) among the general public to eliminate his political enemies and regain his power. The movement caused turmoil and disrupted the pace of economic recovery. The establishments of the PRC at municipal level were severely subverted and the daily operations of many institutions were severely interrupted. In many cities, the civil government was paralyzed because of attacks from Red Guards and the power was temporarily taken over by the army, which seldom intervened into the daily operation. Workers in factories were polarized into two or more factions due to the divisions of their views on the ‘Revolution’, and together with their allies from other institutions they attacked on each other violently. Similar situation could also be found in rural areas. Students were one of the major sources of the rebels while teachers were their targets. The whole society was mobilized to participate in the movement and the economic development was inevitably affected. Up to 1976, the average consumption of grain per capita was 190 kg, 7kg lower than that in 1952; in 1978, 250 million people were still struggling under the bread line and there was insufficient provision of housing, education and health services (Ma, 2002). Purchasing necessities for everyday life such as food did not only need money but also special vouchers that introduced to control the overall consumptions. The shortage of goods lasted for nearly one decade and the voucher system was loosened in the middle of 1980s and finally abolished in
In spite of the negative consequences, during the ten years, progress has been made in some areas. Industries with strategic importance, such as national defense, energy, transportation, steel and machinery manufacture, were heavily invested by the state with money extracted from the first industry and saved from curtailing welfare and the provision of social products. Between 1952 and 1978, industry output grew at an average annual rate of 11.5% and industry’s share of total GDP climbed from 18% to 44%, while the figure for the share of agriculture declined from 51% to 28% (Naughton, 2007, pp. 56). Progresses were also made in research areas. The perception that the ‘severe economic backslide’ was solely resulted in by the Cultural Revolution was to some extent inaccurate.

The Cultural Revolution ended immediately after Mao’s death in 1976 and the Gang of Four were detained in the same year. Hua was designated as Mao’s successor but soon lost the support from other senior members within the party for his commitment to Mao’s left-leaning policies. Actually, during the last few years before the end of the Cultural Revolution, a consensus had gradually formed within the Communist Party that the chaotic political movement must cease and economic development should be prioritized. China in the late 1970s was still an underdeveloped country and has fallen behind some of its Asian neighbors such as Japan and the ‘four tigers’-Hong Kong, Singapore, South Korea and Taiwan. The country was struggling with problems such as over-centralization, low productivity, distorted production relationship and ineffective administrations. Moreover, many Chinese people were still addicted to Mao’s socialist fantasy and capitalism and private ownership were deeply resented and a considerable number of cadres
remained vigilant to the possible erosions from the capitalism. Additionally, China has long been isolated both economically and politically for its ideology and direct confrontations with some of the western countries such as the U.S. For Mao’s successor, the status quo was no longer an option.

Deng came to power in 1978 with sufficient support as well as authority to propel the reform and opening up - a paradigm shift he believed could find China a way out. The recovery of diplomatic relations with the U.S and Japan brought China great opportunities to develop its economy. The globalization and upgrading of industries in advanced countries enabled China to combine its abundant Labour resources with their technologies and equipment to accomplish the primitive accumulation. Table 4.1 shows the increasing rates of Gross Domestic Product (GDP) from 1978 to 2008. Excepting for 1981, 1989 and 1990, the Chinese GDP growth rates remained at above 7.6% science 1978. The first drop in 1981 was due to the macro-economic adjustment to lower the risk of getting an overheated economy. The second sharp drop between 1989 and 1990 was resulted from the Tiananmeng Square Incident and the consequential sanctions from the western countries. During this period, the Foreign Direct Investment (FDI) has dramatically dropped to only $ 4 billion per year and it was followed by an estimated job loss of around 20 million between 1989 and 1990. From the mid-1980s, central government gradually loosen the tight control of development rights at local level and the responsibilities of promoting local economic growth thus fell onto the shoulders of local administrators, whose promotion was also based on their progress in stimulating the local economy (Wu, 2005).
Table 5.1: The Growth of GDP in China between 1978 and 2008:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>11.7%</td>
<td>7.6%</td>
<td>7.8%</td>
<td>5.2%</td>
<td>9.1%</td>
<td>10.9%</td>
<td>11.3%</td>
<td>4.1%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Rate</td>
<td>9.2%</td>
<td>14.2%</td>
<td>13.5%</td>
<td>12.6%</td>
<td>10.5%</td>
<td>10.0%</td>
<td>9.3%</td>
<td>7.8%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Year</td>
<td>2000</td>
<td>2001</td>
<td>2002</td>
<td>2003</td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td>2008</td>
</tr>
<tr>
<td>Rate</td>
<td>8.4%</td>
<td>8.3%</td>
<td>9.1%</td>
<td>10.0%</td>
<td>10.1%</td>
<td>10.2%</td>
<td>11.6%</td>
<td>11.9%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>


Since 1993, the vast market and cheap labour force continued to attract international capitals into China. From 1992 to 2003, China had drawn $264.2 billion foreign investment. In 1994, township enterprises had also experienced fast growth and accounts for 38% of the overall GDP growth. On the other hand, the SOEs were suffering. In 1997, the return on invested capital of the state owned company was only 3.29%, and deficit existed in 18 out of 39 industries. Developing real estate market was central to the economic policies in response to the Asia financial crisis and China’s high saving rates. Lowering the down payment rate to 30% and extending repayment period to 20 years had effectively released public’s potential in purchasing houses. The strong economic growth and booming housing market in China had greatly benefited the state owned companies, most of which are now monopolizing key upstream industries relating to energy, resources and crucial products for the society.

It is worth noting here that the structural changes do not always happen in a top-down, command-and-do model that is pushed by the central government. Rather, the driven force sometimes arises from the bottom and the change of policies was rather reactive. For instance, it was estimated that from 1978 to
the first few years of the 1980s, more than 20 million young people went back to cities, which was accompanied by increasing unemployment and social unrests. To mitigate these negative consequences, small business was once again promoted to absorb labours and this ignited the renaissance of tertiary sectors in Chinese cities (Kraus, 1991).

5.3 POLITICS

China’s politics is unique and sometimes difficult to understand, not only for its opacity, but also for its complexity as a combination of elements from the ancient empire China, the attempts and practices to build a socialist country between the 1950s and 1970s and the imported conceptions and managerial means from western countries after 1978.

5.3.1 Pre-1978 China as a Totalitarian Country

The Confucianism forms the basis of Chinese culture and influences its political practises. China lacks the tradition of constraining and counterbalancing the power of the state as individual power is created and given by the country (Huntington, 1999). Moreover, the centralized power and hierarchical system in China since the Qin Dynasty (221-206 BC) leaves little space for social organizations and municipalities to gain political legitimacy to counterbalance the power of the central government. Although local governors have a considerable freedom in handling the local affairs, they have to unconditionally obey orders from the upper-level government. With such a tradition, the Confucianism’s internal resistances towards democracy was part of the reason why the one-party dominant political system was chosen by both the Chinese Nationalist Party (CNP) and the
CPC when either of them obtained military advantage. In such a society, the dominant party does not only hold the power of government but also shoulders responsibilities for the people.

The traditional concept of Chinese ‘city’ and ‘country side’ are often used for defining people’s behaviours rather than geographical dimension with clear boundaries. Rural areas and cities were governed under a combination of the ‘top-down’ and ‘bottom-up’ structures. The ancient China’s bureaucracy ends at town level while the vast countryside, on the other hand, was actually under the governance of indigenous elites, who are influential on local affairs and could facilitate the mutual communications. They are advocators for the mainstream value of the society and effectively the representatives of the local people (Schwartz, 2009). The Government continuously absorbed local elites through imperial examinations, which in turn seeds the ideological and symbolic-hierarchical conceptions into the local elites’ minds and so as to help control the whole society.

The first 30 years since the establishment of the PRC has seen China as a totalitarian country with the state holding total authorities over the society and endeavoring to penetrate into every aspect of the public and private life (Linz, 2000). The regime was with typical features of elitist rule (Bo, 2004), hierarchical institutions, ruthless measures in maintaining the domination and tight control of ordinary people’s public and private life. The control was exerted through nationalization of property rights, ideological education and continuous mobilization. Guo (1998, p.65) listed three traits of the classical totalitarian model, which well depicts the features of the pre-1978’s PRC:

1) An official ideology or a set of convictions to which the society is to be
committed and everyone is supposed to adhere. The party or the state defines a goal for the whole society.

2) A hierarchical and centralized single party system completely intertwined with the state. The dictatorial party carries out its politics not within but beyond the framework of the state, and in fact employs the state as tool to realize its goals.

3) The exercise of power is based on the monopolistic control over the state, the media of communication, education and cultural processes, economic activities, military forces and weapons;

Although the inner-party democratic setup up such as the political bureau, the national congress and the standing committee were designed to facilitate debates, in the 60s and 70s they were more than often paralyzed by the individual authorities of the party leaders together with various cliques.

5.3.2 The Post-1978 PRC as an Authoritarian Regime

From 1978 the CPC has initiated economic liberalization, which was fruitful. Yet it still held the authoritarian control over the country (Shambaugh, 2008). The CPC monopolizes the sovereign power of China and intertwines itself with the state and undertakes a large share of the governmental functions. At both central and municipal level, party power overrides the governmental power and the state has been turned into an instrument for the party to exercise its domination (Guo, 1998, p. 68). Excepting for turning the government and state power institutions into its executive body, the CPC also extend its branches to non-governmental organizations, from large State
Owned Enterprises (Zheng, 2014), higher educational institutions to communities and neighborhoods. Without the predominance of socialism ideology, the Chinese people’s life is still saturated with the great influence of the CPC as the regime in China to a large extent is still authoritarian (Xie, 2008; Ortmann and Thompson, 2014; Lai, 2010; Landry, 2008; Weatherley, 2006) with the following features: an official ideology, a single elitist party, monopolization on the military power and state apparatuses, and a ultimate control of mass medias.

The philosophical absolutism of the socialism no longer serves as an effective instrument for the CPC to maintain its legitimacy and gain public support. The ‘class struggle’, as the previous priority of the CPC, was replaced by ‘economic development’. Performance legitimacy began to play an increasingly important role in the post-1978 China's politics. Friedrich (1968, pp.233) defined legitimacy as ‘a very particular from of consensus, which revolves around the question of the right or title to rule’. Apart from the legal-electoral route that prevails in the western democratic countries, historically the legitimacy of a regime can also be obtained through ideology (the case of Soviet Union), the leader’s charisma (the case of North Korea) or the ruler’s performance. It was argued by some of the scholars (Han and Lin, 2007) that East Asian Cultures are incompatible with liberal democracy as traditionally there is not a western-style contentious politics and people's understanding about the society was hierarchical. Therefore performance remains an important means for the ruling class to gain support. Zhao (2009) pointed out that in ancient China, performance legitimacy was widely accepted by the Chinese people and served as an effective complementary part for the charismatic legitimacy of the emperor. The performance-based state legitimacy ‘shaped people’s understandings of the relationship between
the rulers and the state in Chinese political culture’ (Zhao, 2009, pp. 420) and cultivated the Chinese people’s pragmatic rationale. The emperor was expected to fulfill his duty in managing the state well and at the same time take responsibilities for the failure of the government. In spite of the counter factors from the democratic transformation in Taiwan and South Korea, experiences from Singapore were repeatedly referenced, where progress legitimacy and moral leadership, rather than political competition, were emphasized. Political opposition is seen as detrimental to the state and society (Lewis and Litai, 2003; Zhao, 2008). Today the Chinese government is still alert to any civil movements demanding for more civil rights and democracy. Public participation is worried to have a potential to open a ‘Pandora’s box of grievance’ (Johnson, 2010) and is only ‘acceptable when it is irrelevant to power sharing’ (Fan 2014, p. 4).

5.3.3 The Communist Party of China (CPC)

The Chinese one-party-ruling system is hierarchical and has a dualistic structure: the governmental bureaucracy and the party apparatus. The two bodies are highly intervened regarding the promotion of cadres and the administrative power. At the state level, the party leader is the president of the country that holds the military power and the Central General Secretary. He also ranks the first order in the standing committee of the Political Bureau, which holds the collective power of ruling the party and managing the country. The secondary member of the standing committee is normally the Premier who presides over State Council and the State Departments. The rest of the members are respectively in charge of the National People’s Congress, the National Political Consultative Conference, the Central Propaganda Department and other committees that thought necessary to be in charged by
a standing committee member.

Although the term in office for a Standing Committee member is a maximum of ten years, some of the high-profile party leaders sustained their political influence after their retirement. Members of the Standing Committee are usually handpicked by their predecessors from a number of candidates, which enables the retired to continue to exert political influence either as consultants or, in extreme cases, as direct decision makers (Deng and other senior party members played a crucial role to dismiss Hu Yaobang and Zhao Ziyang respectively in 1987 and 1989). The rational for the selection of the Standing Committee members is opaque and is usually seen as a result of mutual reconciliation among different factions within the party.

For candidates of the standing committee, the competition is extremely furious, as all candidates have normally accumulated considerable political capital as well as working experiences in different tiers of the party-governmental system and have made remarkable progresses that are sufficient to convince the decision makers and the rest of the party members. Once the decisions are made, it will be handed to the People’s Congress for ‘voting’, which renders the selected with legitimacy. The process is replicated for the designation of party cadres at both provincial (Provincial Party Committee) and municipal (Municipal Party Committee) level of the party-bureaucratic political system. The party leader enjoys high discretionary power to position his political allies onto the crucial posts to eliminate opposition and enhance his authority, so do other standing committee members. Lower ranked cadres have to be enthusiastic about the tasks they are allocated so as to impress their upper-level leaders and all candidates should pass various tests against their capacities and loyalty and
censorships on their morals and ethics. The promotions of local cadres are generally in a spiral uprising model (Feng, 2010), i.e. they may firstly be promoted from positions in the ruling party to that in the government and then come back for a higher position in the ruling party. The economic progress during their term in the government usually serves as important evidence for their promotion (Feng, 2010). It is a pyramid-shaped power structure within the party, which is crucial for maintaining the efficiency of the party machine, as any strategic plan needs to be accomplished by the lower officials with loyalty and obedience. Although the mechanism is thought to be undemocratic, it arguably helps to match crucial posts with the appropriate candidates. Additionally, it also helps to understand the reality of Chinese politics and partly explained why municipal cadres are so enthusiastic about local economic growth.

Legislation and judicial system in China cannot distance themselves from the party power either. The judges and prosecutors are themselves party members that subordinate to higher level party leaders. Legislation and law implementation to a large extent serve as means of the party power and embody the ‘rule by law’ rather than ‘rule of law’. This enables the inner-party patronization, and in some cases perverting of the course of justice. High-ranking cadres, with a concern of being involved in the scandals or criminals, may give a hand to his followers who are in trouble.

**5.3.4 Central-Local Relations**

Landry (2008, pp.3) argued that in the Post-Mao Era China combines both political authoritarianism and economic decentralization, which was rare across political systems. Immediately after 1978, central government
decentralized fiscal rights in return for local support regarding the Reform and Opening up. Provincial governments were given freedom to keep extra fiscal revenues after turning in a fixed quota. The policy has lasted for a decade, during which local economy, especially in southern China, had saw a rapid development. In the middle of the 1990s, however, the central’s extracting ability was seriously constrained by such a fiscal arrangement and the shrinking central revenues and rocketing budget deficits of central government were sharply contrasted by the fiscal surplus in local authorities. The second round fiscal reform took place between 1993 and 1994, which in essence was an overridden of local interests by the central through a partial recentralization of revenue collection (Yang, 1996: 430-431). The reform divided the source of tax into two sections: the Value Added Tax, Consumption Tax and Corporate Income Tax would go to the national treasury while the rest are collected by local governments. The reform, however, further stimulated the local governments’ motivation to enlarge their tax base and to explore new sources of revenues.

In 2002, Chinese local government accounted for nearly 70% of all government spending (Ministry of Finance of the PRC, 2003), which is rare to see under an authoritarian regime. Even in many democratic countries, local expenditures are normally kept at a comparatively low level (from 20% to 50%). For instance in 2000 the proportion of local expenditure in the UK was around 25% (IMF, 2000). The degree of fiscal decentralization in China is even higher than that in many federations such as Germany and the U.S. ‘China’s observed level of decentralization is consistent with the behavior of a federal democracy’ (Landry, 2008, pp.9)

While decentralization can greatly stimulate economic growth at local level, it
can also lead to demand for further decentralization among local leaders. However, so far it has rarely seen the appointed provincial leaders publicly defy the central government, and those who dared to do so were either dismissed from the position or terminated with their political careers, such as the elimination of Cheng Xitong (former party secretary of Beijing), Cheng Liangyu (former party secretary of Shanghai) and Bo Xilai (former secretary of Chongqing), that were all accused for corruption and abuse of power. The CPC has managed to stabilize growth through economic liberalization and decentralization of decision-making power, and at the same time to perpetuate its rule through ‘strengthening and institutionalizing mechanisms of administrative and organizational controls’ (Deng, 1983: 324). The Chinese central state ‘has maintained a degree of legitimacy and rule-making capacities in shaping local outcomes in spite of the ongoing process of decentralization’ (Solinger, 1996, quoted from Landry, 2008, pp. 14). Today the state still holds decisive power on granting permissions for large projects, master plans of strategically important cities and so on. The monopolization on the nomination of lower-level leaders enables the upper level government protect its authority from the erosion of decentralization and is a key weapon for ‘maintaining organizational discipline and for structuring principal agent relationships between local party institutions and the officials that they seek to manage in a manner that enhances the cohesion of the political system’ (Landry, 2008, pp.18)

5.3.5 The Relationship Between the Government and the People

Since China had a centralized political system for more than 2000 years, the relationship between individuals and the government is unique and significantly different from that in many western democracies. For the
majority of Chinese people, the government does not only hold the authority but also shoulder responsibilities for maintaining justice, providing basic social security and various public services. For the government, performance legitimacy and strong state apparatus has been frequently used, either by former emperors or today’s top officials of the CPC to consolidate the regime. In spite of the devolved features of the central-local relationship, since the late 1970s the bureaucratic system built by the CPC has been efficient in maintaining the social stability as well as facilitating the economic development and local government has played an important role. On the one hand, local governors and officials are the representatives of central government that is expected by local people to deliver social justice and public services. On the other hand, with the Neoliberalization and central government’s strong intendancy in maintaining performance legitimacy, local officials are commissioned to strengthen the state’s authority while strip away the government’s responsibilities for its people. They have to act more like entrepreneurs to mobilize resources they have and to seek opportunities for growth. In the majority of urban regeneration projects, officials or governors involved usually face high-level pressures from the top with an expectation for better performances. It has therefore frequently seen local official trying to obtain as more discretionary power as possible and to control rather than to cooperate with other stakeholders. More than often local officials are hesitating in supporting public participation with real empowerment.

Despite the superficial noises and contentions, the Chinese society remained stable and some scholars (Zhao, 2009; Weatherley, 2007) attribute the phenomenon to the performance legitimacy. They believe that the great achievements in economic development and the improved living standards of ordinary people had convinced the majority of the Chinese that the CCP is
eligible for governing the country. Bing influenced by the Confucianism, the government’s performance is mainly evaluated against the following criteria: 1) Economic development such as unemployment rates, CPI, average income; 2) Provision of basic social security for disadvantaged groups; 3) National security and territorial integrity; 4) The efficiency of the bureaucracy in responding people’s demands; 5) The cadres’ morality. Performance legitimacy is inherently unstable as underperformance is highly likely to trigger immediate social and political crisis. So far the state is still under careful management by the Chinese government with a highly efficient bureaucracy.

However, today’s China is far more pluralistic than 30 years ago (Guldin, 1997), when capitalism was eliminated and every aspect of the society was dominated by the communist party with its power bases rooted in the proletarian class that are mainly constituted by workers and peasants. The opening-up did not only bring back capitalism but also enable the penetration of universal values and western cultures, which together melted down the predominant position of the socialism ideology and social structures formed under the planned economy. There are various interest groups cooperated or conflicted with each other using resources and power they can obtain within the structure, which has been consistently changed and, in turn, reshapes the way different players interact with each other. For the Chinese government led by the CPC, it is now impossible to exert a holistic control over the society in the same way it once did. The party is now confronting some major challenges led by the social and economic transformation:

1. Rising discontent regarding the enlarging social inequality;
2. Rising middle class that are more sensitive to civil rights and boundaries of the state power;

3. Spreading corruptions and the accordingly damaged reputation of the government;

4. The losing control of people’s public and private life through former institutional arrangements such as work unit due to economic and social transformation;

5. The official medias with low credit;

Human rights in today’s China to some extent are still lower than that in western democracies. For instance, Chinese people have few political rights in electing their national leaders and local politicians and against the authoritarian regime, when their property rights are infringed by the government, they are left with little space to bargain.

5.4 CHINESE CITIES AND URBAN POLICIES

5.4.1 The Post War Housing Shortages and Urban Policies

Before 1979, the PRC government adopted an “anti-urbanization” path if compared with previous regimes (Lin, 1998; Chan, 1992). Most of the cities during the first 30 years of post-1949 period were identified as ‘Industrial Centers’, while other functionalities were depressed. Even in cities like Shanghai, service and commercial sectors that used to be flourishing during the Pre-Civil War period had declined dramatically since the socialist
transformation starting from 1952. In terms of urban population, many cities in 1949 were crowded with refugees and facing great pressures in housing provision and food supply. PRC government began to evacuate refugees soon after it was in power. It was estimated that in 1949, from May to September, around 400 thousand people were evacuated from Shanghai (Shanghai Liberation Daily, 1950.7, pp12). However, these measures had contributed little to mitigating the pressure on housing. Evidence showed that in the same year, around 1.2 million people were still living in slums, accounting for around 23% of the total population.

In the central area of Shanghai, around four million people jammed in old properties. In 1952, in response to Chairman Mao’s calling for ‘resolving housing problems faced by workers in large cities within several years’, the first ‘Workers’ Village’ was initiated by the Shanghai municipal government. Within two years, 20,000 households together with matched facilities were accomplished to accommodate the working class. This development model soon diffused to the rest parts of China and became one of the major patterns of housing provision initiated by municipal governments from the 1950s to the late 1970s. Within a framework of planned economy, land, construction materials and money for the implementation of these projects all came from the government, who also decided the distribution of these properties. In fact, candidates eligible for accessing to these properties were highly selective. Apart from an urban Hukou and a permanent job, the candidate had to be
‘politically advanced’ and can play as a role model to motivate the others in terms of his/her contribution to the collective. The task of constructing ‘workers’ villages’ were decentralized to Work Unite\textsuperscript{10}, together with the rights to distribution of the accomplished properties.

However, due to the extreme scarcity of construction materials and a disparity of investment between heavy and light industries, the local government was not capable of implementing large-scale construction of ‘workers’ village’ to cover all workers, only a few projects for demonstration could be implemented. Table 5.2 shows the change of average living space per capita in Shanghai from 1950 to 1979, which reflects the general situation across the country:

Table 5.2: The change of average living space per capita in Shanghai (1950-1979)

<table>
<thead>
<tr>
<th>Year</th>
<th>Living space per capita (m(^2)/person)</th>
<th>Year</th>
<th>Living space per capita (m(^2)/person)</th>
<th>Year</th>
<th>Living space per capita (m(^2)/person)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>3.9</td>
<td>1963</td>
<td>3.8</td>
<td>1972</td>
<td>4.6</td>
</tr>
<tr>
<td>1954</td>
<td>3.3</td>
<td>1967</td>
<td>3.9</td>
<td>1975</td>
<td>4.3</td>
</tr>
<tr>
<td>1959</td>
<td>3.8</td>
<td>1969</td>
<td>4.2</td>
<td>1979</td>
<td>4.3</td>
</tr>
</tbody>
</table>

\textsuperscript{10} Work units are state-owned companies and institutions. They are not only economic entities for production but also the principle organization for the CPC to implement its plan and realize its control over the society. Work units did not only provide worker with a life-long full time job but were also in charge of providing the workers with housing, child care, schools, clinics, shops, services, post offices, etc. Under the planned economy, the resources needed by the work units for production and providing social services were allocated by the government.
As can be seen, housing construction in Shanghai stagnated during the three decades and the living standard measured by the area of housing per capita had only seen a minor increase from 1950 to 1979.

For the majority of citizens living in slums, refurbishment was the only practical measure to improve their living conditions. During the first several years of the new regime, public funded slum renovation projects were implemented. In Shanghai, from 1950 to 1953, 188 slums in Shanghai were renewed, accounting for 83% of the total number of slums regenerated from 1950 to 1958 (Shanghai Academy of Social Science, 1962). Public funded regeneration programs were postponed in the following several years due to the Great Leap. Later the government adopted a different strategy following three principles that had dominated the Chinese urban regeneration practices for nearly three decades from the late 1950s to the early 1980s:

1. Lowering the standard of materials and technical parameters used in the refurbishment and reducing the reliance on the government;

2. Adopting an incremental regeneration strategy and avoiding large scale demolition and reconstruction;

3. Dividing the responsibility into ‘public’ and ‘private’, which means the government, was responsible for the modification of the public realm such as roads and sewerage system while occupants took the responsibility for the refurbishment of their property.

With constrained capacities, the government was not capable of
implementing large-scale regeneration programs to cover the majority of the citizens. Urban regeneration was carried out in an incremental way and the majority of these projects were co-funded by citizen and municipal government. Additionally, cities in East China were inevitably affected by the ‘Three Line’ strategy and the consequential austerity. Therefore the regeneration practices adopted in these cities, such as the slum clearance and construction of workers’ villages, and the group of beneficiaries were narrowly focused and confined within a relatively small scale. Figure 5.2 shows the major players and beneficiaries in the construction and distribution of urban housing in China from the 1950s to the 1980s.

Figure 5.2: The delivery model of urban houses from the 1950s to the 1980s in China.
5.4.2 Cultural Revolution and its Impacts on Chinese Urban Policies

The brutal political struggle in China during the Cultural Revolution had a profound impact on Chinese cities regarding the physical and social aspects. In many places people were mobilized to overthrow the regime in the name of ‘defending Chairman Mao’. The prevalence of anarchistic invalidated laws and regulations. Technicians and officers were disgraced and replaced by Red Guards. Academicians in universities were humiliated and exiled. Urban development-related management and research in China had thus been interrupted for a decade. Urban land was divided into small ‘cells’ and controlled by different work unite and institutions that can decide what to build and how to distribute within their domain. This radical bottom-up development model had greatly contributed to the physical fabric of Chinese cities at that time and its legacies can still be found today.

The major force in the Cultural Revolution was the ‘Red Guard’, consisting of youngsters from universities and high schools who believed that ‘the rebel is justified’ and ‘Chairman Mao need safeguard’. Fuelled by the zealousness of ‘breaking down an old world and building up a new one’, they destroyed numerous historical sites, archives and artifacts, as these were identified as ‘the symbol of the old’. In the later stage of the Cultural Revolution, with the objective of purging political rivals being achieved, Mao encourage these young people to move to the rural area for ‘new challenges’. It was estimated that around 16 million youngster were mobilized to migrate from cities to the rural areas yet most of them returned to cities after 1979. The movement had a great implication for China’s following urban policies. For one thing, the return of these young people exerted great pressure on the provision of working opportunities and housing unities in cities in the late 1970s and early
1980s. For another, without been properly educated, the majority of these people became particularly vulnerable in the phase of China’s marketization and most of them were trapped in poverty in their later life.

As is argued by Chen (2012), one of the positive consequences of the Cultural Revolution, if any, was that the movement dismantled the vested interests across the country before the advent of Reform and Opening up, which greatly reduced the chance for the former elites in the government to monopolize the benefits of the reform. Additionally, many of the Chinese people that had experienced the ten-year-long turmoil were tired of the leftists’ radical thoughts and actions. The whole society reached a consensus on the necessity of adopting a different way when Deng came into power.

5.4.3 Neoliberal Urbanism in China since the 1980s

5.4.3.1 The Opening up of Land and Housing Market

Since the late 1980s, a series of urban policies with distinguishable features of neoliberal urbanism was initiated in Chinese Cities. In 1983, central government stressed the significance of cities as: ‘economic, political, cultural and educational centres, and places where modern industry and working classes gathered and will play a leading role in the socialistic modernization process’ (Shi, et al, 2010, p.20). In the same year, the Housing Reform was initiated and private property rights were formally written into the Constitution. The ban on the circulation of land use rights were removed in 1987, when Shenzhen was firstly designated as a ‘special district’ for a series of experimental policies. After nearly 40 years’ administrative allocation, the use right of state owned urban land was allowed to be leased out by local
authorities to private sectors at a market price, which later became an effective instrument for municipalities to accomplish their primitive accumulation and to attract investment. Initially the transition fees in some cases were decided through negotiation, yet from August 31, 2004, it was required by the Department of Land and Resources as well as Ministry of Supervision of the PRC that all land transactions should go through public auction.

Since the late 1990s, housing market became one of the major engines for the Chinese economic boom. On the 4th Plenary Session of the 8th National People’s Congress Council on the 5th March 1996, The National Development and Reform Committee adopted the 9th FYP in which it was formally required to include the content of urbanization in national economic and social development plans in order to achieve a favourable investment environment and to improve economic efficiency. Residents were formally allowed to trade private properties in the Ten-Year-Reform Strategy published in 1988. The marketization and housing reform made the housing market the predominant source of housing provision and diluted the percentage of public housing to an insignificant level (Chen, et al, 2011) and it was the formal start of the massive urbanization progress in China. It was estimated that from 1990 to 1998, Beijing demolished 4.2 million square metres of housing in the old urban areas (Fang, 2000). In Shanghai, from 1995 to 2004, more than 745,000 households were relocated and over 33 million square metres of housing were demolished (Shanghai Statistical Bureau, 2005). By 2001, private owned housing has accounted for over 80% in China (The people’s Bank of China, 2002). Land selling revenue contributes significantly to local government’s income, which was roughly 27% in 2006 and has now grown to 60% or even higher in some cities
In the 10th FYP adopted in 2001 it was also proposed to remove the institutional and policy obstacles for urbanization and was declared that China will reform the urban household registration system, improve urban land-use system, set up standards for constructing cities and towns and modify the administrative system.

The massive urbanization took place in the past three decades has profoundly changed the landscape of many Chinese cities. It has not only seen horizontal expansion of city territories at city fringes but also vertical growth in inner urban areas, where land value had rocketed. The trend is likely to continue throughout the next 20 years due to the forecasted 260 million new urban residents to be accommodated (United Nations, 2011). According to Hsing (2010, pp10), China’s current urban development follows three major trajectories: 1. Inward contraction of the inner city areas that command the highest property value; 2. Outward expansion to villages at the urban fringe of the metropolitan region where the potential for increases in property value are the greatest; 3. At rural fringe of the metropolitan region, where townships and villages convert and lease out farmland for scattered industrial and commercial projects. According to the Constitution of People’s Republic of China (PRC), the country has the exclusive ownership of land in urban areas while farmland and rural areas are owned by the collectively of peasants. Among the three types of urban expansion listed above, generally the latter two follow a relatively simple procedure: (1) Land use attributes are designated in master plan; (2) Detailed plan further gives specific indications on the utilization of each plot; (3) Rural land is acquired from peasants at a comparatively low price by the government; (4) Massive demolition and
provision of infrastructures following the master plan (5) Leasing out the land; (6) Development commercial properties; Conflicts in these two types thus are mainly around the monetary compensation given to villagers for land acquisition at the early stage.

For many local governors, urbanization became the most efficient instrument for accelerating local economic growth. It has seen various policies promulgated to drive indigenous citizens and migrants into the housing market. Among them, the Hukou system that inherited from the socialism China had played a significant role. Barriers created by the ‘Hukou’ system helped to push up the demands for commercial properties and to legitimate the uneven distribution of social services and public products and alleviated municipal government’s burden in providing social services and public goods. The provision of social housing, however, has long been neglected before 2007 (Chen, et al., 2013) as it was not in municipal governments’ interests to reduce the demands for commercial properties in the housing market.

5.4.3.2 Forced Eviction

The great achievements regarding the economic development and urbanization in China during the past four decades were built on the comparative advantage of ‘low human rights’ regarding: (1) rights to get access to social security and services, such as education and medical services etc.; (2) property rights; (3) other civil rights and political rights such as freedom of speech and association, etc. Such a comparative advantage is inherently unstable, as the accumulation of grievance and sense of relative deprivation (Walker and Smith, 2002) among the disadvantaged could trigger turmoil at some point if the gap between the rich and poor continues to
enlarge.

State apparatus were used to speed up the urbanization process. Before the publication of the Regulations on the Expropriation of Houses on State-owned Land and Compensation (REHALC) in 2011, local governments were given discretionary powers by the Urban Property Demolition Regulations (UPDR) to forcefully demolish citizens' properties. Such an arrangement frequently resulted in the infringement of citizen's property rights and resulted in conflicts and it has seen long-term litigation and petition carried out by the residents. The official number of protest in 2004 was 74,000, up from 10,000 in 1994 and 58,000 in 2003 (The Economist, 2005). The Ministry of Construction also revealed that between January and July 2002, 26 deaths were caused by the residents’ protest against the forced demolition (China Daily, 2003).

5.4.3.3 Routinized Protests and the Government’s Reaction

The reform and opening up since 1979 undermined the significance of the CPC’s ideological propaganda, the dismantlement of work units had created an institutional vacuum for the CPC to mobilize and control its citizens while the massive urbanization process since the late 1990s had created millions of migrant workers who are beyond the reach of both rural collectivises and urban Local Residents Committees. The enlarging middle class group was in parallel with the emergence of pluralistic interests and the pursuit of individualism.

Over the past few decades ‘protests for economic reasons in China did not only increase, but also begun to be normalized’ (Chen, 2014, p4). Perry and
Selden (2003, p.17) argued that ‘under the reforms, economic protests have become increasingly routinized’. It is difficult to find such a relatively long period in the Chinese history when routinized petitions and protest so frequently happened across the country. The protests may vary regarding the causes and process, yet the majority of them are usually accompanied by ‘trouble making’ tactics. Based on data collected from the Hunan Province, Chen (2014, p. 33) argued that the urban related protests are mainly concentrated on ‘land expropriation, housing demolition and organized migration related disputes between local people and the government in the process of inner city regeneration and slum clearance, the construction of new towns and the construction of large-scale infrastructures.

To mediate the situation, central government published the Expropriation of Houses on State-owned Land and Compensation 2011, in which the expropriation of state-owned land and property is required to take place after the compensation and any forced eviction will be seen as a violation against the law. Yet it is also addressed that once the boundaries of an expropriation area is defined, any new buildings are illegal and will not be compensated. This is due to the fact that many citizens will increase the floor space on their sites years before the initiation of demolition so as to gain more compensation.

According to the 13th article in the P.R.C’s Administrative Compulsory Law (ACL) 2011, the local government can request the court to approve the administrative compulsory execution. During the period of censorship, the court can consult the participants, hold public hearing or conduct field survey for evidence collection. Being different from the former regulations, in which the scope of censorship is confined to the appropriateness of the
administrative procedure, the ACL 2011 has additional articles addressing equity. According to the law, if one of the following conditions exists, the enforcement implementation will not be approved:

(1). Insufficient evident basis;
(2). Insufficient legal basis;
(3). Violation of the principle of equity; infringe the subjects’ rights.
(4). Severe Infringement on the public interests;
(5). Infringement on the procedure legality or properness;
(6). Activities beyond the administrative authority;
(7). Conditions that are treated by laws, regulations as not suitable for enforcement.

5.5 URBAN REGENERATION POLICIES AND PRACTICES SINCE THE 1980S

Inner city residents' property rights are diversified. Within a given area, there are native residents, long-term tenants, residents from former work units living in social houses etc. Some of the old inner city areas are of great historical significances. ‘The preservation of heritage is crucial for communities to identify their cultural identity the character of a place’ (renewal. net, 2005). Profit-oriented new constructions are often featured with high density, standardised design, and little respect paid to the surrounding environment. Many Chinese inner city areas have already seen a great loss of their distinguishable characteristics due to the diminishment of their original physical and social fabrics. Moreover, in some cases the whole
community could be completely wiped away with nothing left.

5.5.1 Typologies of Community-Related Regeneration Projects in China (1990s -2000s)

5.5.1.1 Property-led Redevelopment

Property-led redevelopment soon became the major instrument for the local authorities to attract international and domestic capital to solve their own financial problems and reimage the city. He and Wu (2007) examined two types of property-led redevelopments in China based on empirical studies in Shanghai. One of them is represented by the ‘Liangwangcheng’, which replaced the dilapidated multi-floor urban houses with high-rising blocks. The other type of regeneration programme is ‘Xingtiandi’ which transformed the area from a welfare-housing district into a high-end commercial area. Historical exteriors of the old buildings were retained while the interior functions were changed from residential use into a ‘new heaven and earth for leisure, shopping and tourism.

It was argued that the property-led redevelopment has sharply increased neighbourhood inequalities and exerted negative social-spatial impacts on the neighbourhoods. Gentrification has been found in both projects and in Xingtiandi it was also found functional transformation of urban space (He and Wu, 2007). Local residents in both projects were not capable of influencing the decisions made by the local government and private developers, who are ‘the dominant force shaping the social-spatial changes in neighbourhoods’ (He and Wu, 2007, P.207)
5.5.1.2 Historical Area Conservation

Another type of urban regeneration project in China during the past three decades was related with historical area conservation. ‘The preservation of heritage helps to retain the cultural identity of the community as well as the place. Better utilization of these areas can significantly contribute to the sustainable development (WCED, 1987) of the a city. The identification of historical areas are often entangled with identification of historical buildings following the procedures listed in table 5.3:

Table 5.3: The procedure of identification and abrogation historical buildings in China:

In China, buildings with historical significances are classified as a sub-category of the historical heritages that are protected by the Chinese Historical Heritage Preservation Act. The identification and abrogation of historical buildings normally follow the listed procedures:

(1). Recommendation: The task will be delegated by a qualified design or research institution in terms of historical preservation. A preliminary list together with a report will be accomplished. This progress will be organized collectively by the planning administrative office, the historical relic management office and the construction bureau.

(2). Consultation: The list as well as the report will be discussed by the planning administrative office together with a committee formed by experts selected by the provincial or municipal government. A written report will then
be produced for reference.

(3). Approval: The agreed materials will be submitted to the provincial government for approval. For the designation and dismiss of national registered buildings, the materials need to be forwarded to national historical building administrative office for approval.

Once a building is designated as a national/provincial/municipal historical preservation unit, any exterior or structural change has to be approved by the corresponding administrative office.

In the 1980s, the focus on preservation of historical buildings has gradually extended from individual buildings to their surrounding environment, which is usually divided into Conditional Construction Areas and non-new construction areas. The style and texture of new buildings have to echo the old ones especially those with historical significances while in the later area, no new constructions are approved and the refurbishment of the old buildings requires permissions from the related administrative offices.

The approval of conservation plans as well as planning proposals for new development within the conditional construction areas normally falls into two processes, namely the normal process and the special process. The former refers to the procedures of obtaining the Permission Notes for Location, Land Use Permit and Building Permit while the later refers to the additional approval from the historical building administrative office at different tiers of the government.
Ruan and Gu (2004) found that many of these conservation-related projects are still property-led and involve large-scale resettlement of local people and they categorized the current regeneration projects that are related to historical area conservation into five patterns according to the measures and procedures applied:

(1). Massive scale demolition and redevelopment, which wipes away the original physical and social fabrics of the community. It is believed to be a disaster to areas with historical significances;

(2). Redevelopment with respect to the historical context of surrounding areas and following certain design codes that echoes the physical environment. However, the original social networks have been destroyed due to the high price for moving back.

(3). Conserving the exterior environment while adapting the interior of buildings for innovative use. Such projects may not generate financial returns directly yet they contribute to the promotion of land value in surrounding area.

(4). Holistic conservation and regeneration of old towns with special characteristics funded by tourism revenues. New buildings strictly follow the traditional patterns of the area. There are several examples such as ‘Wu Zheng’, ‘Tong Li’ in Jiangsu Province. In this pattern the style of new buildings strictly follows the traditional patterns of the area. No developers were involved and the funding mainly comes from tourism revenue and public funding. The majority of the local residents are retained and the social fabric was thus preserved. Some scholars even argued that urban regeneration only exist in area-based conservation programs in which the local residents
together with the social fabric can be retained (Yip, 2011)

(5) ‘Organic regeneration’, which was firstly projected by Wu, Linagyong (2001) with the belief that the scale and speed of a regeneration project should be controlled for the aim of sustainable development. The idea was later implemented in the ‘Nan Chizi’ project in Beijing, which was funded solely by the local government. The local residents were encouraged to sell their property rights to the collective group, which dominated small-scale regeneration with the guidance and compensation from the government. In this pattern, local residents proactively involved in the regeneration process with the information and technique support from the government, and the urban fabric is also well conserved. The majority of Chinese redevelopment projects still fall into urban renewal or reconstruction focusing on exchange values while neglecting the function and social capital offered in the urban areas (Hong Kong Institute of Planners, 2010).

5.5.2 The New Policy Trend: Social Housing and Slum Clearance

Up until the early 2000s, eliminating urban poverty was not central to the Chinese regeneration policies that are implemented on the ground, due to the reasons that: 1. Government lacks the capacity, only a few demonstration projects are implemented every year; 2. Resources are so demanding and need to be invested on pro-growth sectors while the numbers of poor urban families are huge; 3. Urban poverty is somewhere between the better off and rural poverty, of which the later was given more attention due to their political significance. By the end of 2006, it was estimated that around 10 million low-income households with an average living floor space of less than 10 m² were jammed in Chinese cities, accounting for around 5.5% of the registered
households. In the 11th FYP adopted in 2006, it was stressed that China will stick to the principle of land conservancy, intensive development and reasonable planning so as to promote the urbanization progress actively and steadily. Urban agglomeration will be the main form of promoting urbanization. Areas with conditions to develop urban agglomeration shall reinforce consolidation and planning, focusing on mega-cities and large cities, exerting the functions of central cities, so as to build new urban agglomerations using a small amount of land resources, creating more job opportunities, gathering key production elements with a reasonable population distribution. China will speed up in removing institutional barriers preventing urban and rural integration of a healthy urbanization. In August, 2007, the State Council published ‘Several opinions on solving the housing difficulties of low-income families in urban area’ (PRC State Council, 2007) with a public housing funding of 7.7 Billion RMB, which was the largest public expenditure on social housing for decades. The policy was expanded in 2010 to cover groups that could neither afford housing in the market nor be qualified to apply for social housing. The total social housing funding flew from central government mounted to 129 Billion RMB by the end of the 11th FYP (2011). However, it only accounts for less than 10% of the money required for building 10 million social housing national wild. The social housing program was thus primarily funded by local governments, who also own the property rights of these buildings. The funding from Central Government was mainly distributed through the National Development and Reform Commission (NDRC) and the Department of Housing and Construction (DHC), which are also responsible for setting annual targets for local governments as well as supervising their progress. According to the targets published by the DHC in 2011, 10 million social housing that were going to be accomplished by the end of the 11th FYP, 40% are built for
relocatees; low-rent housing accounts for another 40% while the affordable housing makes up the rest 20%.

The social housing policies seemed to demonstrate the central government’s determination in adjusting the housing market and improving social equity. Yet, as is pointed out by Liu, et al. (2012), municipal government had consistently played a significant role in the urbanization and economic development in the post reform era. It was the local authorities that really facilitate the urban development and pushed up the land prices since the 1990s. By expropriating land resources and providing infrastructures through the planning system, the local authorities made dramatic progress in attracting investments and reimaging cities with modern buildings and advanced public infrastructures. The central government’s policy may yield passive response or even alternative strategies among local officials.

5.5.3 Social Regeneration and the Local Residents’ Committee (LRC)

In China the focus of current urban regeneration policies and practices has largely been put on physical regeneration projects while the social regeneration is comparatively neglected. Social programs are mainly delivered through the Local Residents’ Committees (LRC) in collaboration with various functional institutions targeting specific social aspects such as crime, employment and social welfare (Bureau of Labour and Social Security) and the provision of public goods and services (Sanitation Bureaus) etc.

The LRC, according to the current institutional setup in China, is the mandated basic institution of the Chinese political hierarchy (Xu, 2007). A LRC usually contains several core members who act as the interface
connecting the government and local people (Mok, 1988; Lu and Li, 2008; Lin and Ma, 2000) and is the delegate of the municipal government at the community level. In spite of its nominal status as a grassroots organization that should be operated by the local residents automatically, LRC has a long history of serving for the government and carrying out various urban administrative tasks allocated from top-down (Xu, 2007) and is the primary deliver of the government-sponsored public initiations (Derleth & Koldyk, 2004)

5.6 IMPLEMENTATION OF REGENERATION PROJECTS WITHIN THE PLANNING SYSTEM

5.6.1 The Framework of Legislations and Regulations

After the 1949, China quickly entered a period in which law was override by the power of the CCP, which firmly controlled the government and army. By the end of 1970s, there were only two codes of law— the P.R.C. Constitution and the P.R.C. Law of Marriage. The Great Leap Forward and the Cultural Revolution—a massive political purge initiated by Chairman Mao between the 1966 and 1976 had left China long term recession and sank the country in turmoil. Like Germany, China applies Civic Law system. As is show in Table 5.4, the laws and regulations can be categorized into three tiers:

<table>
<thead>
<tr>
<th>National Level</th>
<th>The P.R.C. Constitution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Laws</td>
<td>e.g. Criminal Law; Urban Planning Act.</td>
</tr>
<tr>
<td>Administrative laws and regulations</td>
<td>Administrative laws and regulations made by the China’s State Council.</td>
</tr>
<tr>
<td></td>
<td>e.g. China’s Petition Letter Regulation</td>
</tr>
</tbody>
</table>

Table 5.4: The hierarchy of Chinese law and regulations:
The P.R.C.’s Constitution and basic laws are passed by the People’s Congress and signed by the president. The constitution and the basic laws should not be violated by other legislations and regulations. The national administrative legislations and regulations are separately drafted by different departments of central government under the inspection of the State Council’s legislative office, which will produce a report. The draft together with the report will be handed over to the Prime Minister for the final decision. In January 2011, the ‘Property Acquisition and Compensation Act’ was promulgated, with an emphasis on procedural justice, protection of the property rights of citizens and ban on the ‘forced demolition’.

In China, the statutory planning—including the urban-rural system planning, master planning of city/town/country, regulatory planning and site plan, can only be produced by authorized institutions, of which, the majority are Quangos subordinated to either provincial or municipal planning bureaus. Currently the institutional reform stops at provincial level and the introduction of market mechanism within these institutions does not fundamentally change their relationship with the local planning administrative department. For them, planning making usually goes beyond a design contract and

<table>
<thead>
<tr>
<th>Level</th>
<th>Regulations Type</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial</td>
<td>Provincial regulations</td>
<td>e.g. The Provincial planning regulations.</td>
</tr>
<tr>
<td>Local</td>
<td>Local regulations</td>
<td>e.g. Local complementary planning regulations.</td>
</tr>
</tbody>
</table>
becomes a political task in which the government’s intention will be clearly reflected.

5.6.2 The Delivery Model of Regeneration projects in China

Currently urban regeneration projects are mainly delivered by the coalition of local authorities and private sectors. The local authorities’ statutory power enables them to acquire land use rights from the citizens, redefine the indicators of constructions on the land based on the regulatory planning, release land use rights to developers through auction or negotiation and control the development through detailed planning. Once the land use right is transferred, private developers will take the responsibility to make detailed plan for the project and submit it to the planning bureau of the local authority for approval. They are usually driven by the aim of maximizing the profits and shortening the development cycle. Negotiations between developers and local authorities happen during this process while local communities are excluded.

For planning institutions, local authorities are one of their major clients. They are usually commissioned by the government to produce statutory planning such as master plan and control planning, and non-statutory planning such as urban design. They are also commissioned by private developers to produce detailed planning. According to the China’s Town and Country Planning Act 2007, the public’s opinions should be taken into account when producing the statutory plans, yet for most of the time they can exert very little impact on the final outcomes.

Figure 5.3 shows how different types of regeneration projects in China are
delivered within the framework provided by the current land policies and planning system. The diagram also shows the main participants together with the roles they play in regeneration programs. The delivery model of historical area conservation programs is slightly different from that of the property-led ones in terms of funding sources, the key facilitators and final outcomes. Financial sources for this type of regeneration projects mainly consist of public funding and revenues generated from tourism. Without the involvement of private developers, local communities usually play a more significant role in formulating the regeneration strategy and implementing the program. With the majority of old buildings being retained and refurbished, the original physical environment will be conserved. Low relocation rates also enable the social fabrics to be preserved. However, when compared with the nationwide property-led regeneration surge, conservation related projects only account for a very tiny fraction.
Figure 5.3. The current delivery model of regeneration projects in China

5.6.3 Governments’ Control of Construction Activities

Within such a system, local governments control construction activities mainly through issuing planning permissions according to the Planning Act 2008:

‘Planning permissions should be issued by the government to constructions taking place within the city’s or town’s planning areas. Supplementary documents such as land use right certificate, detailed site planning proposals should be submitted. Planning permission will be issued by the planning administrative office under the condition that no violation is made against the regulatory plan and other related regulations.’ (Urban and Country Planning Act of the P.R.C 2008)
The ‘related regulations’ mainly refer to the National Building Fire Safety Regulations, Provincial Urban Planning Codes as well as Environmental, Transportation and Infrastructure Provision plans and regulations.

For the implementation of construction/reconstruction activities, there are two key documents required before the start of a construction:

1. Permission Notes for Location (PNL) (which is only required by constructions on allocated land);
2. Land Use Planning Permit (LUPP)
3. Building Permit (BP)

The procedure of obtaining of these documents can be seen from Table 5.5 to Table 5.7:
Table 5.5: Procedure of getting the PNL

1. The developers submit documents [1] for the application of the PNL to the planning administrative office.

2. If the application is not approved, a written report will be given.

3. The Report for Location Assessment should be accomplished by qualified institutions.

4. The PNL will be issued under the condition that the application meets all criteria. The boundaries of the planned area and design codes will be addressed in the PNL.

5. The PNL will serve as the key guidelines for the detailed design in later stages; The PNL will also serve as the evident basis for the assessment of the project by other administrative offices.

[1] The documents include: application form, approved project proposal, related documents and maps (according to the requirement of the local planning bureau); for middle and large projects, the report for location assessment is required.
Table 5.6: Procedure of getting the LUPP

[1] The documents here refer to the PNL, the master plan of the site (map and documents) and other related documents.

The developers submit documents[1] for the application of the LUP to the planning administrative office.

Documents will be examined by the planning administrative office. Opinions from other administrative departments such as Environment, Transport, Historical conservation and Firefighting.

The LUPP be issued by the planning administrative office.

The developers use the LUPP to apply the Land Use Planning Permit [2] from the land administrative department.

[2] In China the Land Use Permit is issued by the land administrative department — a separate department managing the land within the jurisdictional boundary of the municipal government. According to the law, the land use right in China lasts for 70 years from the moment it is obtained.
Bargains and compromises between the government and the developers usually happen in the process of obtaining these permissions, if not to mention the corruptions accompanied. For developers, the exterior designs of the buildings are subordinate to maximizing the floor area ratio through
design. To avoid censorship from the upper level administrative offices as well as complains or even lawsuit from the local residents, the inspectors in planning bureau are quite sensitive to a series parameter such as the building heights, the floor space ration, the sunlight time calculation\textsuperscript{11} as well as the commercial/residential floor ratio.

5.7 PUBLIC PARTICIPATION IN REGENERATION PROJECTS

5.7.1 The Evolution of Public Participation in China

The appearance of public participation in China can be traced back to the ‘tenant movement’ in Shanghai in the late Qing dynasty (around 1910s) with primarily economic demands (Zhang, S., 2010). The major participants consist of small retailers and individuals with relatively high social status. The movement was backed by local celebrities, organizations as well as commercial unions in the form of public declarations and donations. The attitude of the municipal government was that both sides should negotiate peacefully and priority should be given to maintaining the harmony.

\textsuperscript{11}The sunlight time calculation is widely used by Chinese planning administrative system to make sure the newly built/old builds can receive the minimum direct sun light during winter. For new development projects with high density, the master plan of the site is usually determined by the result of the calculation.
According to Zhang (2010), due to the various backgrounds of participants, negative news emerged after the initiation of the movements, rumours spread among the tenants that the local authorities had allowed them to cut back their rents if no agreements can be reached. Some opportunists even collected money from retailers in the name of ‘supporting the movement’. The detention of one activist has eventually ignited a large-scale strike by small retailers, although some of the shopkeepers close their doors unwillingly but was threatened to do so by proactive union members. To eliminate the turmoil, the municipal government reacted swiftly and various measures were taken, such as making a series of criteria on the rents, sending high level officers to convince the shopkeepers to re-open the door and releasing the former detained activist while arrested some key numbers that attempted to get illegal profit from the chaos. The representatives, leaders of organizations and celebrities were called for a meeting later by the local authority and eventually compromised (Zhang and Chin, 2002).

There was a tradition for Chinese people to gather together and resist the government’s decisions when they get a sense of unfairness. In the 1920s’ Shanghai, merchants on the same street united to resist unreasonable taxes as well as to protect their legal rights against the authority. This road-based chamber of commerce can be seen as an alternative to the larger one, which from small retailers’ point of view, is manipulated by the authority as well as big players. Representatives were publicly elected and small fees were collected for maintaining the daily operation of these organizations. Nanjing Road Chamber of Commerce was such an organization with great influence. According to Peng (2009), the committee was well organized and played an important role in mediating the disputes not only between employers and employees but also between authorities and the individual retailers. Moreover,
it contributed to managing and maintaining public facilities and supporting the civic right movements. This can be seen as the prototype of an alternative strategy in reaction to the lack of formal venue for citizen participation in decision making relating to their benefits. One the one hand, according to Sun (2007), the tenants within such a union are tied by the same interest, e.g. the economic demanding, rather than by consistent identification of a community. It is partly due to the fact that the majority of the participants in such movement were rootless migrants. On the other hand, the Nanjing National Government at that time intended to share the bonus of the rising rent to finance the upcoming wars in North China known as Northern Expedition\textsuperscript{12}. To some extent, the movements was also a reflection of the social class struggle, in which landlords and property owners usually serve as the target to the proletariat. The shaping of current political system as well as some mobilizing models used by the Chinese Communist Party can indeed be traced back to the period between 1937 and 1949 when China experienced two nationwide wars. One was against the Japanese's invasion from 1937 to 1945, the other was the civil war led the China’s Communist Party and the Kuomintang (Chinese Nationalist Party) between 1947 and 1949.

After the civil war, China’s was facing a severe housing shortage. In consistent with the socialist ideology and limited policy choices, the

\textsuperscript{12} A military campaign led by the Kuomintang (KMT) from 1926 to 1928.
government emulated the Soviet Union’s planned economic system to reduce the financial deficit, promote industry production and supply the way for establishment of a welfare housing system. The core of the economic policy, according to Rowe (2005, p.109) was to expand the reproduction of the means of primary production, i.e. primary industry, and to avoid rivalry from non-productive urbanization, i.e., housing, for scarce resource and the Work Units emerged under such a background, which was usually relatively large and highly mixed-used environment, incorporating production centres, living quarters, social services, leisure activities and easy access to daily and occasional shopping facilities. It is geologically a large community where people are relatively familiar with each other thanks to the social bonds established by their working positions in the first place.

Since 1978, the dominant ideology has been gradually shifted from class struggle to socialist modernization, followed in 1984 by a planned market economy and in the 1990s by a fully-fledged socialist economy, commercialization of housing, as a commodity and not as a welfare good, substantially loosened the hold on housing by work-unit communities. Yet the political system inherited from Chairman Mao has not been changed profoundly. It was this political system, according to Ferguson (2012a), that facilitated the past 30 years’ high economic growth on the Mainland. However, as is mentioned by Rowe (2005, p.30), civil society has remained weak in its lasting impact on political landscapes, and business and political arrangements have remained diffuse and murky in China, which is different from its western counterparts such as Europe and the US where his local participatory process is routinely available and have had such a salutary effect on many public and private urban proposals. Li and Liang (2011) argued that the current public participation practices in China are facing three
major obstacles:

(1) The public lack awareness towards public participation and are indifferent about political issues.

(2) The public lacks the necessary ability, including information, educational level as well perspective required by decision make.

(3) The public participation in China lacks efficient organizational support, which can be further divided into three levels. Among the top is the fuzzy regulations on public participation and the discretion power hold by local governors that decide when and how the public can participate. Meanwhile, representatives usually lack legitimacy, as in many cases they are appointed by the organizers. The third level is that the participants are usually not well organized or the organizations are actually a branch of the government.

5.7.2 The Legislations for Public Participation

The Town and Country Planning Act 2008 of the PRC established the framework for public participation, as is shown in Table 5.7 and 5.8:

Table 5.7: The legislation framework for public participation

<table>
<thead>
<tr>
<th>Principles</th>
<th>26. Before the submission of town and country planning, the organizers should inform the public about the content of the draft planning.</th>
</tr>
</thead>
<tbody>
<tr>
<td>43. …… Planning administrative department of city and town government is required to inform the land and resources department of the same level as well as inform the public.</td>
<td></td>
</tr>
<tr>
<td>8. The organizer of planning making is required to publish the approved planning promptly.</td>
<td></td>
</tr>
<tr>
<td>The citizens' rights to know</td>
<td>40. planning administrative departments of city and town government is required publish the approved site plan and the master plan of approved projects.</td>
</tr>
<tr>
<td>9. Any organizations and individuals …… have the rights to enquire the planning administrative department about the legitimacy of construction projects relating to their immediate interests.</td>
<td></td>
</tr>
<tr>
<td>54. The outcomes of censorship and supervision should be published to enable the supervision and scrutiny from the public.</td>
<td></td>
</tr>
<tr>
<td>48. The change of regulatory plan …… should consult with the individuals and organizations whose interest are involved.</td>
<td></td>
</tr>
<tr>
<td>50. The change of site plan and master plan of construction projects …… should consult with the individuals and organizations whose interest are involved.</td>
<td></td>
</tr>
<tr>
<td>Venue for the public to express their ideas</td>
<td>9. Organizations and individuals have the rights to report and complain activities violate the town and country planning. The urban planning as well as other related administrative department should accept, inspect and deal with the issues promptly.</td>
</tr>
<tr>
<td>26. Public hearings or other forms of public participation should be organized before the submission of town and country planning.</td>
<td></td>
</tr>
<tr>
<td>46. Public hearings or other forms of public participation should be organized before making or modifying the provincial urban system planning, urban and township master plan.</td>
<td></td>
</tr>
<tr>
<td>50. Public hearings or other forms of public participation should be organized before the change of site plan and master plan of construction projects.</td>
<td></td>
</tr>
<tr>
<td>Emphasizing on the significance of public will in planning making</td>
<td>16. Opinions collected from various venues (People’s congress, professionals, public) together with the solutions should be submitted together with the provincial urban system planning, urban and township master plan.</td>
</tr>
<tr>
<td>26. The suggestions and opinions from experts should be considered seriously and related solutions as well as reasons need to be declared in the submitted materials.</td>
<td></td>
</tr>
<tr>
<td>22. The village planning should be discussed and approved by the village council or villagers’ congress before submission.</td>
<td></td>
</tr>
<tr>
<td>Violations, rules and legal responsibilities</td>
<td>58. The upper level government has the right to supervise and regulate the making, modifying and submission of planning organized by its subordinate government. Any actions</td>
</tr>
<tr>
<td></td>
<td>violating the procedure or law will be looked into and the leading personal shell be held responsibility.</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>60.</td>
<td>If any of the listed conditions is found in the township government or above, the government, the administrative department from the up level government and the supervisory authority have the rights command it to be amended, and the leading personal shell be held responsibility.</td>
</tr>
<tr>
<td></td>
<td>(4) Failed to publish the approved site plan and construction master plan.</td>
</tr>
<tr>
<td></td>
<td>(5) Approving modifying the detailed plan, site plan or construction master plan without consulting the stake holders.</td>
</tr>
<tr>
<td></td>
<td>(6) Acquiescing constructing activities without planning permissions.</td>
</tr>
</tbody>
</table>

Sun and Yin (2008)

Table 5.8: The Articles in relation to Public Participation

| The 18th Article: ‘The making of country planning should be made according to the local situation and follow the local residents’ willingness….’ |
| The 22th Article: ‘The country planning should be approved by the villagers or their delegates collectively before been submitted to the upper level government’. |
| The 26th Article: ‘Before the submission, a 30 days’ planning publicity is necessary. Public hearing, discussions as well as other measures should be taken by the planning making institution to collect public opinions. Together with the planning, a report on the adoption/reject of these suggestions should be attached to explain the reasons to the upper level administrative departments.’ |
| The 27th Article: ‘Experts as well as related administrative departments should be organized to provide opinions before the approval of provincial strategic planning as well as the master planning of cities and towns.’ |
| The 28th Article: ‘The implementation of planning should take full consideration of the local economic development level and respect the citizens’ willingness. The implementation procedure should be well planned
Theoretically the democratic political system can provide a legal framework for protecting the people’s civic rights to participation (Angle 2005). Yet in China, the ‘government-to-legislature’ relationship is ‘a division of Labour rather than separation of power’ (Cho, 2002, p.729). In such a political system, judges subordinate to the party leaders, which makes it extremely difficult for local people to seek legal protections illegal activities are conducted by the government.

At local level, regulations are approved by provincial or municipal People’s Congresses and only functions within the provincial/municipal government’s jurisdictional area. For particular development scheme, the most frequently referenced are local regulations, which are approved by the provincial or municipal People’s Congress and are only applicable to the provincial/municipal government’s jurisdictional area. As a complementary part, municipal government are empowered with a considerable degree of freedom in explaining the local regulations.

5.7.3 Major Forms and Venues for Public Participation

5.7.3.1 Public Hearing

Currently public hearing is the major form of public participation in China’s urban regeneration programs. Wang, Dong and Li (2009) classified public hearing into two categories: (1) Formal public hearing (trail type hearings). In this type of public hearing, the administration has to provide stakeholders...
with opportunities to show their evidence in approving or objecting the
decisions and chances for face-to-face questioning. The final decisions will
be made based on the records of hearings. (2) Informal public hearings
(reference-type hearings), in which the public’s opinion only serves as a
reference for the decision makers. The informal public hearings also appears
in other forms such as public inform, questioners and focus groups. Through
examining 31 Chinese major cities, they found that in 18 cities, of which the
majority are in the middle and west part of China, public hearings are not
formally introduced for the urban planning decision making process.

5.7.3.2 The People's Congress

As an essential part of the political system of the People’s Republic of China,
the People’s Congress serves as the ‘watch dog’ of public interests and has a
variety of power in terms of enquiring and supervising the government’s
decisions according to the constitution. Yan and Cheng (2011) discussed the
legislative paradox in the case that in the ‘Jiangsu provincial Town and
country planning Regulations’ the People’s Congress is empowered to
censor the site plan. Whereas approving site plan is an administrative action
that is directly related to individual interests of citizens. Once the People’s
Congress hold this power, citizens that disagree with the decisions cannot
appeal through legal procedures, since according to the PRC’s constitution,
the court has no right to investigate decisions made by the People’s
Congress. This is very different from the separation of the
executive, legislative and judicial powers in western countries.
5.7.3.3 Medias and the Internet

Li and Liang (2011) mentioned the significances of media as an instrument as well as venue for public participation. In China, due to the firm control and relatively strict censorship on publications from the government, local media’s function as venues for expressing public voices are actually undermined, especially when encountering sensitive topics that are thought to be potential risks for the social ‘harmony’.

5.8 CONCLUSION

In the first part of this chapter, the major features of China are depicted. It then gives a review to the evolution of urban and regeneration policies in the country since 1949. The prevailing patterns of urban regeneration programmes are also introduced and the delivery of physical regeneration programs within the current institutional setup is examined and the major features of public participation in China’s urban regeneration programs are also introduced. The major focus was to examine how the structural factors, such as the land and property ownership, the urban development strategies, the provision and demand of housing and the relationship between central and local government, influence China’s inner city regeneration policies and practices.

The state ownership of urban land distinguishes China’s urban development model from that in other developed countries. China’ history as a socialist country with a predominant left-leaning ideology before the 1970s paved the way for the nationalisation of urban land in 1982, as strong anti-capitalism movements during the 1950s and the Cultural Revolution (1960s-1970s)
deterred people from claiming individual property rights. Such a post-socialism feature enables Chinese municipalities to monopolize the provision of land for constructions and to extract great economic interests from the circulation of urban land. Chinese government indeed became one of the most important beneficiaries of recent urban development and physical regeneration programs in China.

China’s cities are unevenly developed. Before the 1980s, the national distribution of resources through the planned economic system had a significant impact on the urban development of Chinese cities. Many inner land cities benefited from Mao’s Three Line Strategy and became the major receptors of national investment while east coast cities suffered from underinvestment for their vulnerability to airstrike if a war happens. Yet the situation reversed since the 1980s, as many East Chinese cities became the major beneficiaries of the FDI. Since the 1990s, the Government’s attitude towards large cities has also changed dramatically from negative to supportive as large cities were seen as important engines for regional economic growth.

Over the past half century, it has also seen significant changes in the migration and housing policies in China. The FDI increased the demand for labour forces in eastern Chinese cities and the tight control on population movement during the socialism era was accordingly loosened. China’s housing market was opened up in the 1990s, since then the state gradually retreated from the provision of houses. However, the ‘Hukou’ system created during the socialism era was retained and is still playing an important role in connecting property ownership with migrants’ access to social securities and public services. The decentralization of fiscal power in China became an
important incentive for local governors to encourage the urbanization, which
does not only contribute to the local economic growth but also generates
huge incomes for municipalities.

The factors listed above together shape the unique features of Chinese inner
city regeneration policies and practices. The state ownership of urban land
and the strong desire for developing local economy with highly decentralized
power make municipalities one of the major facilitators and beneficiaries of
inner city regeneration programs. The massive migrant population and the
strong demand for residential properties in Chinese cities make property-led
regeneration as one of the prevailing regeneration models.

The urbanization and regeneration process in China, however, has never
been smooth. The Chinese municipalities’ aggressive involvement in the
circulation of urban land and its authoritarian features leave little space for
local people to express their interests, not to mention to bargain with the
government in an equal position.
CHAPTER 6 THE LIVERPOOL CASE

6.1 THE HISTORY OF LIVERPOOL CITY

Liverpool locates in the Northwest England, as is shown in Figure 6.1. Over the past 200 years, Liverpool had experienced both extreme prosperity and decline. Between the 18th and early 20th century (Wilks-Heeg, 2003) the city rose as a prominent global trade center (Belchem, 2006). The scale of the city had expanded dramatically and it has also seen a plethora of the provision of public infrastructures such as the world’s first intercity railway, massive housing stock, large public parks and sanitation (Skyes, et al., 2013). Yet over the past half century, shrinkage was one of the major features of Liverpool (Coach and Cocks, 2012). With the change of external economic environment led by the globalization, containerization and Britain’s emphasis on the importance of the continental European market, the significance of the port in Liverpool was greatly undermined (Couch, 2003). Moreover, Britain’s deindustrialization since the 1970s made the city region together with its Lancashire hinterland ‘a rust-belt of vacant cotton mills, declining coal fields and stagnant canals’ (Sykes, et al, 2013, p. 310), which was accompanied by a great loss of population. Liverpool and the city region had experienced a dramatic transition towards decline since the 1970s. After peaking at around 800,000 at the middle of 1930s, the population in Liverpool consistently shrank, and in 2011 the figure was only 466,415 (Bartlett, 2012). The dramatic loss of population resulted in widespread derelictions and many neighborhoods in Liverpool suffered from high unemployment rates and the associated social problems such as drugs, crimes, and riots (Lane, 1978; Couch, 2003). According to the Census 1991, the unemployment rate in
Liverpool was as high as 21.6% in 1971.

Figure 6.1 The geographical location of Liverpool in the UK

Source: Sykes, et al., 2013, pp. 301

In the 1960s the overoptimistic attitude regarding the future economic and population growth in Liverpool led to wrong policy reactions and ‘the
energetic adoption of comprehensive area clearance and redevelopment policies had made things even worse’ (Sykes, et al., 2013, p. 310). The central-local relation went sour in the 1980s when the militant Liverpool council disagreed with the severe budget cuts from the Thatcher government and chose confrontation rather than cooperation (Parkinson, 1985; Frost and North, 2013). Parkinson and Bianchini (1993) argued that the Liverpool municipality’s fight against central government for more resources cost opportunities for revitalizing the city. The confrontation did not only affect the inflow of public funding streams, but also deterred investments from private sectors. As is argued by Frost and North (2013, p.27): ‘Liverpool in the early 1980s suffered from a triple crisis: an economic crisis in common with the rest of the country that saw manufacturing and port employment decimated; a geographical crisis that left a largely derelict city marooned on the wrong side of the country; and a political crisis as the city's leaders failed to raise to these challenges’.

Real progress in revitalizing Liverpool has been made since the late 1990s, when the city had a Liberal Democratic municipal government that was more willing to cooperate with central government in providing a business-friendly environment. Various funding streams such as the Single Regeneration Budget (SRB), the Housing Market Renewal Initiatives (HMRI) and the New Deal for Community (NDC) were channelled in. Additionally, Liverpool’s successful bid for the 2008 European Cultural Capital helped to attract regeneration funding from both public and private sectors to initiate a range of revitalization projects in the waterfront area (Jones and Wilks-Heeg, 2004), such as the new Liverpool Museum, the Tate Gallery, the International Slavery Museum and the privately funded Beatles museum. With the help of the EU Objective One funding and investment from private sectors, a new
commercial complex - the Liverpool One was built in the city centre (Shrples and Stonard, 2008).

In spite of the numerous regeneration initiatives and the positive changes they brought to Liverpool, the city is still facing great challenges. A study conducted by the Centre for Cities (2012) comparing the 64 primary British urban areas showed that ‘Liverpool was still the most deprived borough in England and… spatially concentrated deprivation is among the most acute in the UK in Liverpool’s central, northern and peripheral residential districts’ (quoted from Sykes, et al., 2013, pp. 300). This can be explained from two perspectives. Firstly, over the past three decades, the economic basis of Liverpool has undergone restructuring. Between 1998 and 2007, two sectors became the major contributors for the employment growth in Liverpool: 1) the financial services and 2) the public administration, education and health services, with a growth rate of 47.1% and 25.7% respectively. Yet dramatic decline happened in the manufacturing sector, offering only 5.7% jobs by 2007, in contrast with over 60% jobs in the former two sectors (Pion Economic, 2006, p.7, quoted from Couch, et al, 2009, p. 327). Old neighbourhoods with a higher concentration of ‘working class’ residents who generally lack the skills needed in the fast growing sectors therefore shared little benefits from the growth of the city (Allen, 2008). Secondly, the national housing policies also had a great impact on Liverpool. There are many pre-1919 terraced houses locating in the surrounding areas of the city centre, which were built to accommodate dockers. In the 1970s and 80s, the boom of social housing was triggered by the ‘right to buy’ program. It has seen major funding streams coming from central government in helping social housing associations to acquire and refurbish these old properties and then let them out to social tenants. Yet public subsidies for refurbishing old properties
shrunk since the late 1990s while the design and quality of the terraced properties became obsolete and were less attractive to middle class people, who would flee from the city centre and live in suburbs and it has therefore seen a doughnut-shaped deprived area lying in between the city centre and the affluent suburban areas (Nevin and Lee, 2003; Couch, et al., 2009)

Since the early 2000s, a number of Area Based Initiatives (ABIs) such as the New Deal for Community (NDC) and the Housing Market Renewal Initiatives (HMRI) had been implemented to help address problems faced by particular deprived areas in Liverpool. After a decade, the funding streams for the majority of these initiatives ceased and a closer examination on how the targeted neighbourhoods were affected is necessary, especially when considering the fact that many neighbourhoods in Liverpool are still in deprivation (Centre for Cities, 2012).

6.2 THE LOCATION OF THE KENSINGTON REGENERATION AREA AND THE BOUNDARIES OF THE ABIs

Regeneration practices in Kensington can serve as a typical case for understanding how the ABIs were implemented on the ground and how they affected the targeted neighborhoods. As one of the most deprived areas in the UK, the Kensington Regeneration area (Figure 6.1) had received funding from both the NDC and the HMRI programs since the early 2000s, yet after a decade’s regeneration practices, the area (Kensington and Fairfield Ward) still ranks the third most deprived ward in Liverpool and the top 5% most deprived wards in the UK (Liverpool City Council, 2011).
The Kensington regeneration area situates immediately east of Liverpool city centre, as is shown in Figure 6.2.
In 1998 five neighbourhoods, which were respectively Kensington Fields, Holt Road, Holly Road, part of Fairfield and Edge Hill, together won the NDC status, the boundary of the Kensington NDC area is shown in Figure 6.3.
In 2002, Liverpool was selected as one of the nine Pathfinders of the Housing Market Renewal Initiatives (HMRI) by New Labour aiming at bridging the gap between the housing prices in the selected areas and that of the overall region, which was primarily realized through demolishing the existing terraced houses and replacing them with new residential properties. Within the city, four Zones of Opportunity\textsuperscript{13} were identified, 

\textsuperscript{13}A defined area with the most acute problems of social and economic deprivation, physical decay and dysfunctional housing markets, and most in need of action and investment.
which were respectively: City Centre North, City Centre South, Wavertree and Stanley Park, as is shown in Figure 6.4:

Figure 6.4: the four designated Opportunity Zones in Liverpool


Within the four Opportunity Zones, seven Renewal Areas were designated and Kensington was one of them, locating in the Wavertree Zone, where it was planned to build ‘531 new homes and 40,000 square feet of new commercial floor space with the potential to generate up to 2,000 new jobs’ (Liverpool City Council, 2004). The Kensington Renewal Area was the
largest one among the seven Renewal Areas for the population it has and the area it covers. The project was designated in 2004 and was planned to be a 10-year-long programme. However, it was ceased in 2010 after the coalition government came into power. The boundary of the designated Kensington Housing Market Renewal Initiative (KHMRI) area is shown in Figure 6.5:

Figure 6.5: The designated Kensington Renewal Area

As can be seen from Figure 6.3 and Figure 6.5, the boundaries of the KNDC and the KHMRI programs were largely overlapped.
6.3 THE PROFILE OF THE ABIs IN KENSINGTON

6.3.1 The KNDC

6.3.1.1 The KNDC Program and the Rationale

The KNDC was announced in 1998, when the area was amongst the 1% most deprived wards in England if measured by the Index of Multiple Deprivation (IMD) (Russell, et al., 2009). The regeneration area consisted of 4,200 households and 5,050 homes, most of which were pre-1914 residential buildings (EIUA, 2010). The properties were in a mixed ownership: 40% owner occupation, 30% Registered Social Landlords (RSLs), 20% privately rented and the rest of the 10% was owned by the Local Authority (Russell, et al., 2009, p.5)

At the beginning of the KNDC program, the area was facing a number of challenges. Firstly, the Kensington Regeneration area is situated on the edge of the Liverpool City Centre and was a major gateway into the city, yet it had a derelict physical environment and a large number of old housing stock that were not properly maintained and could not attract affluent buyers in the housing market; Secondly, long-term unemployment rates in the area was high and lacking necessary skills and proper education continuously kept many local people from undertaking a job; Thirdly, the area had high levels of crime and drug & alcohol dependency, which had a detrimental impact on its reputation and led to underperformance of the local housing market; Additionally, high level of turnover and vacancy rates continuously attract disadvantaged people coming into the area and at the same time it has seen a significant outflow of population with higher affordability during the 1980s
and 1990s, which makes the area in a cycle of decline (Nevin, 2010; Russell, et al., 2009). Apart from the fact that previously little public funding was allocated to help tackle problems faced by the area, there were also political reasons for selecting Kensington rather than other deprived neighbourhoods in Liverpool, as from 1998 Liverpool City Council (LCC) was led by the Liberal Democrats, who enjoyed a strong support from Kensington.

Another special feature of the KNDC program was its emphasis on public participation. It was realized through the establishment of the partnership that was in charge of the delivery of the regeneration programme. As a response to the lack of community involvement in the previous British ABIs initiated between the 1960s and the 1990s, the NDC partnership was to bring all parts together for the consensus building and to enable power-sharing in regeneration programs. According to detailed guidance given in *Involving Communities in Urban and Rural Regeneration: A Guide for Practitioners* (DETR, 1997), partnerships were assumed not only to be the interface connecting central government and local people but also the major facilitator of regeneration projects at the community level and there is a strong connection between the performance of individual NDC partnership and the outcomes of the regeneration initiatives. As the accountable body, NDC partnerships enjoy a considerable freedom in selecting and implementing public funded regeneration projects.

The KNDC formally started in 2001 and over its 10 years’ life span central government had distributed a grant of £62 million, which was the largest amount of the NDC funding received by the 39 NDC areas. Funding from the municipal government and private sectors were also levered in to make improvements in five outcome areas, which were respectively housing and
physical environment, unemployment, crime, health and education.

6.3.1.2 The Operation of the KNDC Programme

One of the key dimensions of the NDC program was to enhance the local co-ordination and realize greater community empowerment. The KNDC program was delivered by the Kensington Regeneration (KR) - a partnership that was founded in 2001 with a coordinative board initially consisted of 20 board members, of which 10 were elected local residents, 3 were private sector representatives and 7 were from the following agencies: police, health service, employment service, local authority, RSLs and Black and Racial Minority communities (Couch and Cocks, 2012). Liverpool City Council (LCC) was designated as the accountable body of the KR, with a responsibility of checking that appropriate systems are in place for financial probity; project appraisal and approval and processing the receipt and expenditure of NDC funding and support KR in delivering its program. And there were some major agencies involved in the delivery of the regeneration programme, including: Community 714, Liverpool Vision15 and Bellway Homes16. The KR was responsible for managing and delivering the

14 A community-based housing association; set up as a subsidiary of Riverside Housing, which had been the largest landlord in the area.

15 The first Urban Regeneration Company in the UK, in charge of leading delivering public infrastructure development and investment projects.

16 A private developer that was appointed as developer for the Wavertree Zone from 2005.
program in accordance with the NDC guidance and the delivery plan; ensuring proper administrative systems were in place; appraising, approving and monitoring projects; making arrangements with delivery agents and securing best value for money in purchasing goods and services (Russell, et al., 2009, p.75). According to the arrangement of the partnership, the decision-making rights were finally allocated to a small group of people - the Kensington Regeneration (KR) board, while the rest of the communities were delegated by the board members. The composition of the board was later slightly changed. In 2008, the KR board contained 29 board members, including 2 representatives from each of the five areas; 2 nominees of the Parks Community Forum; 3 private sector representatives selected by the invitation of the chair with the endorsement of the board (Hand picked); 2 elected members from the Partnership’s Accountable Body; 2 for minority groups; and 1 for each of the public institutions; nearly 2/3 of the board members were local residents (KNDC Annual Report, 2008).

Many of the social programs were initiated following a bottom-up model. To get the KNDC funding, the organization has to demonstrate how their contributions to the community are in line with what the decision makers want to see in the area. As is put by one of the interviewees:

‘Kensington Regeneration’ spoke to the community about what kind of improvement they want to see in the area, and then organizations and projects are created to apply for funding, so that Kensington Regeneration could deliver their needs’. (Alicia, Local resident who opposed the HMRI, interviewed in 2013)
The concept for one of the social regeneration programs was to give out internet-ready computers for free to community members in Kensington so the digital divide would be bridged. People in the local area were poor and they could not afford the equipment, which at that time were quite expensive. (Alicia, Local resident who opposed the HMRI, interviewed in 2013)

6.3.1.3 Progress made by the KNDC

According to Russell, et al. (2009), from 2000 to 2009, the overall spending of the KNDC program was £80.8m, of which £55m came from the NDC funding, £24.2m from the municipal government and the rest £1.6m from private and voluntary sectors. Social regeneration was one of the most important parts of the overall regeneration strategy. The total spending on social regeneration programs accounted for 56%. The expenditures on each of the social regeneration themes were respectively: £12.8m on Crime and Community safety (of which £3.8m was NDC funding), accounting for 16%; £8.5m on Education and Learning (of which £6.2m was NDC funding), accounting for 11%; £8.5m on Health (£2.1m was NDC funding), accounting for 11%; £8.2m on Employment and Business (£5.6m was NDC funding), accounting for 10% and £7.3m on Community and Cooperate (£6.3m was NDC funding), accounting for 9%. Since the municipal government took a major responsibility for the Crime and Community safety and Health, the proportion of NDC funding invested in the two areas was comparatively small.

A number of social programs in relation to each of the thematic areas were funded. For instance, the Kensington Community Learning Centre (KCLC) was established to improve local people’s computer skills; the Health Energy
Advice Team (HEAT) that was established to provide local residents who are tracked in poverty with advices and support covering a range of themes such as domestic violence, drug and alcohol abuse and accessing to training and employment, etc.; the Youth inclusion Project that works with around 60 youngsters identified by the police; the Kensington Crime Alert Project in helping small retailers reporting offending behaviours etc.

Additionally, the NDC funding was also used to provide a number of facilities such as a Sports Centre, the Kensington Campus where Kensington Infant and Junior Schools and the Life Bank are located on. The KNDC was one of the major supporters in getting a secondary school for the area on the edge of Newsham Park, which was a joint Catholic and Local Community school. Some of the existing projects also received funding from the KNDC. Over the 10 years, a number of social projects were supported by the KNDC partnership using the NDC funding to help local residents. As one of the scholars put it:

‘They brought some very good new facilities into the area…some good work in relation to community cohesion…. some of the staff members of the team did quite a lot of work to bring different social groups together…they have multi culture things…before that, no body was trying to do some works to maintain decent relationships across the community…it has been a racial mixed area …they were helping them develop their own support networks, within the group…they have some nice little environmental projects, refurbishment of gardens…good work with the schools…local people on board did particularly want pursue education as a dimension, later on, they thought it was one of the best projects…a lot of work with local primary schools…the KNDC work with
the Philharmonic Orchestra, to invite the Orchestra going into the school and then those children were actually performing in the Philharmonic hall and their parents were going who’d never across the door before. That kind of discovering talents is hugely important’ (Hillary, Scholar, Interviewed in 2014)

‘…it had an impact on a lot of areas and made a big multiple impact on all those folks…it laid the foundation for the community with the better capacity’ (Tom, Professional who supported the Regeneration programs, Interviewed in 2014)

‘The big success of Kensington Regeneration was the work on community cohesion over ten year period, the work they did with educational bursaries was a huge success…’ (Nik, Politician against the KNDC, Interviewed in 2013)

6.3.1.4 The Previous Evaluation of the KNDC Program

The NDC ended in 2011 and some of the researchers (Beatty, et al., 2011) suggested that ‘when compared with benchmark data, there is only modest net change for NDC areas and their residents, much of which reflects improving attitudes towards the area, rather than for the people-related outcomes of health, education and unemployment…community engagement raped fewer benefits, and proved more problematic…’ (Lawless, 2012, p.313) Indicators show moderate improvements in the five outcome areas in the KNDC area (Russell, et al., 2009): in 2008 43% of the local people were in paid work while the figure was 35% in 2002; the unemployment in Kensington moved from 72% higher than the city average in 2002 to 60% higher in 2008;
the proportion of people suffering from work limiting illness decreased from 19.3% to 17.3%; for house burglaries, the rate dropped from 73% higher than the city average in 2000 to 21.4% higher in 2006/07. Additionally, the last decade has also seen a significant demographic change in the area. In 2000, non-white groups accounts for only 5% of the total population living in Kensington, the figure had risen to 28% in 2009, of which the Irish and other white background accounts for 9%, Asian or Asian British accounts for 5%, Black or Black British accounts for 5%, and Chinese or other ethnic groups accounts for 3%. It has also seen an inflated housing price in the area, thanks to the recovery of housing market before 2008. However, the percentage of respondents who felt unable to influence decisions affecting their area rose from 66% to 75%.

There were some readings regarding the underperformance of the NDC program in bringing changes to the targeted communities in previous studies. Firstly, although the NDC provided around £50m funding for each of the 39 NDC areas over the ten years, the expenditure per capita per year was only around £580 (Lawless, et al., 2010), which was too small to bring immediate changes to the communities that have been deprived for decades (Beatty, 2010). Secondly, setting up partnerships and making them operate smoothly were proved to be extremely time-consuming (Lawless, et al., 2010) and the first few years of the program has seen a considerable proportion of time been spent on issues such as staff recruiting, learning and debating (Lawless, et al., 2010; Russell, et al., 2009). Secondly, it was argued by some scholars (Hull, 2006; Russell, et al., 2009) that delivering projects and spending the NDC budgets became the priority for the partnerships and ‘annual budgeting rounds dominated activity, not evidence-based assessments as to how outcome change could be achieved’ (Lawless, et.al., 2010, pp. 265).
Moreover, it was believed that central government had a comparatively firm control over the local partnerships in deciding the types of regeneration initiatives that can get access to the funding and the ‘NDC program became a mechanism for delivering a series of mainstream projects within broad expected outcomes defined by central government’ (Beatty, et al., 2010).

According to some of the scholars (Wright, et al., 2006; Russell, et al., 2009; Lawless, et al., 2012;), the public participation model adopted in the NDC programs faced a number of challenges. Firstly, communities need capacities to lead the regeneration program, which requires time and practices to be built. Secondly, there were mistrusts existing between local people and the public sectors and, sometimes, among different community groups. Thirdly, the representatives that involved in the regeneration board sometimes only represent minority views or those specific interest groups. Moreover, in some cases it is the public funding rather than wider goals that attract people to participate.

6.3.2 THE KHMRI

6.3.2.1 The Delivery of the KHMRI

Between 2002 and 2008 the nine Housing Market Renewal pathfinder areas had received a funding of £1.2 billion in total, in the following 3 years a further £1 billion was channelled in. The HMRI didn’t last for 15 years as it was initially planned and the funding for the program was ceased in 2010 with the coalition came into power. The KHMRI project was delivered by a four-way partnership including central government, the municipal government, social landlords and private developers. The Government as the major provider of
funding owned the rights to appropriate all the selected HMR areas while the city council was local accountable body. The delivery of the project was looked after by the Strategic Housing Authorities, within each of them there was a major social housing provider and a private housing provider. In the Edge Hill case the social landlord was the Community 7 while the private developer was the Bellway, Co., Ltd. The Government provided funding for the property acquisition and demolition while Liverpool City Council supervised the property expropriation, demolition and held ‘the primary responsibility for all aspects of the programme concerned with transformational redevelopment’ (Liverpool City Council, 2004). Community 7, as the largest stakeholder in the area owning around 350 dwellings, was one of the most important players in the program. Indeed to reduce the expenditures on maintaining the old housing stock, Community 7 gave away around two thirds of its property ownership in the area in return for around 100 newly built properties. And the land acquired using the public money was handed over by the council to Bellway for free. From 2002 to 2007, housing prices in Waver Tree Opportunity Zone had inflated by 247%, from £26,000 to £92,000 (Liverpool City Council, 2010). In encouraging the former residents to stay, Equity Relocation Loan17 was offered to bridge the gap between the compensation they received and the costs for purchasing a new property.

17 A financial product to help bridge the gap between, the value of a property that has been scheduled for clearance and the cost of purchasing alternative accommodation.
‘It’s great to see such good progress in the Edge Hill area, which will lead to new modern homes for local residents and their families’ (Cllr Joe Anderson, Liverpool City Council, 2010)

In the KHMRI Area, housing development mainly concentrated in Edge Hill (Figure 6.6), which locates to the west of the Edge Lane- the gateway into the Liverpool city centre from the M62 highway. The Edge Hill Housing Renewal project was divided into three phases as can be seen in Figure 6.7. There were ‘around 700 dwellings, including flats and terraced houses, bound to be demolished, of which over half were social rented, where as around 30% home ownership and 10% private landlords’ (McGuire, interviewed in 2014).

**Figure 6.6: The intervention map for the KHMRI Area**

![Intervention Map](image)

*Source: Kensington Implementation Plan UPDATE, pp. 22. Liverpool City Council*
There were two Compulsory Purchase Orders\textsuperscript{18} imposed back to back on Phase One. The appeal from local residents and the judicial process delayed the process for three years into 2008, when the economic crisis happened and developing confidence vanished. For phase 2, a CPO was approved by

\textsuperscript{18} A legal tool that enables the Council to acquire properties in order to facilitate the consolidation of land interests needed to take forward regeneration within an area. The acquiring authority must confirm their intention to engage in the CPO process with the Deputy Prime Minister and Secretary of State. Once notification of the order has been served, members of the public are entitled to submit objections. In the event that formal objections are not withdrawn, a Public Local Inquiry will be held.
the Secretary of State in 2008 and was not challenged. The construction in the Edge Hill area thus started on the site of Phase 2/2a and by 2013 167 new properties were erected. There wasn’t a CPO order put on phase 3 and the negotiation between the municipal government and homeowners on phase 3 ended in 2014 when the last occupier accepted the conditions offered by the council for demolishing of her property.

6.3.2.2 The Previous Evaluation of the KHMR

Some evaluations regarding the programme were made in previous studies (Leather and Nevin, 2012; Wilson, 2013): Firstly, at the beginning of the HMR programme, the government was facing an oversupply of old properties in some deprived neighbourhoods. Yet the situation changed dramatically since 2007 when high vacancies and low housing prices were replaced by a shortage of housing supply and a inflation of housing price national wide (Leather and Nevin, 2012). Secondly, the HMR program imposed ‘large scale Whitehall targets for demolition and clearance across the Midlands and the North of England’ and was resisted by local residents (Wilson, 2013); Thirdly, the top-down approach in many areas could not be implemented smoothly due to strong resistances from local people and leaves some families isolated in abandoned streets (Turcu, 2012); Additionally, the obsession with demolition over refurbishment was strongly criticised by many local residents and the designation of areas for demolition increased deprivation in the areas (Allen, 2008;Webb, 2010); In some cases it was found that for demolition, ‘areas were intentionally managed to decline’ and there was a lack of transparency of the pathfinder Quangos (Taylor, 2007). For many local residents, the promised transformation in their neighbourhood was delayed and many of them are eventually priced out of their own community (Allen,
6.4 CONCLUSION

In the first part of this chapter, the history of Liverpool city is reviewed. It then moves on to introduce the profile of Kensington Regeneration area and the Area Based Initiatives implemented in it, which are respectively the Kensington New Deal for Community (KNDC) and the Kensington Housing Market Renewal Initiative (KHMRI).

The two regeneration programs were both initiated by New Labour in the 2000s and underpinned by large amount of central funding. Their boundaries were largely overlapped and their target was to bring improvement to the selected areas. Both of them emphasised the importance of public participation. Yet some differences existed between the two projects as well. Firstly, while the 10-year programme KNDC formally started in 2001 and ended in 2011 as planned, the KHMRI, which was claimed to be a 15-year programme, started in 2004 and only lasted 7 years due to the budget cuts in 2010. The unexpected cease of funding had a negative impact on the performance of the latter. Secondly, the KNDC was designed to make improvements in five outcome areas covering both social and physical aspects and housing and physical environment was one of the themes, while the KHMRI mainly focused on renewing residential houses and in particular neighbourhoods the major means was demolition and reconstruction, which yield some strong local resistance. Behind the two projects were very different rationales. The KNDC was designed to tackle the deprivation holistically and some of the projects it funded were to help local residents prepare themselves for re-entering the job market while the KHMRI was
initiated to revive the failed local housing market and to attract middle class
buyers. The forms of public participation adopted by the two programs were
different as well. Although both of the programmes were delivered through a
‘partnership’, as is described in the official discourse, the phrase actually
referred to very different things. For the KNDC, the ‘partnership’ was
embodied by a regeneration board that formed by delegates from various
stakeholders. The distribution of the NDC funding was largely decided by
such a committee. In the KHMRI, however, ‘partnership’ mainly referred to
the coalition of central government, the municipal government, social
landlords and private developers, who worked together in evacuating the
former occupiers of the old properties that were subjected to demolition and
delivering new housing units. Local residents, who were claimed to be an
indispensable part of the ‘partnership’ in the official discourse, participated
mainly in the form of consultation and public hearing.

For local residents living in the Kensington regeneration area, they have been
affected by both. Previous research on the NDC the HMRI programs
intended to examine the two initiatives separately and to get a general
conclusion that could be used to explain the major features of the two
nationwide regeneration initiatives. Up till now, very little efforts have been
done in looking at how different regeneration initiatives exert their impacts on
the same area and the remaining part of this research adopted such a
perspective. Another shortcoming suffered by previous evaluations of the
NDC and HMRI programs is that the impacts of the regeneration programs
on local areas together with the delivery of the programs are context-specific.
Research based on statistic data has limited capacity in elaborating the
realities of the regeneration projects. This research focuses on the
Kensington Regeneration area that was covered by both the NDC and the
HMRI, and probed how the two different initiatives were implemented and how different players interacted within the framework shaped by the structural factors as well as specific rationales behind the regeneration programs.
CHAPTER 7 THE XI’AN CASE

7.1 THE HISTORY OF XI’AN CITY

Xi’an locates in the northwest part of China and is one of the major inland cities of the country (Figure 7.1). As the provincial capital of Shan’xi, the administrative area of Xi’an city consists of 10 districts and 4 counties with a built-up area of 449 km² and a population of 8.57 million in 2010 (Xi’an Municipal Government, 2015).

Figure 7.1 The Location of Xi’an City

Xi’an was the capital city of ancient China in the Tang Dynasty (618-907AD) when it was known as ‘Changan’. At that time it was the largest city in the world with over one million people concentrated in a built-up area of 84 km².
The second Sino-Japanese war began in 1937 had caused inflow of population and capital into inland Chinese cities such as Xi’an. When the CPC took over Xi’an in 1949, the population in Xi’an was 2.27 million (NBSC, 2010). The following decades had seen a steady growth of urban population in Xi’an, excepting for the year between 1960 and 1961. Before the late 1970s, under the planned economy, the development of Chinese cities mainly relied on the centrally allocated resources as private capitals were eliminated from the economy. Central government’s rational in distributing resources at that time, however, was more than often subject to political considerations rather than economic principles. In the 1950s, with the fear of having the ‘Third World War’ with the U.S, priorities were given to national security and Xi’an had benefited from its location as an inland city that was less vulnerable to air strikes. In 1953, it was designated by the national government as one of the major inland development centres and priority was given to industrial sectors such as the textiles, electronic devices and military industries (Yin, et al., 2004). Additionally, to support the development of industries, a number of high educational institutions were also established. The first Master Plan of the Xi’an city (1953-1980) was produced against such a background. As is argued by Wang (1992, p.3), ‘it thought to promote industrial urbanization within a strict centrally-planned economy and was cast in a characteristically static blueprint model.’ The population of the city was planned to reach 1.22 million by 1972 and the average land for each person was envisaged to be 108 m², based on which the urban construction area of the city was calculated. Indicators in relation to the buildings were also given as 70% of the properties were planned to be 3 floors, 20% two storeys, 5% single storey and 5% others (Wang, 1992, pp.5).
The 1953 plan helped to shape the basic spatial structure of the city and underpinned the expansion of industries towards suburban areas to the east, south and west of the ancient town that was surrounded city walls. Regarding the spatial structure, the city generally followed a grid pattern inherited from the ancient capital cities. Meanwhile, some measures applied in the urban constructions of cities in the Soviet Union were also referenced, such as the central axis, large public squares, etc. (Yin and Liu, 2002). Although the centrally allocated industries contributed to the local economic growth, they also had side effects. For one thing, many of the work units were under the direct supervision of central departments and were relatively isolated from the rest of the urban areas (Bray, 2005; Wang and Chai, 2009). This was partly due to fact that the industrial plots were integrated with residential areas and some basic social services such as shops, schools and hospitals were equipped within work units, especially the large ones. It has therefore seen part of the city been cut into many small ‘cells’ that were free from the control of urban planning system, as constructions within these cells were largely determined by the work units or the upper level administrative entities (Chai, et al., 2007). Thirdly, the central investment mainly concentrated on production sectors while the improvement of people’s living standards was largely ignored (Wu, 2008; Chen, 2010). Indeed in 1954 the Xi’an municipal government was instructed by central government to halve the residential land by 50%. With the flood in of industrial workers, the average living space for citizens in Xi’an decreased from 3.32m² in 1949 to 2.25m² in 1954, and the severe shortage of housing provision hasn’t been alleviated until the late 1990s (Wang and Hague, 1992, p. 9).

In the middle of the Great Leap forward (1958-1962), the devastating consequences was realized by central government and it was followed by the
centralization of economic power (Wong and PW, 1992). Urban planning was blamed for facilitating the overambitious urban expansion and was therefore abolished for three years since 1960 (Chen, 2012). The planning department of Xi’an was accordingly dismissed during that time. With the sharp decrease of food production, the previous dramatic increase of urban workers were seen as a burden and since 1961 central government instructed to send newly enrolled workers together with their Hukou back to where they originally came from. It has seen a net outflow of 164 000 people from Xi’an between 1960 and 1962 (Wang and Hague, 1992). From 1965 to 1978 Xi’an continued to be one of the major receptors of state investment yet the amount of funding received by the urban construction areas shrunk dramatically as the newly invested industries were deliberately located in rural and mountainous districts rather than the constructed urban areas to avoid the air strikes (Chen, 2003). The year 1978 was a turning point for Xi’an. With the opening up of China, Xi’an’s geographical location gradually became a disadvantage for it to compete with other coastal cities in attracting foreign investments and talented workers. The rank of Xi’an’s GDP among Chinese major cities has fallen from the 7th in 1982 to 28th in 2011 (National Bureau of Statistics, 1990, 2013)

The function of urban planning was disrupted by the Cultural Revolution from 1967 to 1976 as there was no new master plan for Xi’an over the 1970s. With the restore of the municipal planning authority in 1983, the Xi’an Master Plan (1980-2000) was immediately prepared and was approved by the State Council in 1983. Excepting for continuing to develop the industries such as textile and machinery manufacturing, the plan also projected to develop tourism and at the same time to protect the historical elements of the city. This was primarily due to the fact that the ‘Emperor’s Terracotta Warriors’
was discovered in 1974 in the east suburbs, which made the city a world-renown tourism destination. In developing tourism, the municipal government endeavoured to utilize the available resources and also to create new ones. Despite the fact that little historical relics were inherited from the Tang dynasty, the municipal government was enthusiastic about branding the city into another Changan (Rothschild, et al., 2012). One of the expensive projects was to restore the ancient city wall and to create a park on top of it. In the surrounding areas of the Great Goose Pagoda, the municipal government spent around 500 million Yuan to create a plaza with commercial properties built into ancient Tang Styles. There were a number of other similar mega projects initiated over the following three decades to create new tourism attractions.

In terms of its economy, in 2001, the SOEs weighted 48% of the Xi’an’s industrial outputs, while the figure was as high as over 80% from 1957 to 1980 (Yin, et al., 2005). Before the 1980s, the expansion of city towards suburban areas were mainly driven by SOEs with the expansion of work units, which consisted both residential and industrial areas, while the municipal government had a comparatively weak control on the constructions within these work units (Yin, et al., 2004; Wang, 2000). Since the 1990s, with the concentration of planning power into the hands of municipal government, large ‘development zones’ emerged in suburban areas (Schneider and Mertes, 2014). Xi’an has its first ‘High Technology and Economic Zone’ to the south of the old town in 1991, which was later developed into a new district consisting of multiple functions and became a strong engine for the growth of urban economy (Ying, et al., 2012). In Xi’an’s latest Master Plan (2008-2020), the city was planned to expand towards the north and in 2011 the municipal government moved into the new district. The continuous expansion of the city
required enormous investment on public infrastructures such as road, hospitals and schools, etc. Land releasing fees therefore became one of the most important financial resources for the municipal government. Similar to many other Chinese municipalities, the Xi’an Government also proactively mobilized its power and resources to accomplish its primitive accumulation through the urban development and regeneration process (Zheng, et al., 2014). The fast economic growth and outward expansion of the urban areas have brought challenges for the preservation of the core urban area of Xi’an city (Figure 7.2). The inflated housing prices since the late 1990s had driven the city to grow upward. The initial limits on the height of buildings was 9-24 meters and was later replaced by 50 meters in parts of the old town as decision makers realized that against the fast development, it was more realistic to designate several conservation zones rather than to strictly control the constructions within the entire old town (Wang, 2000).

Figure 7.2: The spatial structure of Xi’an City

![Spatial Structure of Xi’an City](image)
The Hui nationality was formed in the Yuan dynasty (A.D. 1271-1368) and
developed in the Ming (A.D 1368-1644) dynasty. Their daily life is greatly influenced by the Islamic norms and disciplines. Mosques are playing an significant role in Hui people’s social and spiritual life. It is the place where they go for daily worship and hold various ceremonies such as weddings and funerals. Small food stores run by families absorbed around 70% of local labour (Zhai & Ng, 2013). Hui people speak Chinese and in some aspects they are highly Hannized. Many local Muslims live in large family groups consisting of three or even four generation and grandchildren and most of the local residents want this kind of family structure to be maintained (Li, 2005).

According to Huang and Wu (2011), about 23.5% investigated families had two generations and around 3-5 people living together and 86.6% of the DTMD residents that were investigated expressed a strong willingness to maintain the traditional living patterns.

Chen (2001) pointed out that while the local residents were dissatisfied with their physical living environment, their motivation of moving outward has been mitigated by the strong social bond and shared identities as an ethnic minority. In a survey, over 90% of the interviewees identified Mosques as the decisive element when choosing a community (Xu, et al., 2009). Around 44% residents in this area are now working in the tertiary industry while the share of manufacture has fallen from 69.24% in 1997 to less than 20% in 2011 (Huang and Wu, 2011).

Tourism plays an important role in the DTMD’s economy. Indeed the development of tourism in the DTMD was not intentionally planned by the local government, which, however, endeavoured to render the city as the ancient capital of Tang dynasty through large-scale commercial developments in old architecture styles. It was the special ethnic foods that
firstly attracted tourists coming to the area, which laid the foundation for further exploration of other elements with the potential of being tourism attractions in the area. It was found that the majority of tourism-related jobs are undertaken by people without a bachelor’s degree (Zhang, et al., 2008). The payment for working in the DTMD was at a comparatively low level: 26.5% of the interviewees that participate in services earn less than £80 per month, about 50% of them are paid for 800-2000 RMB per month, people falls into the £200-300 and £300-500 categories accounts for 13.3% and 7.2% of the total, respectively, while only 3.6% of them got a salary higher than £500/Month (Wang, et al., 2008)

It was also found that residents in the DTMD generally held a positive attitude towards tourism (Zhang, Y., et al., 2008), which largely take place on the streets or in public spaces surrounding the Mosques. It was partly due to the fact that local people have the tradition of doing small businesses are therefore more tolerable to the inflow of tourists.

7.3 THE PROFILE OF THE DTMD REGENERATION PROJECT

7.3.1 Physical Regeneration Projects

During the first 30 years after 1949, the development of Chinese cities followed an imbalanced model. Industrial sectors were invested heavily while other aspects of urban life were neglected. Although Xi’an was one of the largest receptors of national investment during this period, little resources had actually been devoted to regenerating its inner urban areas. Before the 1990s, neither local people nor municipal government was capable of
changing the dilapidated physical environment in the DTMD and only small-scale refurbishment projects were occasionally implemented by local people and before the 1990s, the majority of the properties in the DTMD were small courtyards with single-floor buildings (Li, 2005).

The Xi’an municipal government started regenerating the DTMD in 1991, with a small-scale refurbishment project aiming at beautifying the Beiyuan-gate Street in the east DTMD. In 1993, when the government intended to regenerate parts of the DTMD area with a proposal of building seven 18-floor high-rise buildings near a Mosque, it was strongly opposed by some of the local people. The project was eventually carried out yet some of the previous activists that previously resisted the redevelopment program had encountered great troubles in their post-regeneration life. As is put by one of the local activists:

‘After the demolition, many representatives who were proactively against the government beforehand did not get the compensation they deserve, which casted great shadow for the next regeneration project in 2005’ (Ding, Activist against the west DTMD regeneration, interviewed in 2013)

In 1997, a co-operative regeneration project levered in 5 million Yuan from the Norwegian Government and match funding from the Chinese central and municipal governments into the east part of the DTMD. The boundaries of the regeneration project were respectively: Huaue alley to the south, Guangji street to the west, Xiyangshi to the north and Beiyuan-Gate street to the east. The program mainly focused on controlling the Floor-Area Ratio (F.A.R) as well as preserving historical buildings and courtyards. The project has three major achievements: 1.Restoring the traditional courtyards and buildings;
2. Safeguarding the physical and social environment surrounding the Great Mosque; Notably, the flagship project for the second round regeneration—the preservation of No.125 in Huajue Alley, was awarded with ‘Cultural Heritage Protection Prize’ by the UNESCO in 2002. Commentaries from both academics and local residents were mainly positive. It was agreed that the regeneration projects did not only change the dilapidated image of inner urban areas in Xi’an city but also successfully preserved both tangible and intangible heritages in the DTMD (Zhang, Y., 2008; Liu, 2010). Moreover, the regeneration projects stimulated development of tourism in the area and added many working opportunities (Zhai and Ng, 2013; Zhang, Y., 2008).

In 1993, the Xi’an municipal government set an agenda to redevelop the west DTMD and the pilot regeneration project was implemented in 1995. It was a property-led regeneration project aiming at replacing some of the old properties in the northwest corner of the DTMD by high-rise tower blocks. In 2002, the Damaishi-Sajinqiao street regeneration programme was initiated in the west DTMD, with the aims of widening the street and redeveloping the dilapidated properties alongside it so as to mitigate the increasing traffic congestions as well as to beautify the streetscape. The project was attached with high political priorities and was listed as one of Xi’an ‘Ten Key Projects of the Year 2005’ (Xi’an Municipal government, 2005). It was supervised by one of the major cadres of the provincial government and directed by the chief executive of Lianhu District government. In 2005, the Lianhu district government conducted a comprehensive survey in the DTMD and a research report was produced. Based on the report and consultations conducted with the government officials and academicians, a regeneration proposal was produced in 2005 by the Xi’an City Planning and Design Institute (CPDI) – a public institution administrated by the Xi’an Planning Bureau.
The pre-regeneration survey conducted in the west DTMD in 2005 suggested that over 90% of the interviewees wish their community to be regenerated following the public funded conservation and beautification pattern in the east DTMD, yet the final proposal was a property-led redevelopment plan supported by the government. According to the plan, around 1000 properties were to be demolished for the expansion and beautification of the Damaishi-sajingqiao street. Two pedestrian streets (Figure 7.4) in parallel with the main street were to be built for accommodating small businesses and several flats were also to be erected. When consulted, the majority of the local residents were dissatisfied with the proposal as they believed that the planned commercial area was too small to accommodate the small businesses, which are the main source of income for many local families (Ding, interviewed in 2012). Later the Lianhu district government published the relocation and compensation plan, according to which owners of the properties with a registered floor space larger than 20 m$^2$ will be moved to several condominiums that were going to be built on No.64 Xianmiyuan, a piece of land previously owned by a SOE and was 500 metres away from the regeneration area. The construction and relocation work was promised to be finished within 18 months (Xi’an Municipal Government, 2006).

**Figure 7.4: Local government-proposed plans in Sajinqiao street area**
Local party members and officials were promised with higher compensation fees for taking a lead to sign the expropriate contract. It was hoped that the rest of the local people would follow up. From 13th March to 20th May 2005, 291 demolition contracts had been signed, covering a floor area of 29,000 m², which was less than one third of the total houses holds that need to be demolished (Zhai and Ng, 2013). The speed was much slower than what the government had expected. For local people, in spite of the obvious low compensation prices, they also worried about their post-regeneration life. For some of them, the relocation would deprive their only source of income. Constrained by low educational background and Islamic convention, it is difficult for the local Muslims to make a living outside the DTMD. The redevelopment was also thought to have a detrimental impact on the indigenous culture and social life (Ding, interviewed in 2013). Some of the interviewees in this research expressed their concern that the relocation would deconstruct the social structure and lead the Islamic convention to be assimilated, as people living outside of the DTMD may not necessarily follow the Islamic disciplines in their daily life. Besides, the local people were also
suspicious about the sincerity of the government as the construction of the promised resettlement condominium near the Lianhu District stopped a week after the announcement of the compensation policies (Ma, interviewed in 2013).

With mounting pressures to accomplish the regeneration project, the executive of the district government had to accelerate the expropriation process. The government decided to tear down all the previously contracted buildings together, aiming at displaying muscles to the local people. In spite of officials from different government departments and policemen, the district government also hired hundreds of temporary workers to maintain the order. The local residents invited some local media to report the incident yet none of them appeared. The bulldozer quickly dismantled many properties and the local people were stunned, as the government had expected. However, the intimidation aroused stronger resistance. From the beginning, the district government’s strategy was to divide the local people and treat them separately. There was an informal rule that officials should be included in every meeting held by the local residents. Any self-organized discussions regarding the demolition and compensation issues without the attendance of officials were regarded as a challenge to the government.

Local people in the DTMD were intimidated and realized that their economic interests would very likely to be infringed by the municipality and began to react in a militant way. They gathered together and reached an agreement that no one should sign the contract with the government individually before the compensation and rehabilitation conditions are collectively accepted. The Imams from the two mosques in the community were put forward to take the leadership, although two of them initially refused to do so. They managed to
use their unique identity as the ethnic minority to increase their political influence. Various venues such as the Ethnic Committee and the People’s Congress were used to make their voices heard.

Petitions were sent to municipal, provincial and central government. In the petitions, local people gave their own interpretations of the rights to the property. Apart from the legal concept of ‘ownership’; they also employed cultural, political and moral concepts to oppose the state-sponsored gentrification. They believed that the proposed redevelopment would not only expropriate their properties at an unfair price, but also brutally cut off the majority of the relocatees’ connections to their culture life as well as their means of making a living, which are crucial to the local families. Moreover, the local Muslims’ cemetery also locates within the regeneration area (Zhai and Ng, 2013) and it was morally unacceptable for them to see it to be distorted by the redevelopment.

However, the petitions yield no reply from the Xi’an Planning Bureau, the Xi’an Municipal government as well as the Shanxi Provincial Government while local media refused to report the forced eviction. Even the Imams alongside the street were suffering pressures and initially unwilling to put themselves forward as local representatives to bargain with the municipality. The resistance lasted for three months and ended up with the intervention of central government. A group of inspectors were sent by the Minister of Housing and Construction to investigate the regeneration project. According to the local residents who participated in the resistance (Ding, interviewed in 2013), the conclusion was that the relocation project was carried without proper permissions and therefore the whole regeneration project should cease.
Within the current Chinese context, it is indeed very difficult for local residents to resist the property-led redevelopment propelled by the government and to protect their indigenous culture and social fabrics. What seems to be more practical for local people is to maximize their economic benefits by utilizing the given policies. Compensations based on floor space are widely accepted by both government and the public in China and enlarging the floor space before the expropriation thus became a rational choice for local people. Having realized that their properties could be demolished at any time, local people began to increase the Floor space on their sites either by adding additional floors on to the properties or by demolition and reconstructions. These activities are largely self-sponsored.

Construction activities in the urban areas are monitored by the Planning and Construction bureau. According to Town and Country planning Act 2008, if local people want to rebuild their housing, they have to apply for a Building Permit (BP), which gives the parameters regarding the height, floor space and architectural styles of the new buildings. The DTMD was designated as a historical area in the Conservation Regulations on Xi’an Historic City (Zhai and Ng, 2013) and the height and elevation of new buildings are required to follow given codes. Yet most of the local residents had chosen to ignore the indicators once they obtained the BP. Since over 70% of the properties in the DTMD are privately owned, the prevailing self-sponsored constructions have profoundly changed the physical environment of the DTMD and downgraded local people’s living environment.

7.3.2 Social Regeneration Programs

In the DTMD case, social regeneration programs were separated from the
property-led redevelopment and were mainly delivered via the Local Residents’ Committee (LRC), which is theoretically a self-organized entity yet in practice a branch of municipal governments with multiple functions. The LRC members are democratically elected by local residents yet are paid by the government in assisting the latter to provide basic social benefits for poor families with an average income lower than the poverty line. Specifically, LRCs are responsible for censoring the eligibility of applicants and help them to get access to social benefits. As it put by one of the LRC staff:

‘For those in a family with an average income lower than 450 Yuan/Month/person (around £45)’ (Bai, Executive of the LRC, interviewed in 2013).

Another important function of the LRC is providing help to disadvantaged groups such as the disabled, at their late ages and those who enjoy social benefits. LRCs serve as the basic tier of China’s social security network. The LRCs also play a complementary role in facilitating the job-related trainings to help local people:

‘We hold some short-term training campus for local residents… we provide them with specific technologies and skills… we have the special training programs for parents, for seniors, and for women. All the training programs are established by the Lianhu LRC to support locals. We (LRC) initiated the educational programs, and the municipal government gave provided us with fund and managerial advices to make the programs institutionalized…and they (the municipal government) are now paying more attention to such programs’ (Wang, staff in the LRC, interviewed in 2013)
In spite of the similar institutional setup and mandated social functions, roles played by the LRCs at community level are highly context-specific. LRCs have considerable freedom in developing their own working strategies. However, no grand funding is in place to support their social programs, not to mention to have national regeneration packages similar to the NDC programme in the UK. LRC members are expected to work with entrepreneurship and to lever in external funding to finance social programs within the community.

‘The amount of public funding is the total population times 1 Yuan… as we only have 10,000 people, the money we got is far lower than what we need to run the programs… and we don’t have much channels to apply for other funding… (Wang, staff in the LRC, interviewed in 2013).

‘…but we have donations from some entrepreneurs. Since our community is an advanced community and the director has her personal charisma, which enables us to get donations from private sectors to run our social programs. The operation of the training programs follows the principle of ‘established by the government while supported by the society’. Currently the scale of social donations for the DTMD is not enough to sustain a large number of social regeneration projects since the majority of local people are still relatively poor. Although the municipal government has recently invested heavily on infrastructures and urban regeneration, the living standard of the citizens and the overall income remains stagnated’ (Wang, staff in the LRC, interviewed in 2013)

Some of social regeneration programs are delivered by government department and institutions. As one of the LRC committee members put it like
‘…The Work Unions and Women’s Union indeed take the major responsibilities for providing skill training programs, and there are other government departments in relation to employment involved…We (LRC) will inform the local residents when and where would there be such training programs’ (Bai, Executive of the LRC, interviewed in 2013)

Yet it has also to be realized that currently in China, public resources for community-based social regeneration programs are severely limited in comparison with the scale of investments on infrastructures. For one thing, the effects of the investment on social programs are invisible to the majority of citizens as well as to high-profile cadres. For another thing, the benefits of investment on social projects are hard to be measured and how efficient the money could be used is also questionable. Thirdly, when compared with the well-developed mechanisms of delivering and managing ‘hardware’ projects, the efficient delivery model of social regeneration projects in China are yet to be explored.

7.4 CONCLUSION

In the first part of this chapter the history of Xi’an City is introduced. It then moves on to examine the history of regeneration in the Drum Tower Muslim District (DTMD). It is found that the previous regeneration programs initiated in the DTMD area were mainly property-led redevelopment whereas little resource was available for social regeneration projects.

Public resources were unevenly distributed for the initiation of physical
regeneration programs in different parts of the DTMD. With the aim of developing tourism, the east DTMD received large amount of public funding to beautify the streetscape and to preserve the historical buildings. Yet for people living in the west part of the DTMD, regeneration policies imposed the municipal governments were mainly about massive relocation, demolition and reconstruction. The implementation of such regeneration initiatives was never smooth. Indeed it has seen both municipal government and local residents proactively mobilizing resources and powers they have to realize their aims when interacting with each other and sometimes the activities of both sides could go beyond the boundaries drawn by the formal structures. Social regeneration projects are not included in the West DTMD regeneration project. Instead, the social programs in the DTMD are mainly initiated and run by the LRC.
CHAPTER 8 DISCOURSE USED BY THE GOVERNMENT AND LOCAL RESIDENTS IN INTERPRETING THE ABIs IN KENSINGTON

In this research, it is believed that the examination on the discourses used by local residents and municipal governments in describing the regeneration programs would not only contribute to a better understanding of the conflicts in relation to economic and social aspects, but also help to articulate practical solutions for mitigating the negative consequences led by the regeneration programs.

8.1 THE OFFICIAL DISCOURSE REGARDING PHYSICAL REGENERATION IN KENSINGTON

8.1.1 The Rational for Housing Renewal

For cities such as Liverpool that had experienced long-term decline until recently, wealth is unevenly distributed across the urban area. Places with unwanted properties and the associated social problems may suffer from a underperforming housing market.

‘Because of the cheap houses, sometimes you can end up with people living in the area, who do not respect for everybody else…you have lots of challenges like antisocial behaviour as well. I think because we get access to the city centre, which is actually quite a good location for
people to live and to get access to jobs… I think the kind of the nature of the current housing stock are more challenging, it tends to be small terraced streets, so that doesn’t always attract people that want to stay for a long period of time’ (Lim, Politician support the KHMRI and KNDC, interviewed in 2013)

In such areas housing prices and rents are much lower than the city average. Generally there are several types of property owners in these areas: the municipal government, social housing associations, individuals and private companies. Due to the guidance on rents for social housing given by the central government, tenants renting from the municipal government or social landlords pay a much lower price than those renting from individual landlords or private companies. In areas like Kensington, over the past decade, on the one hand it has seen some of the previous residents fleeing away when they can afford to move into more affluent areas with better environment, educational resources and new types of properties; on the other hand there were also flood in of students and migrant tenants from other countries attracted by cheap rents offered by private landlords in the area.

‘Liverpool city center has 110,000 people working here, but 55,000 don’t live in Liverpool, 80% of the local institutions are in Liverpool, but the 20% with the most money don’t…So just creating economic growth won’t solve the problems of Kensington, in fact it might get them even worse…You just end up with the ghetto and the disadvantaged… the economic growth won’t … deal problems of some of the area’ (Richard, Politician supports the KHMRI and KNDC, interviewed in 2014)

For municipal government, it is impossible for the deprived areas to attract
investment and revival itself. Intervention from the government is therefore necessary. As one of the politicians put it:

‘Well if we just…don’t intervene… then you could rip-off’ (Richard, Politician supports the KHMRI and KNDC, interviewed in 2014)

8.1.2 The Official Discourse for the HMRI

8.1.2.1 Basic assumptions for the intervention

In the official discourse, the basic assumption of the government’s intervention was that the HMRI project could help to change the dilapidated view of the area and to attract affluent middle class people to become long-term residents, whose spending will help to revitalize the local business and services. The priority was to change the image of the area through improving the physical environment and to provide properties that meet the demands of the market. As some of the interviewees put it:

‘So the idea was that the HMRI was to take away properties people didn’t really want out the space and build properties they did want. And that couldn’t be done without government intervention’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

‘Small terraced houses are not suitable for people nowadays, we had a lot of small terraced houses in Kensington and you can’t change that very easily…That is not different from other parts of Liverpool. That does mean that you can only do small scale, what I would call pepper-pot development, something here something there not a whole scale
physical regeneration as well’ (Jerry, Professional against the KNDC and KHRMI, interviewed in 2013)

‘...Kensington...is part of the ring, (which is) kind of a donut of run-down Victoria terraced houses and large Victoria villa properties that converted into 3-4 flats in the 1970s and 80s.... they are unpopular properties, and there were two and three bedroom houses that were never constructed with bathrooms... so many these houses, which have been built in 1890s, for families who had no greater aspiration, at the time, since family going out and elderly folk remain at houses and even through the 80s and 90s there were not the property of choice of families, they were properties of people having no choices...’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

‘...so we intervened, trying get parts of Liverpool a point where the market works, rather than fight the market...(Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

‘The creation of development opportunities is viewed to be an essential element to restructure existing housing markets and introduce greater housing choice within the Inner Core’ (2008 review report on the Liverpool HMR)

8.1.2.2 How demolition rather than refurbishment was justified

In the decision makers’ discourse, one of the most important reasons for the demolition rather than refurbishment was that for local government and social landlords, demolition and reconstruction is financially more viable, although
not necessary more cheap, than refurbishment.

‘...because the houses at the time, probably worth about £20,000, it would cost us about £40,000 to maintain it in good condition, who was going to spend £40,000 on that house that was originally worth £20,000 and probably about 35,000 when you’ve done something to it, which still have bathroom on the ground out of the kitchen not near the bedroom’

(Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

The ‘Right To Buy’ in the 1970s and 80s under the Thatcher government initiated massive-scale privatization of housing stock. Some of the housing associations later became large property owners. The withdraw of public funding for refurbishing old housing stock since the late 1990s became a major driven force for the social landlords to get rid of some of their properties that on the one hand are unwanted by the tenants and on the other hand need constant investment for maintenance. As one of the interviewees put it:

‘...the kind of gold rush of the late 1970s, and 80s enabled all the associations acquired lots of properties at the short period of time, which 30 years’ later became to fail ... at the 70s and 80s were improved using public subsidy to give them a 30 years’ life...and by the time we came into the late 90s and the turn of the century, the 30-year life expired... and those properties need major investment again...indeed, in the late 90s and early 2000s of public subsidy to improve housing, was almost null...you can get public subsidy for new building but not necessarily for improvements (of old ones)...so improving our now expiring properties requires more private investment by ourselves, which put pressures on our organizations to become more cost-efficient...(and to strengthen) it’s
financial capacity in the business to support quite a lot of failing property at the same time…’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

From the perspective of the decision makers, another strong reason for demolishing the private properties was that these properties had never received large amount of public money for refurbishment even in the 1970s and 1980s. Therefore they are in a more deteriorated status. As some of the interviewees put it:

‘If you imagine the privately owned properties, they never enjoyed the same investment at the same time as the social housing did in the 70s and 80s…’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

8.1.2.3 Rationales for the major stake holders in the four-way partnership

The delivery of the Edge Hill regeneration was accomplished through a four-way partnership, including the central government, the municipal government, the social housing landlords and the private developer. Each of them involved with their own rationales for formulating strategies and taking actions. For the central and local government, in spite of the money and energy they devoted into the programs, the outcomes they expected to see were in accordance with the national and urban-wide development strategy. While the Labour government intended to fulfil its political commitment to mitigating social stratification and to save the failed housing market in the most deprived areas in the north England, the municipal government wanted to end the chronic subsidies on particular areas through one-shot investment
on physical regeneration. As one of the interviewees put it:

‘...if you can make profit (from it), you should try to do it, but for Liverpool, the biggest public asset for Liverpool is having more people living here. Cause that would help us to provide our services more cost-effectively’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

‘...the whole idea was that you would convert the area so became an area that you don’t need to subsidies...’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

For the social housing association, which in the Edge Hill project was the Riverside - a nonprofit independent charitable organization, owning a large proportion of the properties in the areas doesn’t actually guarantee them a healthy financial condition due to the high-level vacancy rates and excessive maintaining fees. As one of its senior officials put it:

‘...we had too many of (the social housing) empty for too long...so they were just losing money...when they are empty, we have to pay council tax on empty properties, we pay for security-20 pounds a week for each property, so they set steal call alarms inside of them to response to vandalism...so (empty properties) cost a lot of money while they were empty...’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

Therefore the social housing landlords were positive to the project and had proactively involved in implementing the regeneration project. They believed that reducing the quantity of properties while improving the quality would
bring them a better financial performance. Indeed they eventually gave up 2/3 of their property rights in return for new properties that no longer need maintenance fees and can be completely let out. As is put by one of the senior officers of the social housing associations:

‘Well, we got a lot less property… so we started off with probably 350 properties in central Edge Hill, and we end up with probably 100’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

‘…that is OK, that is good business… even if it takes a significant loss of properties in the areas, we will be in a better position after the regeneration compared before when we were losing money… we got 100 new properties that are occupied without much costs on repair’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

Both the municipal government and the social housing association didn’t foresee the forthcoming booming housing market in 2003, when they reached the agreement with the private developer on the conditions of development and the disposal of the properties. For the municipal government, the land in Edge Hill at that time was thought to be of no value:

‘…if for city council, they are trying to stick out for money from it, in some case there are some place where the land value and the property value came together, you can sell them for value, but in most of the cases (in Liverpool), if you say right we want to 25,000 for the plot, that would put the housing prices above the market value. So no one would buy them’
(Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

‘...we didn’t sell the land in most of the cases, even to private developer sector. Because although even we have remediated the land, it still didn’t have much value…so once we knocked down and remediated, it was more questions of the powers of the council and the money of the council’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

The private developer got the remediated land and development rights to around 500 properties in the Edge Hill area only at the expense of giving back around 100 new properties to the social landlords. The rest of the properties could be sold at a market price. Since the housing price in the area had almost trebled between 2002 and 2007, the margin was huge. The false expectation and miscalculation had indeed created great opportunities for speculation. Yet this was denied by the decision makers:

‘Well, the housing price went up partly because they are much better properties. So we knocked old properties down, and built strong modern well decorated properties, so there was a increase in value…’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

‘So the prices went up a bit, but they didn’t go up tremendously, there were very little room for speculation in that process...it is a long long way off, so we had started the process off, and we ignore the speculation, and by large we didn’t think it even exist, and that has been proved to be the case’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)
According to the initial plan, the expected profit rate for the private developer was 20%. Yet there was not a pre-set mechanism to avoid excessive profit to be extracted from the physical redevelopment by the private developers as no one in the government has predicted the rapid rise of the housing prices later on. One of the interviewees put it like this:

‘...If we had thought they’d make a profit, of anything could involve what we consider to be a normal developer’s profit, we knew that, by and large they were trying to take 20%, above the cost of the building, covering the cost of sale and make a profit. We looked using our own analysis of what the profit would be. If we thought we were going to make more than that, and we didn’t in that case, we could sell them the land, but in most cases, we didn’t think that would be the case. And it hasn’t been, so....profit, at the moment we thought it was reasonable for the social housing and the private housing people to make a profit, we didn’t think that was a opportunity for them to make a financial killing. So we didn’t by large built those mechanisms (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

In dealing with the resistance from local residents who were dissatisfied with the physical regeneration project, the Compulsory Purchas Order is an effective instrument enabling local authorities to acquire land without the consent of the property owners so as to guarantee the implementation of projects that are thought to be in the interest of the public. A CPO is normally issued by the municipal government or the Secretary of the State, which has to demonstrate the necessity of the order with strong evidence bases. Once a Compulsory Purchas Order is issued, it would be widely discussed on medias and the evidence they used to show that there is a ‘compelling case in the
public interests’ would be closely examined. As one of the interviewees put it:

‘In Compulsory Purchas Order law, it is not just, the local authorities with a CPO…but was to have a case, that….everybody can say, this is the case now…that the best case…so you requires the CPO on somebody’s property, compensation for that, has got to be reasonable, and that is not just about the prices of the property, it is about the solution of the project’

(Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

‘…sometimes we have to put in CPOs…in some case that the last person in the area that developers intended to develop, is an old lady living in a house which she was born…you have to go, with the pressure to explain why you’re getting her out her properties, cause otherwise you can’t build new properties. So that is why we spent time (on consultations)…we went to people saying we are going to knock your house down, but this is what we are going to give you…what we say is that you will still be there, near those shops and your neighbors, we will sort everything out for you…once you take away the fear factor, they would always prefer a flat’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

8.1.2.4 Interpretations of the Local Residents’ Resistance

Perhaps one of the most time-consuming jobs throughout the Edge Hill regeneration was to persuade property owners to sign up to the master plan for the regeneration and to convince them to sell their properties to the government for demolition. Generally participation in the form of
representation doesn’t work for the issues in relation to housing, which is of great concern for the property owners who want to directly get involved in the process. As is put by one of the scholars:

‘…housing…was a very individual thing…it is therefore difficult for that to have representative structures to, because you want the question answered yourself’ (Hillary, Scholar neutral to the KNDC, interviewed in 2014)

Social tenants were easy to be dealt with, as they do not hold any property rights in the area, yet the process of negotiating with some of the home occupiers were proved to be problematic.

‘…we needed to buy out people who lived in the houses and demolish…remediating the land and making it ready for the developers, the public sector or private sector to build on them’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

The municipal government has to reach local residents and sell them the whole idea of regeneration. This task was primarily allocated to the social housing associations for the connections they’ve built with local residents. As the primary agency the social landlords conducted face-to-face interactions with local people that would be affected. The process was extremely time-consuming and has two major functions. Firstly, it conveys information to local residents and strives to convince them to cooperate. Secondly, the process itself requires formalized procedures to add legitimacy. The ‘signing up’ activities would later serve as evidence base showing that the project was supported by the majority of local residents:
'We made the housing association the agent of the council across the whole consultation process, partly because they already knew most of the people living in the areas. And second they are more skilled in that sort of face-to-face interactions than the council did…’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

‘I used to do four night meetings a week, until 9.30 pm, in community centers, church and schools. And we were doing that for 2,3,4 years, to gain the credibility, and the trust of local people, it was kind of a tuition when we were convincing them that ‘we are here and we mean what we say and we will deliver on it’. Although it took time to gain the credibility, people would sign up to, as a community project, for change’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

‘…it took several years, for the occupiers predominantly, even social tenants, to sign up to a master plan for the neighborhood…’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

According to the decision makers, the HDMRI project in Kensington wasn’t to gentrify local people. Previously the owner occupied properties only accounts for around 30% of the housing stock and to avoid the potential gentrification effects, financial packages were offered to help homeowners to stay in the area. In the official discourse, such a financial package was a generous gift for local residents and enables them to avoid being priced out of their community.
‘So our objective for Liverpool wasn’t to gentrify…but to keep the clever kids (professionals) in Liverpool, diversify and change the demography of the City. But you can’t change the demography unless you do physical things that are required, so physical and social, it has to be both’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

‘…those houses are sold, at the beginning of the program, 15 thousand pounds, which became 45 and 50 thousand pounds five years later, because of the speculation activity had pushed up general property values…So the value of homeowners’ properties doubled or trebled. But the problem was the prices for new homes they are about to move into are still about £100,000. There is a gap, the city council had to support and fund equity loan products, to homeowners, which is fundamentally a gift. If you stay in your property, for ten years, these gifts are yours…If you move out within ten years, you pay amount of money back…they make available equity products for the homeowners, it was the first time that have been done, possibly in this country. And it was invented to actually make the program happen, just to solve the problem of homeowners who had no organization like housing associations to fund the gap in property value…’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

However, not everyone would agree with what the government had proposed, and it is clearly evident in the overturn of the first CPO on phase one. In the official discourse, it was these people that went against the public will and delayed the whole project for many years. The local protestors used medias to portray themselves as the victims of the ‘relentless government’ and the same time as the guardians of the old Victoria properties that of great
historical and aesthetic merits.

‘...homeowners...because of the degree of sense of skepticism about the intentions of local authority...were very alienated from the process of engagement... (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

‘...phase one was along the Edge Lane, which was the main road, and was the conservation area where there was objection to the CPO by a small group of BEVEF, that was a group of 8-10 residents, who got a sort of popular profile, cause they were exercising their democratic rights to object to the stereotypical local authority, you know 'aggressive authority was characterized'...they managed to profile themselves on press or on the media as they oppose the heartless local authority strategy. Not like that, the truth, there were700 properties there...out of the 450 that were occupied, probably 430 signed up to master plan for the demolition, probably 8 or 15 said no. And the 8 or 15 who said no held up the clearance of Phase 1, the demolition of the houses that were there, empty, for three years and caused legal expenditure in some thing like £300,000’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014).

‘78% people voted for it, 12% of people voted against it, 10% didn't express an interest. So there is a time in democracy when you have to accept that you lost, even if there is about 52% in favor of it and 48% against it. There was a very clear majority... there was an example, that the majority pool across area against the small minority of people who living right on the fringe of the area, who stop them (the majority) from
getting houses for ten years…” (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

‘Many residents in the area have been frustrated by the delays in taking this project forward’ (Cllr Peter Millea, Executive Member for Assets and Development, Narrated from news report)

In the official discourse, the majority of the local residents that had signed up to the master plan were the real victims. The changes in the area they deserve were suspended for three years and unfortunately the government was dragged into the financial crisis that caused further delay in the implementation. It was suspicious that those protestors themselves were inspired by the speculative activities and were just sticking for higher compensation. Besides, homeowners were thought to alienate themselves from the major consultation events:

‘Those three years, that delayed the CPO, took the program right up to 2008, when the economic collapse happened, develop confidence disappeared overnight, the developers would not build anyway, they would have invested in the area two years ago when the area was booming and they were building everywhere. So it was quite conceivable that phase one, the Edge Lane front, would have been built on and occupied, but that didn’t happened. It just coincided with economic collapse in 2008, so the developers disappeared anyway, and there was no building, anywhere else in Edge Hill’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

‘In the 2000s, the early 2000s, there was an economic boom in the
country, when property values going up. And one could buy a three-bedroom house, in Kensington, for 13-14 thousand pounds, and the same house, in other areas near the other side of Liverpool, was 100 thousand pounds. And those houses on the other side of Liverpool that have a better social economy, so the residents themselves, homeowners could invest on their own properties... those houses’ values increased, to that 100 thousand, whereas over the same period, the 3,4,5 years to the late 90s and early 2000, the property in Kensington, didn’t go anywhere in value, they just stayed at the same. Those home owners who watched the phenomenon of people gaining economic assets, equity value, elsewhere in the same city, same property, and they were blaming the social landlords and the local authority for their predicaments and their experience. It was more complicated than the explanation but that was what they thought about and what they felt about. So then it became an issue that they expected, certain strategic intervention (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

8.1.2.5 The Explanation for Other Symptoms

Indeed, not all the new properties were occupied by homebuyers. A considerable proportion of them ended up as ‘buy-to-let’ estates purchased by speculators. As is complained by some of the local residents:

‘So we now got an area without much homeowners, but an area with many new houses owned by private landlords, letting them out to people like students...a lot of Chinese students are living there. So this is the whole plan, it hasn’t ever made any sense, it even makes less sense
now… After it's all finished, all the people behind this thing, they've gone!
So it is left to me and anyone else living in Kensington (Steve, Activist against the KNDC and KHMRI, interviewed in 2013)

According to the official discourse, such a phenomenon was fueled by the financial products from the banking system. Which is to say, such a speculative activity is spontaneous and local government and the social housing associations can do little to curb it:

‘…you can get mortgages for, not living in a house but to buy a house and to rent it out. So lots of people began to buy their second property, third properties, so people who made equities as homeowners on their own house, mortgage their own place, to buy another one, on a buy-to-let mortgage…there was a very significant increase in private sector renting’ (Tom, Executive of Social Landlord support the KHMRI and KNDC, interviewed in 2014)

Moreover, not only the new properties can be used as an instrument for speculation. There is another type of speculative activity that is quite similar to the 'rampant constructions' in the DTMD case whereas individual speculators would invest on properties before the government declares the regeneration plan so they would make a profit from the compensation.

‘… …the government intends to put money into support that intervention, through New Deal or through HMR, so speculators saw the opportunities and bought the properties… the didn’t just let them empty, they would rent them out to anybody else who could afford a competitive rent and you know…they were making a lot of money (Tom, Executive of Social
8.2 THE COMMUNITY DISCOURSES REGARDING THE REGENERATION PROJECTS IN THE KENSINGTON REGENERATION AREA

In the official discourse, physical dilapidation and the concentration of low-income groups that are not capable of spending much money in the area had contributed to the deprivation of the area. The high proportion of social tenants and low level of owner-occupational rates had put a ‘transient’ tag on the area, implying that the majority of local residents do not have a long-term stake in the community they are living in. It was claimed that the physical regeneration would bring a fundamental change to such a situation. However, for some of the local residents, these ‘attributes’ were imposed on their communities simply for the sake of legitimizing the massive demolition. For them, the official language was manipulated to camouflage the essence of the physical regeneration, which is social cleansing and creating opportunities for speculation.

"From the start, pathfinder showed an appetite for destruction…the classic English terraced house was demonized as ‘obsolete’…yet the cure turned out worse than the disease" (Steve, Activist against the KNDC and KHMRI, interviewed in 2013)

‘In 1999 to 2000, they were going to knock down about 2/3 Kensington. And I think that was why Kensington was picked, because it was a great way to make money…’ (Steve, Activist against the KNDC and KHMRI,
From the perspective of some local residents, the rent gap derived from the dilapidated physical environment and deteriorated housing stock of Kensington were the driven force for the intervention of local government. For them, the essence of the NDC was a gentrification process. As some of the interviewees put it:

‘…the proportion of people that are homeowners in this area was about 40%, and they wanted it to rise to 60%. That's their way to make this area more sustainable. It is called gentrification, you know they want the middle class come into this area, and do that by building better houses…’ (Steve, Activist against the KNDC and KHMRI, interviewed in 2013)

‘Although the depredations of Housing Market Renewal Pathfinders have been ghastly all over the north of England, there is nothing to rival Liverpool for the sheer scale of destruction, dereliction and waste…In fact, typically for Labour councils after the collapse of the speculative boom, the current strategy is to hope desperately that the process can be restarted…’ (Hatherley, theguardian.com)

There are different voices from some long-term local residents regarding the transient argument as well. For them, those who do not live in the area would have a biased view and cannot really understand the area and local people. And the judgments they made on the Kensington HMRI area wasn’t based on real experiences of living there but on the exaggeration of some of the small problems so as to support the solutions they proposed, which is holistic
demolition and reconstruction. As some of the interviewees put it:

‘I can tell you this area is great, it is fantastic for a lot of reasons really. It has got a lot of history…there are still lots of people living there for a long time. It's not transient and the population is not as transient as people think it is…because they don't live here…’ (Steve, Activist against the KNDC and KHMRI, interviewed in 2013)

‘I have lived in Kensington for 20 years…I am very proud of living here…I think a lot of people love living in this area, and they have no intention of moving to a big house in posh area…to a lot of people, it is enough to have their own home in a small terraced house in Kensington or Fairfield. I think more important things for people around here is to feed the children, pay the bills…’ (Edward, Activist against the KNDC, interviewed in 2013)

‘The biggest issue, the antisocial behaviour, is people drinking wine or taking drugs, but there is not a big gang issue, there are not much gang here as other parts in Liverpool that were terrible those years with gun crime…’ (Edward, Activist against the KNDC and KHMRI, interviewed in 2013)

In the official discourse, the pre-1919 Victorian terraced houses were thought to be unattractive on the market, not only for the obsolete design, but also for the high costs for refurbishment. Yet from the perspective of local people, the new buildings constructed by the private developers were not either in a better quality or of a good design. Which again became a strong proof in support of some local residents' suspicion that the physical regeneration
programs were nothing but a means of speculation. As some of the local residents put it:

‘They've knocked down some really sturdy houses, which is really good family homes…’ (Edward, Activist against the KNDC and KHMRI, interviewed in 2013)

‘... they deem to build bigger houses on the same plot of land, so indeed it's smaller, it has smaller room, space in total. When these house, get demolished and rebuilt, this is a two bedroom plot, it's going to be a three bedroom plot by the time they finish with it. So it is certainly three bedrooms but it is still the same size, so it's going to be much squashed. And they are going to charge double for it...a lot of money…’ (Alicia, Relocatees against the KHMRI, interviewed in 2013)

‘The new house...the wall is very thin, you can hear next door, and it got a lifespan, allegedly, 30 years…’ (Edward, Activist against the KNDC, interviewed in 2013)

For tenants, although many of them had long been living in the area, they are basically not in a position to bargain with the Social Landlords regarding the relocation due to the property-based democracy. Indeed, after the regeneration, the number of social tenant has seen a significant shrinkage and the vacancies they left were to be filled by homebuyers with a better economic position in the market. In other words, social tenants were to some extent blamed for their inability to consume and moving them out was seen as an effective means to address the problems faced by the area. The HMRI programs were accordingly been criticized as a ‘social cleansing’ project.
‘...a recently submitted planning application proposes the demolition of 439 houses and a housing association scheme that will replace them with only 152’ (Hatherley, theguardian.com)

From the perspective of people who resisted the project, the condition of their properties was not as bad as what the government had described and they believe they can cope with it well. Moreover, it is unacceptable for them to hand over their properties and take another loan in return for one of the new properties which, from their perspective, wasn’t well constructed and has a short life span. As one of the property owners put it:

‘...so they could buy my house from me and then loan me...to let me have the full amount of money and then to buy one of their houses, these new buildings...I wasn't happy with the deal...you know what they do is very profitable’. (Alicia, Relocatees against the KHMRI, interviewed in 2013)

To legitimize their resistance, local residents developed their own strategies and discourse in response to the government’s actions. Apart from questioning the motivation of the regeneration projects and connecting the physical regeneration with speculation, some of the government’s measures in propelling the project were also accused. For one thing, it was argued that the evidence base for the physical regeneration wasn’t solid as the high vacancy rates of the properties in Kensington were to some extent made by the social housing associations that can manipulate the flow of social tenants. As is argued by one of the interviewees:

‘... this street had lots of social housing and there were a lot of tenants,
renting...not necessarily affluent families you know they didn't have much money. They were offered something about £4,000 pounds to move into other homes... that’s how they made the plans to say this place needs regenerating cause it’s under inhabited...they created that themselves, by moving people out (Alicia, Relocatees against the KHMRI, interviewed in 2013)

For another thing, they criticised the rationale of the gap loan. According to the policy design, the possible impacts on the social structure of the community would be mitigated through a financial package, which provided low-interest mortgages to relocatees who are privileged to buy the new houses. Yet for local residents, once a consent on the holistic demolition and reconstruction is reached, properties are bound to be demolished and the previous owners that want to stay in the area should pay for the improvement of the physical environment and housing conditions. Moreover, many of the former residents were at the late age of their working life or were even retired. They were incapable of paying back the money and have to sell the properties on the market. Some of the local residents put it like this:

‘...there are a lot of old people, who has already finished their mortgage years ago and are not working, retired. At their 70s, they are given £80,000 for their house, but to move back to where they live, it is going to cost an extra £20,000. (Edward, Activist against the KNDC and KHMRI, interviewed in 2013)

"I used to say ‘I'm 65, we worked hard to pay off our mortgage, why do I want a £35,000 loan?’ - I didn't want to leave that for my kids," (Mrs Walsh, 2012, Narrated from http://www.bbc.co.uk/news/uk-17255852)
‘…so it would turn you from a 100% homeowner to a shared homeowner, with loans…that was also the statement that if you sell your new Bellway home within ten years, if increase in prices, they (the developers) took a percentage out of that profit too… (Alicia, Relocatees against the KHMRI, interviewed in 2013)

It is also thought by some of the local residents that the gap loan policy had indeed priced many of the original residents out from the community, as they would sell their new properties out and seek cheaper places to live. With the sudden increase in the number of international students, the rents in areas surrounding the campus of University of Liverpool had inflated by around 30% since 2011. Many of the new properties are acquired by private landlords to let to students. As is put by one of the local residents:

‘…the people are selling out their house here, so that is one of the biggest things I've noticed. The manifesto put together the stepping stones they said it the community here would stay, that is not true. Community now growing in this area is Chinese’ (Alicia, Relocatees against the KHMRI, interviewed in 2013)

Since the Central Edge Hill area was included in one of the ‘opportunity zones’ and was designated as a HMRI project, local residents were facing great pressures from the government and their reactions varied significantly. As one of the local politicians put it:

‘…so typically what you get, is you go out there, saying we've selected this street for demolition, let’s talk about making you an offer, a number of people are willing to engage with that…without to have a CPO. There
will be other people, who think that, if I go, with the very first offer, I am going to get the worst offer, if I hold out a little bit longer, I will have a better offer in the end, so there is people who are trying to hold out for a bit of time...in one or two cases its people just hold on until as long as they can, cause they think people will give them more money...and you've then got people who don't want to go through the disruption, who don't want be able to do all of this, you got to be able to balance all sorts of things...’ (Nik, Politician against the KNDC, interviewed in 2013)

For those who are not willing to cooperate, the consultation cannot really stop local government to implement their plan and refusing to move became the only way. The process for local residents would be both physically and mentally stressful. As is put by some of the interviewees:

‘They did protest, but bit by bit, some of them will give up, and eventually moved somewhere else. A few stayed...but it was so stressful for these tenants, Because you know, when you get official letters from the council or Bellway Homes, eventually you worn down, let's take an easy way out, this was going over a few years, so eventually people can no longer stand… (Edward, Activist against the KNDC and KHMRI, interviewed in 2013)

The municipal government can choose to put a Compulsory Purchas Order (CPO) on those who stick to the area, yet the process would be extremely time and money consuming. Local residents clearly understand that and therefore take it as a tool when bargaining with the municipal government. As one of the local residents who resisted the project put it:
‘If I don’t move, they will CPO me, but they have to do it on the whole land, so even if I am the only one standing, they have to do it for the whole land…it would cost them, I think up to a quarter of million pounds…local government’s money, to compulsory purchase me, it could take anything up to 18 months to 2 years because I have rights I can stop them from times, there will be court cases, court prices, public inquires, it would be very time consuming, and cost a lot of money. They want to avoid that, very much… (Alicia, Relocates against the HMRI, interviewed in 2013)

Yet playing against the government would be extremely stressful, both physically and mentally. For one thing, local people know that they can delay the process rather than fundamentally reject the decisions of regeneration. Therefore any investment on the current environment would be considered as a waste of money:

‘So in fact I lived in a situation that, ok my carpet need replacement, but I can spend £400 or £500 to replace the carpet, and then suddenly come and tell me I got go. It is always been uncertainty, it’s been awful, just so many things just one by one (Alicia, Relocatees against the KHMRI, interviewed in 2013)

For another thing, the evacuation of the community would cast strong feelings of isolation on those who are left behind, not only for the fact that they are the only ones remaining on the empty street but also that they would be blamed by some of their previous neighbours for the delay they’ve caused. Moreover, while the private developers were described as profit originated, those who resisted the regeneration project were also described to be
'greedy' by their opponents. As is put by some of the interviewees:

‘They continue to pick everyone else one by one, and every meet on the street, and I believe, I mean I have been through this totally on my own for two years, before that there were three or four of us (who were unwilling to cooperate)’ (Alicia, Relocatees against the KHMRI, interviewed in 2013)

‘I went out on a tea time news, in the morning on the Radio Merseyside, they did get the councillor in there, the cabinet member for housing. They got her to do her side... I've never seen her before but I know who she was... she just said I was after for more money, which I did agree with her, because I was. Because I would lose my house, and in the market, to buy another house like this, would cost a lot of money, they charge it themselves. So she wasn't actually very nice towards me, she just said me was for the money. I couldn't deny that, because I want a good price for my house... if they are going to make profit, I want to make that too. I don't see why I can't...’ (Alicia, Relocatees against the KHMRI, interviewed in 2013)

Once the majority of the local people moved out, the area would become even more derelict. For the municipal government, the costs for maintaining the public services would rise due to the shrinkage of the council tax bases. Moreover, properties in the area would be more likely to be targeted by vandals. Although people who resisted the regeneration program had caused trouble to the municipal government, the latter had indeed handled it in a decent way when compared with its Chinese counterparts.
'...a couple of years ago they took down all the road signs and I still lived here, so that's continually some time the rubbish was never collected… the postman they were just waited until there were a handful of letters which could be until four or three weeks' period, then they will post them to me I get post once or twice a month. And I have whole time lock, for the most of the time I have to complain… (Alicia, Relocatees against the KHMRI, interviewed in 2013)

‘... I had a layer stolen from my roof, when the rains came, it flooded, and I approached the council, cause I believe it was a direct result of the scheme, that led with stolen…cause you got a derelict street…and finally they fixed it for me…’ (Alicia, Relocatees against the HMRI, interviewed in 2013)

8.3 THE COMMUNITY DISCOURSE REGARDING PUBLIC PARTICIAPTION IN THE FORM OF ‘KENSINGTON REGENERAITON’

The KNDC project was criticised by many local residents for the lacking of strategy and falling to deliver the desirable outcomes that should have been provided by the funding in such a large scale. For local people, perhaps the most significant failure of the program was that it didn’t bring much working opportunities to local people that desperately needed it. As some of the local people put it:

‘...in the end of the day. Areas like Kensington improve by people having jobs, and spend their money within the area where they live… It doesn’t
matter what you do, how nice you make it look, or you saying to people that you’re still unemployed but the area looks nicer...(Steve, Activist against the KNDC and KHMRI, interviewed in 2013).

Moreover, some local residents as well as politicians thought that the NDC funding wasn’t effectively used and too much money was spent on unnecessary things such as propaganda. There seems to be a deep entrenchment between those who were supposed to be the beneficiaries of the program and the decision makers. This is partly due to the fact that not all the local residents could equally benefit from the social programs as each of these projects has its own specially targeted groups. It is hard to please everyone. For people who need skill trainings for new jobs, the improvement on physical environment cannot really satisfy them. As is put by some of the interviewees:

‘I have not been very impressed by the physical regeneration… the medical centre is really good, but that’s probably the best thing they had done…the money doesn't trickle down to us…they spent a lot on propaganda events. But the people don’t see much…’ (Edward, Activist against the KNDC and KHMRI, interviewed in 2013)

As a national program, a certain proportion of money has been spent on propagandas so as to let the project well known by people from both inside and outside of the area, which was seen by some local people as unnecessary. As is put by some of the interviewees:

‘So people got things like this (the booklet) every year. They used to print these quite regularly. It is newspapers they sent to us, and if you look at
it, all it about was Kensington Regeneration. A picture of the Chairman is everywhere, like something of showing personality. If you look at it and you read it, there is no information about NDC, so all of this is self-promotion, self-marketing, nothing about anything else. But all this was quite expensive to do…(Steve, Activist against the KNDC and KHMRI, interviewed in 2013)

‘I stand as a cabinet member in 2011, I then pull the funding from that because it simply wasn't delivered what it should have delivered. And it was quite do wasted money…I think you can't spend that amount of money without making a positive difference…I think on the whole the question we should ask is did it do as well as it should be, did it achieve what it should achieve? And it absolutely fall shortage from those grounds. It didn't achieve Kensington Regeneration’s own hype that it would achieve; it didn't achieve what that amount of funding was capable of achieving. (Nik, Politician against the KNDC, interviewed in 2013)

The New Deal for Community Partnership was an innovative institutional setup in delivering the central government’s regeneration targets with the assumption that a community-lead partnership can well represent local residents’ interests and is capable of delivering both physical and social regeneration programs. In Kensington, the partnership was Kensington Regeneration (KR). As is put by one of the interviewees:

‘Kensington Regeneration has a board that controls how that money (NDC funding) spent, that board would come up with a business plan, for ten years, and then a business plan every year, about how it was going to spend that amount of money…City council wasn't in control of
that…(Nik, Politician against the KNDC, interviewed in 2013)

‘So if you look at how it (NDC Partnership) started off, it was almost kind of like a council within a council…’ (Nik, Politician against the KNDC, interviewed in 2013)

In practice such a structure is proved to be problematic and less effective in enhancing participation. Initially the board was constituted by 24 people from various stakeholders such as the local authority, the social housing associations, public institutions and local communities. The sheer size of the board made it ineffective to make decisions. As is put by one of the former board members:

‘….it was too big, because it couldn’t make decisions. It couldn’t spend the money. (Tom, Executive of Social Enterprise against the KNDC interviewed in 2013)

To demonstrate the real accountability to local people, the neighborhoods’ opinions were attached with great significance, which was especially the case during the first few years when the board was with its first Chairman. At that time, decisions made by the KNDC board had indeed to be reported to local forums and the five neighborhoods. As one of the interviewees put it:

‘…he chaired it in a way that almost gave the entire power to community representatives. Which was fair enough in one way, but in another way, you got all the others sitting around the table coming from the council and other organizations, who might thought oh why we would bother for coming?… (Hillary, Scholar neutral to the KNDC, interviewed in 2014)
‘…the board has to report to local forums and the five neighbourhoods. So they couldn’t make a decision until the forums of the neighbourhoods agree. (Tom, Executive of Social Enterprise against the KNDC, 336-339)

It would be naïve to assume that all the representatives of these neighborhoods would share a common interest and can cooperate with each other smoothly. In reality, representatives from different neighborhoods played like watchdogs for the interests of their own community, especially when it comes to the distribution of the public funding. As is put by one of the interviewees:

‘…there were five geographical places…all have representatives on the board. All those neighbourhoods were quite parochial, they separate…hard to cope with each other…they didn’t really work well with each other, so if one person spoke on the board, argued for some community investments in their area, neighbourhood, the other people would say, no, unless we have the same as well, or they might not need it, as well. And it was just arguing, and arguing without a decision’ (Tom, Executive of Social Enterprise against the KNDC, interviewed in 2014)

‘…after 30 years’ street fighting, sort of things, they actually are difficult to change perceptions. In a lot of divided areas, if people feel that they have been walked through in the past, it is actually quite difficult to bring them alongside. When they are on the board, you are asking them to think the good of the whole of the NDC area, it was actually quite difficult to do that, if you got one of those in yours, actually we want get those in ours, or if we spend 15 million on Fairfield, we need spend similar amount of money on other areas as well…without actually thinking in a
more strategic way” (Hillary, Scholar neutral to the KNDC, interviewed in 2014)

The initial democratic way of running the regeneration led to endless arguments and discussions which undermined the organization’s ability to make decisions and was finally modified by the board from within. Facing pressures from the government, the decision-making power was later centralized to the board and the mechanism of reporting to the local communities was stripped away. As is put by one of the former board members:

‘New Deal had to take 6 million pounds every year…so the community…have to get it spent…the first three years failed to get any spent, the first three years was in crisis (Tom, Executive of Social Enterprise against the KNDC, interviewed in 2014)

‘So about at the three years’ end… the officers from the government office were saying that (the partnership) is not working, they are not spending any money and they cannot make a decision. Cause they are just trying to please everyone at the same time’ (Tom, Executive of Social Enterprise against the KNDC, interviewed in 2014)

‘…they simplified the structure and reduced the size of the board. And reduced their link to these forms…they reduced the numbers (of board members) and they renewed the way of decision making…so the board made decisions…so it became more autocratic in making a decision, which improved its efficiency as an organization. But it took some time for them to realize the necessaries’ (Tom, Executive of Social Enterprise
The decision making process of the KNDC partnership was extremely opaque for local residents. According to the official guidance, NDC partnerships were expected to be ‘operated like an enterprise, and all the decisions made should be based on the interests of the organization’. The KNDC board were not mandated to release the project related details to the public but only to the departments of the central government. Which means the KR is exempted from the Freedom of Information (FOI) and therefore they do not have a responsibility to disclose detailed information about how the NDC money were spent, which increased the suspicion of local residents.

As is put by one of the interviewees:

‘The Kensington Regeneration is not a public limited company, and they are basically an agency…we cannot go online and check how much the chief executive paid for herself, or the chairmen or whatever…there was no scrutiny, and let us ask questions of where would you spend this money. I have seen all through these years there has been a couple of silly things that they had spent the money on… (Edward, Activist against the KNDC and KHMRI, interviewed in 2013)

‘…when it (KNDC) is finished and the local city council take over all the assets, I can ask questions, yet after the houses are gone, it was too late to ask questions (Steve, Activist against the KNDC and KHMRI, interviewed in 2013)

‘…the agency didn’t bring any decision making closer to the people, which it was supposed to do, it caused more problems than itself, but
actually it was a much less efficient and effective way of spending money than had the council spend it directly in that area (Nik, Politician against the KNDC, interviewed in 2013)

There is a trade-off between the stability of the organization and the legitimacy of the board members. For the Kensington Regeneration itself, maintaining the stability of the board certainly has a positive effect on its operation and can reduce the uncertainties. As is put by one of the interviewees:

‘…the NDC team would think that it is much more easier if you get people you already know and you can easily get along with, can work with, and to be able to understand what issues are…if you get new people in, you have to do all that again’ (Hillary, Scholar neutral to the KNDC, interviewed in 2014)

However, a comparatively stabilized composition of the decision makers certainly has negative impacts people’s perception about the organization. Accordingly the board members’ legitimacy was questioned and local residents would be suspicious about the organization. As is put by some of the interviewees:

‘It was a little club of people who just going to do what they want to do rather that the community want to do or not. So I think Kensington New Deal was a lost opportunity…’ (Jerry, Professional against the KNDC and KHMRI, interviewed in 2014)

Apart from the legitimacy, the board members’ ability for delivering such a
large scale regeneration project was also questioned by both local people and some of the politicians. Although board members from the KR can get advices and professional support from the local authority and other institution, there is still a learning curve for them to cope with the complicate program as well as to work with other board members. Within the board, decisions are normally made through vote. Although all the board members enjoyed equal voting rights, the process can easily be affected by members with strong personality. Therefore it was usually to see the decision-making process been dominated by a few number of the board members. As is put by some of the interviewees:

‘It was by vertue of personality not by vertue of constitution. Because of the strength of the characters, the capacity to advocate or bully, it wasn’t pleasant….one or two characters, became very loud and very aggressive, and dominant, others were quite. So people make decisions not necessary because of the intelligence of the decision, but because of the strength of the personality as the proportion of the particular’ (Tom, Executive of Social Enterprise against the KNDC, interviewed in 2014)

It is obvious that there is a naivety existing in the policy design assuming that decisions made by democratically constituted organizations such as the KR would be the best decisions for local people. In the KR, apart from the personality issue, there is another factor that affect the decision makings. It was found that some of the board members in the Kensington Regeneration have long involved in community-based social programs. They are professional players hanging on social programs and they know how to capture opportunities offered by the public funded social programs such as the KNDC and take advantages of it. With the existing social connections and
the power base, they can be easily elected as board members and play a predominant role in the distribution of the NDC funding. As is put by some of the interviewees:

‘It was a self-selected group of people, based on existing cliques, existing power basis, who were all about supporting the existing power basis. It wasn’t about empowering community to take control of their own lives, and take control of their own destiny and spend this money. (Nik, Politician against the KNDC, interviewed in 2013)

‘…if you look at the legacy strategy, it was about setting up a Community Interest Company that was controlled by those existing interests, to be able to sustain their existing power basis beyond the Kensington Regeneration’ (Nik, Politician against the KNDC, interviewed in 2013).

The way the board was managed was also criticized. The centralization of the power indeed became a barrier for public participation and community empowerment rather than an effective instrument to encourage both. Board members within the NDC partnership were required to act in the interest of the partnership. Any publicly expressed criticisms from the board members towards the NDC partnership were prohibited so as to maintain the organization’s public image. The rule is equally applied to all the board members, even for the democratically elected councillors. To some extent it shows that the partnership has a degree of independency, yet it can be also deciphered by many local people that the organization is run in a somewhat undemocratic way. As one of the interviewees put it:
‘...if you are a community representative, you couldn't be publicly critical of anything the Kensington Regeneration did, so if you disagree with a certain project, you could argue the case when you are on the board, behind closed doors, but if you couldn't then stand up in the assembly and say I think that was the wrong decision for these reasons, and if you did that, they pull those people off the board…’ (Nik, Politician against the KNDC, interviewed in 2013).

‘In 2007, one of the councillors on the board as the representative of the city council wrote a critical piece on her blog, saying she didn't agree with the legacy strategy, she argued against the board, and the board members tried to get her sacked from the board, despite the fact she was speaking as a councillor… It turned out the councillor resigned from the board over that issue, but there were moves to pull her off the board of Kensington Regeneration… Just through the vote of the board…’ (Nik, Politician against the KNDC, interviewed in 2013).

Since the KNDC was an area-based program, according to the rules, only those who are living within the KNDC area were eligible to involve in the NDC events ranging from consultation to the election of board members. This was later used as an effective instrument to exclude those who are dissatisfied with the program. As is put by one of the interviewees:

‘I was disqualified from participating in the meetings held by the NDC partnership simply because I moved into a house which is somewhat 3 meters away from the boundaries of the NDC area’ (Steve, Activist against the KNDC, interviewed in 2013)
‘One guy in the area used to print newsletters…they (the board) banned him from going to the meetings, they said he couldn’t come to the meetings any more as he has moved out of the area…indeed they don’t expect for people to question what they were doing…(Steve, Activist against the KNDC, interviewed in 2013)

8.4 CONCLUSION

It is found that the descriptions regarding the same regeneration project could be significantly different in the discourse used by the government and local residents. In the official discourse, the old properties were seen as one of the major sources for the deprivation and the solution is to replace them with new ones in attracting long-term residents with deep pocket. Yet for local residents, the housing redevelopment project was largely seen as profit-oriented and was initiated to collect the ‘rent gap’ and to price poor people out.

It is also found that the incentives for different stakeholders involving in the physical regeneration program varied significantly. The social landlords involved because they want to improve the profitability, for which they would rather give up a considerable proportion of the property ownership in return for new properties that require less maintained fees. For municipal government, they are willing to use money from Central Government to fundamentally change the landscape of deprived areas. Private sectors participated for the fixed profit rate. Some local people accepted the government’s vision and policy and were willing to see the physical regeneration happen in the community. Yet there were also strong resistances for the disagreement on the compensation policies. Both the
municipal government and those who resisted the regeneration program proactively mobilized powers and resources they can get within the framework set by the formal structure.

Public participation in the form of the ‘Kensington Regeneration’ was criticized for its undemocratic nature, the opaque decision-making process, the inability of the decision makers in running such a big regeneration program and the naivety existing in the policy design.
CHAPTER 9 DISCOURSE USED BY THE GOVERNMENT AND LOCAL RESIDENTS IN INTERPRETING THE DTMD REGENERATION PROGRAMME

The Chinese fast urbanization and development in recent years was deeply involved with the process of neoliberalization, including opening up areas for private capitals, accumulation by disposition, strengthened and expanded state power to guarantee a steady environment for the accumulation regime and local officials’ progress-based promotional mechanisms that stimulate the entrepreneurship of municipal government. Since 1994, the tax basis was divided into two separate sections that are collected and used by the central and local government respectively, which guarantees stable revenues of central government and at the same time leaves municipal government with considerable freedom in deciding the accumulation and spending strategy within their own jurisdictions. Since the 1990s, with the marketization of housing provision, land-related revenues, including land lease fees, taxations and various sort of administrative fees charged on the property development activities, had contributed to a considerable proportion of local government’s income. Local government therefore has strong incentives to materialize urban development and physical regeneration programs. The commonly used tactics of local governments include: making strategic plans for the development of clusters of certain types of industries and providing well equipped infrastructures such as transportation, living environment, education, health, and leisure facilities, and services, to attract both domestic and foreign investments. Many local governments therefore have borrowed
heavily from banks and are facing great fiscal deficits that need to be covered through exploiting new sources of revenues and slashing ‘ineffective’ expenditures on programs in relation to social welfare, social housing and the health care. Such a development strategy has a significant impact on the way in which inner city regeneration policies are formulated and delivered. As local governments’ affordability were overstretched by the fast expansion of cities and the accompanied expenditures on infrastructure provision, inner city regeneration programs were less likely to get compensations and the cadres in charge had to balance the budget through extra money generated from the project themselves, which can only be realized through dispossessing local residents’ rights in profiting from the inflation of their own properties.

9.1 THE OFFICIAL DISCOURSES REGARDING THE PHYSICAL REGENERATION IN THE DTMD

In the official announcements and news reports from the major media, the West-DTMD regeneration project was repeatedly portrayed as one of the most important projects of the Xi’an Municipal government aiming at developing the local economies and benefiting local people.

“The project is one of the annual key projects of the Xi’an municipal government and is directed by the vice party secretary and the deputy mayor of Xi’an City with the assistance from two other vice Mayors’ (Narrated from local newspaper published in 2005)

“The party secretary and the mayor emphasized that the aim of the
According to the official announcement and reports on local newspapers, the ‘road widening’ was not only a mandated task attached with great social, economic and political importance but also a project initiated in the interests of Xi’an’s citizens. Local media strove to create a scene that the initiation of the regeneration project was not only supported by the ‘vast majority’ of Xi’an citizens but also local residents, which was evidenced by speeches from local representatives that attended the official meetings. Indeed, asking ‘local representatives’, who are normally local elites, to publicly express their support is a conventional way for the government to enhance the legitimacy of the government’s activities in front of the public, i.e., the participatory process dominated by the government and participated by ‘local representatives’ more than often becomes a hegemonic project. The propaganda machine also runs at the government’s will. It is hard to find any negative views regarding the road widening project from local media and no public debate regarding various aspects of the regeneration project was really facilitated. Citizens in Xi’an, had they never talked with the local residents in the West-DTMD, will hardly get a full picture of the project simply based on the printed information.

‘The representatives of the local Muslim people agreed that the Sajingqiao widening is good for local people and the vast majority of local residents are in support of the proposal. They further expressed that in comply with the wider aim of the municipal government, they themselves will play as a role model in supporting the demolition work,
and at the same time try their best to convince their relatives’. (Narrated from Local news report in 2005)

From the governor’s perspective, the west DTMD regeneration was an integrative part of the overall development strategy of the Xi’an City, especially in dealing with the inner-city congestions. The Sajingqiao Street has the potential of becoming a longitudinal main road that could mitigate the traffic congestions in Central Xi’an. The costs for expanding the street was planned to be partly covered by profits generated from the commercial developments alongside it and the benefits brought by the project to the city as a whole would be significant. The project was also seen as an indispensable measure to realize the aim of ‘developing the tourism attractions and the commercial centres that can reveal the ancient landscape of Xi’an-the great capital city of empire China in Tang dynasty.

‘…the conference pointed out that the expansion project of Sajingqiao street is one of the key projects of the municipal government intending to benefit local people, to improve the physical environment, to improve the functionality of the whole city, to improve the local economic vitality and to protect the traditional culture’ (Narrated from local newspaper published in 2005)

‘Through protection and redevelopment, the environmental deterioration, traffic congestions and the under-use of the tourism resources in the Sajingqiao area would be fundamentally reversed…after the regeneration, the Sajingqiao street will become a ‘golden street’ which will not only accelerate the local economic development but also reveal the prosperous economy in ancient Xi’an’ (Narrated from local
For the district government, the project indeed provided a great opportunity for its property-led intervention to be realized. The great significance attached to the road expansion implied that the implementation of the project will be guaranteed by enforcement measures, which is clearly addressed in the announcement of the meetings attended by provincial and municipal top officials.

‘...especially, the Sajingqiao regeneration will take the opportunities offered by the expansion of ‘Sajingqiao Street’ and to be built into a district with a concentration of Local cultural products and indigenous cuisine’ (The former party secretary of the Lianhu District, narrated from interviews published on newspaper In 2005)

Indeed, the ‘opportunity’ mentioned above refers to the fact that for the widening of Sajingqiao Street, which is in the public interest, the government was able to impose a Compulsory Purchase Order on the properties within the designated area. According to the plan, the adjacent areas alongside the road with a 25 meters' width would be flattened for commercial development. With the excuse of road expansion, enforcement measures could be used to eliminate resistance from local people. The bright vision regarding the area portrayed by the party cadres to a large extent is irrelevant to those relocatees that either doing business on the street or living alongside it. As according to the compensation policies they will be priced out to periphery areas with lower commercial values.

Local residents’ interests, according to the government’s announcement, are
pered to be sacrificed and any attempts to delay the progress would face severe consequences according to the government’s announcement, which, as is seen from the local residents, is full of intimidation.

‘...the area’s potentiality of becoming an important tourist attraction is constrained by the out-of-date facilities and deteriorated physical environment. As early as in the 1950s it was suggested by many people to regenerate the area. In the recent decade, the issue has been raised by representatives repeatedly on the annual municipal People’ Conference and People’s Political Consultative Conference’ (Narrated from local newspaper published in 2005)

‘The Sajingqiao expansion project is fundamentally beneficial to local people and for the common interests of Xi’an’s Citizens, all the local residents, small business and institutions within the demolition zone should cooperate and relocate on time…this time, we will impose strict disciplines on our faculties, yet for those intentionally delay or even obstruct the demolition process, we will decisively take necessary actions in accordance with the law. We will never allow the infringement of public interests to be imposed by a small group of people’ (Interview with the director of the Demolition Office, narrated from the news report, 2005)

One of the inherited features of the government in mobilizing local residents was to ask individuals such as the party members and local officials to step forward and play as a role model in accepting the conditions for demolition. The government departments, public institutions and even private sectors are also commanded to cooperate. For private sectors that are required to
cooperate, to refuse is obvious not a wise choice, as their stakes are held in the hands of the Administrative Department of Commerce and Industry. The whole process is a good demonstration of how the power of public management in China can be manipulated by the municipal government.

‘We also required the party members to play as a role model for the rest of local residents (Interview with the Director of the Demolition Office, narrated from news report, 2005)

‘The public institutions should take a lead in cooperating with the demolition work and act as the role model for the rest of the local people’ (Narrated from local news report, 2005)

To speed up the demolition process, the government proactively mobilized the power and resources it has in an authoritarian way. All the government departments were required to ‘fulfil their duty’ and contribute to the demolition project. The state apparatus were repeatedly mentioned as the ultimate guarantee for the successful implementation of the demolition. The underlining message conveyed in the government’s statement and the local officials’ speech was: due to the great significance attached to the regeneration project, the administrative and judicial resources are now at the disposal of the district government. The provincial cadres’ appearance in the conversation between the government and local representatives implies that the program was patronized by the provincial government. A series of signs from the government have shown that local residents stand with no chance to resist the top-down decisions imposed on them through the formal structures, which is actually a prevailing phenomenon in many Chinese inner-city regeneration projects.
‘The Governmental departments in relation to planning, construction, land management and commercial and industrial management should fulfil their duties and cooperate the District government in accomplishing the demolition and construction works of the Sajingiqao expansion project’ (The announcement of the government, 2005)

‘This time, we will impose strict disciplines on our faculties, yet for those intentionally delay or even obstruct the demolition process, we will decisively take necessary actions in accordance with the law. We will not tolerate the infringement on public interests from a small group of people’ (Interview with the director of the Demolition Office, narrated from the news report, 2005)

‘The relocatees should cooperate and support the urban construction. Unreasonable activities impeding the demolition, including insulting the officers, inciting local people to resist and violating the related laws and regulation would be handled by the police. For actions violating the laws, the subjects will be prosecuted (The announcement of the government, 2005).

For some of the officials and professionals working for the government, the local government’s intention to balance part of the expenditures on the road widening through commercial development alongside the main road is warrant. From their perspective, the inflation of the land and property price in the west DTMD is largely contributed by the public investment on the infrastructures and therefore the government should benefit from the regeneration project. On the contrary, local residents are thought to be problematic, as following local people’s requirements on compensation and
relocation, the government would not be able to balance the check without external funding. One of the officials put it like this:

‘The compensation policies were fair but some of the residents wanted more and were hard to be convinced. The local residents can really benefit from the regeneration as they will be able to live in new apartments with central heating, which is a great improvement compared with their current living conditions’ (Bai, Executive of the LRC, interviewed in 2013)

‘….what the local people really want is using public money to expand and beautify their street, modify their houses and make places to accommodate their business. They refuse relocations of Muslims but want all the Han people to be moved out’ (Liu, the former Chief planner of the DTMD regeneration project, interviewed in 2013)

Behind the officials’ rational is the reality that politicians in Chinese local governments have to make decisions like an entrepreneur with eyes always on pro-growth strategies and at the same time remain sensitive to the return of the investment. During the past two decades, Chinese local governments gradually established an accumulation strategy based on the monopolization of urban land ownership.
9.2 THE COMMUNITY DISCOURSES REGARDING THE PHYSICAL REGENERATION IN DTMD

9.2.1 Local Residents’ Claims for their Rights to the DTMD

Since very limited power and resources are granted by the current institutional setup for local residents to influence the decisions regarding the physical regeneration programs imposed on their community, they have to adopt alternative strategies to defend their property rights when forceful demolition and displacement are about to happen. Sticking around and refusing to evacuate are widely adopted by local people. A stagnated regeneration initiative may prevent any changes from happening in a community yet at the same time can successfully make a political statement and leave space for a different regeneration scenario. For local residents, a delayed or blocked redevelopment on the one hand implies the chance for getting a higher monetary compensation while on the other hand means local people has to bear with the dilapidated environment until the real regeneration takes place.

In resisting the local government’s decisions, local residents articulated their own discourse to legitimize their actions in mobilizing power and resources they can reach to resist the state-led gentrification. According to the P.R.C.’s constitution, since 1982 all urban land belongs to the state while it is only possible for citizens to hold full rights to the properties attached on it. If strictly following this principle, the government as the land owner has the right to remove people from the pieces of land they want to reclaim. The state ownership of urban land has been repeatedly used by municipal governments as a tool for the primitive accumulation during the past 30 years
with the support from central government. Had such a fundamental condition not been challenged, local people would have lost the battle from the very beginning. One of the strongest reasons used by local residents to demonstrate their rights to the place was the ownership of the area they inherited from their ancestors as well as their attachment to the area that accommodate their ethnic culture and traditions. And the significance of social fabrics was used in local resident’s discourse to add up the real cost of the regeneration program. It was repeatedly emphasized in local resident’s discourse that the value of their property does not only mean costs of the new buildings or the central heating system, but also includes the existing social and cultural fabrics and the convenient daily life, all of which would disappear once the regeneration is implemented following the municipal government’s proposal.

‘The Hui nationality has settled in the DTMD for at least 600 years, our cultural, social and economic activities are all rooted here. The relentless redevelopment may cause much severe loss to the indigenous social fabric than any other disasters such as the Cultural Revolution’ (Ding, Activist against the west DTMD regeneration, interviewed in 2013).

‘The mosques are the most important thing for our Muslim people as we do our daily worship and hold our ceremonies in it. It is also impossible to find so many cuisines in any other places as in the DTMD. Most importantly, this is the place where our ancestors lived and local people have their family cemeteries here. By no means we would allow them to be touched’ (Ma, Local people against the west DTMD regeneration, interviewed in 2013).
‘.. we didn’t turn it (the land certificate) in to the government…if we do that, the land would now belong to the state, but we didn’t, so the land still belongs to us…(Zhao, local people against the west DTMD regeneration, interviewed in 2014)

Another interesting phenomenon was that the majority of the interviewees from the DTMD that strongly opposed the regeneration proposal provided by local government clearly separated the ‘local government’ and central government in their discourse. According to them, the central government’s policy was generous and fair: ‘for every one square meter's demolition, the relocatees will get two square meters’ compensation in new buildings constructed somewhere nearby’, which, based on the common sense, would too good to be true. Central government is less likely to give a clear guidance on the standard of the compensation for particular case. Yet for local residents, attaching justice and impartiality to central government can increase the legitimacy of their resistance and make the outside society believe that the municipal government should be blamed for its unethical behaviours.

9.2.2 Justifying the Non-cooperation

Being different from the critical attitudes appeared in the official documents against the potential local resistance and the official language that described the resistance as ‘irrational activities from a small number of people causing a severe infringement on the public interests’, the majority of local people see their resistance as a justified movement in protecting the unique features of the historical area, especially the social fabrics that have been nested in the area for hundreds of years.
‘The DTMD is one of the few remaining historical urban areas that hasn’t be regenerated in Xi’an, simply because of the resistance from local residents against the ruthless property-led regeneration model (Wang, staff in the LRC, interviewed in 2013)

‘Many properties in this community accommodate more than one generation of the family, as long as they hold the land, local people can refurbish their properties when necessary’ (Ma, Local resident against the west DTMD regeneration, interviewed in 2013)

Moreover, in local residents’ discourse, pursuing reasonable individual interests they deserve is also justified. The evidence they used was the huge ‘value gap’ between the market price of the properties in the area and the compensation promised by the municipal government. Although the majority of local residents haven’t heard about the concept of ‘gentrification’ and ‘rent gap’ that were primarily developed in the western contexts, it didn’t prevent them from figuring out the unfair essence of the regeneration program featured with dispossession and exploitation. According to local people, without resistance, the majority of the value gap generated from the redevelopment would be collected by the municipal government and property developers. Moreover, the state-led gentrification in the DTMD cases was underpinned by strong state-apparatuses and the discourse articulated in justifying and legitimizing the state’s actions.

‘They (the government) said it (the expropriation) was for the expansion of the road and green spaces alongside it. Which was not true as they (the government) sold the land to private developers immediately after the demolition. As you can see from the south part of the road, only a tiny
section of the designated area have been used for road expansion while the rest of the area are expropriated primarily for commercial development’ (Zhao, Local resident against the west DTMD regeneration, interviewed in 2014)

‘The government wants to redevelop this area and they want to make money from the redevelopment. But what they pay for buying our properties are too low, local people are not fools. We want this area to be regenerated with respect to our culture and traditions. (Jia, Local resident against the west DTMD regeneration, interviewed in 2014)

Local residents obviously have a different understanding regarding the property value and compensation polices based on their own calculations:

‘The compensation offered by the government was unfair. In 2006, the average compensation for demolishing one square meter was 1980 yuan, the price offered by the developer in an adjacent place was 4000 yuan. The standards for compensation was not made following the national guidance, but by the local government, the initial price was 1680 yuan/ m2 although was latterly increased to 1980, it was still less than half of that in other places in Xi’an’ (Chen, Local resident against the west DTMD regeneration, interviewed in 2014)

‘In 2006 the housing price for residential properties was around 4000 yuan/ m2. And now the price for new commercial and residential properties is about 36,000 Yuan/m2 and 8,000 Yuan/m2 respectively… (Chen, Local resident against the west DTMD regeneration, interviewed in 2014)’
‘It is impossible to buy a similar house in the same area with the compensation offered by the government. If we want to stay here after the regeneration, we have no choice but to pay extra money by ourselves. Why on earth should we accept the offer?’ (Ma, Local resident against the west DTMD regeneration, interviewed in 2013)

‘While for the new condos that with only 70 years’ shared land ownership, local people cannot do any modifications to the properties. Moreover, it would be hard for these new constructions to sustain more than 50 years due to the materials they use. What will happen to those relocatees after 30 or 40 years? Would they pay more money for the refurbishment?’ (Bai, Local resident against the west DTMD regeneration, interviewed in 2014)

9.2.3 Justifying Tactics: Militant Resistance and Petition

Further, according to local residents, the formal structure doesn’t offer a workable solution for the question of who should be the major beneficiaries of the regeneration. Local people’s suggestions and proposals were refused by the government, which determined to ‘regenerate’ the area in their own way.

‘We were really disappointed about the redevelopment proposal and asked the government to reconsider it. We hope the Damaishi-sajingqiao street can be regenerated following the east DTMD pattern and the owners of the commercial buildings alongside the street are willing to give up part of their property and land rights for the main street expansion, as long as they are allowed to retain the ownership and development rights to the rest part of their land. Yet all our suggestions
were rejected by the government as they determined to expropriate all the properties from us and make money from the commercial redevelopment alone’ (Ding, Activist against the west DTMD regeneration, interviewed in 2013).

For the municipal government, what required by the local people was to let them give up the potential profits they can gain from the redevelopment project, i.e. the commercial properties that would be developed alongside the new street. In resisting the physical redevelopment imposed by the government, different alternative strategies, including militant resistances, rampant constructions and the submission of petitions to central government were all reasonable choices. The militant reactions, according to local people, were caused by violence and intimidation from the demolition office and the ‘temporary employees’. According to the demolition officer’s interpretation, these employees provide assistance to the formal officers were ‘400 well trained employees with strong disciplines’, yet according to the local activists, they were ‘700 gangsters’ hired by the government in preparing for the forced eviction’. The tension between both sides was intensified and finally evolved into confrontations because of an unprecedented clash between some individuals from both sides. Since the confrontation wasn’t reported by the local media and officials interviewed also avoided to give a commentary on it, local activists’ testimony became the only source of information. Though with more or less bias, still helps to recap the process.

‘On the 1.1km’s long street, 2 demolition offices were established and about 700 temporary workers were involved, most of which came from ‘Tigongdui’, an institution in which youngsters with sport talents were enrolled and trained for becoming professional athletes. With the thriving
urban redevelopment in recent years, they got a part-time job helping the demolition companies or the government to intimidate those who are not willing to cooperate. A group of the youngsters smashed a store owned by one of the activists and initially no one dared to say a word. However the local people’s anger were fuelled and they gathered together to protest in front of the demolition offices and then went to the West Mosque and requires the Imams to step forward and speak for them. Finally all the Imams agreed to negotiate with the government in representing local people and the local residents also reached an agreement that no one should sign contract with the government individually before the compensation and rehabilitation plans are collectively agreed’ (Ding, Activist against the west DTMD regeneration, interviewed in 2013)

Two issues deserve further discussion. Firstly, from local residents’ perspective, the intimidations and violence imposed by the ‘part time employees’ were acquiesced by the demolition office, which acted at the will of the municipal government. To local people, the violence itself is a provocation from the government aiming at dampening local activists’ morale. Secondly, the outburst of local people’s anger and their instinctive reactions in urging the Imams-the local spiritual leaders who previously refuse to act as the representatives in resisting the government, to stand up and speak for them was a vivid image showing the relationship between local elites and people. Local elites are used to keep themselves in line with the government and in return, they are rewarded with various benefits including more political influence, higher social status and even economic returns. While for ordinary local people, when confronting with the powerful government, chronically they turn to the local elites for leadership, the underline meaning of this action
is that the Chinese non-elite classes expect someone rather than themselves to stand up and speak for the collective interests, since the accumulated experiences have told them that after the movement, activists that dare to defy are very likely to be punished by the government either openly or secretly afterwards. In such a pattern, the collective non-cooperation and the potential militant resistance from each individual citizen could be used to challenge the pre-set rules, which, for many Chinese local residents, is a way with higher promised returns if compared with having a lawsuit.

‘In Zhejiang province, which is a highly developed area of China, in 2013, 90% of the judgements of the first instance regarding the law suits initiated by individuals against the government came out with a decision in support of the government’ (Provincial Super Court of Zhejiang Province, 2013)

Local elites are thought by local residents to be the proper interface between the municipal government and local residents and their decisions can sometimes change the trajectories of the whole incident. Although every single confrontation between the local people and the government may yield very different outcomes and make different contributions to the overall structure, the interactions between the two sides usually follow such a pattern. In fact, in the past few decades, collective movements were frequently used by the Chinese people to challenge the rules so as to protect their individual interests, which has exerted great pressures on central government and eventually led to the abolition of municipal government’s rights in making administrative orders for forced eviction. Now CPOs on people’s properties can only be issued by court after going through a formal legal procedure.
‘If we were a little bit more coward at that time, we would have been relocated…it is now difficult to drive the local people away like what they did seven years ago, as the forced eviction decisions made by municipal government is sensitive and has been banned by the central government. The politicians know that local people are tough and they have plenty of other opportunities to make progress for promotion, why bother with this area? (Ding, Activist against the west DTMD regeneration, interviewed in 2013)’

In the DTMD case, local residents took advantage of the sensitivity of the ethno-politics and their networks with the national religious organizations to increase their political influence and exert political pressures on central government for intervention. Which, for many Chinese inner city communities that are facing forced evictions, is an intangible resource. This makes the west DTMD physical regeneration a unique case that may not be replicated in other areas. Yet the incident to some extent revealed how political struggles unfold themselves behind many of the Chinese inner city regeneration projects. As one of the interviewees put it:

‘We started to employ various venues such as the Ethnic Committee, the People’s Congress to make their voices heard. Petitions were also sent to municipal, provincial and central government. The confrontation lasted for 3 months and eventually the local people drew the attention of the Ministry of Construction which sent special inspectors to investigate the redevelopment…’ (Ding, Activist against the west DTMD regeneration, interviewed in 2013)

For the Chinese municipal government, when calculating the rent gap,
political costs should also be taken into account, which is previously neglected in many similar research due to the fact that the notion originally come from the western society, where ‘political costs’ could be significantly reduced by the formal structures embedded in the democratic political system. Under the authoritarian regime, 1) Politicians from central government and local government use a different formula to calculate political costs. The former pay more attention to people’s perception about the CPC’s legitimacy, which relies on maintaining the central government’s image as a facilitator in getting the people a better life, an arbitrator in maintaining the social justice and harmony and a protector of the country’s indecency and national interests. While for local politicians, political costs for the most of the time mean the higher level politicians’ perception about them, which relies on progress they made in enabling economic growth and maintaining the social stability and more importantly and in accomplishing the political tasks coming from the higher level cadres; 2) Political costs could be very high in some cases and the management of political risks often plays an important role in inner city regeneration programs. The authoritarian regime does not provide sufficient protections to its people, yet for politicians the situation to some extent is the same. The system is dynamic and rules consistently shift due to the interactions between both sides.

For those who carried out the petition, it would be extremely dangerous as a successful petition may expose local officials’ flaws in front of the higher-level cadres and cost great uncertainties or even fatal damage to their political life. Municipal government leaders in China are highly vigilant to the bottom-up petitioners from their domain, especially those with an intention of sending materials to Beijing. The measures applied to suppress the petition are still crude.
‘...to avoid being discovered that we were preparing for the petition, we rented a house somewhere away from the DTMD and I stayed there for a whole month to write up the materials. I did not go back home until all the documents were finished and carried to Beijing (Ding, Activist against the west DTMD regeneration, interviewed in 2013).’

9.2.4 Justifying Rampant Constructions

Although local people in the DTMD are not familiar with the concept of ‘rent gap’, they have already realized that the government’s intention to collect the ‘rent gap’ had never changed and would one day be realized due to the rocketing housing price in the surrounding areas. The higher the rent gap is, the stronger the determination of the government would be. To the DTMD residents, winning the battle against the District government over the West-DTMD regeneration was lucky yet can never guarantee a similar triumph over the war on the rights to the area. If breaking down the cost for the government to collect the ‘rent gap’ into political costs and economic costs, then the militant resistance and the petition played an effective role in raising the former while rampant construction in the DTMD had successfully narrowed the ‘rent gap’. The compensation was calculated based on the total floor space that has been approved by the local government and the formula is: Total Price=Price/M² x Floor space (M²).

‘It (adding extra floors onto the original buildings) is understandable, (because) the compensation is too low and we would get more (money) if we enlarge the original buildings. If the local government follows the national policy, we wouldn’t do like this… it were all driven by the government’ (Chen, Local people against the west DTMD regeneration,
Local people in the DTMD have long strove to fill their land with poorly designed multi-story buildings and it has indeed become one of the biggest investments for many of them. As one of the local people put it:

‘I wish the government can lend us some money to rebuild our house, as currently I have already borrowed 160,000 Yuan for the construction, it is a heavy burden for ordinary families like us’ (Ma, Local resident carried out self-funded redevelopment, interviewed in 2012)

For local people, in spite of the need to match the enlarging family population, adding more floor spaces onto the old properties would also guarantee them a higher compensation price once the demolition happens. Two major reasons were used to justify their activities. Firstly, they apply the permission for reconstructions in the name of ‘self-funded repair for buildings in danger of collapses’, which cannot really be rejected by local Planning Bureaus and Construction Administrative offices simply because of the serious consequences a refusal may yield. If the building collapses one day and lead to causalities, those decided to turn the application down would take full responsibilities for that. Moreover, the activity has long been encouraged by national policy dating back to the 1960s when the government shifted its duty of refurbishing buildings that were not suitable for accommodating local residents. Normally government will take care of the exterior environment while leave the responsibilities of maintaining the building conditions to local people themselves.

‘I have to build my house into a four-story flat, although I only got the
permission from the government with the following conditions: 1. New constructions should not exceed three floors for the sake of historical conservation; 2. The exterior decorations should follow the codes given by the administrative department; 3. The construction activities should not cause environmental problems’. (Ma, Local resident carried out self-funded redevelopment, interviewed in 2012)

Secondly, local residents would argue the need for enlarging the buildings to accommodate the increased population within their family and emphasise the importance for the whole family to live together. Particularly they emphasise their attachment to the area regarding the job opportunities and convenient life the area provides. It is actually found in the survey that in many local families there are at least three generations living together.

‘I have two children and each of them will take one floor for their marriage and me and my wife will take one floor as our bedroom…we also plan to use the ground floor for small business’… (Ma, Local resident carried out self-funded redevelopment, interviewed in 2012)

Figure 9.1-9.2: The Same Place Before and After Construction
Indeed to maximise the floor space, local people had sacrificed the quality of their living environment. The lighting of the new properties is affected by the high density and to save the costs, there is not central heating system equipped. In their discourse, the government was to be blamed for this:

“Anxiety increased among the locals and the following two years had seen a rush of self-construction. It had completely turned our decent courtyard into refuges. As you may see, even in the middle of the day, many households have to keep their lights on. (Ding, Activist against the west DTMD regeneration, interviewed in 2013).

Once the construction work is accomplished, local residents still need to get an official certificate from local government to prove their ownership to the buildings. Local government has long noticed the rampant construction phenomenon and tried to control it through granting certificates with detailed indicators and configurations for each building, based on which compensations for demolitions would eventually be made. As one of the relocatees put it:

‘...they (the government) only compensated according to the figures of the floor space printed on the certificate they measured… (Zhao, Local resident against the west DTMD regeneration, interviewed in 2014)
The municipal government tried to enlarge the potential rent gap from the regeneration project through using the planning power it monopolized while local residents choose to neglect the rules made by the government when they take actions. Both sides strove to take advantage of applying/distorting the restrictions to maximize the expected interests they can get from the physical regeneration.

Due to the limited capacity of the government, so far no evidence shows that the rampant construction within the DTMD could be prohibited, which is largely due to the fact that the scale at which the rampant constructions taking place is too large for the municipal government to exert an effective control. I.e. Chinese municipal govern has its limitations in dealing with the bottom-up rampant construction movement. The prevalence of rampant construction itself in the area has also become a reason used by the local people to justify their activity. One of the interviewees put it like this:

‘…many people in the community are doing the same thing (enlarging the size of their buildings’ (Ma, Local resident against the west DTMD regeneration, interviewed in 2013)

The narrowing down of the ‘rent gap’ would dampen the municipal government’s enthusiasm to regenerate the area and leaves the place trapped in a limbo with deteriorated physical environment and traffic congestions. No public money is now channelled in to help local residents to improve the shared physical environment either. In describing the current status of local residents’ living conditions in the west DTMD, one of the interviewees put it:
‘…most of the households do not even have tapped water and sewage system now, they need to go public toilet every day as there is no bathroom within their property…this area should have been regenerated long before 2006. The only obstacle is the government’s intention of making money from it. Indeed since the 1950s there were intentions to regeneration Sajingqiao-Damaishi Street, local people are expecting to see the regeneration in this are simply due to the dilapidated physical environment (Bai, Local resident against the west DTMD regeneration interviewed, in 2014).

Figure 9.3-9.4: The Street Views in the DTMD:

It was found that local people generally lack professional knowledge, which can support them to formulate a holistic vision regarding the future of the area. Yet, as there are some examplar cases regarding Mulism District Regeneration in Beijing, local residents are now with more precise requirements on how do they want the area to be regenerated. As is put by one of the local people:

‘There is a strong willingness from local people that the regeneration of the DTMD should give respect to local people’s attachment to the area and their unwillingness to be driven out of the area. They make their lives
here and their religious belief and activities are closely connected to the mosques spreading across the DTMD. For local government, it is difficult to regenerate this area, as the regeneration has to retain the physical as well as the social fabrics of the DTMD. Local people do not wish to be relocated to other places, instead they want opportunities to be created for them to continue live here, just like the regeneration of ‘Niu’ Street in Beijing’ (Wang, LRC staff, interviewed in 2013)

The contrasting discourses used by the municipal governments and local residents in maximizing their own interests from the physical regeneration programs in the west DTMD area can also be found in many other Chinese inner city regeneration cases. While local governments’ neoliberal urbanism polices and their actions in taking advantages from deploying resources and powers they obtain from the authoritarian political system are accused, local people also managed to resist through deploying various resources and distorting rules made by the government.

9.3 DISCOURSE REGARDING THE LRC

In the DTMD case, social regeneration programs are mainly delivered through Local Resident’s Committee (LRC). In China, the authoritarian nature of the politic system decides that enabling the government to retain a certain degree of control over various tiers of the society and to intervene whenever it feels necessary is crucial for the survival of the regime. For one thing, the legitimacy of the P.R.C government is now increasingly relying on the progress it made in meeting with the ‘public interests’, which requires certain degree of capacity and efficiency in mobilizing resources and breaking down potential ‘barriers’. And on the ground the growth are facilitated by municipal
governments that need to be fully empowered to release their potential. For another thing, penetrating its control into different tiers of the social organizations including media and community organizations gives it more capacity in maintaining the social stability as the CPC is still highly vigilant to any bottom-up defiance that would damage its international image and domestic legitimacy. It is the central government’s principle strategy to subject public and private sectors under the guidance and supervision of the CPC.

‘Can you find a similar governmental institution in any other countries called the United Front, which draws over the elites of Hui people and gives them official positions and payments to speak for the government’ (Jia, Local resident against the West DTMD regeneration, interviewed in 2013)

According to the Chinese institutional setup, although officials in the LRCs has no hope to be promoted to higher positions within the political system, they are indeed standing in a prominent position for their direct connections with local people and are playing an important role in consolidating the PRC regime. For them, working in the community and delivering social programs is a life-long job. Many of them have strong motivations to run the community-based organizations with a strong sense of entrepreneurship. In terms of reaching local people, the LRC as a community based organization is efficient. The core staff together with the voluntary workers formed a network that is capable of constantly channelling information in relation to the dynamics of local areas to the government officials. One of the advantages of such an ‘undemocratic’ way of operating the community-based organizations is that it enables the majority of local people to be reached and connected
and guarantees an impartial distribution of limited resources to those who are in need. Different LRCs usually compete with each other in getting resources from the municipal government and the LRC leaders are usually less likely to be promoted to higher positions within the hierarchical political system. Yet as the major interface between the party and local people, their political significance are appreciated by the CPC and every year a certain proportion of National People’s Representatives are selected from the LRC leaders, which, though, is usually seen as an honour selectively given by the government. Even like these, being a representative attending the National Congress would give great personal influence to the LRC leaders and help them to expand their networks, which is important in the competition for getting resources for the local community. One of the LRC members put it:

‘From my opinion, a good community worker who has the commitment to serve the community does not necessarily depend on money, we can actually serve the local people in many ways using our time and energy instead of spreading money, which usually is not the decisive fact for the success of social projects. It is true that financial support from the municipal government is crucial for equipping the facilities, yet what is more important is the LRC workers’ motivation to get things done. We managed to find donations from the society by ourselves… entrepreneurship is indispensable for running the social regeneration programs’ (Bai, Executive of the LRC, interviewed in 2013)

9.4 CONCLUSION

For governors at both central and local level, the real estate market became one of the most important drivers of the economy and priorities were given to
stabilizing it. Against such a background, gentrification has been driven deeper into the heart of disinvested city neighborhoods. In spite of the intention to mobilize local people, the official announcement also implies that the implementation of the physical regeneration project was attached with political significance and therefore guaranteed by the state power. It was a manifestation of the strong authoritarian feature of the Chinese government. Public participation was largely manipulated and the selected representatives did not really speak in the interests of local people and the road expansion was seen as an opportunity for imposing forced eviction.

Local residents were forced to accept monetary compensation based on the market value and the floor space of their former property. Then they can choose to buy different properties from the housing market. The Chinese political system has granted very limited power and resources for local residents to resist physical regeneration-related decisions made by the government. Local residents have to adopt alternative ways such as rampant construction, petition and even militant resistance in defending their property rights. In their discourses, such activities are legitimized and the idea of ‘rent’ gap and ‘gentrification’ emerged from some of the interviewees’ arguments, although none of them had any theoretical knowledge regarding the two concepts. There were great tension between local residents and the municipal government over the property rights and it was found that both sides mobilize the power and resources to maximize what they could get from the regeneration project and sometimes their activities went beyond the boundaries drawn by the formal structure.

In China social regeneration programs are mainly delivered through LRCs, which as a semi-official entity also shoulders the function of social
surveillance. The nature of the LRC decides that it is unable to stand up for local residents interests when conflicts emerge between the municipal government and local residents. The LRC has to merge different sources of funding by themselves with entrepreneurship to initiate social regeneration programs.
CHAPTER 10 COMPARING THE TWO CASES WITH A MICRO PERSPECTIVE

The major research findings from the comparison study are presented in this chapter. In both China and the UK, the formation and implementation of urban regeneration policies are shaped by structural factors such as the politics, the central-local relationship, the social economic challenges faced by the country and the ways different players interact with each other. Urban regeneration policies and practices for specific urban areas, however, are largely shaped by the overall urban development strategy as well as the historical trajectories of the spatial, social and economic development of the city.

The regeneration initiatives in both cases covered physical and social aspects. Regarding physical regeneration projects that involve demolition and relocation, it is found that in both cases the discourses used by the government and local residents in justifying their actions are significantly different. Specifically, the municipal government’s actions in both cases followed a Neoliberal Urbanism ideology while local residents decipher the physical regeneration as an action of ‘creating opportunities for speculation and accumulation by disposition’ with a critical perspective. In both cases, due to the great significance attached to the properties, local residents’ participation in physical regeneration projects were in the form of direct negotiation with the municipal government. In the bargaining process, both sides proactively mobilized power and resources they have to maximize their interests. Yet the interactions between local people and the government are context-specific. In the Kensington case local residents inclined to seek
solutions within the formal structures, while their Chinese counterparts in the DTMD case relied on alternatives such as collective protests or upward petitions to defend their property rights. It has also found that there are some common tactics used by municipal governments in both countries when implementing the physical regeneration projects, such as tenants first, portraying a bright future and sometimes even intimidations.

In terms of social regeneration programs, New Deal for Communities has strong socialism features and involved distribution of large amount of public funding from the central government. The delivery mechanism—the Local Partnership was also an innovative institutional setup with the aim of encouraging public participation. While in the DTMD case, social regeneration programmes are mainly delivered through the Local Residents’ Committee (LRC), which subordinates to the municipal government. Little resources were allocated by central government for the initiation and operation of social programs and the LRC officials have to work with entrepreneurship. Public participation in social regeneration programs was realized through delegated democracy and in both cases was deeply affected by the indigenous power relations.

10.1 DIFFERENCES IN POLICY DESIGN

They policy design of the physical regeneration in Kensington was different from that in the west DTMD. Firstly, the government’s motivation in initiating the HMRI program was not to directly profit from it. Instead, public funding was channeled in to finance the acquisition and demolition of derelict properties in the area. One of the politicians’ commentaries revealed the intentions of the municipal government:
'You actually need to spend money, because what you do is to build the neighborhood, the critical massive goodness, so then you don’t need to put any public money into them…the whole idea was that you would convert the area…so it became an area that you don’t need to subsides, and in Kensington of course it is a very good example, of how you kind of build it up (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

Secondly, there was not a significant rise in the Floor space-Area-Ratio after the redevelopment, which means the overall spending on demolition and reconstruction was less likely to be covered by the revenues from selling the new properties if the housing price in the area remained steady. The project therefore needed financial subsidy. Due to the centralized nature of the British government, municipalities had little fiscal power and they had to rely on regeneration funding from the central government. Such programs would be severely affected by funding cuts from the central government. One of the interviewees put it in this way:

‘In some ways the HMRI became unsustainable as public money run out…the government has to find things it wasn’t going to pay for…the Labor would pause those programs as well, because we reached a point when we spent more than we get in…so there would be cuts somewhere’ (Richard, Politician support the KHMRI and KNDC, interviewed in 2014)

Thirdly, to stabilize the social structure and avoid gentrification, the government provided financial packages to local residents to bridge the gap between the compensation they got and the cost of purchasing a new
property in the same area. Moreover, the delivery mechanism of the HMRI was a four-way partnership involving the central government, the municipal government, the social housing associations and the private developers. Each of them involved for their own rationales and played different roles.

The situation in the west DTMD regeneration was very different. Behind the slogan of 'road widening for public interests' was the municipal government's strong intention of profiting from the physical redevelopment. Little central government funding was in place to finance the physical regeneration programs and the municipality had to balance the incomes and expenditures by itself. Indeed physical redevelopment has become an important means for Chinese municipal governments to increase its revenues over the past four decades. Through monopolizing the power of controlling the circulation of urban land and deciding the FAR, the municipal government would take a considerable proportion of the surplus from the regeneration projects while local residents previously living in the community would be offered with compensation fees and swept away.

10.2 TACTICS USED IN PHYSICAL REGENERATION PROGRAMS

10.2.1 Tenants First

There were common tactics used by the municipal governments in both countries to propel physical regeneration projects. Municipal governments in both countries held absolute authority against the tenants and it was found in both cases that tenants were always among the first group of people to be relocated. In the UK, the participatory democracy is largely property-based
and tenants could be easily convinced to move away. Moreover, the vacancy rates of tenant-occupied properties are also an effective means for creating the derelict scene of the targeted regeneration area. Higher proportion of tenant occupancy leads to less resistances for the initiation of regeneration programs. Similar situation was found in the west DTMD regeneration project, where tenants rarely participated in resisting the physical regeneration projects initiated by the municipalities and they were more cooperative in accepting the relocation policies. As is put by one of the interviewees from the Chinese Case:

‘The majority of residents living in the new condos were originally tenants of public housing. Very few private property owners had moved out of their properties, counting for less than 10% of the relocatees. Those agreed to move were all given better conditions privately with the hope that they could play as a model for the rest of the community’ … of course they (the government) failed (in mobilizing local people to move out), it was economic interests that no individual can easily give up, the mobilization simply doesn’t work (Bai, Local resident against the DTMD regeneration, interviewed in 2014).

10.2.2 Isolation

In both cases, the property owners were divided into three categories: those who are willing to cooperate; those who are hesitated and those who determined to resist. The municipal governments in both cases intentionally separate individuals and carried out one-on-one negotiations. Extra benefits were offered to those who would accept the conditions at the earlier stage. As one of the interviewees put it:
‘Some of the local officials were given an offer that was comparatively better than that offered to the others, yet still far lower than the market prices. (Edward, Activist against the HMRI, interviewed in 2013)

Property owners who are either working for or have connections with the municipalities were more likely to be offered with a price that is thought by other property owners to be higher than the average level. In both cases it was found that among those who were relocated, there were not much communications regarding the compensation they were offered. As is put by one of the relocatees in the Kensington case:

‘I put a note through all the houses, asking them to come to a coffee morning here whereby we can stand together, and sort something out, and I only got one response… they just said sorry we can't make it. Other than that, no one spoke to me, and that was the problem, you know a large part of the problem was that the community that left were not pulled together, and that is because of the fear, they feared losing the roof on their head (Alicia, Relocatee from the HKMRI, interviewed in 2013)

For the municipal government, those who did not cooperate and proactively mobilized the powers and resources they have to resist the regeneration projects were troublesome. Both countries have the Compulsory Purchase Order that could help realize the physical regeneration, yet in both countries applying a CPO would greatly push up the costs. In the UK, the cost of putting a CPO mainly consists of the time and money spent on preparing all the necessary documents, going through required procedures such as consultations and possible legal challenges. The process could be extremely time and money consuming. While in China, although the authoritarian nature
of the political system and institutional setup enable the government to keep
the economic and time costs at a comparatively low level. Yet for local
politicians, the political risks led by the bottom-up protest may cost their
political career and therefore projects involving CPOs are treated seriously.
Imposing CPOs in both countries remains the last option for the government.

10.2.3 Exerting Great Pressures on Local People

In both cases, local residents that resisted the regeneration programs would
suffer great pressures. Firstly, their behaviours will be morally condemned in
the official discourse and their motivations would be described as ‘greedy’.
Secondly, the provision of public services in the targeted areas can serve as
a means for the government to increase the difficulties for resistance. In
Kensington, the quality of public services was reduced with the excuse of
rising costs led by the high vacancy rates. While in the Chinese case, before
the implementation of the regeneration project, few public investment would
be provided by the government to improve the infrastructures and until very
recently many households in the west DTMD area are still sharing public
toilets.

10.2.4 Intimidation

Intimidation was used by coalition of government and private sectors to
speed up the regeneration process, which was especially the case in China.
According to local people, before the initiation of west DTMD regeneration
project, the government had begun to spread messages showing their
attitude:

“Rumours were spread by these people in 2003, that anyone dares to
object the next regeneration project will be punished or even arrested.”
(Ding, Activist against the west DTMD regeneration, interviewed in 2013)

For those who resisted in the DTMD case, there were even direct threats and insults from temporary workers employed by the government.

‘In China there is a government-sponsored organization named ‘Tigongdui’, in which youngsters with sport talents were enrolled and trained to become professional athletes. With the thriving urban redevelopment in recent years, they receive a part-time job helping the demolition companies or the government to intimidate the stubborn relocatees. One evening, a group of this people smashed a store owned by a proactive objector. Although it happened just in front of his neighbours, no one dared to say a word’ (Ding, Activist against the west DTMD regeneration, interviewed in 2013)

While in the Kensington case, intimidations exist but were not as drastic as that in China. As one of the interviewees put it:

‘I know they put in scare tactics…they had approached to me… six months ago, with the possibility that…they would demolish my gable wall and leave me here, just build the new all around, that is a scare tactic, but I saw through and I let them do that…if they come up to my gable wall with one brick falls in wards or hurt anything, it will be a million pounds law suit…they are still trying to do that (Alicia, Relocatee in the KHMRI, interviewed in 2013)
10.2.5 Giving Fuzzy Information

In both cases, to encourage local residents buy in the visions regarding the area, the municipal governments depicted fantastic pictures of the post-regeneration life. Yet not all the information was given to local people.

In the UK case, it was promised by the government that the housing conditions would be significantly improved without causing extra financial burdens due to the gap loan and that the quality of the properties would be much better when compared with that of the obsolete Victoria houses. However, the delay of the program and the inflation of the housing prices in the following years had fundamentally changed the initial assumption of the project and the relocatees who want to be rehoused in the area and to take a much higher gap loan than what was initially promised. As one of the local activists put it:

‘...the idea was, houses will be knocked down, the replacement houses would be affordable, and people would be moved back into the area and stay in the same community with the same people...yet it did not happen immediately, it took years to happen...for people moved out, they could never move back again. Because, the compensation was something like £11, 000 to £80, 000, but it was followed by a property boom after which the cheapest (house) there was £129,000...so they got £50, 000 pounds, and was then offered a £125, 000 houses, with £75,000 mortgage. So someone brought the (old) houses without any mortgages, after the regeneration, to stay in the same area, they got to pay for £75,000 mortgage. So a lot of local people didn’t got that houses at all, they just end up with sold the houses on the open market...the house scheme
seems like a money-making scheme for someone, not for people living in the area cause they were losing money. (Steve, Activist against the KHMRI and KNDC, interviewed in 2013).

‘The house are almost like flat packed houses, you could smell what was cooking next door in the kitchens…it’s all about profit, so they are going to use cheap materials’ (Alicia, Relocatee in the KHMRI, interviewed in 2013)

In the Chinese case, to prove that the regeneration project was really in the interests of local residents in return for their support, the government gave some promises it can hardly fulfil, which makes the local residents suspicious and hesitated to cooperate. One of the ideas emphasized repeatedly by local officials was that local residents’ living environment would be significantly improved after the regeneration.

‘The government gave us a fake proposal…they made a fake picture to demonstrate how the street would look like, which was far from the reality… (Ding, Activist against the west DTMD regeneration, interviewed in 2013)

‘They promised that the demolition process would give full protection to local residents’ interests. Through the demolition, the living environment of the local residents would be greatly improved’ (From news report, 2005)

Indeed buildings that were constructed for rehousing the relocatees had made their lives difficult, as within these apartments, there is even no central
heating system equipped. Figure 10.1 and 10.2 show the exterior and interior conditions of the condos built by the government for accommodating the relocatees:

“…We don’t have central heating system, we have to use the stove, and the coal is carried from the ground floor to the fifth floor by hands since there isn’t an elevator…” (Zhao, Local resident against the west DTMD regeneration, interviewed in 2014)

‘…(The living conditions are) just exactly the same, the only difference is we are now living in a higher floor with more inconvenience…you know me and my wife are now in our 50s, it is hard for us to climb up to the fifth floor every day (Zhao, Local resident against the west DTMD regeneration, interviewed in 2014)

Figure 10.1: Physical Environment of the Relocation Properties

Source: Taken by the author with permission from the household.

Another promise given by the local government was a smooth transition period with no more than 18 months:

‘According to the officers from the Lianhu district government, all the
money needed for regenerating the area has been in place and the rehousing works can be finished within 18 months’ (Narrated from local newspapers)

Yet according to the local residents, it was again an invalid announcement. As one of the interviewees put it:

‘A week after the mobilizing meeting, local people found that the gate of the rehabilitation project was locked and it never opened again. It aggravated local residents’ concern about their post-demolition life (Ding, Activist against the west DTMD regeneration, interviewed in 2013)

In both cases, dealing with the local resistance required much more time than what had been expected by the government, which means the project would be severely delayed and many of the relocatees have wait much longer and pay more money to be rehoused in the same area.

10.3 THE INTERACTIONS BETWEEN THE GOVERNMENT AND COMMUNITIES IN PHYSICAL REGENERATION

In both cases, the distribution of interests were indeed decided by the political wrestling between local people and the municipal government based on power and resources they had as well as the potential risks they were willing to take. Yet the process as well as the measures used by local people in both cases was significantly different. In the Chinese case, there were deeply rooted distrusts between the municipal government and local residents. The
significant discrepancy between local people’s expectations and the regeneration plan resulted in strong resistance among the local people against the local government. The interactions between the local residents and the municipal government thus fall into a ‘passive chain reaction’: ‘the local residents’ requirements are blocked → rising confrontation and conflicts (the process is time consuming and usually have a negative impact on the government’s prestige and authority) → the government reacts passively (including proposition of coping measures such as exerting pressure on the local activists and local officials; and formulating temporary policies such as raising compensation for those who are willing to cooperate) → emerging of new issues → search for new solutions → modification of public participation pattern and regeneration strategies’ (Bao and Sun, 2007, pp.16). To attract the central government’s attention for intervention, local people have to unite and sometimes even become militant.

Yet in the KNDC case, local people’s resistances were largely realized through measures offered by the formal structure such as making appeals and lawsuits. Rampant construction was not an option for people in the Kensington case as compensation in the UK was not calculated based on the total floor space of a property.

10.4 VESTED INTERESTS IN BOTH CASES

There were vested interest groups in both cases, yet the ways in which they were organized and the roles they played were significantly different. In China traditionally local elites serve as intermediaries between the government and local people. On the one hand, they served as local delegates and were hoped to channel local people’s demand upward and
advocate for local residents’ interests. On the other hand, they were also expected by governors to play an active role in convincing local people to follow the government’s instructions. In the DTMD case, some of the local ‘elites’ were selected as representatives for local people to have conversation with the officials and on medias their attitude towards the physical regeneration was described as positive. However, public participation in such a form of ‘conversation between government officials and local representatives’ was indeed a hegemonic project with the aim of adding legitimacy to the project. To make sure there would be no defiance from the public meetings attended by provincial cadres, only those who were willing to publicly support the government’s actions would be invited. As one of the interviewees put it:

‘There are a few people on the street that profit from acquiring properties from poor local families, refurbish and sell them to affluent ones as they have connection with the government officials and were able to get permissions for the reconstruction... it was these people that were selected as the local representatives to attend the meetings held with the officials and they all support the government’s regeneration strategy. They are not really interested in representing of us’ (Ding, Activist against the west DTMD regeneration, interviewed in 2013)

The local elites’ cooperation to some extent was led by the continuous penetration of municipal government and individuals’ calculation of their individual interests. As was put by one of the interviewees:

‘With the old generation of spiritual leaders passed away, the new generations has a comparatively wider experience yet are not really in
our side...therefore our community lacks leadership, no one is now capable of being the leader who is trusted by local people. (Steve, activist against the KHMRI and KNDC, interviewed in 2013)

Generally, in the Chinese case, local elite groups were controlled and manipulated by the municipal government to create an image that the government’s decisions are widely supported by local people. In return, they were rewarded with both economic and political returns. In Kensington, despite the transient nature of the area and the large number of politically inactive local residents, there were a small number of long-term residents with strong interests that could easily get elected and played a significant role in the regeneration programs. Yet according to some of the interviewees, it is hard to say they are the real representatives of the community either. As is put by some of the interviewees:

‘The community actors, certain people from the community that have been living for very long time, and have their small circle of friends and supporters, and they elect them always. They will make decisions. But they won’t listen to the community. That’s largely not any dissenting voices, or any different proposals to what already planned. Of course very often, these things are already planned and they are going to happen anyway. (Jerry, professional against the KHMRI and KNDC, interviewed in 2013)

There was a degree of naivety existing in the assumption that community is a harmonious entity, different interest groups can work together smoothly and the elected representatives have the capacity to contribute to the community’s better off. The claimed community empowerment did not really
happen. As some of the interviewees put it:

‘The mental achievement of the NDC was that local people would be empowered, to effectively shape their own destiny, so almost it was like setting up a kind of mini council arm’s length from the overall city council, I think the problem with K.R was that all the theories were implemented into the practices badly. Because yes local people involved but it was only small numbers of people, it was those who either saw the opportunity to get involved for various different means, or a lot of other people who did want to get involved were not necessarily as welcome as that should have been. So I think there were inherent flaws… (Lim, Politician against the KNDC, interviewed in 2013)

‘…if you think you need to have intermediate to do that, then at least for god’s sake, the intermediate is who are elected and are accountable, like the councillor is, or like the mayor is, but, Kensington regeneration never was’. (Nik, Politician against the KNDC, interviewed in 2013)

It was found in both cases that local residents did not necessarily share similar sense of identity as well as interests even when they were living in the same community. In the DTMD case, people from other ethnic groups held different opinions regarding the physical regeneration program. Firstly, their cultural life and diet did not necessarily rely on the physical environment of the DTMD. Mosques and Muslim food for them were not indispensable. Additionally, as ethnic minorities living in a community dominated by the Hui people, there were more or less a sense of alienation. When having disputes with their Hui neighbours, they were less likely to get similar moral and practical support. For them, moving out of the community to a large extent
added to the benefits rather than the costs. As some of the interviewees put it:

‘I signed the contract once the government announced the regeneration plan and we are now living in an apartment out of the DTMD with central heating system. I am quite happy with that as we no longer need to get ourselves into frequent disputes with the neighbours as we used to’ (Wang, Local resident support the west DTMD regeneration)

‘We are Han people…the public house we are living in now is rented from the government…we share the corridor with our Hui neighbours. Several years ago they demolished their single-story house and rebuilt it into a 4-storey apartment. They expanded their building area and eroded half of the corridor…you know they have the relationship with some of the officials and were allowed to do so… (Liu, Local resident support the west DTMD regeneration, Interviewed in 2013)’

The government’s inefficiency in protecting local residents’ interests from being infringed by their neighbours was quite suspicious and can easily be accused for injustice and even corruption. The court has seldom been a conventional instrument used for resolving disputes within neighbourhoods. If considering the prevalence of the rampant constructions in the DTMD, it is actually not difficult to find the municipal government’s limitations. Which is to say, in China’s inner city regeneration cases, the state apparatuses are more likely to be used intensively for realizing the state’s will and show the state’s authority at a particular time juncture rather than in a consistent manner to realize a universal control over the inner city constructions.
10.6 SOCIAL REGENERATION

Although the physical regeneration in both cases shared many similarities, the policy design and implementation of social regeneration projects in both cases were significantly different. In the UK, social programs were seen as equally important as physical redevelopment in helping regenerating the targeted area, which was evidenced by the fact that nearly half of the KNDC funding was distributed to support various social initiatives. It has also seen a partnership-the Kensington Regeneration, been established following the funding streams to integrated key players, such as the municipal government, the local communities, the social landlords, schools and police, etc. In the Chinese case, however, social regeneration was not an integrative part of the west DTMD regeneration project and there was no special funding in place to support social initiatives. Indeed, social programs in old Chinese neighbourhoods such as the DTMD are largely initiated and run by the LRC-a semi-official organization that is funded by the Chinese government not only for the purpose of social governance but also surveillance. The genre and scale of social initiatives largely depend on the LRC officials’ ability in getting external funding from both public departments as well as private sectors. Social regeneration programs in the DTMD were only a general practice of the LRC rather than a part of the West DTMD regeneration program. The purpose of comparing it with that of the KNDC is to show the differences in the policy design and implementation of social programs in both countries.

10.6.1 Social Regeneration in the KNDC

The NDC program was an experimental project, which for the first time raised the concept of integrating different genre of regeneration into one project.
Initially it was beyond many of the board member’s knowledge and ability to cope with that and there were not much experiences that can be referenced to run such a complicate program. As one of the interviewees put it:

‘I think through all NDCs, the question of trying to integrate the physical, the social and the environmental regeneration, was a challenge, because people were only learning to cope with that’ (Hillary, Scholar neutral to KNDC, interviewed in 2014)

Most of the social programs in the KNDC area were delivered through social enterprises, which were non-profit and had difficulties to survive without external funding. Lacking sustainability was one of the major features of the social projects initiated by the KNDC. The majority of the social programs only existed when the funding was available, and very few of them actually sustained beyond the KNDC program. This was partly due to the fact that the end of the NDC program was encountered with the economic crisis and the shift of the government, which was followed by severe funding cuts on various social programs. As is put by one of the interviewees:

‘...the end of the NDC, was coincided with the change of government, and a total change in the environment of support of funding, and then you know regeneration programs generally grand to a halt, authorities, particularly deprived areas, had no money…Which then is more likely to undermine what’s been achieved. And created more risks or organizations that are still there’ (Hillary, Scholar neutral to KNDC, interviewed in 2014)

The KCLC and the HEAT were the only two social programs that managed to
survive in the post NDC period. As is put by one of the interviewees:

‘Out of the dozens of projects Kensington Regeneration funded, there were only two projects continued beyond the NDC program (KCLC and HEAT)...everybody else, they were just using the funding...there appeared to be no strategy or, you know, what happens at the end of the NDC, was just a bit of case: give us some money, pay the staff and we will deliver the project and, when the money runs out, it runs out...’ (Allen, Executive of Social Enterprise against the KNDC, interviewed in 2013.)

‘They (social projects) couldn’t get money from somewhere else...you can’t make people to pay for those services, because it is a poor area...’ (Steve, Activist against the KNDC, interviewed in 2013)

The two projects mentioned above survived because they successfully secured new funding streams. While the HEAT is now patronized by the government, the KCLC managed to win the bid for the Big Lottery (B.L), from which they get money to cover 70% of the expenditures that are needed for the operation of the project. And the rest of the 30% was made by commercial activities such as letting out office space to other social organizations, helping to promote other social programs or even opening up a ‘fleet market’: As is put by the chief executive of the KCLC:

‘...until we did get the Big Lottery funding, we would all in essence unemployed. I didn’t want that happen because at my stage of life you know how hard it is to get a job...I might be a little biased, but as I thought, we are probably the most successful of all Kensington Regeneration projects. We have about 32 courses every week, either by
ourselves or our partners who are hiring our training facilities’ (Allen, Executive of Social Enterprise against the KNDC, interviewed in 2013)

‘The cost of running the CLC project for 3 years were £676,000 after we did all the calculations, we were only going to ask the Big Lottery for £499,000, roughly accounting for about 70%…to keep our part of the bargain, we try every means to make money ’(Allen, Executive of Social Enterprise against the KNDC, interviewed in 2013).

‘…you got to develop other sources of incomes, at an early stage, don’t just be satisfied…’ (Hillary, Scholar neutral to the KNDC, interviewed in 2014)

One of the most important assumptions behind the NDC program was that better environment and housing conditions would help to reimage the KNDC area and to improve people's perceptions about the area. Issues such as crime, health, education and skills were assumed to be the cause of the deprivation. The presumption to some extent shifted the public's attention from searching solutions to the deprivation problems from the wider economic transformation to the everyday life. The grand funding and ambitious claim that deprivation would be tackled through the long-term and holistic project had inflated local people’s expectations about what could be achieved by the NDC program, which later led to greater disappointment and frustration when the regeneration funding was ceased. As is put by one of the interviewees:

‘It was the government’s fault to raise false expectations regarding what could be achieved through the NDC’ (Hillary, Scholar neutral to the
For local people, there were more deep-seated reasons for their dissatisfactions with the KNDC. Firstly, the targets set by the KNDC following the instructions prescribed by central government and the partnership’s priority was to satisfy the government. Secondly, there were different understandings between local residents and the government on how to help local residents living in the NDC areas. For many local people, a decent job was what they desperately needed. Yet it was less likely to create enough job opportunities through the community based ABIs. Many of the interviewees thought that the government have chosen a comparatively easier way, which was to spend a large proportion of money on improving the physical environment, as every penny spent on physical regeneration could at least make a visible difference.

10.6.2 Social Regeneration in the DTMD

In many Chinese old communities, social regeneration programs are generally separated from property-led redevelopments and are delivered through the Local Resident’s Committee (LRC) as a general practice of social governance. Every community has its LRC with the freedom to start some social programs based on local residents’ needs. In the DTMD case, the social initiatives run by the LRC were not an integrative part of the west DTMD regeneration programme, which makes it different from the KNDC case in two major ways.

Firstly, there was no special funding in place to support the social regeneration programs in the DTMD and the average official investment on
social programs per capita per year was only 1 Yuan (£0.1), far from enough to sustain social programs such as the community school. The government’s logic was not to distribute a large chunk of public funding in a socialist style and let the local people decide how to spend them. On the contrary, public money is used to establish the community-based organizations—the LRCs. For staff in the LRC, working in the community and delivering social programs could be a life-long job. For the local government, entrepreneurship is expected to be seen from the LRC members in levering in resources to sustain the social initiatives within the communities. In other words, the community based organization—the LRC remains at the core place in the government’s strategy of social governance and helps to compile various resources for their own community. In practice, different LRCs usually compete with each other in getting resources from the municipal government. It has embedded the government’s intention to devolve more responsibilities with less resource. As the leader of the LRC in the DTMD district put it:

‘From my opinion, a good community worker who has the commitment to serve the community does not necessarily depend on money, we can actually serve the local people in many ways using our time and energy instead of spreading money, which usually is not the decisive fact for the success of social projects. It is true that financial support from the municipal government is crucial for equipping the facilities, yet what is more important is the LRC workers’ motivation to get things done. We managed to find donations from the society by ourselves… entrepreneurship is indispensable for running the social regeneration programs’ (Bai, Executive of the LRC, interviewed in 2013)

Secondly, in the DTMD case, the primary deliver of the social programs is the
LRC, which is different from KNDC regarding the way in which they work. To a large extent, the CPC is still highly vigilant to any bottom-up defiance and the capacity of controlling different tiers of the social organizations such as medias and community organizations is believed to be crucial for maintaining the social stability. The LRC is playing a significant role in social surveillance as it was found in the DTMD case that the LRC has built a network encompassing hundreds of local volunteers and long-term residents. The network was capable of constantly channelling information regarding dynamics of local areas. Such an ‘undemocratic’ way of operating the community-based organization enables the majority of local people to be reached and connected and at the same time gives the LRC the ability to mobilize local people. As is put by some of the interviewees:

‘We have one ‘Huzhang’ for every ten households, which is like the representative of the local residents, helping us to approach local people as well as bring us real-time information about what is happening within the community. There are about 300-400 such people and all of them are volunteers. We do not necessarily mobilize them all every time, but a small proportion each time for specific tasks. Among them about 100 people are the backbones that can shoulder tough tasks’ (Bai, Executive of the LRC, interviewed in 2013)

‘We have many retired people who still have the passion to serve the society, and they are the major force of the volunteers that participate in various forms of community works. Many retired professors and officials still have the passion to deliver lectures to local residents regarding general topics. They have a better understanding of the local people. We invited guest lectures from Social Science Academy, from higher
educational institutions and other institutions to deliver professional lectures. Of course for the most of the time, considering the capacity and educational background of the audiences, we arrange some lectures that are easy to be understood by local people’ (Bai, Executive of the LRC, interviewed in 2013)

Although the LRC officials are less likely to be promoted to higher positions within the hierarchical political system, as the major interface between the party and local people, their political significance is appreciated by the CPC and every year a certain proportion of National People’s Representatives are selected from these LRC leaders.

Thirdly, in the DTMD area, local resident’s involvement in social programs are mainly in the form of voluntary work rather than participating in the decision making process. As the majority of the resources are levered in by the LRC, it naturally became the controller of these social programs. It was also found that many of the volunteers were actually receiving social benefits and they have to rely on the LRC to prove their eligibility. The way the LRC worked indeed had its advantage in enhancing local people’s feelings of been connected and cared and the LRC also helped to prevent crime from happening:

‘The crime rate in this area is quite low, although there are some troubles hidden beneath, such as drug abusing and gambling, we are actually keeping an eye on them and trying to eliminate them before they get matured...we cooperate with police and armed police to initiate propaganda movements, and we have patrols formed by volunteers. We also keep in touch with the released criminals on a regular base to
provide them with education and at the same time record and report their recent activities…’ (Wang, Staff of the LRC, interviewed in 2013)

10.7 PUBLIC PARTICIPATION IN BOTH CASES

In regeneration programs involving housing acquisition and relocation, local people will eventually have direct conversations with the municipal government to reach an agreement on the compensation and it is rare to see delegated power in such a process. If such a process takes place in a pure market environment, local people should have the right to decide whether or not to accept the conditions offered by the government and therefore the property-ownership based participation can be called ‘citizen control’ if measured using Arnstein’s Ladder (Figure 2.1). However, in both the UK and China, physical regeneration programs have never been a pure economic issue but a political process. The government can use the state power to compulsory purchase individuals’ properties for ‘public good’ when there is a strong evidence base. Public participation as an effective instrument has therefore been frequently manipulated for the formation of such evidence bases.

In the KHMRI case, the official and community discourses used in describing the public participation activities were significantly different. The officials saw the participation process in the form of public meetings and consultations as an important channel for the government to let local people understand the benefits they can get from the regeneration programs and win their support, yet in reality it was the demonstration process that helped to legitimize the government’s actions in imposing CPOs as inputs from the local people did not make real changes to the final decisions. In this sense, public
participation in the KHMRI project largely located in ‘consultation and placation’ if applying Arnstein’s Ladder theory (figure 2.1).

**Figure 2.1: The Ladder of Public Participation**

<table>
<thead>
<tr>
<th>Citizen Control</th>
<th>Delegated Power</th>
<th>Partnership</th>
<th>Placation</th>
<th>Consultation</th>
<th>Information</th>
<th>Therapy</th>
<th>Manipulation</th>
</tr>
</thead>
</table>

Source: Arnstein (1969)

In the DTMD case, although local residents’ opinions were collected in the comprehensive survey before the regeneration, there was actually no guarantee that the results would necessarily serve as the evidence base for the decision-making. Decisions were largely made by politicians with support from technicians and some local elites that were inclined to support the physical regeneration plan. Local people were not really empowered to make decisions regarding the regeneration projects in their own community and public participation in the form of consultation was symbolic and manipulated by the government as well. It is also found that within the given institutional set up, no other functional venue was provided for citizens to appeal the decisions imposed by the government that may affect their life and they were not able to establish the community-controlled organizations that have political strength to bargain with the local government. The government had strong intention to mobilize local residents to accept the conditions for
regeneration. In this sense, the public participation activities in the DTMD case largely fell in the category of ‘information and therapy’. However, the economic and social transformation since the 1980s had cultivated a growing awareness of individual interests among the Chinese people and an increasing demand for protecting individual interests from being infringed by the fuzzy ‘public’ interests’ (Han, 2004; Ren & Hu, 2004). The mobilizing strategy was proved to be inefficient in the west DTMD.

Regarding social regeneration, the early statement of the Government with an emphasis on public participation gave local residents a perception that the KNDC would be community controlled. However, in the later stage local residents were frustrated by the reality. The claimed bottom-up community led feature of the NDC actually provide limited spaces for real 'community led', as was argued by Wright, et al. (2006, p349), 'it is community led in the sense that government decides how the community will be involved, why they will be involved, what they will do and how they will do it'. The NDC became an instrument for central government to bypass local authorities while remain full control of what happens on the ground. Through the Performance Management and Self-Assessment technique, the government confined the NDC's activities within its own priorities. Since the NDC was financially supported by central government and was embedded in the political and social context, it was unable to distance itself from delivering the government's priorities as well as party politics. In this sense, the public participation activities in the form the KNDC board can only fall into the category of ‘Placation’ in Arnstein’s Ladder (1969). The NDC model to some extent has encouraged isolation rather than cooperation as the empowerment led to an inclination among the board members to establish their own regeneration programs rather than to seek opportunities to cooperate with the existing
agencies and better utilize the existing regeneration initiatives. It was criticized by many interviewees that there was no real public participation as the decision making power were finally centralized into a small group of the board members while the majority of local residents were marginalized. Some of the board members with strong power basis were criticized for having jeopardized the democracy within the board.

10.8 CONCLUSION

In this chapter, differences and similarities found from the comparison studies are presented. Regarding the physical regeneration, the policy designs in the two cases were significantly different. While the KHMRI to some extend has a strong socialist feature to avoid gentrification, the west DTMD regeneration was largely a state-led gentrification project. While the reliance on government funding made the KHMRI economically unsustainable, the ‘accumulation by disposition’ strategy adopted in the west DTMD led to social problems.

In the implementation of the physical regeneration projects, some similar tactics were used by local governments in both of the cases, including ‘tenants first’, ‘isolation’, ‘exerting great pressures’, ‘intimidation’ and ‘giving fuzzy information’. It is also found that the ways in which local residents and the government interacted with each other were different. In the British case both sides inclined to seek solutions using measures offered by the formal structure while in the Chinese case both sides adopted alternatives including violation of the rules.

It was evidenced in both cases that local residents’ interests are diversified
and the existence of vested interest groups would have a detrimental impact on the public participation process. In the KNDC case, the locally elected board members with strong power to some extent jeopardized the participatory process while in the DTMD case, some of the local elites were hand-picked by the government to express their support towards the regeneration program in representing local residents and public participation since became a hegemonic project.

The deliveries of social regeneration initiatives were different in both cases. In the British case social initiations were largely delivered through social enterprises, whose survival relied on its ability of getting access to public funding. In the DTMD case, however, the LRC played a significant role in merging various sources of funding and offering helps to people who were in need and mobilization remains one of the most important measures for the LRCs to realize its aims.
CHAPTER 11 COMPARING THE TWO CASES AS EXAMPLES OF VARIEGATED NEOLIBERALISATION

The Chinese case provides a good opportunity for expanding the theoretical framework of ‘Variegated Neoliberalism’. The concept is primarily developed based on western experiences, where capitalism generally falls into two categories: the ‘US-style ‘Liberal Market Economies (LMEs) and the German-style Coordinated Market Economies (CMEs)’ (Peck and Zhang, 2013). Countries that adopt either of the two models share some common features, such as the democratic political system, unambiguous property rights and clearly defined boundaries between the government, private sectors and the general public. The Neoliberalization in China, however, takes place in a post-socialism context where the path-dependent features of institutional reconstruction are clearly evidenced and the authoritarian power still plays a significant role. China is an independent version of how different parts of a society can be put together and the Chinese model has its own inter-contradictions that cannot be reconciled by simply imitating western models. Yet today the country also faces a number of challenges that are encountered or has been experienced by many western countries, such as the growing inequalities, addiction to real estate-driven economy and social justice. The western experiences and wisdoms can be referenced when formulating China’s domestic polices in reaction to these challenges. It is believed that a cross-national comparison can help to deepen the mutual-understanding and facilitate a mutual learning process, which is of great value in laying the foundation for mapping experiences from the western context into China.
Findings in this research are primarily based on literature reviews and the study on two regeneration cases in inner urban areas of both countries. The research strives to understand the factors that contribute to the differences and similarities existing in the urban regeneration and related public participation process between China and the UK. Yet it found that a holistic view on the regeneration and public participation practices in both countries is not easy to obtain simply based on single case studies. Variations regarding the geographical disparity, external economic conditions, the capacity and knowledgeability of local people in both countries all have impacts on the process and outcomes of a regeneration project and the participative process. Besides, the genre of regeneration projects in both countries is quite diversified and each of the selected cases can only reveal a particular type of the regeneration programs. Consequently, the findings in this research are to some extent context & project-specific. Yet this does not mean such a research is incapable of making validated generalizations based on the findings. Indeed, for each of the individual cases, the formulation of the regeneration policies, the delivery strategy and people’s perceptions about the regeneration practice share similarities with many other regeneration practices in a similar context. In this chapter there is a attempt to examine and compare the empirical research findings from the two case studies from a macro perspective.

11.1 Long-term Stagnation VS Fast Development

11.1.1 Long-term Stagnation in the Kensington NDC and HMRI area

External economic environment has played a significant role in shaping the
unique features of the selected regeneration cases in both countries. From the perspective of professionals and politicians, the biggest problem for Kensington is its chronological stagnation and transient nature, which is a consequence of multiple factors such as the long-term deindustrialization, deteriorated physical environment and the obsolete housing stock that are attractive to low-income people and students. Some of the interviewees put it like this:

‘...one of the problems for Kensington is that it is a transient community...an area full of flats, low-priced flats that are easy to let...I think that has much to do with over time loss of large-scale industries, the loss of local employment for a lot of people...which means people travels away, the transient population coming through and living as part of the problem’ (Jerry, Professional against the KNDC and KHMRI, interviewed in 2013).

‘Because you have some of the cheapest housing stock in the city which, in some instances you got lots of people who moved in and then moved out quite quickly’ (Lim, Politician against the KNDC, interviewed in 2013)

‘...so generally speaking, there are a lot of properties compressed in the areas, increasingly occupied by people didn’t really want to live there, or people who lived there had always lived there and couldn’t move on, and people who were there because they have very limited choice.(Richard, Politician support the KNDC and KHMRI, interviewed in 2014)

The majority of long-term local residents are previously working class people with difficulties to undertake jobs requiring technology-based skills and are
facing challenges in readapting themselves into the job market. As one of the interviewees put it:

‘There are now still not many job opportunities physically in the area, because it is predominately a residential area with a lot of shops at the moment… and there tend not to be working opportunities be directly created in the area in the future either…’ (Lim, Politician against the KNDC, interviewed in 2013).

Additionally, as the non-beneficiaries of the economic transformation, people’s living standards in the KNDC area have lagged far behind the national average if evaluated against various social indicators such as the unemployment rates, health, education, environment and crime. These leave the potential buyers of houses a negative perception about the area and it has also seen many property owners from within the area fleeing to other places of the city and letting out their properties to tenants that are hard to reach. One of the interviewees put it like this:

‘I think it (Edge Hill) becomes a bit of dumping ground… for organisations, the housing market was a bit depressed in this area, so that's their opportunity and that is why individuals coming here to buy a house, and turn it into a hostel’ (Steve, Activist against the KNDC and KHMRI, interviewed in 2013)

‘… a lot of residents came into the area that was living in private sector housing, and it was much more difficult to know who is where and, you know to provide any services (Hillary, Scholar neutral to the KNDC, interviewed in 2014)
Due to the degree of the deprivation, energy and resources channeled into the area can make a difference yet were incapable of leading to a fundamental change to the situation. As one of the interviewees put it:

‘...if you got a NDC in a nice little town which happen to have only one deprived area, then this would be absolutely the program that all would dedicated to support, it wasn’t quite like that here…’ (Hillary, Scholar neutral to the KNDC, interviewed in 2014)

‘...it was very difficult for the integrative programs to produce any job opportunities, especially, if they are in a list of area which is deprive more widely...Liverpool is short of jobs all together...the dockland is successful, but there only need a fraction of workforce they used to need. So you know there is element of the job shortage, which is very difficult for the regeneration to challenge...particularly as Kensington itself, in a sense it was not an area with industries within it. So there weren’t local firms on the whole you could work with to create more jobs, and even then also since public sector jobs began to shrink…’ (Hillary, Scholar neutral to the KNDC, interviewed in 2014)

11.1.2 Fast development in the surrounding areas of the DTMD

While in the Chinese case, it has seen great inflations in the price of inner city land and properties, which is contributed by a number of factors. First, the long-term underinvestment in infrastructures and residential buildings in Chinese cities before 1998 had led to an accumulated demand for living spaces with high-quality environment. Second, migration to large cities helped to push up the demands for apartments. Third, the bright prospect of
the housing market attracted speculative capitals and at the same time banks became one of the major sources of money that flows into the property market. Fourth, the urbanization and inner city regeneration was supported by the government, which as the legitimate owner of urban land had greatly benefited from the process. It has seen a rocketing property price in China over the past two decades and many of the previously underinvested inner urban areas hence became arenas for competing interests. The property-led regeneration propelled by the state can be found everywhere.

Apart from the above four driving forces that speeded up the urban constructions in China, the city-centred urbanization policies had also played a significant role in pushing up China’s inner city land prices. Due to the limited cultivatable land and the enormous scale of population, the Chinese government had imposed strict restrictions on the expansion of urban areas, especially with low density. Moreover, the government intentionally directs investment into inner city areas through provision of public facilities and control of land provision. The inflated land prices have priced out many previous inner city residents together with their activities. Accordingly, many of the Chinese inner city regeneration projects had actually become the municipal government’s instrument to reap the ‘value gap’ from inner city residents, which would inevitably led to the disappearance of environment for indigenous small businesses run by local people and the job opportunities they created. Additionally, in the DTMD, the dilapidated physical environment was partly led by underinvestment in public facilities and rampant constructions initiated by local residents. Since the government holds the planning power, unless an opportunity exists enabling it to collect the rent gap through land expropriation and redevelopment, will it likely to either invest in the area or allow self-funded constructions in the area to happen.
While in Kensington, deprivation was one of the direct results of the change of macro-economic environment and the massive unemployment and outflow of capitals. It is believed by the government that the intervention in key sectors such as the housing market would have a positive impact on the local economy.

The Kensington HMRI was initiated when the land value of the targeted area deflated and the prospect of local economy was gloomy while the west DTMD regeneration took place in parallel with a uprising momentum of local economic. The government’s intervention in both cases focused on preparing the inner city area for investment. Yet in the HMRI project it has seen the government put money into the area with the hope of injecting economic dynamics into the area and at the same time stabilizing the social structure. While in the west DTMD project municipal government was more interested in harvesting the value gap, even at the expense of destroying the indigenous environment that nurtures the unique culture as well as the dynamic economy providing job opportunities for local people.

Over the past ten years, people from the both case study areas have seen inflated housing prices. For Kensington, the rising property value undermined the previous assumptions underpinning the intervention and caused problems in rehousing the relocatees. While for the DTMD case, due to the resistant from the local residents, the regeneration process was suspended and the ‘best opportunity’ for the government to acquire the local assets and regenerate the area was missed. Now the costs of regenerating the area are too high for the government to materialize any changes in that area.
11.2 Devolution VS Centralization

11.2.1 Centralization as one of the important features of the British Urban regeneration policies

The New Deal for Communities (NDC) under New Labour was delivered through local partnerships with guidance from the central government, which also played an active role in granting funding and evaluating the outcomes of individual social/physical regeneration projects. To a large extent, central intervention in deprived areas manifested New Labour’s aspiration in reducing social disparities and its political intention to reward its voters through area-based regeneration schemes.

‘The NDC was very much part of what New Labour wants to do (Nik, Politician against the KNDC, interviewed in 2013)

‘...local people were left with freedom to modify some of the things but I don’t think they have that kind of power to do all that, you know, sort of entirely shape the program (Hillary, Scholar neutral to the KNDC, interviewed in 2013)

And the NDC regeneration policy can be seen as New Labour’s response to the overemphasis on radical marketization and non-interventionism under the Thatcher government. The Policy was underpinned by the ‘Third way’ philosophy combining thoughts from both the Left and the Right and solutions standing between the Keynesianism’s state interventionism and the Thatcherism’s prioritization of the free market. Additionally, the intervention from central government was backed by a realization that physical
regeneration alone is insufficient to uplift people who are trapped in deprivation, and a hypothesis that proper interventions in providing holistic support covering multiple factors can solve the problem. The programs were initiated by central government using the SEU (1998) report as the evidence base. To some extent, this was merely another example showing how urban programs can be the ‘continual victim of departmental and sociological fads and fashions’ (Batley and Edwards, 1978)

If compare the scale of the funding delivered from central government with the challenges faced by deprived areas across the UK, it is not hard to find that the NDC is no more than one of the demonstration cases camouflaging the government’s limited ability in reacting to the inner city deprivation at such a large scale. Apart from the 39 communities that were artificially selected as vassals for the public investment, many of the rest 2961 deprived areas indeed haven’t seen much change over the ten years. Which is to say the designation of the NDC area was a highly political process dominated by central government and had indeed created disparity between areas in deprivation.

The NDC program is also an experiment in exploring a new delivery model for urban regeneration programs. Municipal government, private sectors and various ‘Social Enterprises’ were encouraged to work together in delivering the outcomes expected by the central government. The ‘Social Enterprise’ (Third Sector) as an innovative institutional setup was seen by New Labour as a potential alternative, or at least a complementary part to the public sectors and was expected to bring in knowledge regarding local needs and to play a more proactive role in delivering regeneration projects. Funding was provided to entities of the ‘Third Sector’ to deliver regeneration programs in
meeting with local needs. In this process, local authorities no longer play a dominant role in policy formulation and delivery and the decision-making power falls into partnerships, for which the priority was to please central government by delivering its expected outcomes. As one of the local councillors put it:

‘...it (the NDC) was very much, I think, about by-passing local government. When New Labour first came in they were quite anti-local government in many ways...the ideology and opinion in New Deal was about by-passing and reinventing local government’ (Nik, Politician against the KNDC, interviewed in 2013)

Stewart, M. (1994) argued that ‘relentless centralization’ became one of the important features of the British urban policies and ‘central influence grew through the direct involvement of Ministers in urban initiatives’ (pp. 134) and ‘...the most visible expression of the trend to centralization of urban policy, however, has been the establishment of a range of initiatives which by-pass the local political process of planning, control and accountability and which concentrate power in Whitehall’ (pp. 135). Evidence could also be found from the KNDC program, as one of the interviewees put it:

‘...there would always be a kind of element that ‘you (the local partnership) get on with it, we (the central government) give you the resources but you actually don’t have the power...for the local players, actually are little room for maneuver...but then you know the national government saying we’ve given you all that amount of money, why you haven’t done that kind of thing (as we expected)...’ (Hillary, Scholar neutral to the KNDC, interviewed in 2014)
Similar to the NDC programs, the Central Edge Lane Housing Market Renewal program was also attached with strong features of centralization. From the formulation of the regeneration initiatives to the designation of the 9 HMRI areas and the delivery programs, central government and the related departments had played a significant role. As one of the local politicians put it:

‘...the problems that I have 40 years involving in the housing from Liverpool’s perspective (was that)...the housing policy, was always decided on the need of London...like bedroom tax, which actually makes sense in large cities such as London, but it doesn’t make any sense at all in Liverpool...the whole problem regarding housing policy for last forty years I've been involved in, is that they had been based on London concepts... we had to try to localize the London based policies to meet public needs in Liverpool’ (Richard, Politician support the KNDC and KHMRI, interviewed in 2014)

One of the important facts that led to the intensified centralization perhaps lies in the nature of the British political system, where centrally produced policies frequently face resistance from municipalities.

11.2.2 Devolution reflected in the Chinese urban policies

In dealing with the central-local relationship, the Chinese government adopts a ‘centrally orchestrated decentralization’ (Peck and Zhang, 2013) model since the late 1970s. On the one hand, central government holds the power of intervening into local affairs at any time through monopolizing the designation of provincial and municipal cadres, which guarantees the
uniformity of central-local policies. On the other hand, the decision-making rights are highly devolved and it is indeed rare to see direct central interventions on local affairs such as urban regeneration programs, which helps to avoid the risk of repeating the failures made previously under the planned economy. Such a central-local relationship is not an innovation of the CPC, rather, it has been adopted since the imperial China and is approved to be effective in maintaining the vitality of local economy while reducing possible defiance from local politicians.

In China the decision-making rights on local affairs such as the initiation of physical and social regeneration programs are highly devolved to provincial and municipal governments. Municipal governments are fully authorized to formulate urban development strategies and action plans, to implement and to handle the possible disputes arising from it. Interventions from central government stays at a comparatively macro level and usually take place in granting permissions to master plans for cities of strategic significance or granting permissions to the start-ups of key projects. Regarding social regeneration, the Chinese central government does not provide a one-size-fits-all handbook with assumptions regarding the social problems, detailed requirements on the genres, the delivery model and expected outcomes with evaluation mechanism. Social targets are usually written in the Five-Year-Plans produced by the State Commission of Development and Reform periodically in broad brush. Little centrally provide financial resources are in place to help carry out all these targets and most of them are realized by municipalities based on their own interpretations in relation to local realities and political considerations. However, across the main land China, the CPC had set up a hierarchical system equipped with standardized working departments and functional branches. Physical and social
regeneration programs, although varies from the genre and objectives, are largely delivered through such a system.

11.3 Laissez-Faire VS State Capitalism

11.3.1 Laissez-Faire model in the UK

Interventionism exists in both countries yet is realized through different means. The Chinese local governments hold a considerable fiscal power and freedom in handling with local affairs, which is unusual even in many western federations. However, this does not mean the degree of governmental intervention is similar to that of many of its counterparts following a Laissez-faire model, in which boundaries between the government and the private sectors are clearly defined and the government as an enabler usually do not directly involve in profit-oriented property redevelopments that are mainly undertaken by private sectors. Municipal government mainly benefit from the new development through the increased taxations led by new properties and the injected economic vitalities. Physical regeneration programs to a large extent are led by private developers. Although the government holds the power of granting planning and construction permissions, it indeed cannot directly control the pace of the physical regeneration happening on the ground as for some large landowners, obtaining planning permissions may not necessarily lead to real constructions, especially when encountering a down-turn of the housing market.

‘Whereas all of us lack of power in the market economy is lots of these are dictated by the market. If you got some money you would buy a house wherever you want to, so it is in the market, that what you see
people aspire to rather than what they (the government) need (Richard, Politician support the KNDC and KHMRI, interviewed in 2014)

Moreover, it has also seen the development strategy for large urban areas or even city and city regions to be pushed forward by private landowners that has a high stake in those regions. Redistribution of benefits generated from physical development in the UK is mainly realized through the bargaining process between local governments and private developers following the section 106. Taking the Central Edge Lane HMRI in Kensington for example, it was delivered through a four-way partnership. The Government is the biggest provider of the money and holds the power to appropriate throughout the 9 designated HMRI areas; the city council is the major accountable body for the programs at local level; social housing landlords are one of the largest stake holders and are therefore on board and the private developers are brought in to deliver the expected outcomes. As one of the interviewees put it:

‘...Liverpool’s case was (that it) split the city into four (projects), within each of them there are then social housing provider and a private housing provider.’ (Richard, Politician support the KNDC and KHMRI, interviewed in 2014)

In the Central Edge Lane HMRI project, the largest social housing association is Riverside and the private developer is Bellway. Money from central government was used to buy out local residents, flatten the old properties, remediate the land and make it ready for development. Once local authorities became the landowner through property acquisition, they enjoy considerable freedom to dispose the land following their own rationale. In the
central Edge Lane case, the city council handed over the land to the Bellwey for free. One of the local politicians that had deeply involved in the program put it:

‘… in fact, we didn’t sell the land in most of the (HMRI) cases, even to private developers. Because although even we have remediated the land, it still didn’t have much value, so basically, we then acted as the landowner and the planning authority, to work with private and social housing developers…once we knocked down and remediated, it was more questions of the powers of the council and the money of the council’ (Richard, Politician support the KNDC and KHMRI, interviewed in 2014)

11.3.2 State Capitalism model in China

On the contrary, in China the government’s intervention in key social and economic sectors such as media, finance and energy has never faded away but been strengthened in parallel with the economic growth. Inner city regeneration projects, which are usually economically lucrative yet socially controversial, have long been dominated by the municipal government since the late 1980s. In China, private sectors also pledge land with planning permissions in banks for loans, yet the government as the largest land owner does not only decide the specific indicators of a piece of land before leasing them out, but also gives clear requirements on the dead line by which the project should be finished. The game of profiting from regeneration programs is dominated by municipalities that have the ability to control the provision of land and to grant planning permissions. The direct intervention of the Chinese government in the land and housing market is also reflected on its
direct involvement in urban development. Indeed municipal governments are
the largest beneficiary of Chinese inner city redevelopment programs that
turn previously dilapidated residential districts into lucrative commercial
streets. To maximise its interests, only when the majority of the properties
rights are acquired by the government would it initiate the regeneration
program and invest on infrastructures in the area, as one of the interviewees
from the east part of the DTMD put it:

‘...In fact most of the properties on Beiyuan Gate street belong to public
institutions which obtained them from local people either by expropriation
or confiscation after 1949...If the majority of the commercial properties
were privately owned, the government wouldn’t spend so much money
on refurbishing the street and making it a tourist destination’. (Jia, local
resident against the DTMD, interviewed in 2013)

The government, which is supposed to be a neutral regulator of the market,
indeed has its own interest in the urban redevelopment process and thus can
hardly make impartial decisions. Redistribution of profits generated from
physical development in China is realized through the land leasing fees and
various additional taxes and charges, which is an important source of
revenue for municipal governments to balance their expenditures on the
provision of social services and infrastructures. Collecting the locally
generated benefits from the regeneration programs for the local government
is an important instrument of primitive accumulation.

The profits are then used to compensate the expenditures on infrastructure
provision, on social welfare and on the daily operation of the government.
While the former two have constantly increased in parallel with the fast
expansion of many Chinese urban areas, local expenditures on social programs remains stagnated. That is to say, locally generated profits from the physical regeneration projects in China are not given back to local people in the form of welfare or social programs. Surplus from the physical regeneration primarily rests on the land transferring fees minus the compensations paid to relocateses. In many cases, the municipal government’s aggressive extractions on the profits generated from regeneration projects could severely squeeze local residents’ interests and therefore became the major source of conflicts. The prescriptive planning system serves as one of the major tools for the government to realize its extraction. Before the formal start of a regeneration program, municipal government would already have an array of power and resources at its disposal to consolidate its predominant position in the regeneration process. Specifically, the ownership of urban lands, the monopolization of planning power, the capacity in manipulating medias, the police, the LRC, some of the local elites and even the judicial system. Once such a player determines to compete with local residents in harvesting the ‘rent gap’ from inner city regeneration, it is hard for the latter to win. If public participation is to be promoted with the aim of enlarging local people’s control over the properties and resources within their own communities, it would in fact reduce municipal government’s revenue as currently in China the property tax is not in place to mitigate municipalities’ expenditures on providing infrastructures and services. Against such a background, public participation is nothing but a hegemonic project to stabilize the current accumulation regime of the Chinese government.
11.4 Democracy VS Authoritarianism

11.4.1 The British Democracy and its Impact on the Regeneration and Public Participation Process

The UK has a multiple party democracy. The Labour Party and the Conservative Party remained in dominant positions before the 2010. If examining the way in which the two parties are structured and the decisions are made, it is not difficult to find that both are to some extent centralized with an emphasis on the leadership and inner-party consensus. Specifically, at the central level, the appointment of cabinet members and the heads of governmental departments are more than often designated by the prime minister based on political considerations to balance various interests within the party, so as the formulation of some of the national policies such as the NDCs and HMRs. There are incentives for the formulation and implementation of short-term, variegated urban policies in the UK as often the newly elected party are eager to reward its voters. At the same time, politicians also bear pressure to make progress within their term. The implementation of particular policy national wide in the UK’s democratic system can be pushed forward by the ‘party machine’ with a strong incentive of delivering something that the predecessor party failed to provide. Although there are diversified interests and beliefs, it is rare to see revolt from within a party on the movement.

At local level, councillors are democratically elected, and cabinet members are normally senior members of the majority party. Various committees are formed by politicians from different parties to make decisions on local issues such as planning, housing and education, etc.
The British planning system is underpinned by its democratic political system. Those who are affected have the right to appeal the decisions and make it a lawsuit going through the judicial system. The free speech also enables the medias to give views that are seen by the massive public as unbiased and neutral. All these features together makes the decisions made through the formal procedures legitimacy hard to be opposed. People are also more prone to seek solutions within the formal system while there would be debate on the media providing different views for people to make their own judgements. As is put by one of the interviewees:

‘…we lived in a democracy, everyone has the right to make their point heard, in many ways that can do it…’ (Richard, Politician support the KNDC and KHMRI, interviewed in 2014)

Yet when it comes to physical regeneration projects involving property acquisition and demolition, it is impossible for the decision makers to please everyone, especially those local property owners that disagree with what the government proposed, as one of the interviewees put it:

‘…the homeowners, very interestingly, became a key driver for change or the resistance of the intervention strategies like New Deal or Housing Market Renewal. Homeowners became a significant problem to be solved. (Tom, Executive of the Social Landlord support the KNDC and KHMRI, interviewed in 2014)

Once local property owners go against the decisions made through the party machine, the democratic political system can hardly provide any alternatives to reconcile the conflicts between the two sides.
‘...it is only when something is seen have political advantage, then when the communities are listened to...the councilors can’t actually do something about it. (Jerry, Professional against the KNDC, interviewed in 2013)

‘...you can make personal representation to a local councilors any time...but that is the last thing I would do...people would say, well, it is a waste of time...you come up against a wall of local councilors...councilors are always in a very difficult position...It is difficult for them do make a decision that can satisfy them all...not to mention they have their own priorities as well’ (Edward, Activist against the KNDC, interviewed in 2013)

In the Central Edge Lane HMRI project, democratically elected local representatives indeed have very limited capacities in swinging the regeneration decisions, which were made and supported by the party machine. Pressures from within the party decide local representative’s attitude towards a particular regeneration case. More than often, it is difficult for junior councillors to say no to decisions that are backed by the senior councillors, as is put by one of the interviewees:

‘...an junior councillor cannot very often change things they oppose...only when there is a strong backing from the community. Yet there is not strong backing from the community...as long as we have first-past-the-post election in the UK, it is actually quite hard to guide the community to build an alternative of what Kensington should look like and get people to vote for it...It’s usually the party machine, that manage the elections. So alternatives usually find very hard to get political
Whether local residents’ attempt in seeking support from locally elected politicians to resist the municipal government’s decisions can succeed largely depends on whether the specific case could be used as a weapon for undermining the opposite party.

‘In situations, if the projects went wrong, both parties could blame each other. The Lib Dems can say oh this is a stupid idea any way, the Labour Party could say, no this was a brilliant idea, you did it wrong. If you look at Liverpool that is what exactly happened’ (Steve, Activist against the KNDC, interviewed in 2013)

‘…they spent so much time and money over the 20 or 30 years, acquiring properties, one by one, architectural plans and strategic frameworks, whatever. They will never ever not going to knock those houses down. So the community didn’t have much to say about that…Community can do things at the small scale…on the big things like should we knock down 300 or 400 houses, in Kensington, that’s always very difficult, because it is so much invested in it…’ (Jerry, Professional against the KNDC and KHMRI, interviewed in 2013)

Not only the democratic political system, but also the planning system becomes dysfunctional. Theoretically, the way planning decisions are made, appealed and re-evaluated under the British planning system enables a careful evaluation regarding inputs from technicians, politicians, private sectors and local residents. However, the system also leaves great space for manoeuvre using discretionary power and resources in the hands of
politicians and technicians. The discretionary planning system enables policies and guidelines to be interpreted by different players in favour of their own interests and the final decisions made by the planning committee within city council could be highly political. In many cases the communities would end up with a feeling that their inputs yield little impacts on the final decisions that would affect their life. The consultation procedure was only there to meet with the requirements on procedure justice. As one of the interviewees put it:

‘When all these things are decided already, and the final things that happen is consultation’ (Jerry, Professional against the KNDC and KHMRI, interviewed in 2013)

‘There is no real listening process in regeneration in the UK. And particularly regeneration projects in Liverpool. Council officers do regeneration chiefly… the municipal planning officers are tasked of coming out with a solution to the problem. And if their solution is to knock down all these houses in this road and let us place a new school, they will come up with strong reasons why there is a necessary for these things happen…there is always disconnection between what the community want and what actually happened. And there is always disconnection between what we said what the benefits of doing it in a particular way and what actual benefits of doing things are’ (Jerry, Professional against the KNDC and KHMRI, interviewed in 2013).

Moreover, within the system, there is a disparity between local people and the city council regarding the resources and power. Resistance from local people, especially from individual resident, can hardly sustain, especially when the case is handed to the complicate judicial system that requires
enormous inputs of knowledge, energy and money. As one of the interviewees put it:

‘…you have a situation where the professionals, architectures, lawyers, the regeneration professionals, are all able to merge a huge amount of information, and protestors and people disagreeing are not helped at all. So I think it is actually very difficult for the community (to resist)…. ‘(Jerry, Professional against the KNDC and KHMRI, interviewed in 2013)

There are exceptions when the local residents have great capacities to mobilize resources and can afford to play the time-and-money-consuming judicial game with the local council. As one of the interviewees put it:

‘By large middle classes don’t live in areas that you want to demolish. They live in richer areas…but it just so happened that in Liverpool 8. There were two streets, of bigger houses with left-wing middle class people moved into. And the person who really did it… she was a BBC news presenter, she is not typical of those living in that area…so she has a small number of people who supported her… in fact the people who were indigenous there voted for the program, and a small group of relative new incomers voted against it. And that (the project) was delayed for around ten years. I came around all these, because there is nothing purely black and white’ (Richard, Politician supports the KNDC and KHMRI, interviewed in 2014)

11.4.2 The Authoritarianism in China and its Impacts on the Urban Regeneration Process

At the central level, the CPC share some similar features with the two British
major parties. The political system is highly centralized and hierarchical and it is unrealistic to expect all the party members of the CPC share similar values and opinions on particular social and political issues. Since the establishment of the CPC, members were divided based on their political views into ‘The Left’, ‘The Right’ and ‘The Conservatives’, which was particularly the case between the 1950s to the 1970s when the ‘Left’ was in a predominant position. It has also seen politicians with different political beliefs and motivations became allies and compete with their rivals, sometimes ruthlessly. Such a tradition hasn’t been eliminated by the past 30 years’ fast development.

To avoid the devastating consequences of policies such as the ‘Great Leap Forward’ that were produced based on Mao’s imagination and propelled from the top, current policy initiatives ranging from social policies to special economic zones advocated by central government need to be tested and approved workable beforehand. Which is to say policies from central government are usually backed by experimentations rather than pure theoretical hypothesis. The decentralized nature of the current Chinese government gives municipal governments the freedom to experiment policies within their jurisdictions and successful experiences would be learnt by other municipal politicians and applied within their domain.

Within the CPC there is more likely to have a patronized relationship between the higher level and lower level cadres. Although the former holds the authoritarian power and can decide the promotion of the latter, they still need their supporters to build up a consensus among the majority within the party. For instance, the reform and opening up in the late 1970s was accused to be potentially harmful to the ‘socialist path’ and Deng had to empower some of
the reformists to realize his intension. At municipal level, the mayor and party secretary are normally appointed by the upper-level government and the heads of different departments and the leaders of district governments usually report to the municipal party secretary and the mayor, of which the former holds the power of nominating the lower level and is therefore seen to have more power than the latter. Primary cadres in the municipal government therefore have highly centralized power and considerable freedom in mobilizing resources to achieve their objectives while local residents can hardly find any formal channels to express their interests and to bargain with the municipal government. The implementation of inner city regeneration programs is usually supported by municipal mayor or party secretary and different government departments have to provide support, which can easily lead local people’s interests be infringed by the municipal government at comparatively low political and economic costs. Before 2011, CPOs could be imposed and implemented by the municipal government without the involvement of the court. The formal procedures of the regeneration-related decision making process, and in some cases even the judicial system can be manipulated. One of the interviewees put it like this:

‘Our suggestions were neglected by the government and we hardly have any chance to change their mind…the police only follow the government’s order and it is unrealistic to expect that the court would provide a solution for us as well...(Ding, Activist against the west DTMD regeneration, interviewed in 2013)

Technicians, politicians and private sectors are closely connected. Within the Chinese hierarchical system, lower profile local officials that have close relations with local people do not usually have the capacity and strength to
influence the regeneration decisions imposed from the top. High profile officials as the major decision makers usually expect to see no defiance from the government institutions within his/her domain. The pyramid structure of the political system on the one hand guarantees the execution power and the efficiency while on the other hand severely undermined the democracy.

‘The planning bureau, the design institute, the police, the media and even the Residents’ Committee are all directly or indirectly controlled by the government and no one (in the government) really speaks for us…’ (Ding, Activist against the west DTMD regeneration, interviewed in 2013)

‘The Governmental departments in relation to planning, construction, land management and commercial and industrial management should fulfil their duties and cooperate the District government in accomplishing the demolition and construction works of the Sajingiqoa expansion project’ (Municipal government’s announcement, 2005)

For Chinese government, the major threat of an ‘uncontrolled’ media comes from its potentiality in arousing people’s sympathy or even discontent towards the government, which would undermine the government’s credibility and bring political pressures on municipal governors. And for the Chinese local people, Medias controlled by the government or its branch institutions more than often lacks the credibility to convince the general public.

‘…when we ask some of the local medias come to cover the demolition conducted by the government, none of them responded…’ (Ding, Activist against the west DTMD regeneration, interviewed in 2013)
The judicial system, especially at local level, cannot maintain its independency in constraining the government’s behaviours either. According to a recent survey, over 90% of the law suits between the government and ordinary people came up with a preliminary judge in favour of the government. Such a structure can greatly speed up the implementation of physical regeneration programs yet can also result in extra social costs that are largely borne by the central government, which sometimes choose to intervene and back local people for political considerations. The Chinese central government’s control over the decentralized political system is realized through controlling the promotion of provincial and municipal cadres, whose legitimacy of being a local leader comes from the top rather than democratic elections. When necessary, central government can intervene at any time without provoking political revolt at local level.

However, the undemocratic nature of the Chinese political system can sometimes be utilized by local people to swing the final decisions, even if these decisions are underpinned by strong technical rationales. Local residents who are experienced in resisting the government’s decision usually have a good understanding of the limitations of their own capacities within the formal structure and know that through formal procedures there is little chance to win the powerful municipal government. Yet they also understand that for the central government, its legitimacy to a large extent premised on social harmony. Particular planning decisions can be turned down if great social controversy as well as chaos is triggered, which has been approved repeatedly in the past. Once local people managed to win the nationwide sympathy, the planning proposals would normally be suspended. It has seen routinized resistance initiated by local people across the country in the past decade, and the concept that ‘resistances may be dangerous but is also likely
to yield higher return’ has been rooted in local people’s mind and underpins the rationales of their resistance. Normally in this process local people would mobilize all political and economic resources they have, as one of the interviewees put it:

“We got support from Muslim groups in other provinces such as Shandong, Gansu and Ningxia. We sent out materials to the national Ethnic and Religious Association and got response from them as well” (Ding, Activist against the west DTMD regeneration, interviewed in 2013).

To reduce the discontent among ordinary people, central government from time to time has to play as the arbitrator when a petition is tendered and to win show its ‘justice’, the final decisions are more than often in the favour of local residents. It is the political considerations at a particular time that determine the central government’s attitude on how to handle the disputes derived from regeneration projects. Indeed, the austerity of local government and the economic-progress-based evaluation system used by central government to select and promote local governors has well demonstrated the central government’ acquiesce to local governments’ ‘primitive accumulation by dispossessing local residents’ welfare and properties. It was actually the Urban Property Demolition Regulations (UPDR) published by central government in 1991 and modified in 2001 that strengthen the power of local authorities in initiating forced demolition and enabled the fast urbanization in China during the past two decades. Local people’s praises on the central government’s ‘fairness’ is just a tactic used to demonstrate that their activities are irrelevant to the political revolt but merely profit-oriented, which is more likely to be backed by the ‘sensitive central government’ that prioritizes the
‘social harmony’ over economic profits from small-scale regeneration projects. The central government’s support for single case may win it a reputation among the Chinese people yet can also lead to an explosive increase of bottom-up petitions. Indeed, from April 2014, central government closed the door for leapfrog petition, which means in the future local people with a situation similar to what has been encountered by people in the DTMD cannot tender their petition directly to the central government.

The two systems share some similarities in dealing with local people so as to ‘get things done’. In the UK case, in spite of the fact that decisions are made within a framework following certain procedures, local people can still be manipulated by large players with great capacities in mobilizing resources, selecting participants and transplanting their values and interests into public policies. The consultation in both countries are merely a required element to guarantee the procedure legitimacy of the decision making process, i.e. it is nothing but a hegemonic project. Inputs from the community more than often have very limited impacts on the final decisions that are made by the municipal government. Both systems enable the government’s will in facilitating regeneration projects to be prioritized over local residents’ interests in the form of imposing Compulsory Purchase Order (CPO) CPOs on communities. For the British politicians, putting a Compulsory Purchase Order (CPO) on particular area more than often means extra time and money costs. While for the Chinese local governors, the decisions of putting a CPO on some areas can also not be easily made due to the consequential political costs, especially when the conflicts between local residents and the government are likely to be exposed to the higher-level government or to some national Medias.
The Government in both countries are not willing to see defiance from the local. In the UK, central government exerts its influences mainly through the centralized power while in China central government exerts its power of intervention through controlling the promotion and designation of local cadres. Local government in both cases had played a similar role in facilitating economic development and physical regeneration projects within their jurisdiction, including designating development/regeneration zones, acquiring properties from local residents, choosing private contractors, seeking to obtain social and economic returns from the regeneration projects and actively mobilize the statuary power and resources they have to facilitate the process.
CHAPTER 12 CONCLUSIONS

In this chapter the final conclusions for the whole thesis are illustrated. The initial objectives and the research findings are reviewed and it elaborates how the theoretical notions introduced in chapter two are relevant in interpreting the social realities revealed in the two case studies. Answers to the question of ‘what lessons could be learned from both countries’ success and failure in implementing the regeneration initiatives’ are then discussed and in the last part of this chapter suggestions for the future research are given.

12.1 THE INITIAL OBJECTIVES

One of the important objectives for this research is to explore the realities of urban regeneration and public participation in both China and the UK and to understand how the formation and implementation of regeneration policies and practices are shaped by the wider structural factors together with the micro politics. A number of theoretical concepts are referenced, including Variegated Neoliberalism and Neoliberal Urbanism and Critical Urban Theory, etc.

12.1.1 Evidences for Neoliberalization in both Countries

Neoliberalism emerged as an ideological alternative to Keynesianism and brought a fundamental challenge to the legitimacy of collective interventionism. Although neoliberalism is frequently used as a short hand for understanding a set of socio-economic changes, in real world the process of neoliberalization is indeed polymorphic. The embedding of market in
non-market relations determines that nonmarket elements such as the governance regimes, regulatory frameworks and some of the coordination mechanisms all play a role in shaping the appearance of neoliberalism in a specific context. I.E. the appearances of neoliberalism actually vary from context to context. According to Peck and Theodore (2007, pp.765), ‘Neoliberalism is not some generic operating environment for end-stage capitalism but a historically specific and hegemonic mode of regulation’

When examining the economic and social reforms in both the UK and China, a clear trajectory of Neoliberalization emerged. Typical features of neoliberalism such as privatization, welfare retrenchment, public-private partnerships and the externalization of government responsibilities in maintaining social welfare and providing public goods and services (Peck and Tickell, 2002) can be found from the evolution of social and economic policies in both countries. As is argued by Brenner and Theodore (2005, pp.102-103), neoliberalism ‘hinges upon the active mobilization of state power and does not entail the simple rolling back of the state and the rolling forward of the market. Instead, it generates a complex reconstitution of state-market relations in which state institutions are actively mobilized to promote market-based regulatory arrangement’. Although in both countries the state has privatized the property ownership and retreated from the role as the direct provider of houses, it’s impact on the process of housing provision is indeed strengthened. With the elimination of social housing and low-rent accommodations, people in both countries are pushed towards the housing market when they need a property and financial sectors are encouraged to provide mortgages. Moreover, provision of public infrastructures and services is frequently used by the government as an instrument to render the prospect of an area with the aim of attracting real estate developers as well as
homebuyers. The government’s policies are now dominated by the ‘pro-growth’ ideology while little attention is paid to social equity. The assumption behind such a paradigm shift is that once more wealth are generated, everyone will become better off and even the poorest of the poor will become much more affluent than they used to be, despite the fact that there is a continuous concentration of wealth towards a small group of people. The Chinese people appears to be more tolerable to the enlarging inequality led by such a growth-centered ideology than their western counterparts, as the extreme poverty in the 1950s and 60s led by radical economic policies and the cultural revolution has helped to form a consensus that the pursuit of egalitarian can not give Chinese people the affluent life they expect.

As is argued by Brenner and Theodore (2005, pp. 103), ‘neoliberalism does not lead to identical outcomes in each context in which it is imposed. Rather, place-specific neoliberal regulatory projects collide with inherited regulatory landscapes, contextually specific path ways of institutional reorganization crystallize and reflect the legacies of earlier models of regulation and forms of contestation… neoliberalism is contested by diverse social forces that are connected to previous non-market or socialized forms of coordination that constrain unfettered capital accumulation’. In the UK, the path of Neoliberalization was to some extent affected by the ideologies of its two major political parties, namely the Conservatives and the Labour. The Conservatives under the lead of Mrs Thatcher had implemented radical marketization policies and New Labour had largely inherited the former’s economic policies. Although New Labour advocated the ‘Third Way’, which combines both free market thoughts and some of the socialism methods with a hope mitigating the enlarged social inequalities led by the Neoliberal policies it was accused for having abandoned the very core value of Labour
Party by many of its own left-learning members.

Although China’s economic reform has well demonstrated its strong inclination of adopting some of the neoliberal policies, the CPC has repeatedly emphasized that the country will explore its own way for economic development and at the same time stick onto its current political system. Which is to say, China’s strong post-socialism features such as the one-party-ruling political system, the national ownership of urban land, the predominance of national state-owned companies in key areas, the special relationship between the people, municipalities and central government are less likely to be challenged. The undemocratic nature of the political system and the post-socialism features actually help to strengthen the government’s capacity in shaping the market and conquer resistances. Moreover, with the watering down of socialism ideology, the CPC now ties its legitimacy to its performance in facilitating the economic growth and proactive mobilization of political, administrative and financial resources towards pro-growth sectors thus prevails among Chinese municipalities. The Chinese social and economic realities reveal both post socialism and neoliberal features and such inner contradictions differentiate the country from many of its western counterparts and provide an opportunity for the realization and operationalization of the notions of variegated neoliberalism.

12.1.2 Neoliberal Urban Policies Revealed in Both Case Studies

From the two case studies, clear evidence has emerged that in both China and the UK that entrepreneurialism has replaced the managerialism to become the prevailing ideology for city governors. Limited resources are directed to increasing the competitiveness of cities in attracting investors,
middle-to-high class residents and tourists. The national policies in both countries regarding the development of individual cities are quite similar regarding a number of destruction and creation moments, including: dismantling of earlier systems of central government support for municipal activities and devolution of responsibilities to municipalities without resources; creation of incentives to reward local entrepreneurialism and increased reliance on local revenues and other instruments of private finance in support of local development; elimination of public housing and other low-rent accommodation and increased reliance on the housing market in the provision of properties; using performative discourses of urban disorder, dangerous classes and economic decline and normalizing ‘entrepreneurial’ discourses and representations focused on urban revitalization, reinvestment and rejuvenation. On the other hand, it has also seen the region-specific political, cultural and historical forces playing a crucial role in shaping urban spaces, as the produce and implementation of urban policies are highly context-specific.

Liverpool rose for its irreplaceable role in the Atlantic sealing industry and business since the 19th century yet declined because of the containerization and the deindustrialization in the UK since the late 1960s. The regeneration of the city was heavily affected by the central-local relationship under the Thatcher Government. Xi’an benefited from Mao’s ‘three line strategy’ and once became the 7th largest city of China. Yet later it lost the competition with coastal cities for attracting international investments. Since the late 1970s, neoliberal urban policies such as preparing urban land for speculation, making urban environment attractive to the rich and middle class, advocating entrepreneurship in municipalities and devolving more responsibilities with less resources, etc., can all be found in the practices of local governments in
both countries. Public resources are more likely to be channelled into areas with strategic importance, or in other words, to areas with the potential of yielding higher political and economic returns. In Liverpool, large amount of money was injected to regenerate the waterfront and city centre, with the hope of changing the city images. In Xi’an, the local government proactively mobilized the power and resources to develop new urban districts, where they can rapidly make progresses while encounters fewer resistances from local people regarding the issues such as the acquisition and demolition of private properties. Regarding inner city regeneration programs, the neoliberal ideology predominates the official discourse in both countries. Improving the performance of local housing market had been employed as an important strategy for revitalizing urban areas in decline or with a dilapidated physical environment. In the official discourses, the targeted areas for regeneration are often described as ‘problematic’ and property-led redevelopment was thought to be an effective way for resolving the problems faced by local people.

Yet there are differences as well. For the British Government, urban regeneration projects were largely initiated to change the dilapidated landscape of the deprived urban areas as well as to narrow the gap between the rich and the poor and public money was distributed to compensate such regeneration projects. While for the Chinese government, especially the municipalities, inner city physical regeneration projects more than often serve as an instrument for extracting ‘the value gap’ generated from the inflated land prices and local residents are usually excluded from getting a fair compensation for the acquisition of their properties. Such a combination of authoritarian regime and partial-free market economy makes China different from other developed countries. Major differences also exist in the
implementation of urban regeneration projects. In the UK, public private partnerships are established to include the major players, such as the central government, the municipal government, the social housing associations and the private developers in delivering regeneration projects. Each of them had their rational for participation and played different roles in delivering the regeneration projects. For Labour government, distributing public funding to help people living in the most deprived areas was in line with its political belief while for the municipal government the public funding from central government can help to improve the images of the deprived areas within its domain. For the Public Housing Associations, giving up part of its ownership to the properties in the KHMRI area helps to curtail the expenditures on the maintenance of the old properties and to improve its financial performance. In the Chinese case, the regeneration projects were basically dominated by the municipal government, which controls the land circulation, planning permissions, private partners, finance and even media.

Generally, Variegated neoliberalism provides an overarching theoretical framework for understanding how the process of Neoliberalization in both China and the UK are affected by non-market elements. Similar trends towards Neoliberalization could be found in the evolution of urban regeneration policies and practices in both countries, including the creation of opportunities for speculative investment in real estate markets, the official discourses of urban disorder, decline of physical environment and local economy as well as the ‘entrepreneurial’ discourses and representations focused on urban revitalization and reinvestment are playing significant roles in the formation and implementation of regeneration policies in both countries. While it is also evidenced that neoliberalism does not exist in a unique form, rather, it is heavily affected by a number of context-specific elements and its
appearance in the real world is polymorphic.

### 12.1.3 Social Dynamics Observed from the Case Studies

Another important objective for this research is to get a better understanding of the social dynamics reflected in urban regeneration projects and to probe possible trends regarding social changes. Urban is a key site in which the social relations and contradiction of capitalism and modern life are expanded and fought out. As is argued by Brenner (2005), urban itself is a terrain of struggle science urbanization is not simply imposed from above by rule of capital or by state institutions; rather, it is produced and mediated by social movements. The urbanization process therefore provides an ideal area for observing how various interest groups and players mobilize the power and resources they have to maximize the interests they can get from the interactions with each other. Brenner (2005) also argues that the interactions of different interest groups are not simply located within cities, but qualitatively connected to the changing nature of urban development and should be understood in relation to accumulation regimes and modes of regulation.

In combining the analysis of the discourses used by different players involved in the regeneration projects and the recent policy changes, some of the traces are probed. The institutional setup in both countries, although varied in many aspects, had played a significant role in conquering the ‘obstacles’ for the implementation of property-led regeneration projects, especially the resistances from local residents, who intensively referenced the concepts such as ‘accumulation by disposition’, ‘gentrification’ and ‘value gap’ to legitimize their resistances against the property-led redevelopment initiatives.
imposed on them. The government’s proactive mobilization of state power and resources makes it very hard for local people to resist the regeneration projects and it is found from the case studies that in both countries public participation in physical regeneration programs serves as a hegemonic project that is manipulated by the government to add legitimacy to the regeneration activities, as compared with the government, local residents are normally politically and economically disadvantaged. Arnstein’s Ladder of Public Participation that developed in 1969 still serves as a useful instrument for understand the power relations in the participation process. In the UK, although the democratic political system, the decision making procedures of the planning system and the judicial system offer local residents formal venues to oppose the government’s decisions, it is indeed very difficult for normal local residents to oppose the decisions made by municipalities considering their inabilities in mobilizing resources. With the ability of delivering large-scale public infrastructures such as the high-speed railways and dams, the Chinese government is seen as efficient in ‘getting things done’ through wielding its authoritarian power. Projects attached with high political priorities normally encounter very little resistances in land and property acquisition and it is relatively easier to relocate local residents when compared with the realities in the UK. However, from the case study it can be seen that the ‘powerful’ Chinese government is incapable of controlling the ‘rampant’ constructions initiated by local people within old urban neighborhoods. In China’s inner city regeneration programs, the state apparatuses are more likely to be used to realize the state’s will in a ‘one shot’ way rather than realizing a universal control over the urban development due to the economic and political cost of ‘accumulation by disposition’. The prevailing property-led redevelopment model that dominated by the government in places such as the DTMD is dysfunctional and new
models are needed.

12.2 LESSONS FOR BOTH COUNTRIES

The Chinese government needs to learn from its British partner on how to implement physical regeneration programs through partnerships that involve various actors. For one thing, despite the fact that the majority of the revenues from the recycling of inner urban land are used for the provision of public facilities, the municipalities’ direct intervention into the market affairs leave the local residents’ an impression of 'aggressive' and therefore undermines its legitimacy. For another thing, in many cases, the Chinese government has its limitation in mobilizing local residents to accept the government’s proposal of regenerating the targeted urban areas due to the rising awareness of property rights. Therefore, the Chinese government should reduce its direct involvement in market affairs and encourage different players to form a partnership in resolving problems faced by old urban neighbourhoods. Partnership involving the municipal government, private developers and local residents can help to make the regeneration process more transparent and give local residents enough incentives to be supportive.

The Chinese government also needs to learn how to rely on the formal structure to resolve the regeneration-related conflicts. From the case study it is learned that the biggest issue in China today is that both the municipal government and local residents use alternatives rather than venues provided by the formal structure to maximize their gains from the gaming process. This to some extent can explain why the number of violent incidents in relation to land acquisition and property demolition continuously to grow in recent years.
The government’s abuse of state power to exert pressures on relocatees has resulted in endless petitions and protests. The major reason for this is the one party political system that leads to the lack of independency of the legal system, medias and various governmental departments. The Chinese government’s recent gestures, including prohibiting forced demolitions to be implemented by municipal governments and emphasizing the ‘rule of law’, to some extent mitigated the conflicts yet are far from enough to fundamentally change the way in which the municipal governments interact with local residents. It is perceivable that the municipalities would continue to utilize its advantages in mobilizing power and resources to collect the value gap from inner city redevelopment projects.

Recently the Chinese government began to seek opportunities to facilitate the Public Private Partnership (PPP) in some areas that were formerly dominated by the state capital. Such a gesture implies the government’s intention of shifting part of its responsibilities to the private sectors. For communities such as the DTMD, the PPP model has the potential of becoming an effective mechanism in resolving the conflicts between different players. Yet the details such as how much interests would the government be willing to give up to facilitate such a model remains unknown. Moreover, it is perceivable that the PPP model would be highly context-specific and variegated in its existence. More research is therefore needed in the future in explaining how the PPP model can be facilitated within the Chinese social, economic and political context in support of urban regeneration and public participation.

For the British government, one thing can be learned from the Chinese regeneration practices is the way in which social regeneration programs are
delivered. The Chinese government provides sustainable funding to support the semi-official organizations—the LRCs, which shoulders the responsibilities of getting in touch with local residents as well as initiating and operating area-specific regeneration programs. Although the establishment of such an organization involves the aim of social surveillance, it actually guarantees the consistency of community policies and helps the government to get in touch with local residents. When compared with the LRC model, the social regeneration programs driven by the funding from central government in the UK are more vulnerable to political changes associated with funding cuts, as the non-profit nature of social enterprises decided that it is hard for them to survive without external funding streams. It is not suggested here that the British government should also establish an LRC-style organization nationwide, as such a suggestion is unrealistic considering the multiple-party democracy and the relationships between central and local governments. What is to be suggested here is that a proper community-based organization with sustainability perhaps is equally important as the regeneration program initiatives themselves.

The centralized nature of the British political system to some extent helped to shape the fragmentation and discontinuity of the British social regeneration policies and practices. Social regeneration programs such as the NDC are frequently used as a vehicle by the municipal government to demonstrate its willingness of delivering its political promises and at the same time to bypass the municipal governments. Indeed as early as in 2011 the British Government has published the Localism Act, which is officially summarized as:

To make provision about the functions and procedures of local and
certain other authorities; to make provision about the functions of the Local Commission for Administration in England; to enable the recovery of financial sanctions imposed by the Court of Justice of the European Union on the United Kingdom from local and public authorities; to make provision about local government finance; to make provision about town and country planning, the Community Infrastructure Levy and the authorization of nationally significant infrastructure projects; to make provision about social and other housing; to make provision about regeneration in London; and for connected purposes (UK Parliament, 2011)

Although the Act was envisaged to be able to bring wide-scale decentralization, so far very little progress has been achieved and it was believed that ‘the deep-rooted centralization in the UK has not been challenged (Pipe, J., 2013). Perhaps the British Government can learn from the Chinese experiences in facilitating decentralization and giving the municipalities more freedom fiscal power in designing regeneration strategies that fits the local needs and delivering urban regeneration programs. So far it is unclear whether decentralization would be central to the agenda of the newly elected British Government. Although the Scotland’s latest Independence Vote had led to another round debate on whether areas such as the North West and North East in England should also receive similar degree of decentralized power that were promised to Scotland, with the close of 2015 general election, the issue of decentralization was once again laid aside.
12.3 LIMITATIONS AND CONTRIBUTIONS OF THIS RESEARCH AND SUGGESTIONS FOR THE FUTURE WORK

Perhaps the biggest limitation of this research is the single case study strategy, based on which the cross-national comparison was conducted and some of the conclusions were drawn. To some extent, both of the case studies selected are special in their own country. In the DTMD case, the ethnic minority issue makes it very different from other inner city regeneration projects in China. Firstly, the ethnic bonds have significantly enhanced the social cohesion of the community. With strong sense of belonging to the community, local residents were able to unite and collectively resist the municipal government’s actions. Secondly, local residents’ ethnic identity was associated with great political sensibility, which was used by local people to exert pressures on the municipal government. Thirdly, the economy in the DTMD area is actually on the rise due to tourism and many local residents involved in tourism-related small businesses such as selling cuisine and souvenirs. Which is to say, the relocation plan has to consider not only just accommodating the relocatees but also providing them with new working opportunities. Regarding the regeneration programs, the west DTMD regeneration was a pure property-led redevelopment project initiated in the name of ‘road widening’ while the social regeneration programs introduced in the case study is a general practice of the LRC. One thing makes the social regeneration in the DTMD different from that in many other areas is that its Chief executive was a NPC member, which means she can use the social connections to attract more resources in support of the social programs within the community. The Kensington Regeneration case actually contains
two central government funded regeneration initiatives—the KNDC and the KHMRI, of which the boundaries were largely overlapped. While the KNDC was a ten-year regeneration program aiming at making improvements in five areas, the KHMRI only lasted for 7 years and mainly focused on physical regeneration. The delivery and public participation mechanism of both initiatives were also different. In spite of such differences, both initiatives had an impact on people living in the Kensington Regeneration area in the 2010s. Besides, in both countries the selected cases locate in the North West, where economic development comparatively lagged behind that of the affluent South, and this to some extent hampered the research findings from being generalized. Moreover, the cross-national comparison, especially the data collection was constrained by the limited time and resource. In spite of the limitations listed above. This research reviewed the evolution of urban regeneration policies and practices in both UK and China since the World War II and uses variegated neoliberalism as an analytical framework in comparing the differences and similarities revealed in real regeneration cases in both countries. It strove to explore how the differences and similarities regarding the policy design and project implementation of urban regeneration programs are shaped by the wider structural factors, including the prevailing neoliberalism ideology and the social, political and economic contexts in both UK and China. It further examined how different players interact with each other under in the regeneration process and how are their actions been legitimized by their own discourses. Apart from revealing the realities of urban regeneration and the related public participation practices in both UK and China, this research used the variegated neoliberalism as a theoretical framework in conducting the cross-national comparison and explaining how the differences and similarities are shaped. This research helps to lay the foundation for mapping successful experiences regarding
urban regeneration and public participation between China and the UK.

Recently the Chinese central government has announced the ‘urban boundary’ strategy in curbing the erosion of arable land in urban peripheries and it is perceivable that when a boundary on the urban construction area is drawn, the Chinese municipalities will have to face the issue of large-scale inner city redevelopment, which would lead to much more conflicts and a proper mechanism is needed to implement such programs. With the rising awareness of property rights among Chinese citizens, the legitimacy of the governmental intervention in market affairs in the form of state-led urban redevelopment is questioned and the municipal governments’ monopolization of the value gap generated from the circulation of urban land seems to be unsustainable. Local residents, as one of the major stakeholders in inner city regeneration programs, should be involved in the regeneration-related decision making process, not only to be consulted, but also to be given more power and freedom to decide how the regeneration programs should be implemented and how the interests should be distributed. Yet currently community empowerment in China is facing at least three challenges: Firstly, the value gap generated from the circulation of inner urban land is one of the most important financial sources for municipal governments to compensate the expenditures on the provision of infrastructures and services. Indeed, in the 1950s and 60s, due to the constrained resources, local residents were allowed to refurbish their own properties. Yet the restrictions on granting planning permissions for self-funded constructions were tightened since the 2000s when the real estate industry began to play an increasingly significant role in the national economy. The government’s intention to control the inner city development and to maximize its revenues from the land circulation was clear. Secondly, even if the municipalities are willing to empower
communities to implement the physical regeneration programs, a proper mechanism is needed to help facilitate it. Currently at the city level, the Chinese government mainly use regularity detailed planning to control the inner city redevelopment. The attributes regarding the targeted areas, including the FLR, Density and the location of entrances, etc., are given and the constructions of new buildings are expected to follow the given indicators. Such a mechanism is more suitable for new development programs initiated by single developers on pre-evacuated land rather than for redevelopment initiatives took place in old urban areas with multiple occupiers, as the later requires negotiation and reconciliation in deciding the plan. In other words, the current planning system leaves little room for local residents to influence the regeneration-related decision making process. Whether the community can play a more important role in Chinese urban regeneration in the future partly rely on how inner city redevelopment programs would be regulated in the future.
APPENDIX A: QUESTIONS FOR THE BRITISH INTERVIEWEES

1. Questions for the executive team and the sub-committees:
   a. How to describe the attribute of this organization now? Has the remove of funding and direct access to the central government resulted in any sustainability concerns to the organization?
   b. Who can ultimately exert the most significant influence on this organization? The local people? The government? The private sectors or all of them?
   c. How public participation is organized/facilitated through this organization?
   d. What is approved to be useful in integrating the local communities?
   e. How does it handle the disputes regarding housing related interests?
   f. How does it connect the external institutions such as developers and the local residents? Whether there is strong conflict between the local residents and the developers or the city council? What’s the CIC’s position when there is a confrontation between the local residents and the government/developers?
   g. How do they guarantee the quality of communication and to improve the turn out rates?
   h. What are the local people’s motivation for participation and how community are centered in programs involving housing acquisition and redevelopment?
   i. What is the major role of the NDC?-facilitator? Interface? Delegates for the local people as well as watch dog of the local people’s interest?
   j. Such an institution must bear pressures from both sides, how does it evaluate itself?
   k. As the CIC now receives money from the municipal government, would they have any influence on the candidates of the board
members or do they even incline to propose persons who they believe fits the position?

2. Questions for the Kensington Regeneration Board members:
   a. How have NDC Partnerships spread messages about what they have done, and achieved, to different stakeholders and audiences?
   b. What type of messages have NDC Partnerships communicated?
   c. What works well in communicating with different stakeholders and audiences?
   d. How do communications strategies address diversity and equalities issues?
   e. How do communications strategies interact with community development strategies?
   f. How do NDC Partnership Boards link with communications activity?
   g. How do communications activities link to and coordinate with mainstream providers?
   h. How do communications strategies relate to succession planning?

3. Questions for the community representatives on the NDC board
   a. How do you get involved in the NDC? Why do they want to be elected as representatives and what do they do?
   b. Can you get access to the high-level decision-making process?
   c. How do you feel about the experience of participating in the decision making process? Largely negative? Positive or both? Why?
   d. Do you identify yourself as ‘working-class’ or ‘middle class’ or neither? Why?
   e. Is there any difference between the local board members and the rest of the local residents?
   f. To what extent do you think you can influence the decision-making? Why?

4. Questions for professionals and staff in planning institutions
   a. How do you define the function and attribute of Liverpool vision in Liverpool’s regeneration process? How do you define the relationship between Liverpool vision and the local government/
private sectors? Is it now being operated differently after the transformation?

b. Where do you think the problems laying in the targeted regeneration areas?

c. What evidence bases are usually used for defining the problems and the need for housing demolition, local residents’ relocation and redevelopment of properties? Can local residents be convinced by these evidence bases? Why?

d. Are there voices from inside of the planning institutions on issues such as conservation or demolition? Or do the designers always keep in line with their clients I.E the city council or the private developer? What does it usually end up with? Why? And How? Any examples based on your own experiences?

e. From the professional’s perspective, what do you think about the local residents’ requirements in housing regeneration cases? Are they themselves problematic? Do they often require too much if judged by any measures? Or are they in fact been less well paid because of the manipulation of bigger players? Do they have a clear vision about the future of their community? Are these realistic?

f. Are there any workable alternatives to the current prevailing model of regeneration? Who do you think should take the leadership in such a model? And how should it be delivered?

5. Questions for professionals

a. What is the challenge for evaluating such a ten-year regeneration project (KNDC)? Who commissioned this evaluation?

b. What is the overall conclusion if compared with Paul Lawless’ Chart saying minor changes have happened in the KDNC area compared providing if there is no such a NDC funding?

c. Was the NSNR’s assumption hypothesis regarding the connections between deprivation and the five factors the case for the KNDC? Or could some of the reasons such as jobs and housing been prioritized? (According to the evaluation, only 794 people went into employment, while over 50% are living on
Has the KNDC program addressed the most profound problems within the area rather than the symptoms? What do you think is the most successful job done by the KNDC regeneration group?

d. Has sustainability of the social enterprises a concern for the evaluation?

e. Private and voluntary sector hasn’t had a significant contribution to the over spending in the KNDC, which was certainly not what was expected by the government, total 80.8m, private 1.27m, voluntary: 295k, what does the figure mean? And what has led to it?

f. Would there be a more efficient way of using the money? 50% of it was spent on infrastructures, and the rest more or less evenly distributed to the five areas, eventually over 50% of people in the area are still living on benefits, and now there isn’t any more funding channeled in. Do you think the New Labour’s thought that underpinned by the ‘third way’ really work?

g. What was the central government’s role, if it was significant, in the KNDC program?

h. What was the KNDC partnership’s role and how was the partnership organized and work? The Leadership, the division of responsibilities? Has it been similar to any previous community based organizations?

i. Is empowerment in the form of community partnership an effective resolution for the problems in KNDC? From your perspective, what is the potential advantage as well as challenge for such an institutional setup? Is there any danger for part of community been marginalized or untouched? Would there be more arguments regarding the distribution of funding? What about the legitimacy of the board members? Do you think the representatives in the KNDC board are low profile figures without much decisive rights?

j. Was the relationship between board members good? Where does the tension come from?

k. Been described as a learning process, with a huge learning curve for community representatives, had the learning process
been too expensive? What has really been learned from the institutional setup of the KNDC board?

l. If the way the NDC used to reach local residents that are ‘hard to reach’ still based on the service provider-consumer’ model at community level?

m. I’ve spoken with Allen Tap, the chief executive of the Kensington Community Learning Centre, as he said once the KNDC money spent out, the social enterprises would normally gone as it is hard for them to survive, seems the intensive experiment in community empowerment had yield many failed experiences?

n. In the evaluation report you and your team mentioned that the delay of the physical regeneration programs, considering the significance attached, has become a distraction to the board members and keep them from concentrating on strategically important issues, By which do you mean delivering such a huge regeneration project has gone beyond some of the board members’ capacity? For the government, would it be a too expensive skill training program?

o. Five years from now on, what evidences do you think can prove that the KNDC program has made a great difference to the area?

p. You mentioned the community members all want to establish their own social programs rather than encompassing the available programs and inject money into it, does that mean a certain degree of vested interests?

q. You mentioned so much of the efforts has rested on personal relationships and would be taken away with the swap of individuals, could that also be understood as some sort of monopolization rather than democracy?

r. Has the so called central government’s intention of ‘by pass’ the Municipal government indeed undermined the city council’s role in the regeneration program? To what extent do you think it is the case?

s. In the report you and your team mentioned the KNDC partnership should have more pressure on developing strategic partnerships with Liverpool First, what happened?
6. Closing
   a. (Summarize) I appreciate the time you took for this interview. Is there anything else you think would be helpful for me to know or any person you would like to introduce to me for another interview?
   b. (Action to be taken) I should have all the information I need. Would it be all right to email you if I have more questions? Thanks again.
APPENDIX B: QUESTIONS FOR THE CHINESE INTERVIEWEES

questions for officials and professionals:

1. 您觉得当地居民不配合规划实施的主要原因是什么？
   Why do you think the local residents will resist the demolition order?

2. 您觉得在规划方案编制过程中邀请当地居民参与是否有助于规划的编制和实施？为什么？
   Do you think it will be helpful to involve residents before decisions are made?

3. 您觉得规划实施过程中如果遭到当地居民的抵制并进一步演化为冲突是否会对政府形象造成损害？如果是那么您觉得这种矛盾的长期积累将带来哪些问题？
   Do you perceive the conflicts and protests will be harmful to the government’s image among the locals?

4. 您觉得公众参与在多大程度有利于对于收集公众意见和对本地规划有所帮助的信息的收集？
   How effective do you think the P.P is in terms of collecting public opinions and gathering useful information for the decision making?

5. 您觉得政府评价公众参与活动是否有效的最重要的标准是什么？
   What’s the most important criteria for the government to evaluate the effectiveness of P.P? Are the procedures or outcomes? (What is the value judgements behind the answer?)

6. 您觉得规划管理人员是否倾向于通过严格控制规划编制流程并限制公众参与从而前减少规划编制过程中可能出现的不确定性甚至错
Do you think it was the officers’ intention to reduce the risk of making mistakes through firmly controlling the process of public participation? Is it related to the top-down political system?

7. You feel professional planners face which pressures in the process of drawing up the plan? Especially in balancing the public interests and government goals?

What kind of pressure is faced by professionals in balancing the public interests and the efficiency?

8. You feel government changes in recent years to modify the procedures and measures of decision-making and implementation so as to mediate the conflicts between the locals and the governments? To what extent do you think these changes are effective?

针对当地居民的采访问题:

Questions for local residents:

1. You are satisfied with your living conditions? Why?

2. Are you satisfied with your community? Why?

3. Do you want to move outward in the future? Why?

4. You feel the area should be renovated? Why? How? After renovation, you willing to return? The main reason is what?
Do you want this area to be regenerated? Why? Do you want to move back after the regeneration of this area? Why?

5. 对于之前本地区进行的改造您觉得怎么样？您对政府在改造过程中采取的措施满意么？您从中有没有得到什么经验？

Are you satisfied with the measures taken by the government in former regeneration? Why? What experience did you get from it?

6. 如果您拿到拆迁款并搬到其他地方居住，您对那里的环境有什么要求？

If you get the compensation and want to move out to other districts, what do you expect to seen in the new community?

7. 您对城市规划的编制，实施及相关管理部门的职能熟悉么？您通过哪些渠道获取规划信息？

Are you familiar with the procedures of planning making, administration and implementation? What kind of venues do you have to collect planning information?

8. 您曾经有过申请政府或法院仲裁城市规划有关的纠纷的经历么？您对于仲裁结果怎么看？

Do you have any experiences of tendering the planning related conflicts to the court or higher-level government for judgement? What do you think of the outcomes?

9. 当地居民能够通过哪些正式渠道向政府提出自己的意见，建议或诉求？有没有作为居民代言人的组织或者个人来增强居民与政府之间的交流？

What kind of formal venues do local people have in expressing their opinions, suggestions and requirements? Do you have your own delegates to facilitate the communication?

10. 您有没有参加其他组织或团体？这些团体或组织在您遇到困难的时候能否代您发声？他们的经费从哪里来？

Do you have your own organizations that can represent your interests? Where the founding comes from?
11. Have you ever thought of hiring professional planners to delegate you when bargaining with the government? Why?

12. Whether do you think the local authority know about the local residents' opinions? What venues do you think they have to obtain such information?

13. How do you evaluate the communication between local people and the government?

14. Suppose you are facing a forced eviction, what are you going to do with it? Do you think it is useful to delay the development through resist?
# APPENDIX C: LIST OF INTERVIEWEES

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Identity</th>
<th>Time of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alicia Rose</td>
<td>Miss</td>
<td>The last resident in the Edge Hill HMRI area that was targeted for demolition.</td>
<td>July, 2013</td>
</tr>
<tr>
<td>Allen Tapp</td>
<td>Mr</td>
<td>The chief executive of the Kensington Community Learning Centre.</td>
<td>June, 2013</td>
</tr>
<tr>
<td>Cotton Edward</td>
<td>Mr</td>
<td>Local tenant in the Kensington Regeneration area</td>
<td>July, 2013</td>
</tr>
<tr>
<td>Lim Robinson</td>
<td>Mr</td>
<td>Local councillor (Labour Party)</td>
<td>July, 2013</td>
</tr>
<tr>
<td>Martin Curry</td>
<td>Dr.</td>
<td>Head of Department, Liverpool Hope Business School</td>
<td>July, 2013</td>
</tr>
<tr>
<td>Nik Small</td>
<td>Mr</td>
<td>Cabinet member of Liverpool City Council (Labour Party)</td>
<td>July, 2013</td>
</tr>
<tr>
<td>Steve Faragher</td>
<td>Mr</td>
<td>Local activist, the director of Liverpool Community Radio</td>
<td>June, 2013</td>
</tr>
<tr>
<td>Jerry Spencer</td>
<td>Mr.</td>
<td>Professional previously works Liverpool Vision</td>
<td>June, 2013</td>
</tr>
<tr>
<td>Hillary Russell</td>
<td>Pro.</td>
<td>Liverpool John Moores University</td>
<td>Oct, 2014</td>
</tr>
<tr>
<td>Tom McGuire</td>
<td>Mr.</td>
<td>Senior Manager of River Side</td>
<td>Oct, 2014</td>
</tr>
<tr>
<td>Richard Kemp</td>
<td>Mr.</td>
<td>The Leader of Liverpool Lib Dems</td>
<td>Oct, 2014</td>
</tr>
<tr>
<td>Ding, Xu</td>
<td>Mr.</td>
<td>Local activist</td>
<td>Nov, 2013</td>
</tr>
<tr>
<td>Bai, Xiulan</td>
<td>Mrs.</td>
<td>Executive of the LRC</td>
<td>Nov, 2013</td>
</tr>
<tr>
<td>Liu, Chunkai</td>
<td>Mrs.</td>
<td>Chief Planner of the DTMD Regeneration</td>
<td>Nov, 2013</td>
</tr>
<tr>
<td>Li, Zhiping</td>
<td>Mr.</td>
<td>Local tenant (Han)</td>
<td>Nov, 2013</td>
</tr>
<tr>
<td>Liu, Guizheng</td>
<td>Mrs.</td>
<td>Local tenant (Han)</td>
<td>Nov, 2013</td>
</tr>
<tr>
<td>Ma, Yucheng</td>
<td>Mr.</td>
<td>Local resident</td>
<td>Nov, 2013</td>
</tr>
<tr>
<td>Ma, Guangwen</td>
<td>Mr.</td>
<td>Local resident</td>
<td>May, 2012</td>
</tr>
<tr>
<td>Wang, Zhonghe</td>
<td>Mr.</td>
<td>Former local resident (Han)</td>
<td>Nov, 2013</td>
</tr>
<tr>
<td>Wang, Cailian</td>
<td>Mrs.</td>
<td>Staff of the LRC</td>
<td>Nov, 2013</td>
</tr>
<tr>
<td>Zhao, Xinming</td>
<td>Mr.</td>
<td>Relocatee</td>
<td>Jan, 2014</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Status</td>
<td>Date</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------</td>
<td>-----------------</td>
<td>---------</td>
</tr>
<tr>
<td>Bai, Youming</td>
<td>Mr.</td>
<td>Local resident</td>
<td>Jan, 2014</td>
</tr>
<tr>
<td>Chen, Zhizhong</td>
<td>Mr.</td>
<td>Local resident</td>
<td>Jan, 2014</td>
</tr>
<tr>
<td>Ma, Jian</td>
<td>Mr.</td>
<td>Relocatee</td>
<td>Jan, 2014</td>
</tr>
<tr>
<td>Ding, Qiang</td>
<td>Mr.</td>
<td>Local tenant</td>
<td>Jan, 2014</td>
</tr>
<tr>
<td>Jia, Wu</td>
<td>Mr.</td>
<td>Local resident</td>
<td>Jan, 2014</td>
</tr>
</tbody>
</table>
BIBLIOGRAPHY:


Bakken, B. (2000) The exemplary society: Human improvement, social control,
and the dangers of modernity in China, Oxford University Press.


Science Quarterly, pp. 558-583.


Department for Communities and Local Government (DCLG) (2006a) Simplification plan. London: DCLG.

Department for Communities and Local Government (DCLG) (2006b)
Evaluation of planning delivery grant 2005/06. London: DCLG.


Department for Communities and Local Government (DCLG) (2007e) Housing & planning delivery grant (HPDG): Consultation on allocation mechanism. London: DCLG.


Department for Communities and Local Government (DCLG) (2007g) Improving the appeals process in the planning system – making it proportionate, customer focused, efficient and well resourced: consultation. London: DCLG.


Department for Communities and Local Government (DCLG) (2008a) Planning policy statement 12: creating strong, safe and prosperous communities through local spatial planning. London: DCLG.


Feilden, B. M. and Jokilehto, J. (1993) *Management guidelines for world cultural heritage sites*, ICCROM,


Ferguson, N. (2012a) *Colossus: The rise and fall of the American empire*,
Ferguson, N. (2012b) *Empire: How Britain made the modern world*, Penguin UK.


International Monetary Fund (2013) *The ranking of International average GDP*, IMF.


Deal for Communities Program Review 2001-2011, Birmingham City Council.


National Bureau of Statistic of China (2013) *Statistic Year Book*, NBSC.


NPCSC (2007a) *Property Law*, Standing Committee of the National People’s Congress.

NPCSC (2007b), *Urban and rural planning Act*, Standing Committee of the National People’s Congress.


Final evaluation. Cambridge: University of Cambridge Department of Land Economy.


Rowe, P. G. (2005) *East Asia modern: shaping the contemporary city,*
Reaktion books.


Tang, Y. and Deng, Y. (2011) *Agenda setting in urban regeneration and heritage conservation*. Unpublished, The University of Hong Kong (Pokfulam, Hong Kong).


Xi’an City Planning Bureau (XCPB), 2007, The master plan of Xi’an City 2008-2012 (In Chinese). Xi’an City Government.


Xi’an Statistics Bureau (XSB) (2007) Xi’an statistical yearbook (in Chinese), XSB.


Zhang,


of Huimin Street in Xi’an City. *Journal of the Second Northwest University for Nationalities (In Chinese),* 1, pp. 028.


Zhang, Y. (2008) *Xi’an Muslim Quarter: Opportunities and Challenges for Public Participation in Historic Conservation.* Unpublished, The University of Hong Kong


