
THE COLLABORATION OF ACTORS IN URBAN VILLAGE REDEVELOPMENT PROJECTS IN SHENZHEN, CHINA



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DECLARATION

I hereby declare that the thesis:

The Collaboration of Actors in Urban Village Redevelopment Projects in Shenzhen, China

has not been submitted to any other academic institutes than the University of Amsterdam for any type of academic uses.

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ABSTRACT

The redevelopment of urban villages is a complex process in which three main actors - the government, developers and villagers – compete for their own profit. Urban villages, like Baishizhou in Shenzhen, are informal settlements caused by flaws in the policy changes of the rural-to-urban land system. They are registered as rural land despite the fact that they are located within the city and its jurisdictional boundaries. The government has avoided interfering in the informal planning of urban villages until more recent decades. City authorities have indeed started controlling urban villages' informal urban planning activities with the implementation of urban renewal policies, a radical change.

The government's new urban renewal policies promote projects to redevelop urban villages as a way to upgrade the city. Baishizhou urban village, for example is undergoing redevelopment talks. In the early stages of redevelopment processes, there are heated discussions between actors who have different levels of influence on this redevelopment project. The relations and collaboration between actors (including consultants, activists or governmental institutions) depend on each other's roles and interests, they are thus inter-dependent under the new urban renewal policies. My research question is therefore: in this time of different urban renewal policy implementations, how do different types of actors influence the processes of the Baishizhou urban village redevelopment project?

This thesis reflects on recent urban policy implementations and how these could be affecting the roles and aims of different actors, which has given a new turn in the redevelopment procedures of urban villages in Shenzhen. An analysis of actors' aims in the preliminary stage of the creation of a redevelopment project will contribute to understanding the lack of mutual ambition between different actors. Findings show that the government, villagers and developers are the primary actors with most influence on redevelopment projects and other actors such as activists and consultants are emerging in the government's neoliberalistic approach. The urban renewal policies have an impact on urban renewal procedures to some extent and they influence the collaboration between actors.

CHAPTER 1: INTRODUCTION

China's cities are developing at a very fast pace and the Chinese prove how capable they are of pushing the limits to how large and prosperous they can be. The question is: who are the actors trying to influence the decision-making process and who have the competencies in pushing these decisions on large-scale urban redevelopment projects. Shenzhen is a young vibrant and fast-growing city, which makes it a target for research in urban studies, specifically on redevelopment projects, also known as urban renewal projects.

In Shenzhen, urban expansion has been restricted by the physical boundaries of the city. The urban planning strategy is therefore to re-use Shenzhen's dilapidated urban land more efficiently as a way to upgrade the city. Moreover, spatial integration has become an important operation to the city government aims. The city is known for its incoherent development patterns with a relatively large floating population living in urban villages, which are neighborhoods comparable to slum-like areas in developing countries. Urban villages are areas registered as rural land (Zhang, 2011) and they are known to be neighborhoods with disadvantaged residents that live in relatively low standards set within the city, and they are "extremely dense developments with poor building safety and quality, inadequate infrastructure, and insufficient fire protection or lighting, all in all leading to miserable living and safety conditions" (Schoon, 2013, p. 296). Redeveloping urban villages is thus included in the government's agenda and the introduction of urban renewal policies aids in promoting such redevelopment.

Changes and the recent implementation of revised urban renewal policies by the municipal and district government may impact the collaboration of actors involved in the redevelopment process of urban villages. Among these different actors each play the diverse roles with difference aims, interests and ideas, and this thesis aims to understand the dynamic, formal and informal relations, especially in the preliminary stages of the redevelopment processes of Baishizhou urban village. To understand the complex relations between actors, a framework of actors' emergence in redevelopment projects and their involvement in previously redeveloped urban villages are important information to the analysis of the current relations in the case study of Baishizhou urban village's redevelopment project. So the questions is, *in this time of urban renewal policy implementations, how do different types of actors collaborate and how do they influence urban village redevelopment project?* The idea that recent urban policies have an impact on the Baishizhou urban village redevelopment project may be hypothesized. Then, an in-depth study of the relevant actors and their relation to one another will be examined in comparison to the implementation of new urban renewal policies.

And the new urban approaches may facilitate to some extent the emergence of actors or grassroots units.

The study of a more appropriate redevelopment of urban villages together with the collaboration of actors in the preliminary stages of the process of redevelopment projects could be the epitome of tackling social challenges in urban China: it presents potential social upgrade and coherence if actors use the right social tools together to redevelop urban villages and it is a symbol to a possible closure of the ever growing gap between the rich and poor. The practicality of this study continues by raising awareness of actors' difficulties in collaborating. The case study of Baishizhou urban village may aid other actors from other redevelopment projects of urban villages to a better urban development strategy in China, and in turn this could plausibly and positively affect urban villages' redevelopment projects.

CHAPTER 2: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

SHENZHEN'S ECONOMIC AND POLITICAL DEVELOPMENT

Shenzhen is not only experiencing one of the most dramatic urban and economic changes in China, but it is also facing political transformations. The city is considered as one of the first among Chinese cities to adapt to a more capitalist approach in a centrally controlled land management system. To understand the complexity of Shenzhen's urban structure, a background study of Shenzhen's economic growth and urban development is examined to explain the causes of why the government is using a radical approach to redeveloping urban villages in centrally located urban areas.

The expansion of the city started by the 1980s when Shenzhen developed gradually from a fishing village to the megacity as it is known now. The village was populated with less than 30,000 and an area of less than 3 square kilometres (Huang and Xie, 2010). In more recent decades, Shenzhen has become an industrial manufacturing zone. Lately, with the rapid transformation of the regional economy, Shenzhen is becoming a center attractive to third service sector industries, which is supporting the regional manufacturing economy of the large Pearl River Delta (PRD) region (Ma Han, 2006).

The economic transition started by the end of the 1970s, the centrally planned economy was affecting Chinese society negatively, which is why introducing a more liberal approach was necessary to China's political and economic system. This meant that the government adopted macro-control policies: it needed to accept economic means, provide revised laws and administrative procedures to manage national economy, and to progress the infrastructure as

well as the investment situation. Ma Hang (2006, p. 34) asserts that “reforms, ‘extra-plan’ elements in the economy, decentralization of administrative functions to local governments, financial and tax reforms and the Reform and Opening up Policy attracting foreign investment were implemented”. This type of approach intends to avoid interrupting enterprises’ activities by the economic transitions, and rather to encourage their commercial activities with governmental support. The economic transition continued with the introduction of the ‘open door’ policy and the implementation of Special Economic Zones (SEZs), which are two main factors to the Shenzhen’s economic growth and urban development of Shenzhen (Ma Hang, 2006). Inaugurated by the State Council in 1980 Deng Xiaoping, a former leader of the Communist Party of China (CCP), introduced the ‘open door policy’, which aimed at modernizing China’s industry and attract foreign direct investment to improve China’s economy. When Shenzhen was introduced as one of China’s SEZ the city adapted a more free market-oriented economy, more liberal policies and more flexible governmental measures. One of the functions of Shenzhen as a SEZ is that “central government has no resources and so you (the SEZs) have to do it on your own to find a way out” (Ma Hang, 2006, p. 35).

The SEZ of Shenzhen was one of the first and most successful of such zones designed to attract national and foreign investment to joint ventures (see Figure 1). It was here that Deng Xiaoping chose to announce the ‘opening up’ policy that launched China’s ‘socialist market economy’. Shenzhen’s became one of the new representative cases to China’s new upcoming mega cities and it is a target for numerous urban experimentations tested by different actors (for example government officials, urban developers, villagers, activists et cetera) affecting urban development, which will be described and analyzed later on in the case study of Baishizhou.



Figure 1 – A map of China representing the Special Economic Zones, key economic hubs and Development Zones (cited in Ma Hang, 2006)

The experimentation on redeveloping urban villages comes to no surprise. As can be seen by the locations of these urban villages in Shenzhen in Figure 2, some are centrally located, which causes pressure especially to the redevelopment of urban villages in central business districts (CBDs).

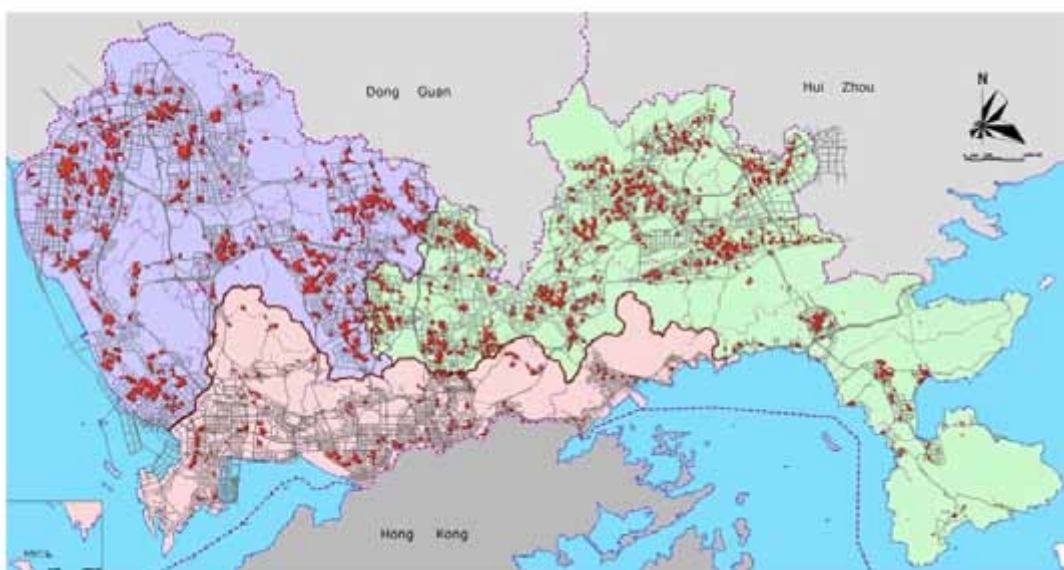


Figure 2 - Locations of 'villages' in Shenzhen (cited in Ma Hang, 2006)

One of the consequences of the political and economic changes in Shenzhen resulted in a more radical urban planning approach to upgrade the least favored neighborhoods in Shenzhen, such as urban villages. In the following section interpreting the concept urban village is used to briefly inform the reader the importance of such urban construct in Shenzhen.

URBAN VILLAGES

Urban villages are described as “villages within cities” (Song and Zenou, 2012, p.1), a concept that is described by Schoon (2013) as an exceptional incident that developed out of the growth dynamics of cities. In other words, urban villages are engulfed by the urbanization process, resulting these rural lands to be part of the urban area, as it can be visualized in Figure 3.

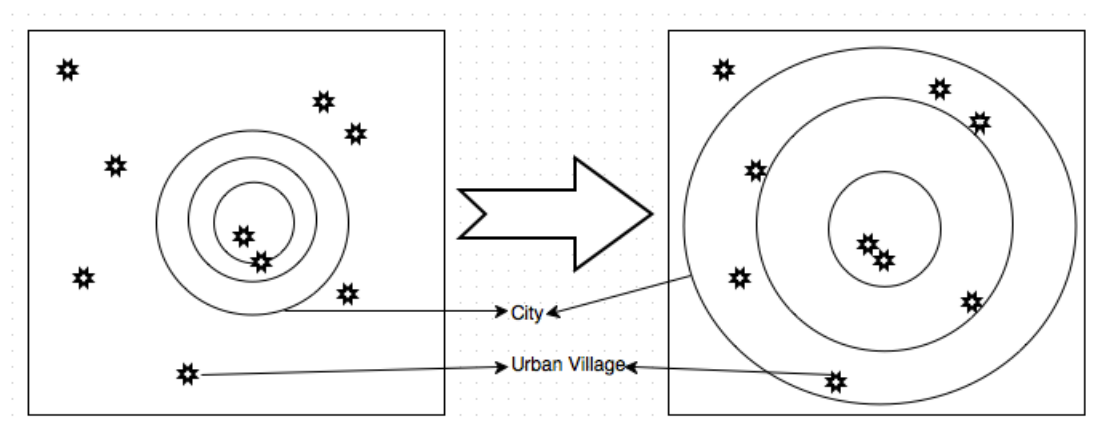


Figure 3 – Urban sprawl and urban villages

To give a clear definition of urban villages they are neighborhoods with disadvantaged villagers (landlords) and migrants (tenants) that live in relatively low standards set within the city, and they are ‘extremely dense developments with poor building safety and quality, inadequate infrastructure, and insufficient fire protection or lighting, all in all leading to miserable living and safety conditions’ (Schoon, 2013, p. 296). For future reference in this thesis, villagers are the current landlords who used to own the land collectively. Migrants often come from Chinese rural areas to seek better economic opportunities and they become tenants to villagers, with no privileges to the land or property.

The growth of these settlements are exceptional in China as it is a particular consequence of a massive inflow of rural-to-urban migration, resulting in an increase in a disadvantaged urban population (O’Hare and Barke, 2002; Mobrand, 2008) and an unsolved struggle between

government programs and the villagers' needs. According to Turner (1968), Harris and Wahra (2002) and Mobrand (2008) these urban villages' development was caused by the unsuccessful systems of public land and housing delivery. In terms of the restructuring of urban spaces in Shenzhen and the administrative regulations by the government, these informal urban areas are registered as rural land despite the fact that they are located within the city and its jurisdictional boundaries (Zhang, 2011).

Due to the 'open door' policy and SEZ, population growth increased incredibly in the 1980s and throughout the 1990s. Furthermore Shenzhen has grown into a city of incoherent development pattern with a floating population of more than 70% of rural migrants residing in the city (The Editorial Committee for Shenzhen Real Estate Yearbook, 2005; see Wang et al., 2009). Since 1985 rural migrants could for the first time register as a temporary urban resident under the Chinese *Hukou* system, but even under this system illegal migrants still populate Shenzhen nowadays because of the large and growing economic opportunities in the city (Wang et al., 2009). By 2010 the population registered under the *Hukou* system reached near to 7 million and the estimate 'floating population', known to be migrants from rural areas who lack urban status, is equal to the total number of registered urban residents (Huang and Xie, 2012). Migrants often reside in urban villages.

In the next section the emergence of urban villages will be explained as a way to understand the historical background that formed the complex circle of actors involved in the redevelopment of urban villages. The emergence and development of urban villages will show the current socio-economic and urban issues in the radical transformation of urban villages.

THE EMERGENCE OF URBAN VILLAGES

China's remarkable economic growth has been accompanied by an almost equally rapid growth in urbanization, defect land policy and high rural-urban migration rate (Lichtenberg and Ding, 2009). This resulted in an urban expansion and an increase in urban migration (Seto and Kaufman, 2003; Ho and Lin, 2004, Deng et al., 2008), and a constrained governmental ability to maintain control over rapid informal urban development (Cao, 2004; Lin and Ho, 2005; Deng et al., 2006; Lichtenberg and Ding, 2008). The government however is using drastic measures to redevelop urban villages. The growth of the relationship between villagers and the government will be explored.

The effect of the flawed land system and urban sprawl caused limitations to Shenzhen's formal urban planning in urban villages. In the Chinese land system there was a clear distinction between rural and urban land between 1949-1976. Land reform in the 1950s

resulted in two separate areas: urban and rural. Urban land was nationalized whereas rural land was owned collectively. Wang et al. (2009, p.957) claim that China entered a global economic structure so abruptly that its own political and economic system has transformed: a combination of socialism and market economy in the global structure “created new social and spatial division”. The effect of urban sprawl in Shenzhen was rapid and this can be seen by the former rural villages situated near or inside major cities like Shenzhen being rapidly engulfed by urbanizing areas (see figure 3). As a result these villages have become part of the city’s landscape and are viewed as slums. The physical characteristics of these villages are uniform, which is why this type of space has become known as ‘urban villages’.

The formation of urban villages took place between 1979 to 1992. Land was seen as a crucial resource to both villagers and government, which led to competition among the two actors and a stricter government ruling (Wang et al., 2009). The government officially intervened for the first time in 1992 when the municipality chose to improve spatial integration in urban areas inside the SEZ. At this point rural local organizations were abolished and replaced with neighborhood committees and the informal name to these committees are urban village committees (the equivalent urban local organizations). Villagers’ *Hukou* status was changed from agricultural to non-agricultural; production teams (the rural economic bodies) were reformed into shareholding companies and villagers became shareholders (Wang et al., 2009). With such changes villagers were offered economic advantages and the right to access socio-economic services provided in the urban setting; whereas the government can under these circumstances control and the right of planning control over all land, including urban villages’ land.

Despite these arrangements between the government and villagers, the radical approaches of the government made villagers relentless: they intentionally went against the regulation of urban village development to make it ineffective even though they are expected to adhere to the policies and regulations often have invested in interests in the development process (Wang et al., 2009). As a result, urban villagers have been capturing value through building and renting housing units with little interruption or constraints, resulting in more hazards, higher expensive land value and compensation costs. Given that the local government currently lacks financial investments to charge development-related taxes, this profitable value-capturing process has been exclusively benefitting the urban villagers. This is how villagers have gained power in decision-making in redevelopment projects of urban villages. The emergence of urban villages has caused the government to rethink the position and image of urban villages and villagers in Shenzhen. The approach used is to radically upgrade the urban villages by renewing them under urban renewal policy implementation. The desire to

redevelop urban villages seems inevitable and the city has already seen several redevelopment projects executed.

CONCEPTUAL SCHEME

Before the field research, gathering data regarding the collaboration of actors in a redevelopment project of an urban village was limited. Thus, I created a conceptual scheme that could fit the findings during my research in Shenzhen. This section explains the predictions of my findings, and the predictions will be discussed with my findings in chapter 6.

A suggested conceptual scheme (Figure 4) reflects on a possible trend in urban renewal processes and interaction between actors. This conceptual scheme lacks a clear understanding of the different stages of a redevelopment project's processes, and there is an absence of the roles, positions and interactions of each actor. Such data was collected during the fieldtrip.

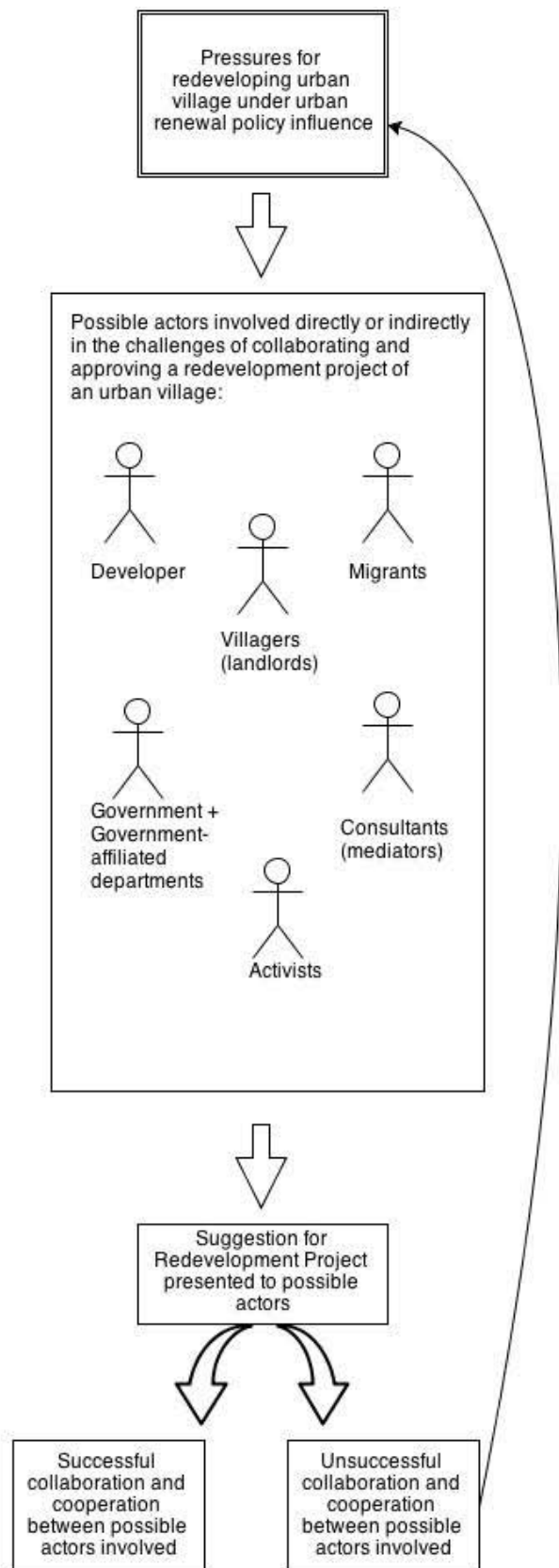


Figure 4 – An interpretation of possible findings on the collaboration of actors in a redevelopment project

The implementation of new urban renewal policies in the more recent governmental approach may have given an opportunity for other types of actors to shape, which could affect the future development of urban villages facing urban redevelopment projects. These actors could be involved in redeveloping urban villages with more creative or open ideas, thus a more entrepreneurial approach. The decentralization of decision-making power of central government has increased the influence of local governments and has led to the implementation of an entrepreneurial stance in the management of local state activities. This hypothesis will be tested in the course of the field research.

New urban approaches and socio-economic and political pressure has given an opportunity to create a new redevelopment scheme for Baishizhou area in Nanshan district. As suggested in figure 4, each actor may have an input to the redevelopment. In the case that the influential actors succeed in collaborating the redevelopment project, the redevelopment project would be approved because of a mutual approval of the redevelopment project. It could also be that influential actors' collaboration fails to be achieved and that the redevelopment is disapproved. If there is continuous pressures to a redevelopment project, actors would attempt to collaborate again in order to approve a project. Figure 4 lacks the understanding of the processes and stages of a redevelopment project and the interaction between actors as well as their role and aims before, during and after their collaboration. It is also unclear who the main actors are and how much impact urban renewal policies have on the collaboration between actors. The complexity of relations between each and every actor is the core study of this thesis, under the effect of urban renewal policies.

Urban villages, to some extent, dominate Shenzhen's urban landscape. The government's efforts in integrating them have been inefficient. Villagers have nowadays a stronger position in discussing the possibilities of a redevelopment project. The government and developer must accept the desires of villagers. Radical changes are however unavoidable, which is why discovering which actors are important and which ones are involved directly or indirectly are important factors to understand how actors collaborate under new urban renewal policy implementations. In the next chapter, a description of my research methodologies will be explain how I collected data.

CHAPTER 3: RESEARCH METHOD AND DATA COLLECTION

DATA COLLECTION

The objective of this thesis is to expose the difficulty in the collaboration of actors in the redevelopment of urban villages. This research is therefore mainly descriptive, qualitative and

exploratory in which the investigation of the main challenges of actors' collaboration will be analyzed. This research contains qualitative methodologies, semi-structured and in-depth interviews with actors involved directly or indirectly, formally or informally in redevelopment projects. Baishizhou urban village is the selected case study because it is considered as one of the most dense urban village in Shenzhen, with a current floor area ration (FAR) of about 4.5.

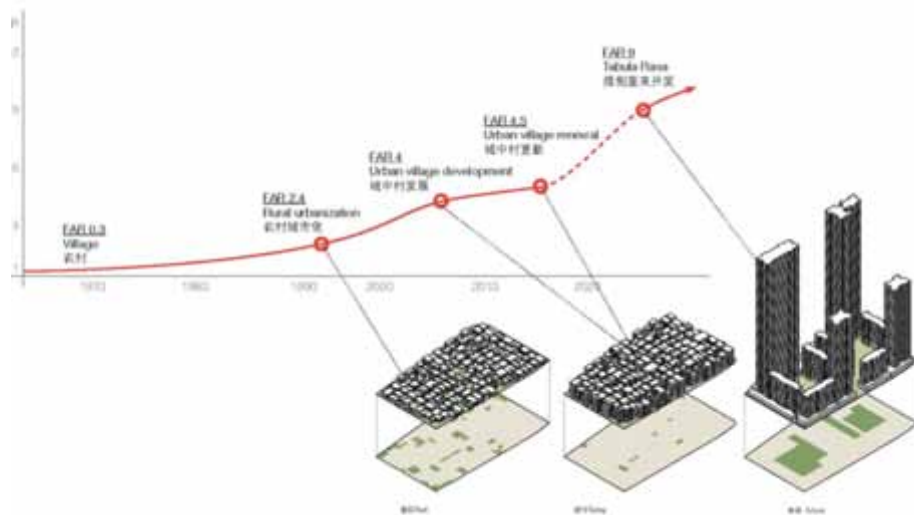


Figure 5 – The increase of Floor Area Ratio (FAR) overtime in urban villages' development (Urbanus, 2013)

Data was found by using web searches, library catalogue searches from University of Amsterdam and by going through reference lists in papers. Existing data, written sources (newspaper articles, websites, reports, annual reports, speeches, policy documents, plans, et cetera), conducted in-depth semi-structured interviews and participant observation are thus strategies used to evaluate the collaboration between actors. The process of data collection for the case study of this thesis has been conducted in a flexible manner because not much background literature informs this thesis topic. The Baishizhou redevelopment project is at a preliminary stage where current actors act informally and confidential information is kept secret from the public. Also, since the boundaries of the topic in question are easily changeable in time, a highly disciplined approach to literature identification becomes nearly impossible (Bryman 2008, p.91).

FIELDWORK: RESEARCH METHOD

Fieldwork for this research was conducted in between march and may 2013 as we (Sean Wang and I) interviewed relevant actors involved formally or informally in the current stage of the redevelopment project of Baishizhou. Interviews were carried out by Sean Wang and

me, and we both worked in the office of Urbanus. Each have prepared a set of interview questions in Mandarin and English ready for the interviewees. All interviews were held in Mandarin, and in some cases in English when the respondent could speak English. Sean Wang is a University of Amsterdam master student and completed his master thesis in urban planning studies. He is originally from China and he is fluent in Mandarin. When I had difficulties in understand my respondent in Mandarin, Sean Wang translated immediately the respondents' answers to me.

I reviewed district-level policy documents and held discussions with villagers, the director of the urban village committee, activists, government officials at district- and municipal-level, director of the Shenzhen Centre for Design, the chief planner of the LvGem development company and an urban design researcher in Urbanus involved in the redevelopment project. During the fieldwork, we visited Baishizhou urban village to understand the socio-economic and political pressure. We participated in tour guides in the urban village and attended private informal meetings with activists, architects, the depute of the Planning Institute, et cetera.

After some initial research had been conducted on the topic of interest, the cases of urban renewal in Baishizhou in Shenzhen was chosen for deeper analysis in the study. It was picked with several criteria in mind. First, the case study had to be somehow representative of Chinese urban renewal practice in major cities. Second, information about them had to be available online in English due to the relatively short time frame of gathering data. Sean Wang and I have gathered English-written data on the redevelopment project of Baishizhou. The choice of an urban village in Nanshan district is also due to the fact that Nanshan is a district facing the most social tensions and urban pressures. This urban village is intended to be redeveloped radically, because the housing is relatively cheaper than the surrounding urban village, resulting in tensions and pressure of the government to redevelop this urban village (Mary O'Donnell, 2013).

A semi-structured and in-depth interview is constructed in a particular way in order to yield particular information, especially in the case of a sensitive topic such as a redevelopment project in which actors are still involved informally. Formal studies that depend upon interview information from participants usually use structured interviews in order to assure to the extent possible that all participants respond to the same questions. In informal research, we may not be quite as careful, but the structured format really does assure that various people's answers to the questions are comparable. In some cases, people are more likely to open up in a relaxed and informal atmosphere. In others, we may get better information if we use a formal interview. Where people are likely to be mistrustful of strangers, it can be a risk: a formal structure may help them focus on the content of what they're saying, but it may also

increase the distance - and the mistrust - between them and the interviewer. We made an on-the-spot decision about what will work best. Thus semi-structured with the choice of informal or formal interviews and discussions may lead to successfully comparing all our findings from each actor and additional information on relationships among them. Respondents' key positions are confidential due to the fact that this redevelopment project in Baishizhou is a sensitive topic. There were a total of 12 respondents, in which most were directly involved in the Baishizhou urban village redevelopment project:

	Name of Respondent	Title	Organization	Type of actor	Directly or indirectly involved in project
1	Weiyun Zeng	Office Director	Shenzhen Baishizhou Investment & Development CO., LTD	Villager	Directly
2	Yunqing Chi	Accountant	Shenzhen Baishizhou Investment & Development CO., LTD	Villager	Directly
3	Gigi	Consultant /Editor	RitO Lemon	Activist	Directly
4	Weiwen Huang	Director	Shenzhen Centre for Design	Activist	Directly
5	Mary O-Donnell	Anthropologist	--	Activist	Directly
6	Michael Patte	Founder	Riptide	Activist	Directly
7	Shu Limei	Officer	Futian District Government	Government official	Indirectly
8	Xiao Chun	Officer	Urban Planning, land and resources commission of Shenzhen Municipality	Government official	Directly
9	Hua Wang	Senior Urban Planner	Urban Planning Department	Government official	Directly
10	Travis J M Blunt	Design Director	Urbanus Hong Kong	Consultant	Indirectly
11	Tat Lam	Director	Urban Research Bureau (Urbanus Shenzhen)	Consultant	Directly
12	Ruiling Niu	Chief Planner	LvGem	Developer	Directly

Table 1 – List of respondents and interviewees during fieldwork

To satisfy the reliability of the study, in addition to those hard data obtained from archives, a case study protocol has been developed to ensure the operation of a case study followed a pre-specified procedure. Each interview is paper recorded and then coded according to the predetermined categories based on the conceptual framework. A brief summary of the interview is produced immediately after each interview taken in order to preserve the observations; which are relevant to the research and not possible to be kept through the paper recording, and the transcripts are made within a month following completion of all interviews so that mistakes in doing transcription could be reduced.

A preliminary set of interview questions can be found in appendix 1 and an exemplary transcript can be found in appendix 2.

IDENTIFYING CATEGORIES

Identifying key words and categories has been essential throughout the work. They have been found by coding the different readings and transcripts. This process has been an unconscious one as often as intended and has happened through making notes. More or less obvious categories such as “urban planning” “urban regeneration” “stakeholders” and “urban renewal” were widely employed as keywords for searches in the beginning of the study. Asking oneself “what is being done and why” has been helpful in finding some of the less clear categories when working with the documents chosen for the example cases (Flowerdew & Martin 2005, p.222). After having looked into a greater amount of writings, new interesting categories such as “grassroot units”, “policies”, “government”, “developer”, and “landlords” “villagers” begun to emerge as categories of interest as they were repeatedly found in different writings.

RESEARCH HYPOTHESES

A scientific hypothesis is a common, objective and clearly defined statement about the empirical world, capable of being tested against empirical data, to test if it is generally applicable to explain and therefore predict real observed reflections. Since the objectives of this research aim is to examine collaboration of actors under the policy implementation and discover the state of relations among actors in redevelopment of urban villages, three hypotheses are structured as followed:

- H1: The government, villagers and developers are the primary actors with most influence on urban renewal projects.
- H2: The urban renewal policies have an impact on urban renewal procedures and influence the collaboration between actors.
- H3: The implementation of new urban renewal policies in the more recent governmental approach may have given an opportunity for other types of actors to form, which could affect the future development of urban villages facing urban redevelopment projects.

In the next section the description of the general understandings of how actors are involved in urban village redevelopment projects in Shenzhen will be explained with the aid of the study of urban renewal policies.

After stating my research methods and data collection, I will carry on describing my data. The urban renewal policies have shaped the actors' collaboration that are known today in redevelopment projects. To understand how these actors have come to its importance in influencing redevelopments projects of urban villages, a description of urban renewal policies and the emergence of these actors must also be looked into in the next chapter.

CHAPTER 4: URBAN RENEWAL POLICIES AND THE EMERGENCE OF ACTORS

In this chapter, the general concept of urban renewal is introduced and then it is describe in the Chinese context. This concept reflects the complex collaboration and cooperation among actors involved in redevelopment and urban renewal projects. What is interesting to comprehend how different actors have emerged in redevelopment projects, and which positions they have taken up before and after the government's radical approach to redevelopment projects. To make the general understand more concrete, the case study of the redevelopment project of Baishizhou urban village will lead to a more concrete illustration to the complexity of actors' collaboration in the processes of redevelopment projects in chapter 5.

GENERAL CONCEPT: URBAN RENEWAL

Buissink (1985, p. 14) claims that the term urban renewal was first used in the Housing Act of 1954 (1985, p.14) and defines the term as a vague term used differently depending on the context and timeframe. Buissink (1985, p. 56) defines urban renewal in general terms as such: "the complex of building activities aimed at restoring the decayed and obsolete physical urban elements and thereby making them functionally sound again according to the standards of the time". The concept of urban renewal became more vast as social and economic aspects were to be considered in the urban renewal process. Thus the physical aspect is not the only variable to the urban renewal concept, the impact of urban renewal also encompasses the interaction of economic and social forces (Couch, 1990, p.1). The government implemented urban renewal policies on several occasions, which can be dealt in five stages. By 2000 Metselaar and Priemus (1992) states the physical planning, housing policy, building activities, socio-economic aspects are not the only variables defining the concept. The environmental standards of living became an important aspect as well.

A scheme for urban renewal processes in developing countries can be understood in this framework. In other words, this scheme shows the process of urban decay in developing countries:

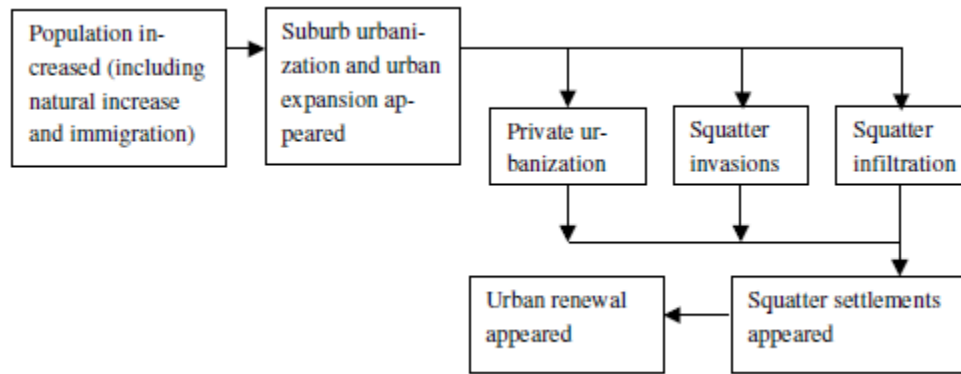


Figure 6 – The process of urban decay in developing countries (McAuslan 1985, p. 51-58)

In the Chinese context, according to Rui (2003) the term urban renewal was first used in the City Planning Act in 1989 and the government at different levels did overlook the need for urban villages to upgrade in the cities. Yeh confirms this statement by affirming that urban renewal was officially indicated in master plans in 2005 (Yeh and Wu, 1999, p.180-181; and Hao, et al., 2012). By the 1980s the Chinese government were aware of the cultural heritage through historical buildings related to Chinese culture. Rui (2003) states that city redevelopment occurred under the circumstances of discussions over measures and implementation methods for redevelopment projects, which included funding methods, strategies to redevelopment projects, the re-adjustment of old city land use planning, managing costs and prices resettling the original residents, and the supply of land for housing (Wang, 1994, p.301). Urban renewal in China has evolved from redevelopment to the combination of redevelopment with systematic rehabilitation and upgrading (Rui, 2003). All aspects, which includes physical, socio-economic and environmental features, have been implemented in urban renewal policies as a systematic approach to rehabilitate and upgrade dilapidated neighbourhoods such as urban villages.

The redevelopment of urban villages is continuing, mostly by incumbent upgrading and reconstruction, but also by transacting with local government or forming partnerships for the redevelopment effort. The Shenzhen government has made the complete replacement of some centrally located villages, and their subsequent integration into a larger design strategy. Rapid growth and rapid extension of the physical extent of the city has brought local disparities and the shift of business and commercial activities to newly developed areas, largely in the central and western parts of the SEZ.

To integrate the different facets aimed at improving urban villages are yet one of the biggest challenge to the city's urban planning. To successfully upgrade an urban village different actors must be involved in a cooperative fashion. The question is: what is the reason behind the complexity of actors' collaboration? The effort at integrating, upgrading and the

collaboration of actors in the present and future developments throughout the perimeter areas of Shenzhen can be read in the figures from planning documents, especially in the urban renewal policy document of 2012 regarding urban renewal policy documents. One of the biggest challenges are the regeneration of the ‘four olds’, which consists of renewing old urban fabrics such as old industrial zones, old commercial districts, old residential areas and urban villages. Urban planners and policymakers are concerned with spatially integrating urban villages in the rest of Shenzhen’s urban fabric. Shu Limei (2013), an officer from Futian district, states that:

“This must be called ‘sijiu gaizao ’(four olds). You may call urban villages’ urban renewal ‘jiucun gaizao’ (old village urban renewal). The four olds can add value to the city because of the upgrade. And land belongs to the whole country, but urban villages are different because they can choose independently a developer to come and rebuild the area. And the developer must cooperate with the government before anything can be done, the government must decide on the rebuilding of an urban village. The government has some kind of check list, which are the laws and policies, and if the criteria are met on the check list by the developer, the reconstruction of urban villages can happen.”

The cooperation of different actors is therefore key to the integration of urban villages in the rest of the city’s urban landscape. For a better understand of the complex cooperation between actors, it is necessary to look into the evolvment of different actors. This background information will aid in the understanding of the complexity of their collaboration in the present.

COMPLEX COLLABORATION BETWEEN ACTORS

In the redevelopment processes of urban villages, the standard actors involved are: the government and its complex governmental departments, villagers (landlords who also create village leaders and a village committee), and a property developer’s company (developers). In the following section an explanation of their emergence as an actor will provide a better insight to the understanding of their involvement in relation to urban renewal policies. This will aid in understanding which actors have emerged since the introduction of urban renewal policies, which actors have remained in the operation of redevelopment projects since the urban renewal policies establishment, and how these different actors have kept or changed their positions and roles.

THE SOURCE OF THE COMPLEXITY IN ACTORS’ COLLABORATION

Urban villages in China are unique, as they are special urbanized settlements and developed under the background of China's political and economic system and the Chinese economic transition (Liu and He, 2010). The redevelopment of urban villages has been led by local municipal governments as a supervisor or mediator, with villagers being the cooperators and developers who make profits by rebuilding the village. The government's previous behavior in its reluctance in aiding urban villages' formal development and their recent radical approach in redeveloping them is also a source of the complex collaboration. The development of such relation and interests are described in this section.

The urban and rural division in population under the *Hukou* system and the difference in urban and rural land ownership are the two most important factors that have prevented villages and villagers from integrating in urban areas. Firstly, the rural-urban division in population has put villagers at a disadvantage as they were excluded from urban economic and social welfare services. Most villagers only have basic education, and the municipal government was reluctant to integrate them in the urban population. Villagers affected by the urban sprawl were basically left on their own to adapt to their new living environment, resulting in building informal settlements to rent out to migrants. Secondly, the difference in urban and rural land ownership was unclear to both villagers and government. Because government officials treated collective land ownership as another form of public ownership, they expected villagers to support state developments by giving up their collective ownership in return for some compensation. The villagers, however, believed that they had been living and working on the land for generations and that collective ownership meant ownership collectively by themselves. Villagers were caught in the middle. On the one hand they represented the villagers and their claims to their traditional rights over their land; on the other hand villagers' representatives were the lowest-level officials of the government and the CCP. Friction between villagers and the government grew. The interesting matter is how the developer emerged and shaped into the complicated relationship between villagers and the government. The developer emerged when China became more neoliberalistic and the government promoted property development. In fact, the industry of property development did not exist before the 1980s because of the socialist planning ideology being superior. But China's implementation of market-based reforms during the past decades has entirely changed the strengths behind urban spatial transformations. The city government has been assigned with more power in land leasing and encouraging urban development. Not only have these reforms brought about a significant upgrade to the urban landscape, they have also helped emerge local property developers and attracted the influx of cross-border property capital, primarily from Hong Kong (Tang & Liu, 2002).

The strong residential land use rights in urban villages prevented developers and the municipal government from taking over residential land for development. The favourable locations of urban villages in Shenzhen and the huge increase in land values provided urban village communities with good economic and business opportunities helped them to deal with the change from farming to urban life. This practice on the one hand enabled the municipal government to avoid taking on responsibility for social, economic and infrastructural development in these villages. The lack of government's authority gave the government a very weak political position in managing land-use. Developers on the other hand are profit-driven and viewed urban villages as a prospective financial gain. Traditionally, rural residents had the freedom to build and use their houses in any way they liked, and there were few planning and building regulations in villages. The government found it difficult to impose controls on family housing development inside the boundaries of urban villages, even though some of these villages were located deep within the urban built-up area.

The radical change slowly began when policies and regulations (often as maximum standards) were issued by the government to restrict village development, but there were no effective administrative organizations to implement them. The government had to rely on village leaders to practise these policies; but village representatives themselves had invested in interests in the development process. In fact, in most cases the villagers and their relatives often led the illegal house building. This is why when the municipal government tried to tighten up controls on village house building, the result was often more and larger scale development. At the early stage of village transformation, the municipal government's inexperience in managing collectively owned land often resulted in a planning vacuum in urban villages. The small number of villages involved and the income gap between urban and village residents at this stage also made municipal policymakers more sympathetic toward unplanned development inside urban villages. When more and more suburban villages became partly urbanized, and land- and property-related income inside these urban villages increased to a high level (higher than most civil servants' salaries in the city), official sympathy toward villagers faded away and stricter control measures were issued. Urban villages located near the city centre have been part of the city for some time and have experienced many years of uncontrolled development. The economic and environmental linkages between them and the rest of the city are very complicated. Villagers have been making money from their properties for some time and they are more experienced in managing their affairs and in dealing with municipal authorities. They can often find ways to evade control policies. By the 1990s, different views on urban villages have begun to emerge in China. Property developers see urban villages as an inefficient and irregular use of valuable land resources and a distortion of the urban land and property market. Property developers

begin to focus on the residential and industrial land held by urban villagers. Most government officials and planners criticize urban villages for the supposedly crime rate, poor living environment and conditions, and high risks of fire hazard. They are also concerned about the great pressure imposed by migrants on the urban infrastructure and employment. They view the informal development from a very negative perspective, and consider urban villages to be an embarrassment for the city. The government's aim is to increase control on migrants residing in urban villages and to redevelop urban villages through implementation of urban renewal policies and through their position as an actor in redevelopment projects. Many villagers see the urban villages as their homes and the rental housing and business prospects as their life- and financial-support in the modern city. They are more concerned about the returns on their investment in the buildings, and tend to resist any quick and large-scale redevelopment plans. Migrant workers — the main population group living in urban villages who are tenants— see housing there as the only affordable option for them, even if living conditions are not always very satisfactory.

To sum up, villagers started in a weak position because they were excluded socially and economically from emerging cities because the government ignored their integration to the city. The government had a powerful and imposing position as it had the capacity to place villagers in a disadvantaged position. However villagers took advantage of the government's reluctance in integrating urban villages by informally planning urban villages by themselves. Villagers' position became stronger as their property and land-value started peaking. Developers took up a dependent position because they relied on the government's decisions in promoting in private property market. The government thus had a supervising, mediating and controlling position over villagers and developers. All main actors – government, developer and villagers - plan to gain their interests and benefits in different ways, and they also have to face some problems before, during or after the redevelopment. Urban renewal policies have played a role in the evolution of the roles and aims of each actor. The question is, through policies how have actors re-enacted their roles and positions. In the following section a clear interpretation of the urban renewal processes and policymaking will complete the understanding of the current complexity of the actors' collaboration.

URBAN RENEWAL POLICIES

URBAN RENEWAL POLICIES

In 2005, Hao et al. (2011) confirms that the Shenzhen Municipal Government approved and introduced the Master Plan of Urban Village Redevelopment 2005–2010. Only a few of the selected urban villages have been redeveloped and other projects are in various stages of

redevelopment including the preparation of detailed redevelopment plans, the examination of redevelopment plans by the authorities, the selection of developers, demolition and compensation, and the construction of new buildings. In general, the implementation of the redevelopment programme has been in a very slow pace and the progress significantly delays the planned schedule.

A description of the main urban renewal policies can be of use to understand the complex process and collaboration of actors.

URBAN RENEWAL POLICIES OF 2004 AND 2012

The urban renewal policies of 2004 to 2012 indicate stricter control and coordination over redevelopment of urban villages. The government imposes redevelopment by stating that under decaying conditions of urban villages such as bad infrastructure or deteriorating living environment are causes to redevelopment. Moreover, the government's approach is stricter in the sense that the government imposes more regulations on public facilities and procedures, it decides on the approval of the redevelopment projects' proposal, plans on improving and upgrading the urban village into a more environmentally-, socially- and economically-friends area. Violations of the regulations in the policies result in punishment given by the city government.

The division of tasks and responsibilities of different levels of governmental departments are indicated in these policies, as a way to regulate and control the redevelopment projects' procedures. For example, the urban renewal policy document of 2012 indicates that the "city government's Urban Land Planning Department authority of the city's urban renewal work (following referred to as authorities) is responsible for the organization, coordination and supervision of the city's urban renewal work" (Shenzhen Municipal Government, 2012, ch. 1, art. 2). Furthermore, the creation of a 'Leading Group' in the urban renewal policies 2012 shows that a development in controlling the urban renewal processes has been tightened: "city government's Renewal Leading Group (following referred to as leading group) is responsible for leading urban renewal work, decision-making on events on urban renewal" (Shenzhen Municipal Government, 2012, ch. 1, art. 2). The urban renewal policies of 2012 regulate groups whereas policies in the policy document of urban renewal in 2004 is absent.

Since 2004's urban renewal policy document, the government declares that it acts as a supervisor, controlling the contractual relation between the villagers and developers: "stakeholders who all agree in redeveloping the designated villages, should be confirmed

and agreed by the district government” (Shenzhen Municipal Government, 2004, chap. 2, art. 5). In chapter 2, article 15 (Shenzhen Municipal Government, 2012), the government only gets involved when all actors have discussed and collaborated to an agreement: “government controls the full respect of the legitimate interested parties’ legal right, the local residents’, and stakeholders’ interests”. The government thus plays the role of supervising the rights of each actors after the official agreement between them: “in addition to the approval of the district government, the agreement among all parties (institutions, agencies, enterprises, landlords, developers, et cetera) to the redevelopment of the villages in general the district government (with the land management department) will officially list the approved developer’s company” (Shenzhen Municipal Government, 2004, chap. 4, art. 11). This means that when all stakeholders and actors have a contractual relation, the developer becomes the official stakeholder responsible of the redevelopment, under the supervision of the government.

The villagers are protected by the government and their obligated contractual relation with the developer protects them: “The land management department approaches villagers and those involved in the redevelopment of villages to make sure land compensation is reasonable”(Shenzhen Municipal Government, 2004, chap. 3, art. 17); “more than two-thirds of the total number of villagers must be agreed to the redevelopment project”. The bargaining involves mainly the compensation rate discussed usually between villagers and developers: “The subjects of rights become the “main parties” (developer and villagers) through signing the relocation compensation agreement (Shenzhen Municipal Government, 2004, chap. 3, art. 17). The subjects of rights and relocated villagers should agree the compensation rate and period of relocation; villagers have the right to move back the allocated property” (Shenzhen Municipal Government, 2012, chap. 3, art. 47).

To conclude, the government has re-stated its own position. The government is working at different levels: at a policy- and field- level. Within the policy-level the government has a very complex structure, which includes governmental departments such as the transport or planning department. Thus the government has taken up two roles: it acts as an actor in redevelopment projects and it creates urban renewal policies to regulate redevelopment projects. Villagers and developers have to deal with policies and the position of the developer is government-dependent.

THEORETICAL JUSTIFICATION TO URBAN RENEWAL POLICIES

The main urban renewal policies date from 2004 and 2012. Sabatier claims that policy-oriented learning involves relatively enduring alterations of thought or behavioral intentions that result from experience and that are concerned with the attainment or revisions of the precepts of one's belief system (Meseguer, 2009). The government's intentions are clear: it does not want to get involved in the bargaining procedure between villagers and developer until both actors have agreed on a contractual deal. It is thus clear that the government has taken up two specific positions: one that involves integrating urban policies to control urban planning and another that involves the government as an actor supervising the urban planning processes. This theoretical framework justifies what Xiao Chun (2013) explained: "how urban renewal policies have been renewed overtime is caused by a reflection of the evolvement of the relations between stakeholders (villagers and developers)". The central land municipal government cannot change the policy at free will, the policies will eventually change little by little in long-term depending on the actors' behavior and empirical evidence in the urban renewal processes. And when the local and district government is convinced of renewing policies, the municipal and central government will have to face the right conditions. Policy learning thus occurs through a certain societal or environmental trigger and results into a policy change, which can only be changed and approved by the government. Bennett and Howlett (1992) argue that what Heclo terms 'political learning' is seen as an activity undertaken by policymakers as a reaction to changes in external policy 'environments'. As the environment changes, policy makers must adapt if their policies are not to fail (Meseguer, 2009).

URBAN RENEWAL PROCESSES

Through an exploratory analysis of my transcripts and review of urban renewal policies, a recurrent general to urban renewal processes showed a pattern of how actors approve of redevelopment projects.

According to the urban renewal policies, the government supervises all the public and social infrastructure. Public services such as school, hospital, soft infrastructure, electricity company, public library must be implemented in the proposed project. This proposed project is first informally presented to the developer by consultants hired by the developer, such as SOM and Urbanus. Informal talks and gossip move into the circle of actors before contractual

relationships. The government at this point is not involved formally but it is following the informal process.

If the developer is pleased with the plan, the next step is to introduce the proposed project to the government whose role is to check if the project complies to the rules and regulations accorded in urban renewal policies, which is a formal procedure. When the government approves of the proposed project under the circumstances that all criterias are met, it will sign a contract regarding these public services implementation. After the government and developer agree on a contractual relation, the developer can move on to proposing a compensation rate to the villagers. At this point the bargaining begins between villagers and developer. When the collaboration between the villagers and the developer is effective, the developer can apply for a fund, which will be used to demolish and rebuild. With these 3-5 years, villagers are displaced and relocated into the redeveloped urban village. The land is then owned by the district government; and together the 'Baishizhou Investment & Development CO., LTD' and the government will redistribute the land to the villagers as they have promised in legal compensation terms. All stages can be summarized in the figure below:

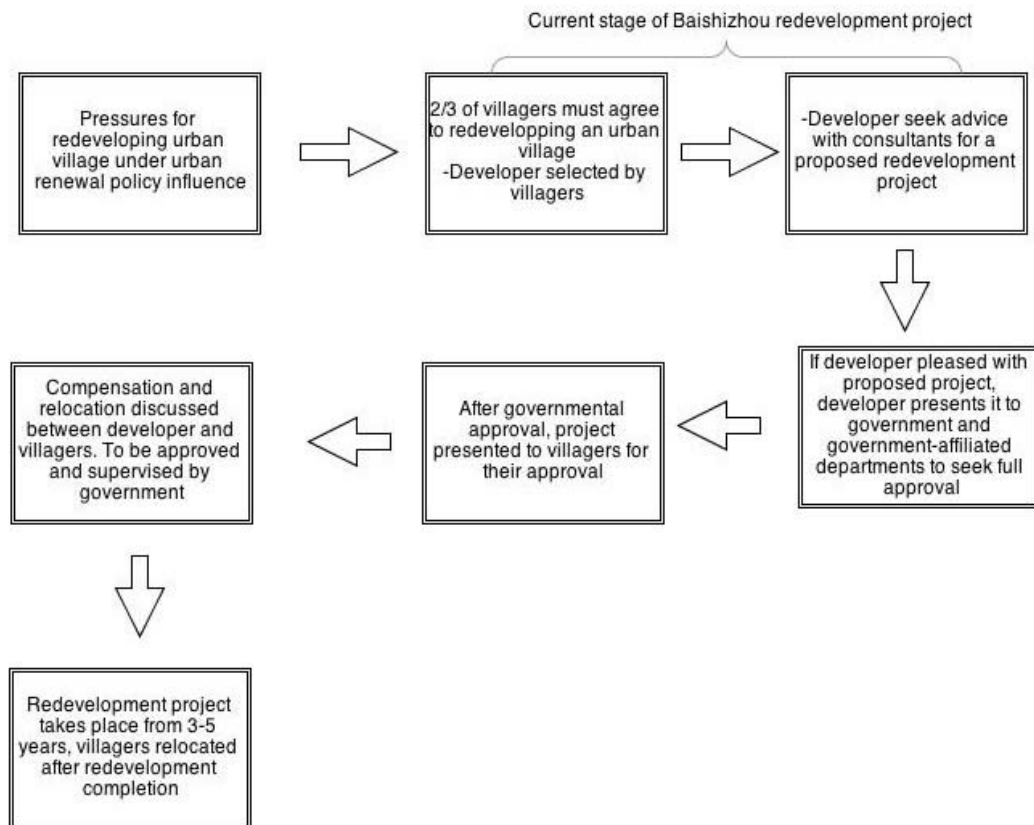


Figure 7 – Main stages before and during an urban village redevelopment takes place

The demolition-redevelopment process implied by the name, comprises two risks in villagers' eyes: the clearance of old urban village houses and the redevelopment of new modern properties. By those two steps, villagers and migrants that rely on urban villages for their livelihoods are discarded. In the clearance step, the migrants (tenants) are simply ignored, without any compensation or consideration. And in the redevelopment step, the land transactions realize the interests of the government and the developers. After a one-time compensation, the villagers' long-term revenues are deprived, though they may be compensated with extra apartment units that allow them to continue their room rental business and generate income. However, they have lost their land use freedom and the possibility of creating more floor space (Hao, 2011).

In practice, there is no formal systematic procedures indicated in urban renewal policies that actors can follow, especially in the preliminary stage of a redevelopment project like Baishizhou. Tat Lam (2013), director of the Urban Research Bureau at Urbanus Shenzhen, asserts:

“The challenge is that each actor has their own vision and agenda. It's the same for any business project. There is no such system or institution to actually make everything work. Everything is man-made and made specific to this particular project. There is nothing we can follow. Even the government doesn't have a real system to make the approval. The government considers the creative industries and urban renewal of urban villages as a same category. There is no specific system”.

This argument was also brought forward by other actors involved in the Baishizhou redevelopment project: Gigi (an activist), Shu Limei (a government official), and Hua Wang (an urban planner). Furthermore, Tat Lam (2013) argues that “the redevelopment processes are not connected to urban renewal policies because the procedures involve a joint venture business model, which becomes more and more mature overtime. The government is creating in a *laissez-faire* approach, which means that setting up rules or policies to control the bargaining is not necessary. This is the adopted model for all redevelopment processes of urban villages so far”. Xiao Chun, an officer involved in the implementation of urban renewal policies at municipality level, adds to Tat Lam's argument that the government and policies strictly leaves the government in a supervising position. This shows how the government positions themselves in the redevelopment processes in the policy level and project level.

In the following chapter the general understanding of the collaboration of actors under the implementation of urban renewal policies will be examined in the case study of Baishizhou urban village redevelopment project.

CHAPTER 5: RESEARCH FINDINGS ON THE CASE STUDY OF BAISHIZHOU URBAN VILLAGE'S REDEVELOPMENT PROJECT

Baishizhou urban village is a complex structure of informal settlements and of different actors. Research findings show how different actors act with one another, and how they position themselves in the processes of the redevelopment project. Each actors will be analyzed in sub-sections in this chapter. Theories such as actor-centered institutionalism, group grid and game theory can explain why and how actors operate under the circumstances that they must collaborate for a successful redevelopment project.

BAISHIZHOU URBAN VILLAGE

Baishizhou urban village is known as one of the largest urban villages in Shenzhen, because it is comprised of five urban villages. The cover area of the site is 44.1 hectares, which includes Baishizhou Village, Upper Baishi Village and Xintang Village. Industrial land, previously belonging to the Shahe Group and Zhonghe Group, comprises 9.1 hectares and 2.0 hectares respectively. In addition, the site also contains 4.6 hectares of state-owned land. The existing site FAR is approximately 3.5. The Baishizhou Redevelopment Project therefore covers a 59.8 hectare site located in the Nanshan District of Shenzhen, adjacent to the Overseas Chinese City (OCT). Shennan Boulevard is the primary development axis in Shenzhen, and it divides the project into two distinct north and south sites. As explained by Weiwen Huang (2013) “the place of Baishizhou is indeed very important. This urban village is in Nanshan district’s economic center. That is why they want to rebuild. But there are many other urban villages in Nanshan district that are not rebuilt. Baishizhou can be strategically used in an economic function, and the physical appearance does not fit the surrounding area”.

The complications in the redevelopment project in Baishizhou lies in these aspects:

1. It is big in its physical size and accommodates a large amount of population.
2. Land and property ownership are blurry and chaotic
3. Many actors can potentially impact the redevelopment project, including the army, central state-run enterprises (for example the OCT group), municipal state-run enterprises (e.g Shahe corporation), et cetera.
4. Baishizhou is an area with a relatively long history and strong traditions, and these historical factors have to be taken into account

THE CURRENT PROPOSAL OF THE BAISHIZHOU URBAN REDEVELOPMENT PROJECT

The new and current proposal aims at developing the urban village into a mega city with 5.5 millions square meter construction area in three stages.



Figure 8 – The five urban villages in Baishizhou urban village, Shenzhen, China

五个新区

5 New Zones

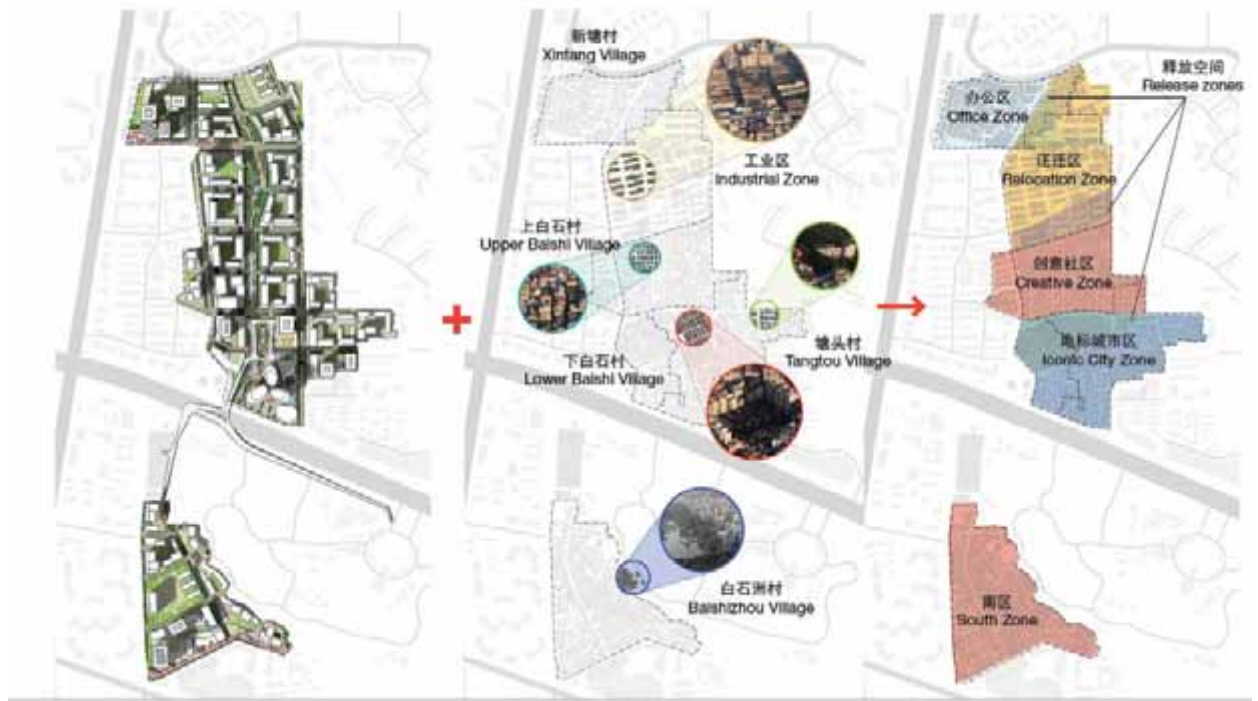


Figure 9 – Redevelopment ideas for the five urban villages in Baishizhou (Urbanus, 2013)

The primary existing feature of the Baishizhou project area includes category three and four residential development and industrial uses. The average FAR is approximately 3.5, and the residential population is about 119,000. Most residents are immigrant workers who are not registered as Permanent Residents of Shenzhen. The Baishizhou area is often characterized as a poorly maintained and chaotic environment that lacks adequate public facilities and open space. Skidmore, Owings & Merrill's (SOM), an American architectural and engineering firm hired by a potential developer of this urban village, challenges were argued as such (Urbanus, 2013):

“With Shenzhen’s rapid urbanization and limited land resources, the Baishizhou redevelopment project represents a unique opportunity to achieve three important goals: achieve the high standard of development required by the City, meet the expectations of village residents for a higher quality of life, and to ensure that redevelopment is economically and environmentally viable.”

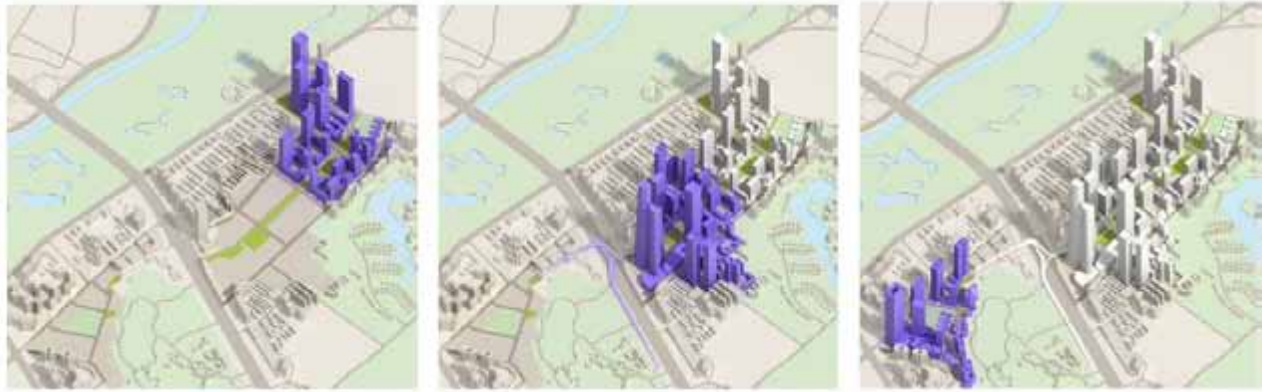


Figure 10 – The different stages of redevelopment (Urbanus, 2013)

The master planning of the project was set up by SOM for a private developer LvGEM, for the overall regeneration. Due to the importance of the project, Urbanus has been asked to evaluate the existing master plan, and particularly to break through the existing urban village redevelopment model and to explore urban design strategies to respond to the urban village history and design strategies for hyperdensity.



Figure 11 – influential infrastructural intersection crossing in Baishizhou urban village (Urbanus, 2013)

Baishizhou is strategically located in the main development axis of Shenzhen - the intersection of Shennan Boulevard and Dashahe Innovation Corridor. It only takes 10 minutes

from Baishizhou to reach the Shenzhen Bay Customs in Hong Kong. Shenzhen's major developments are concentrated along Shennan Boulevard. From east to west are Luohu Lake Center, Futian Central Business District, recent Caiweiwu development, and the future Qianhai centre. The redeveloped Baishizhou will change the skyline of Shennan Boulevard and will become a new landmark. In addition, Baishizhou is located in the centre of the Nanshan Dashahe Innovation Corridor, which should be incorporated in the development of office, supporting apartment, and other services such as hotels and conference centres.

The Nanshan District will become a prominent area of Shenzhen, and will serve as an incubator for advanced production. Nanshan District's main development areas include: High-tech industry sites such as Technology Park and Liuxiandong; Research & Development sites such as Shenzhen College Town; the Shekou modern logistic site; Houhai Central Area; Shenzhen Bay Headquarters; and Overseas Chinese Town. Bounded by Overseas Chinese Town to the east and the Shenzhen Bay Headquarters to the south, Baishizhou is strategically located in the centre of the development area. The Dashahe corridor links the High-Tech, Research & Development, and Houhai Centers. The Baishizhou Master Plan strategically positions these innovative uses with supporting amenities in order to create a comprehensive urban sub-centre.



Figure 12 – Photos portraying the livelihood and living conditions in Baishizhou urban village (Urbanus, 2013)

Urban village redevelopment is the most ad hoc topic for urbanization in China in the recent decade, as urban villages are the only space in the city center for new construction. However this type of redevelopment is also very controversial, but it will raise many issues such as compensation, relocation of migrant community, hyper density of new construction and so on.

Unfortunately, the speed of urban development in China did not allow us enough time to rethink the model of the development. Therefore, urban village development is usually repeating the conventional urban and architectural design strategies, but with more density.

Figure 13 and 14 – Redevelopment plans proposed by Urbanus (2013)

Baishizhou is an excellent case study for us to explore new ways of developing urban village, and start to negotiate between history and present, old and new, backwardness and modernity, informal life and institutional planning, et cetera.

In the following sections a description of the actors' collaboration or involvement with one another will be explored.

THE GOVERNMENT

The government carries the supervising role in the collaboration between the developer and the villagers. It has the power to manipulate policies and choose a position to their liking.

The government's role is subjectively commented by Xiao Chun:

“The government is like a supervisor, to check whether you do right thing or not. The government protects the villagers' rights. The government prevents the developers to do something to hurt villagers' rights. The government needs to control, balance and stabilize their relationship. The role of the government is to protect villagers' rights by letting them get the proper compensation, they have to protect developers' rights through profit. What is also important is to balance social evaluation/impact. The villagers are not able to protect themselves. The government makes sure there is no cheating” (2013)

This statement is supported by other respondents involved in directly with the Baishizhou redevelopment project. The role of the government is stated in policy documents from 2004 to 2012, they indicate the following standard guidelines (Shenzhen Municipal Government, 2004 and 2012):

- In case of unbalance between actors, the government may get involved to rebalance the actors' relation;
- The government supervises the redevelopment project;
- The government protects actors' rights;
- The government encourages the involvement of different institutions to help upgrading urban villages;
- The indicative responsibilities per department is demonstrated;
- The government checks whether public infrastructure and an upgrade of the urban village follow specific criteria's;
- The proposed project must first be approved by the district and municipal government before the proposed project may be presented to the villagers;

Often each department per governmental level has different views, roles and aims, which complicates and slows down the urban renewal processes. Each department has their own ideas set. For example, the planning institute aims at implementing a three-dimensional infrastructure building, which is a plan of different layers of transportation system. According

to Shu Limei (2013) the district government is very interested in developing their own district because they can earn more tax. The city officials however are hesitant about redevelopment because they know that the redevelopment project going to cause urban problems and they know that they need to build more social housing. The planning and architecture institute are not in favor of redevelopments because they think that they just generate more chaos. The transportation department is the most technical department in which strict criterias must strictly be fulfilled if the project should be approved by this department. Tat Lam (2013) affirms that there is also an urban renewal department in the planning bureau and they are like a sandwich between of different government departments and they are working under pressure for the developers. The planning institute and real estate consultancy company encourage encouraging large-scale redevelopment projects like Baishizhou, especially the consultancy company because large-scale projects will promote a new real estate system, which will bring them a lot of money.

The central, municipal and district government have different hierarchical roles and responsibilities. The district, for example, needs to abide to the laws of the central government; Shu Limei (2013) who is working for a district government explains “each district must respect the laws of the higher body, which is the municipal and central government. To do the practical urban changes and adjustment lower government-levels must follow the rules given by the higher ranked government bodies. Depending on the offered different conditions, lower-level government departments can modify the laws to some extent but in general the overall laws of China still apply to the local levels.

According to Tat Lam, Travis Blunt, and Huang Weiwen, the government does not care about the way the developer and villagers collaborate in their business strategies (2013). The decision-making and bargaining strategy does not involve the government. What the government is responsible of is the balance between actors and supervising the actions of them during the contractual relation. So, the government’s role is to check whether the contractual deal is not violated. Under any circumstances of violation the government can intervene and re-balance the relationship between stakeholders, a possible governmental department or consulting organization may be of aid in the interference. Ruiling Niu, the chief planner at LvGem, claims that “the government does not need to get involved in the bargain (between the developer and villagers), but the government supervises the final business deal”.

The position that the government takes is therefore to remain behind the scenes of the business deal. In other words, the government “wants to be invisible” (respondet 4, 2013). The government does not strongly and formally involve in this project in this preliminary stage. Moreover, before the party leader of the urban planning bureau gives the final decision of approving the proposed redevelopment project, all governmental departments are

previously responsible for approving the project. In such way, the responsibility of each department is crucial and the public may easily blame all these different departments for approving of the redevelopment project. The government and the leader of the urban planning bureau thus divided its responsibility among multiple departments who become responsible of the final approval of the redevelopment project. Each department is therefore reluctant to sign the approval of the redevelopment project as a way to avoid responsibility and public's possible discontent. Moreover, the government tries to separate themselves from the public and let the private sector to deal with the public. This is a neoliberalistic approach: they can then hide behind the stage but they still try to use policy, bureaucracy and all the approving system to manipulate the redevelopment. The government also knows that once they are involved, it will just make the process more complex and slower, and the public does not trust government (Gigi, 2013; Huang Weiwen, 2013). Moreover, the government has taken an intentional position in the urban renewal processes according to Tat Lam (2013): "I think that is the only way the government does not need to show up. Because for the other two (villagers and developer) you need to get the land back to the government, and then you lease the land on the market. And the people need to do the auction. Because it's a joint venture, it's all about business: instead of the government to demolish everything, and lease the land back to the market, the developers will bid and the price will become very high".

VILLAGERS

By early 2000s, the new compensation law enabled the villagers to become more wealthy and powerful: it is strictly stated by law that the government needs the cooperation of the urban villages in taking their rural land for urban development. Villagers thus has the power of vetoing a proposed redevelopment project: if the majority (one third) approves of the redevelopment project, the developer may redevelop the urban village. By then village collective representative company were set up as grassroot units with power to approve or disapprove of their collaboration with developers such as LvGem. In some cases, villagers seek a potential developer willing to redevelop the urban village in question. The village collective representative company (village committee), also called a joint-stock company, is responsible of representing the individual urban village committees. It is named the Shenzhen 'Baishizhou Investment & Development CO., LTD' company' and it tries to persuade at least one third of the villagers per urban village in the Baishizhou area to the proposed redevelopment project. It is the actual governors of communities in urban villages. Joint-stock company's function is to give proper land property right by means of collective economic organization and distribute property equally among villagers. The executives of joint-stock company are elected by shareholder representatives (villagers).

Both villagers Weiyun Zeng and Yunqing Chi (2013) claim that there currently is no joint venture between the village collective company and the developer. It is only after the proposal is introduced to the government who may approve of it that there may be a joint venture between the developer and villagers. Moreover, not all urban villages inside Baishizhou approve of a redevelopment project: Tangtou's villagers have approved up to 50%, 75% of villagers in Xintang and Upper Baishizhou village have approved of redevelopment, villagers from Baishizhou village in the Southern part do not want to be compensated to the Northern part of the entire village because they do not feel like they belong there; and villagers from Tangtou village disapprove of redevelopment because their location is central and economically attractive and they are afraid of being relocated in an area that will be less profitable to them. The office director confirmed that they have had informal relation with the developer to discuss about the redevelopment procedures.

The urban village committee's aim is to enjoy their benefit from urban village redevelopment projects through compensation. With the government's protection and their rights, villagers have the power vetoing a redevelopment project and they are in a favorable position during the bargaining process with developers. Before the developer's company LvGem consulted Urbanus, some villagers have been introduced to the Skidmore, Owings & Merrill (SOM) project proposal, and an introductory poster explaining the redevelopment project is open to the public to see what the redevelopment project is all about. A tour was also organized to introduce the SOM redevelopment project to villagers. All villagers have held informal meetings regarding the expected changes of the urban village. Villagers were positive about the change, despite some villagers from older generations are suspicious of change. All interviewees (2013) have described how "the landlords are very welcoming to redevelopment since they can get a big amount of money. But they are also very careful in choosing the developer and they are always speculating".

The villagers have mixed views on the redevelopment project. The older generations have low education as many have attended kinder garden. "Many can only write their names" claimed Weiyun Zeng (2013), who is a villager in Baishizhou urban village. Weiyun Zeng (2013) continues by stating that most villagers from the older generation are afraid of change because they do not know what kind of income they may expect after the redevelopment project and compensation. They are afraid of change and their only feasible income is the current situation. The director also stressed that during the redevelopment procedures and their resettlement, they will not have income until they are resettled in their new property in Baishizhou after the redevelopment. The older generation thus lack incentive to vote for the redevelopment project because they are afraid of what the future may look like and they consider their current life as satisfactory. The younger generation, however, claim that the

urban village is messy and dangerous and they prefer to upgrade their standards of living by redeveloping the urban village. The younger generation envision more social and economic opportunities than what the urban village can offer them currently. Informal discussions within households, between the older and younger generations, also pressure the older generation to re-think the redevelopment project. In each interview I asked whether villagers and developers had trust issues and they (2013) claim that the villagers do not believe in nor trust the developer's. The main answer by the villagers I interviewed are that villagers only trust in the government. Only with the government's supervision will villagers accept to sign a contractual deal with the developer.

THE DEVELOPER

The developer's aim is to develop and re-invest. They try to avoid economic risk in the bargain deal with villagers. Urbanus proposed in the project to transform these villagers into entrepreneurs, after they have been partially compensated with commercial property. Urbanus talks about how to transfer these villagers into entrepreneurs and it is a way of value capture. What villagers can gain is not only cash but also opportunities to become an entrepreneur. But the developer is going to consider it from the perspective of risk management. Respondent 4 says that "everybody in the project is manipulating" (2013). The challenge for developers is that the suggested way to compensate villagers does not guarantee an anticipated profit. Investing in Baishizhou's redevelopment project thus means a large sum of financial risk. The extreme high density of the current state of Baishizhou means that the compensation rate is excessive. To make a reasonable amount of profit from the redevelopment project, the density and the creation of tall high-rises must be implemented in the redevelopment project. The developer thus runs a high risk and also needs to deal with collaborating with villagers, a difficult task that is based on trust and governmental supervision.

There have been several developers interested in approaching 'Baishizhou Investment & Development CO., LTD' to redevelop, but the high density prevented the potential developers to invest in such a complex redevelopment project. LvGem is the first one to informally agree to invest in the redevelopment project of Baishizhou. At this point there is no official developer involved as long as the contract among stakeholders have not been signed yet: the current developer involved in the preliminary redevelopment process, LvGem, has not proposed the project to the government and thus there is no legal developer. There are only informal talks, and it is expected by Urbanus that these informal talks will take one or two years. Only in a few years the process will become more formalized.

LvGem's field office is claimed to be set up in January 2013 and those working in this field office therefore cannot answer the questions related to the collaboration of actors in the

preliminary processes of this urban redevelopment. After persisting for an interview with one of the employee of LvGem, it is claimed that the redevelopment process for Baishizhou is more complex than other urban renewal projects due the historical background, and therefore the standard evaluation of the project will not go accordingly to the standard processes (Ruiling Niu, 2013). According to Ruiling Niu who works in LvGem, LvGem must do what the Urban Renewal policies requires of the company and they take social responsibility. LvGem also believes that they have less power in the negotiation process with the villagers, although they try strategically to reduce compensation for more profit, they have no other choice but to listen villagers' demands. Moreover, negotiation talks include the compensation rate, and villagers can impose on the type of compensation they want (such as monetary or property compensation). Developers use strategic posters inside the Baishizhou urban village to expose the redevelopment plans, as a way to reassure that developers want villagers to trust LvGem for its open intentions.

Ruiling Niu claims that LvGem is aware of activist movements within the Baishizhou urban village and she also said these activities are necessary to portray the different views on the redevelopment project. LvGem states that activists are not fully aware of the lack of safety in the urban village. Ruiling Niu persisted in imposing the views of the company and claimed that one should see the urban village as a hazardous area that should be redeveloped. Furthermore, she insisted the cultural heritage can be preserved, under the condition that it is not a hazard to the new redeveloped area.

URBANUS

Urbanus is an urban design and architectural research organization with the aim of formulating architectural strategy from the urban environment in general and the ever changing urban conditions. Urbanus seeks architectural solutions based on its research of the emerging urban problems. Travis Blunt (2013) claims that "the urban design department is consent to redevelopment projects because they are more technical and thus not sensational about it". Urbanus' input in the collaboration between the developer of LvGem and villagers in the Baishizhou redevelopment project is from an architectural perspective an interest in practicing urban design and architecture.

LvGem first consulted SOM for a project proposal for Baishizhou's redevelopment project. When SOM informally presented their proposed project to the Urban Planning Bureau, the Urban Planning Bureau suggested LvGem to consult Urbanus instead. The contractual relationship between LvGem and SOM ended and LvGem took the Urban Planning Bureau's advice. Tat Lam (2013) claims that Urbanus, the architectural firm he works for, is the last one to come part of this game. LvGem first consulted SOM, who was hired to produce a

design. Travis Blunt (2013) adds that the difference between Urbanus and SOM is that SOM treated this project as a business deal and Urbanus tries to push some ideas and put them together in an architectural firm. Tat Lam continues and says “Urbanus does not want to dip their hands in dirty water”. Urbanus is thus working independently, with their own goals and they care about their reputation. To illustrate their creative input, Urbanus has created an innovative building structure:

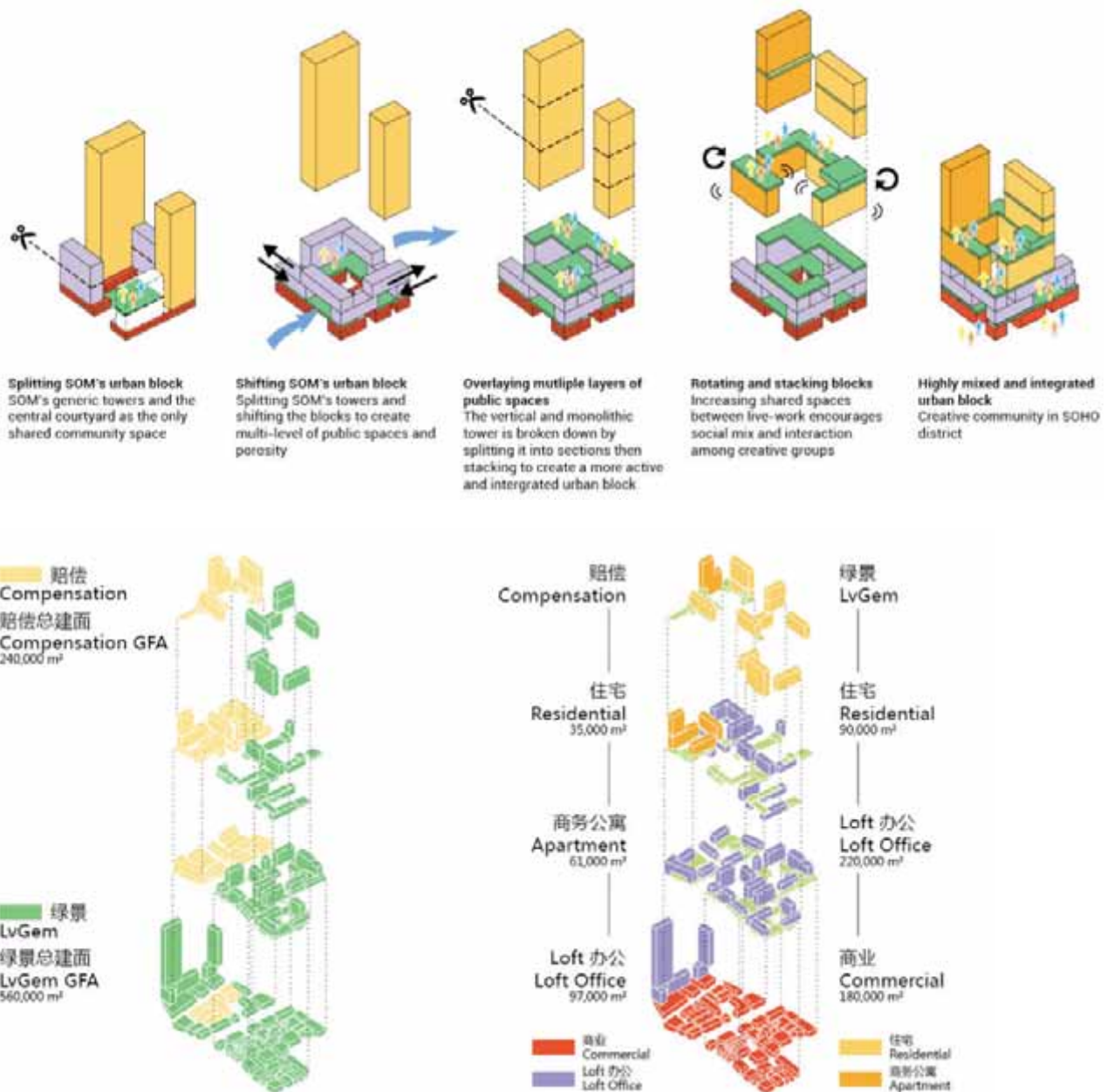


Figure 15 and 16 – Proposed compensation strategies (Urbanus, 2013)

Despite Urbanus’ creative and architectural input, Urbanus is not a stakeholder because they do not have the power to approve the project, it is the government who has the power of the final approval. Urbanus has the role of transferring their proposed project to the Planning

Institute, which is responsible of the next redevelopment stages involving the eventual changes in the proposed redevelopment project.

Urbanus' relation with other actors, such as villagers, is non-existent because LvGem prevents this relation in this preliminary stage. Because of previous good relation between Urbanus and the Urban Planning Bureau, the Bureau makes use of Urbanus because Urbanus is more convincing. Tat Lam and Travis Blunt (2013) claim:

“So for example if the government would like to find a piece of land and convert it into something else that is political sensitive. They will come to us and we will act very neutrally, which the Planning Bureau might be okay with. So basically they use us as a public voice with our new ideas. The government trusts us for doing the right job. When you do like this kind of public project, you have to be trustworthy and capable of doing things, and that's our identity. With this identity we can propose many more projects. For other companies who take bribes will not be trustworthy, they won't get a lot of project.”

Informal meetings have been held between Urbanus, architects and the Urban Planning Bureau. The Urban Planning Bureau is in favor of helping Urbanus due to good working relations. Informal meetings were held where the Urban Planning Bureau aided Urbanus to improve the structure of the presentation of the proposed redevelopment project to the government.

ACTIVISTS

There are several activists involved in the redevelopment project of Baishizhou. They have however no contact with any stakeholders or actors.

Among activists, many believe that Shenzheners believe Baishizhou is an important landscape with meaning to the city, and the possibility of an infrastructural connection between Baishizhou and the rest of the urban landscape can let people acknowledge a preservation of a cultural heritage. The surrounding area is really important to attracting people to Baishizhou, and there is a history to Baishizhou that can remain meaningful if the urban village is not destroyed. “There is beauty to it”, claimed Gigi (2013). Some activists argue that if Shenzheners lived a life without the urban villages, there is no way to survive. Activists are aware of the fact that the Chinese society's system is all about economic and political power to be included in the decision-making. Activists cannot provide any of those to but their voice can be carried away to represent the public, which the government may be afraid of as it will involve social disruption in society and thus less governmental control.

A group of activists joined to form an informal organization called the “Baishizhou Task Force”. Together they aim to raise awareness of the redevelopment projects in Shenzhen, especially Baishizhou because it is known for being one of the biggest projects. Their goal to preserve cultural heritage, to improve the current infrastructure for better living conditions and standard of living, a better connection to the city and inspire the public through exhibitions, workshops and events. Activists have been meeting several times and attempted to set up an official non-governmental organization called the ‘Baishizhou Task Force’, in which they would set up an open space in the urban village for visitors to enjoy different exhibitions. Each activist however had different ideas and seemed unwilling to take up financial responsibilities for such an organization. As individuals they had other responsibilities in their lives and this Task Force was an extra work. Michael Patte’s intentions, for example, were to create ideas by showing expressive art, and he did not care about the redevelopment project of Baishizhou. Michael Patte’s aim was to move visitors through art, and it did not matter where he could set such artistic show. However the activists’ individual beliefs in Baishizhou’s particularities, most activists believed that if the majority of the mentality is to redevelop Baishizhou there is no point of protesting. They understand that the clutterness becomes an incentive to the public and other actors to redevelop Baishizhou, but activists think that everyone should be able to see the charm in urban villages.

Informally, Urbanus and other actors are aware of the fact that activists are working on their own aims and there is not yet a network between actors. Activists are indeed not in contact with the developer or the government, for example. Some activists publishes articles online regarding her views on redevelopment projects, which are the negative social impacts of the redevelopment project of Baishizhou. Gigi, Michael Patte and Mary O’Donnell (2013) also attended a few public events organized by the government regarding the redevelopment projects. Further connections are not formal and unknown. When the time comes and the urban village redevelopment project is formalized and publicized, one respondent expects anti-governmental powers from activists and the public: “There starts to be quite a big anti-government power problem from the public. The media and everything really care about these things. The government has to be very careful on how they position themselves in this process” (Xiao Chun, 2013).

The description of each actors’ formal or informal involvement, roles, positions and aims prove that strategies are used during the preliminary stage of Baishizhou’s redevelopment project. The complexity and mistrust can affect the pace of a redevelopment project. It is interesting to understand why and how can this complex system be explained. In the following section a theoretical part may justify the system.

ACTOR-CENTERED INSTITUTIONALISM

Actor-centered institutionalism provides a framework to analyze policy decisions in an empirical way. Although in practice strategies cannot be explained by theories used by Scharpf, this theoretical interpretation is an interesting insight to the games that actors play in. Thus Scharpf is studying theoretical strategies to understand what is happening in practice.

Actors are characterized by their veto power. To analyze behavior of composite actors, this implies an analysis of a level above the individual actor. This makes them an institution on their own. Each actor has its own course of action, referred to as strategies. Strategies are interdependent as the outcome of a chosen strategy depends on strategies of others. Strategies of planning can go in many directions, depending on the administrative culture in which they operate (Salet and Faludi, 2000). In this case urban renewal policies is the cultural norm in which actors may use their strategies.

Scharpf (1997) starts his argument by explaining game theoretical approaches. In game theory actors are assumed to act entirely rational, trying to maximize their own economic interests. They act based on full information and know all possible solutions. This is a perspective coming from mainstream economics. A game exists in a situation of players, the actors, strategies, the choice options, and payoffs, the outcomes. In the case of urban village redevelopment, actors involved in the game are the government, developers, villagers, consultants and activists.

Games can be either cooperative or non-cooperative. In a cooperative game actors can try to make agreements before each of them make a choice, in a non-cooperative actors act without knowing the choices of others. The level of cooperation matches the level of a project's success. Moreover, there are two fundamental assumptions: actors make their choices anticipating on what other actors do or what they think other actors will do. Villagers may act independently or as a collective at the Shenzhen Baishizhou Investment & Development CO., LTD for example. Scharpf (1997) calls this strategic interaction.

As Scharpf (1997) puts it, policy actions can be seen as strategic interaction between independent individuals or corporate actors. When strategies of different actors are interdependent, what is important is the actor constellation among the plurality of actors involved. The actor constellation describes the actors involved in a certain decision, and the strategy preferences of the actors. Furthermore, one should not forget that people do not always act in favour of their own interest and as such it is not possible to explain interactions objectively only. Villagers of older generations, for example, agree to the redevelopment

because the younger generation are convinced of its advantages for the future. Since actors are interdependent it is likely that no actors will be able to determine outcomes by themselves. In real world situations actors actually do care about pay offs of other actors. This is what Scharpf calls interaction orientations. This can also be determined by social norms. However, this can be included in the payoff situation.

Scharpf's theoretical explanation to the practices of actors is thus understood under the implications of policy decisions, which explain the strategies of villagers and developers. Another theory can illustrate why activists are in practice weaker than they seem to other actors.

GROUP-GRID CULTURAL THEORY

A theory set by Mary Douglas can justify the activist groups' behavior (2006), the group and grid dimension will be explained and an interpretation of this theory applied to the Baishizhou Task Force gives an insight to practice.

On the one hand, the group dimension describes how strongly people are bonded together. At one end there are distinct and separated individuals, perhaps with common reason to be together though with less of a sense of unity and connection. On the other hand the grid dimension describes how different people are in the group and how they take on different roles. At one end of this spectrum people are relatively homogeneous in their abilities, work and activity and can easily interchange roles. This makes them less dependent on one another. The idea behind this theory is that a group of individuals can present themselves as a strong group but in reality they are individuals who act for themselves, which creates weakness in the group. Although at one end the group of activists (the Baishizhou Task Force) is distinct and separated individuals, with common reasoning to be together as a unity and connection, each activist acts as an individual within the group. They have different roles and intentions. Thus there is a bond among activists but it is limited. They are left to their own fate, whether it is positive or negative for themselves. Reluctance to help one another sets in the group's atmosphere.

Isolate	Positional
Individualist	Enclave

Figure 17 – The Group-Grid Model

In the following chapter an analysis of the description of actors' collaboration in redevelopment projects, such as Baishizhou urban village, will be discussed.

CHAPTER 6: DATA ANALYSIS

ACTORS' INTERESTS

The overall roles and aims of each actor involved in redevelopment projects can be understood with this scheme:

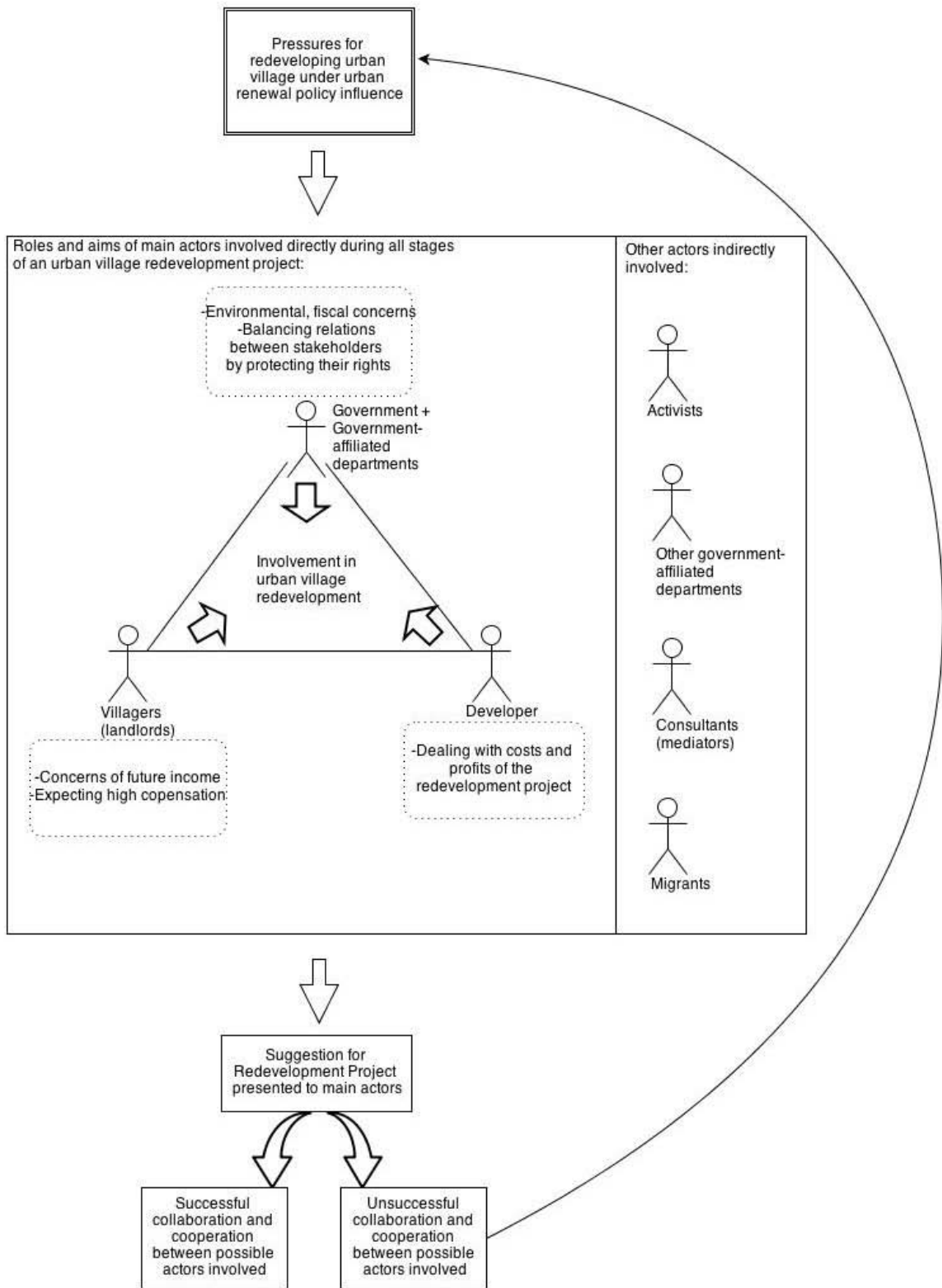


Figure 17 – A Summary of the cooperation and collaboration between main actors in an urban village redevelopment project

The redevelopment of urban villages is a complex process in which three main actors—the government, developers and villagers—compete for their own benefit. Government officials

perceive the urban village as more of an urban governance problem than a socioeconomic phenomenon. They neglect the migrants' interests, but they do protect the villagers' rights since the more radical approach to urbanization. The undesirable appearance of urban villages, the presumed social problems, and the economic benefit offered by redevelopment, are the drivers behind the government's attempt to redevelop urban villages. The government sees initiatives for redevelopment as a means to bring such places in harmony with comprehensive urban planning through urban renewal projects, road extension, and the construction of large public facilities. The government acts as a supervisor as well as the creator of policies, two crucial roles influencing the redevelopment project processes.

For developers, urban village redevelopment could mean large sums of economic profits. Some urban villages occupy prime locations like Baishizhou that are surrounded by commercial areas and modern residences. Baishizhou, for example, is an urban village situated close to villagers and migrants' jobs in Shenzhen, it is in the epicenter of an important transportation intersection and many public facilities, which provide good environment and services. The land and property of these well-situated urban villages are expected to demand a much higher value. Developers' strategies are regulated by urban renewal policies, especially in the recent policy implementations.

For villagers, the housing demand generated by migrants has determined the development of informal housing. The rental prices vary according to certain features of different villages. The market prices reflect the accessibility of their locations, physical quality and services in exactly the same way as the formal housing markets. Villagers who own more profitable properties would be more unwilling to give them up. The land that they possess would definitely be more attractive for property development. Though the compensation would be considerable for villagers, the older generation of villagers are more hesitant to trade their property in view of the long-term revenue generated by their houses and the great potential of higher property value as a result of continual improvements in infrastructure and environment in the village's surroundings. The younger generation of villagers prefer redevelopment as they see economic opportunities and better standards of living. Moreover, as developers must ensure that more than two thirds of affected villagers agree to redevelopment in order to realize redevelopment projects, redevelopment is difficult to initiate.

The complexity of the decision-making process is embodied in the different perspectives of the three main actors and urban renewal policies. Their individual decisions are based on the available information and are concerning purposes at different spatial scales. The government has multiple concerns on environmental, social and fiscal aspects, while the developers are driven primarily by economic interests and the villagers are concerned about the security of their long-term livelihood. Moreover, the lack of transparent information, and informal and

efficient communication between the three actors creates a complex and difficult environment for reaching an agreement on redevelopment. Urban redevelopment processes follow the conditions given by the government's policies but in practice much of the empirical actions are informal. For example, the compensation demanded by villagers influences the cost of the project; a new policy introduced by the government would affect the prospects of the villagers; and the negotiation between the developers and the government determines details of the redevelopment plan such as floor area ratio and the standard of amenity provision, which also directly impact on the project's profitability. These factors reveal a complex decision-making process with informality dragged along in these procedures that may or may not lead to the redevelopment of an urban village. In the process, the migrants, who form after all the largest group of residents in urban villages, are excluded from the decision-making.

In the preliminary stages of Baishizhou urban redevelopment processes, all actors involved are aware of informal procedures and know of each others' intentions due to past experience with other urban village redevelopment projects. Each actor is also aware of other potential actors, but they sometimes are unclear of each others' intentions, which creates suspicion. For example, LvGem have heard of activists' existence but does not know what their intentions will be. In the next section I will evaluate whether urban renewal policies affect the complexity of the decision-making process.

URBAN RENEWAL POLICIES' EFFECT

According to Pacione (2009), urban planning and policy are state activities that are concerned with managing the urban change by directing investment and distributing resources in a way that is in accordance with the public interest. It can be seen as a response to urban economic change that attempts to regenerate areas that are deteriorating. Urban renewal in the context of Shenzhen's urban planning can be understood as a form of neoliberalism. Cities like Shenzhen become recognized as motors of economic growth and stages for market competition, they have become the geographical areas of focus for various pro-growth neoliberal experiments such as encouraging partnerships and marketization. Urban renewal can also be seen as an experiment that represents a spatialized form of capital accumulation. Urban renewal is thus a form of short-term returns through private investments and value extraction (He & Wu, 2009), and this experimental behavior has also triggered a more opportunistic behavior among the government and other actors. This approach is reflected in urban renewal policies, as the policies aim at more neoliberalistic and marketing approach. Thus, the government has been using a more laissez-faire approach and has become more economically-driven.

The urban renewal policies claim that villagers' rights are protected by urban renewal policies. This creates an opportunity for villagers to use these rights strategically to their advantage: they can choose the compensation rate and developers only can tolerate the rate and accept it. Developers in turn may not trick villagers to a smaller compensation rate, which could maximize developer's monetary interests. Stricter controls are therefore applied by the government to encourage a fairer business-like collaboration among actors. Because of a more laissez-faire approach, the government saw the opportunity for private institutions to get involved in redevelopment projects, which can be seen in the urban renewal policies when they encourage private institution's participation in the collaboration of actors. Developers took the opportunity of making more profit through this new governmental approach.

Opportunistic behaviour tendency refers to the behaviour tendency that gains interest by unfair means. Actually opportunistic behaviour is the complementarities to the hypothesis of human's pursuing for maximizing his own interest. It indicates the strong motive of human in pursuing his self-interest and at the same time, his behaviour is very complex, which involves legitimate and lawless means. Especially under a social environment with unsound legal system, people are more likely adopt opportunistic behaviour to maximize his interest. As a result, the straightforward purpose of the establishment, implementation and development of policy should lie in providing a protective mechanism against anti-opportunistic behaviour (Liu Xinyuan, 2002).

However, these policies have not aided in creating a clear systematic procedure of urban village redevelopment processes. In the case of Baishizhou redevelopment project in Nanshan district' urban renewal policies, a lack of systematic procedures before the approval of the redevelopment project complicates the relations and trust among actors in an informal manner. Urban renewal policies can be projected in the case study of Baishizhou, where the current situation between actors in the redevelopment project of Baishizhou urban village can be seen in the following scheme:

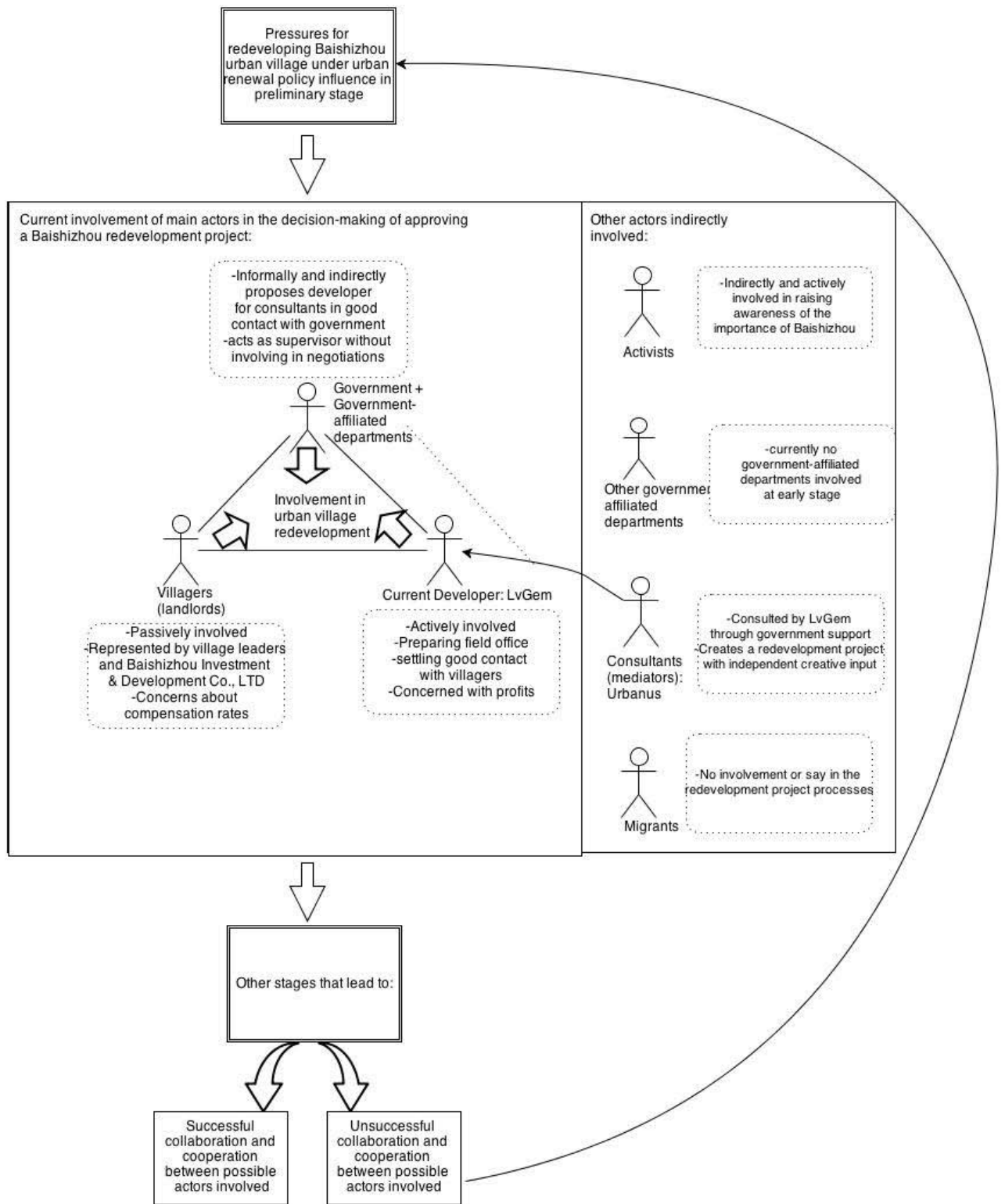


Figure 18 – Actors’ level of involvement and influence in the case study of Baishizhou urban village redevelopment project

All governmental departments are considered government-affiliated departments that are

consulted for the approval of a proposed project, the developer and the development company are regarded as an institution with the role of an active stakeholder. Developers and governmental parties may consult different organizations, like urban designers or architects, which are called in general terms consultants. Villagers and their village committee are considered as passive stakeholders with a powerful stand. Activists are not considered inside the circle of involvement because there is currently no involvement whatsoever between them and the rest of the actors. A thin line separates formality to informality when actors collaborate, which is why there is a lack of trust and transparency involved in the processes.

GOVERNMENTAL FUNCTIONS

It is predicted that property prices will increase more as the socioeconomic status of Shenzhen improves, redevelopment will become even more expensive. This concern reinforces the government's determination to redevelop the city's urban villages as soon as possible, especially those in the central locations. To do so, the government uses its governance power to impose policies in which encouraging redevelopment projects in a more transparent approach is a primary goal. The government sees radical initiatives for redevelopment as a means to bring such locations in line with comprehensive urban development planning through urban renewal projects, road extension, and the construction of large public facilities.

The workings of urban renewal policies help the government control and influence redevelopment projects with stricter control and yet there is an intentional level of exclusion in preliminary stages of an urban village redevelopment. Nonetheless urban renewal policies have improved its controlling methods overtime (from 2004 to 2012) and enabled a more transparent and clearer indication of redevelopment procedures. It is important to stress that there are however still a lack in transparency of formal and informal procedures, which makes it challenging to understand the distinction between both, especially in the preliminary stages of an urban village redevelopment project. As a matter of fact, the government's intentional exclusion in the preliminary stage of Baishizhou's redevelopment project reflects an increasing and growing mistrust and lack of transparency among actors (villagers and LvGem), resulting in log unwilling processes among actors.

The challenge to explore a particular way to a successful strategy is difficult. To redevelop an urban village, there is currently to some extent empirical processes of decision-making and negotiation among actors that can be handled. In other words, as long as the aims and objectives among stakeholders are satisfying, outcome may be accomplished in a sustainable way. The Chinese government has the power to intervene in any decision-making, or even the final court appeal, but to achieve these goals, it is up to the local administrators to do it: they

are almost free to experiment on redevelopment schemes. The government (local state such as city and district government) is therefore seen as an independent body and all other actors (developers, investors, economically oriented collective of urban village, village community, et cetera) have dependent administrative authority to the government officials. However complex these dynamics may be, the weight of all interests, rights, obligations, negotiations, collaborations and discussions among several actors are all be as equally important to the acceptance of a proposed redevelopment project of an urban village.

However the strategies played by actors, they must abide to the laws and policies set by the government. The experimental approach shows how, in this period of political and economic transformation, legal instruments may become contradictory and different levels of authority may not meet the demands in the redevelopment of urban villages. As Schoon (2013) illustrates, “to implement urban village upgrading the developer first needs to demolish the houses on the plot”.

ENTREPRENEURIAL TENDENCY OF GOVERNMENT

In every society, politicians who control the power determine the behaviour of government. Thus just like any rational individual, government concerns its own survival, reputation, wealth, power, et cetera. Since the limitation of rationality in individuals plus the influence of the rigidity of ideology, group interest conflicts and the limitation of social knowledge, the behaviour of government is also bounded rational. Thus, neo-liberalist urban renewal policies implicate that the government is focusing on improving the flexibility of enterprises and economic competition power of private institutions, rather than on the social and spatial equity, full-chance employment, social welfare. The center of neoliberalist urban policies stresses to increase the competition power of individuals in the market, private-owned right of public residence, and accommodation of residence is totally determined by the market, thus weakening social warfare afforded by the state. Consequently, “constructing for the poor” embodying the equity right to live transforms into “constructing for the rich” manipulated primarily by the market, in order to pursue the maximum profits.

GOVERNMENT’S ENTREPRENEURIAL APPROACH CREATES GRASSROOT UNITS

Restructuring urban villages is mainly understood to be a characteristic communist determination to preserve its ideologies, especially in the last few years where new meanings and reorientation has been emerging. The Communist Party of China (CCP) wishes to prove its legitimacy in these times of changes to conform to the public’s interests (Heberer and Schubert, 2007, 2009; Schucher, 2007; Heilmann and Perry, 2011). It is argued by Schoon that:

“It is not simply a matter of a top-down relationship between authoritarian state and subordinate people but rather a process of rebalancing, negotiating, rapprochement, and willingness to discuss on the part of a self-learning and fragmented authoritarian regime, with representatives from a highly sensitive group whose interests cannot be simply ignored by the government unless it wishes to make a total nonsense of its own guiding ideological principles: ‘protecting the weak masses’ and maintaining a ‘harmonious society’”
“(2013)

As with any process of negotiation, this too has provided space for entrepreneurial urban village leaders and other actors to develop a rise in a role of influence. Urban village committees, activists, non-governmental consultancy firms and local government have risen through the government’s decentralization approach. Governmental approaches have indeed had to undergo a change and become more open to a more bottom-up approach. Moreover, within five years time urban developers are capable of funding redevelopment projects for urban villages in a large-scale.

The introduction of a more open market in the more recent governmental approach has thus given an opportunity for newly-involved actors to shape, which may affect the future development of urban villages facing urban redevelopment projects. These actors can be involved in redeveloping urban villages through more creative ideas such as a more entrepreneurial approach. The decentralization of decision-making power has thus increased the influence of local governments and has led to the implementation of an entrepreneurial stance in the management of local state activities. Entrepreneurial initiatives have been intrigued to such an extent that “managers, entrepreneurs and professional groups seem to be more highly appreciated than the workers and peasants whose alliance was behind the establishment of the People’s Republic” (Gittings, 2006, p. 57). To Wu “local business partnerships and the use of land lease as an instrument to redevelop urban space are identified as prominent examples of the entrepreneurial effort of local governments in the transformation of China’s urban governance towards entrepreneurialism” (2002, p. 1085). The rise of grassroot units may raise the question of how influential these bottom-up actors may become. Urban village committees have already risen with economic power and the authority of vetoing redevelopment. The government avoids involving itself with the public but it cannot stay away with the public’s opinion for much longer.

Amongst planners in the government, confusion is spreading regarding their role as social actors. In an increasingly market-driven environment they find it difficult to balance between the interests of investors, the commands of different levels of state government, their personal aspirations and the people’s needs. According to Leaf and Hou (2006), this is indicated well

by the appearance of a column called “Planner’s ethics” in one of the most prestigious planning journals of China, the *City Planning Review*, in 2004. Shin (2008) argues, that the concern over the social aspects of planning and the opinions of people, which has lately emerged amongst planners in western countries, has not become apparent in China. The domination of market-interests is making it harder for planners to promote the public interest. What makes this promotion even harder is that there is an apparent lack of connection to the grassroots level due to the rareness of non-governmental organizations (Leaf, 2006). The creation of a non-governmental organization by the ‘Baishizhou Task Force’ could be a new social problem the government will have to face.

CHALLENGES IN ACTIVISTS’ PARTICIPATION

In a Chinese context, participation traditionally has a form of “mass participation that imposes and obligation on the people to cooperate with and support the government and the Party in the implementation and enforcement of State laws and party policies” (Zhao 2010). Activists are new in the Chinese context, and there are several barriers to activists’ problematic participation in the collaboration. Participatory activities are dependent on economic and political inclusion and social equity. Nevertheless, the creation of such grassroots unit is remarkable.

The centralized system in China and the presence of the government stills tends to govern strictly against those demoting governmental activities. The government may act wary if activists put governmental promotions at risk. Moreover, activists’ lack of capacity at the implementation level and their lack of commitment to build this capacity are visible. In Baishizhou a lack of information and resources among actors makes it challenging for activists to get involved in the redevelopment project, they lack impact on decisions made by stakeholders. In the context of Baishizhou a clear lack of motivation, time and different interests showed an internal challenge to the creation of a non-governmental organization.

In the following chapter a reflection, discussion and conclusion of the thesis will be set forward.

CHAPTER 7: REFLECTION, DISCUSSION AND CONCLUSION

REFLECTION ON RESEARCH METHOD

In the following section I will reflect on the limitations of my research method. Despite my language proficiency in Mandarin as a second language, much information during interviews could have been lost in translation. Moreover, respondents may have answered interview questions differently due to cultural barriers. The redevelopment project of Baishizhou is a

sensitive topic among actors, confidential information was secretive and therefore there may be some interesting information that was not shared between the respondents and I. I was however researching with the political support as Shenzhen Centre for Design of the Planning Institute in Shenzhen provided a formal paper stating that it is safe to share confidential knowledge with me. The given timeframe could also have been longer and several interviews with the same or more actors could have strengthened the results of my findings. For example, when using the exploratory approach to my research, a pattern of formal and informal procedures in redevelopment projects could be found, but the overall procedures still remain vague and perhaps overgeneralized. If my time frame were longer this would have become clearer. Moreover the selection of my data was conveniently accessible is no doubt biased. However, the problems related to the tight time frame and the gathering of data from afar (about a country that has an effective system of censorship), make any slight inclinations more tolerable. Moreover, the study of two urban renewal policies limits my findings and comparing multiple case studies could assure more accurate and feasible results to my thesis.

To improve my research methods, I suggest a longer stay in Shenzhen and interact more with actors with recurrent interviews. A professional translator would facilitate the cultural and language barrier. Financial means were also very limited.

A case study can be called “reliable” when a later investigator arrives at the same findings and conclusions if the same case study were conducted all over again following the same procedures as described by the earlier investigation. Therefore, the objective of reliability is to minimize the errors and biases in a study (Yin, 2003). The study of one case study limits the reliability of my thesis greatly, which is why further research in multiple case studies is important.

The strength of my research methodologies are, however, multiple. The advantage of speaking a foreign language created a willingness of respondents to be interviewed by Sean and I. As a researcher speaking Mandarin and looking nothing like an Asian attracted respondents, which made them easily open up to Sean Wang and I. The advantage of co-interviewing with Sean Wang facilitated the language barrier. Researching data related to the collaboration of actors in redevelopment projects in urban villages was limited, but with an exploratory research method a consistent pattern was straightforwardly detected. Accompanying actors in meetings also aided in understanding the complexity of interactions, which is a proof to patterns detected in interviews. With these research methods I am able to draw concrete conclusions. Before drawing the main conclusions a reflection on my literature review and conceptual scheme, as a purpose to unravel and make sense of the literature on my thesis topic.

DISCUSSION ON LITERATURE REVIEW AND CONCEPTUAL SCHEME

Some findings differ from my field research and data collection. The implementation of urban renewal policies does not give an opportunity for other types of actors to get more easily involved, but governmental actions reflected in urban renewal policies do confirm that grass root units have had the opportunity to rise. Only actors consulted by one of the main actors can get formally involved strategically and have more creative or open ideas to share with other actors. The government's entrepreneurial approach does increase competition between actors in the market, which creates a more entrepreneurial stance in the management of local state activities.

My conceptual scheme lacks the understanding of formal and informal procedures of redevelopment projects as well as actors' roles and aims. It is therefore an overgeneralization. The processes indicated in my first conceptual scheme was therefore oversimplified. There were no indications of direct, indirect, formal or informal interactions among actors.

In the hopes of understanding the bigger picture of urban villages redevelopment, an experimental approach was a naïve expectation of the atypical Baishizhou case study: the complexity of villagers' property rights in Baishizhou makes this urban village an atypical case study. Other future redevelopment projects could learn from this experiment, but a system is yet to be found.

CONCLUSION

In this thesis an overview and better insight of an urban village redevelopment project's processes are presented, and the complexity of actors' collaboration was demonstrated. The complications in the collaboration depends on which stage of a redevelopment project is at, and each actors' strategic involvement entails different aims and positions. These differences may cause friction, informal talks among actors, suspicion may increase. The government by itself is a conflict of its own because of the different levels of authorities competing against one another, and it also acts as a supervisor in the redevelopment processes. The villagers' concerns remain in securing a life without risk-taking or of better quality, depending on the older or younger generation. The villagers, overall, examine the possibilities of a high compensation rate with the developer. The developer deals with profits to lead a better business. Other actors such as consultants or activists are not directly involved, but they can have an influence to some extent. Consultants are consulted and have their own input shared in the decision-making. Activists have the least strong position, and form a weak group but remains a potential powerful group to other actors. The final decision-making is only between the government, developer and villagers. Background information and my literature review

covered a better understanding in a theoretical approach. In a practical way, the case study of Baishizhou redevelopment project helped in understanding what was really happening on the field. The formal and informal happenings in real practice, for example, along with the application of urban renewal policies, were discovered through the Baishizhou redevelopment project:

Urban villages' redevelopment projects are a main concern to government, developers, villagers, and other actors indirectly involved such as activists and consultants. Influential roles of the first three actors determine the urban redevelopment processes, especially the government's transitional changes to a more neoliberal, opportunistic and entrepreneurial approach. This attitude is reflected in urban renewal policies, which attempts to regulate and balance actors' collaboration. Actors' interests and roles differ from each other and thus complicates the redevelopment procedures: the government acts as a supervisor to protect the villagers and developer's rights. Villagers are concerned with the compensation rate whereas developers are profit-driven. Mistrust and lack of transparency are two components influencing the efficiency of redevelopment procedures, which is reflected in urban renewal policies to actors' observed actions. Therefore, the indication of urban renewal procedures for redevelopment projects are still in the process of improvement: the lack of transparency, the ambiguous formal and informal procedures and the lack of governmental participation in the preliminary collaboration of actors challenges the procedures of redevelopment projects and trust among actors. Moreover, the government's new approach has given other actors an opportunity to shape but this does not mean new actors can be influential in the Chinese context. The complex collaboration begins in the preliminary stages of a large-scale redevelopment project like Baishizhou and this challenge is reflected throughout the whole duration of a redevelopment project. To improve such difficulties tackling the problems in the earliest stage may improve actors' collaboration. Plus, further research on urban policies and different case studies are needed to strengthen the arguments of this thesis.

In less than three decades, many urban villages have experienced a full life course of emergence, evolution and demolition. Despite the relatively short lives of some villages, their development is a profound historical process. However, as the urban village is increasingly marginalized in policymaking and planning, the social and economic impacts of the upheaval of urban villages could become increasingly difficult challenges for policymakers in China. Such issues can be explored by policymakers to improve social and political tools and instruments in urban renewal policies. In fact, over the past 20 plus years, Shenzhen government has framed many policies, statutes and local laws, which can guide, normalize and adjust the development of villages but yet it stills fail to solve problems thoroughly in aspects of society, economy and construction. Retrospection and evaluation of former policies

and laws become necessary, and is beneficial to detailed analyses of the formation and development of “villages”.

Further research must also be done on different urban policies affecting actors’ collaboration to improve the level of transparency and trust among actors. Evaluating the accurate social tools and instruments to aid the collaboration of current actors and potential actors are therefore necessary for further research.

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APPENDIX

APPENDIX 1

Name姓名:

Age年龄:

Institution/Company您是什么公司的:

Occupancy您的职位:

A. General questions on Baishizhou urban village and stakeholders

1. *Can you tell us about the Baishizhou Cun?*

您能介绍一下白石洲村吗?

2. *Why is this method of renewing Baishizhou Cun used among other methods to redevelop?*

为什么白石洲会选择改造的方式解决城中村问题?

3. *What do you think about the current plans of redevelopment? Are you satisfied with the current ideas of the planning project?*

您对改造规划满意吗?

4. *Can you tell us your position in this process? What are your roles and aims?*

5. *Could you tell us how many types of stakeholders, beside Urbanus, are involved in the redevelopment of Baishizhou Cun right now?*

您能告诉我除了绿景集团和Urbanus 都市实践外白石洲改造项目还有其他公司参与吗?

7. *What are all these stakeholders' roles and aims? What is your role and aim?*

他们的角色和目的是什么?

8. *What are their relationships between one another? What is your relationship with them?*

他们的关系如何处理?

9. *What are the challenges to their collaboration? For example, how do they deal with it?*

有遇到困难吗? 例如? 请问怎么解决的?

10. *How do new companies and institutions join the field?*

这些公司是如何能参与到白石洲改造项目的

a. *What are the influence and impact to the new stakeholders in the new urban approaches? Why?*

在白石洲改造项目中, 新加入的公司影响力多大? 为什么?

b. *Do they have a new vision and idea? Will these new visions and ideas be used? Why?*

他们是否有新的想法? 想法能否实施? 为什么?

11. *How important do you think are mediators like Urbanus to the development of Baishizhou Cun? What is their impact on Baishizhou Cun?*

您觉得Urbanus 都市實踐公司在白石洲改造项目中重要吗？他们对白石洲改造项目有什么影响？

a. *How does Urbanus collaborate with other stakeholders?*

他们和其它公司的关系如何处理？

b. *What are the challenges to their collaboration? For example, how do they deal with it?*

和其它公司合作有遇到困难吗？例如？请问怎么解决的？

B. General questions on government authority:

- 1. *Why do you think the central government divided its responsibilities to city and district government?*

你认为中央政府为什么将责任下放到城市或地区政府？

a. a. *Is this creation of hierarchy caused by pressures such as socio-spatial transformation in contemporary urban China?*

这个制度创新是不是由于当代中国的城市社会空间转型的压力引起的？

C. General questions about ‘urban renewal’ policies:

- a. 1. *How have these urban renewal policies helped the collaboration between urban developers, landlords, district/city governments and Planning Institute in the redevelopment plans, like in Yunong Cun and Dachong Cun?*

“城市改造”政策是如何使得城市开发商，房屋持有人，市或区政府和规划机构在这个计划中协调合作的？以雨农村和大冲村为例？

- a. 2. *What do you think are the impact of urban renewal policies and redevelopment strategies on the future redevelopment project of Baishizhou Cun?*

你如何看待城市改造政策的影响以及重建策略在未来白石洲村的重建项目的影响？

a. b. *Do you think these policies will affect the power relations between urban developer, villager, and government?*

你认为这些政策会影响到开发商、村民和政府的权力关系吗？

- a. 3. *Do you believe the impacts of these policies is positive or negative on Shenzhen? Why?*

你认为对于深圳来说这些政策有什么利弊？为什么？

APPENDIX 2

A. EXAMPLARY TRANSCRIPT INTERVIEW 1

Tat Lam (P)

Interview Date: 18th April 2013

Gender: Male

Interviewer: Catherine Verbeelen (I)

I: I understand that the developer will own the property and the government will own the land, is that correct?

P: Yeah. Because it's becoming urbanized.

I: So, even if the developers form a joint venture with the villagers, they do not share the risks and benefits, right? It's just that they buy the land and they compensate back to you.

P: Basically, everyone is manipulating against each other. So let's say, the developers will compensate them not by cash, but by property because no one knows how much these apartments can be sold in ten years time.

I: m-hm.

P: So what we can give you, compensate you, is product. So we share the risk and the other hand, the villagers they are not happy to receive stock or **pause** even money, because, or any financial products. Because they don't trust this kind of financial products in China. It's not sure enough?

I: What do then villagers exactly want?

P: They just want housing. They just want real estate products because that could mean a lot of things in the whole economic system in China.

I: Okay, it's like something they hold in their hands.

P: Yes exactly. But, I mean, that's actually really fake because real estate product is not that real, though. Like, if tomorrow this bubble just bursts...

I: And some new regulations come in..

P: Yeah so that is I think a really big problem.

I: But they don't actually want to become stock holders in the joint venture right?

P: They don't want to because they ehm. I think the whole stock exchange system is actually built, I mean like based on social trust. Because, I mean, for the landlords a piece of A4 paper does not mean it's money or some valuable things.

I: Okay.

P: They always speculate the developer would like to cheat them.

I: But the developer is also not willing to share with the villager.

P: they don't want to do that as well. I mean, because they don't know how to calculate, they don't know how to do the math. So..

I: Okay. So.. That means like, I remember you said something like a property bank for the developer, right?

P: Yup.

I: It's not as profitable as other pure real estate development project?

P: That's right.

I: Do you think the villagers deserve the compensation? What do you think?

P: I don't know how to answer this question because I really don't think it's about deserving or not. I think it's more or less a problem of neediness. Like, needing it or not needing it. There is this huge moment in the society for urbanization and urban development. I think that is the origin of this problem, of this kind of inequality. Maybe these landlords are becoming the winners or the losers, maybe you can judge it from that way. Because originally, let's say before 1949, these landlords were the most powerful people in society. And after 1949, this whole social group losing their power again and again because of these reforms and so on. And right now it seems that they have more power because of the compensation. But I think one big argument for us is, these kind of one short compensation of cash, is really not solving this problem. Like, say, after twenty years time, if they use all their money and they cannot adapt to the contemporary society, I think this social class is going to suffer really bad. Really problematic. I think the compensation seems on the one hand like an empowerment for these people (villagers), because they could buy ten Ferraris overnight. But on the other hand I think it's a process to destroy this social class from the government or from the private sector.

I: Okay, so you mean that they are compensated by their own future?

P: You can say so. Yeah

I: So then why don't they want a long term compensation?

P: Because I don't think they can see it. I think on one hand there is no such thing in China yet, like we can talk about an investment plan or a foundation. But all of this in China has less than ten years history in the stock market. And I think the reason why the real estate is so heat is because on one hand I think it's the only way for you to invest properly. And on the other hand, I think it's also a Chinese culture that people believe in property ownership.

I: Like they own something in their hand and feel safe.

P: Yeah.

I: Okay. Do you think they enjoy now the benefit from the developers? Do you think it's necessary or important to capture the value? The increase of land value is due to public investment, from all the tax paid by the government. So do you think it is important to capture the value?

P: Of course, I mean I think what we are doing right now is to transform the urban village into a financial centre or a commercial centre, or like a model that focuses very much on the surface. I think this is a really big jump and becoming very problematic. And we lose other chance to capture the value. Because they are totally belonging to two very different models of economics. I think we can still make urban villages active and valuable.

I: Okay. So that is like in the soft value, it's in the culture.

P: I think it is culture, people keep debating whether Shenzhen has a history. But if you look at an urban village has history of 5000 years, which may be a very historical city. But think about the flexibilities provided by the urban village, right now. I personally argue that urban village is only belonging to the contemporary. We don't really know if urban village can be useful for let's say five years later or five years ago. The essence of the urban village is not about the space or the current migrants who are living there, but it provides a place for (pause) it's like a stepping stone space for those who want maybe to join the city can first stay here. And they can take their time.

I: It's like a gateway?

P: It's like a gateway or a bridge between urban China and rural China.

I: Okay, that's good. What do you think the other parties will think about this? Like the villagers, the developer, the Planning Institute, the Planning Bureau, ... What do you think they will think about the necessity and importance of value capturing?

P: I think the migrants they're indifferent right now. The landlords they're very welcoming. Because they can get a lot of money. But they are also very careful to choose the right developers. So they (villagers) are always speculating. The district government are very interested in developing their own district because that means they can earn more tax. The Shenzhen government, which is the municipal government, I think they kind of hesitate, they (municipal government) are speculating as well so they don't have a preference on which way because they know this is going to cause some urban problems, they know they have to build more social housing and all. So they are looking at other people's reactions as well. And I think the Planning Bureau is also very different because they talk about architecture, like Weiwen, they (the architect design institute from the Planning Bureau) are really against it because these kinds of development creates more a generic city. I think the urban design department they are okay, they're really not that sensational but more technical. The transportation department is, well.. As long as the project fulfills the criteria given by the government, they don't care. There is also a regeneration department in the Planning Bureau, I think they are sandwiched between the developer and the government because they need to deal with both of them; and the private developer may have a lot of words to convince the regeneration department. And the developers also need to be able to convince the rest of the government. The Planning Institute, the real estate consultancy, they are really encouraging these kinds of development because they always say that these large-scale development can speed up the reformation of the financial system in Shenzhen. We definitely needs a new real estate system, tools. So that means to them (consultants) a lot of money as well. They (consultants) actually try to refer the Hong Kong link, which is a real estate development that manages all the public housing, shopping malls right now. And they also list on the stock

market. For architect their aim is to developer new ideas and visions, which is very different from European, or American professional practice. I think this kind of developed country has no vision, there is none right now. So I think a lot of people have a lot of different ideas.

I: Okay but what do you think about value capturing? Will they agree on the value capturing scheme?

P: Yes, I think so but I don't thin they will judge it from their own perspective. When we talk about how we can value-capture, let's say upgrade the landlords, from a landlords to an entrepreneur... They have an opportunity to become an entrepreneur. That's a way to capture the value. What they can gain is not just some cash but skills. So maybe they can earn more money or they can generate more money because of those compensations. But I think for the developer they will consider it from a risk management perspective. Like, if I (developer) start to let them do all this, I'm (developer) gonna share more risk. The thing is everyone is manipulating against each other.

I: And are you trying to convinve the landlords or developers that this way of value capturing is a good idea?

P: Yeah, we try to propose to them. I think it also why we try to have the real estate development section in our urban design on our side because I think it's a process for telling them that 'even this this this this, you can still maintain your profit and manage the risk'. Let's say we start the redevelopment of phase 1, it can be quite risky because for the compensation, so we try to push the office department in phase 1 to minimize the risk for developers. That's the kind of argument we use.

I: I've been trying to research more on how the urban policies have been changing in the past ten years. Could you maybe name some so that I can do some research on these policies?

P: I can send you an article that summarizes some of this. I think in 2002 or 2003 they have a reformation on the compensation law. I think that's the age that the urban villagers can get ten million or one billion. But before that reform compensation was quite low. So I think that is a milestone to push this kind of urban regeneration projects to become very high density projects. I also think another milestone is like a new generation of leaders coming in to power. And then you can find a bunch of new policies. But in terms of real estate policy, I think New York Times wrote an article and they try to summarize all the housing policies. Basically they (Chinese government) launch a new housing policy around every month.

I: Yeah..

P: I think that is how the government keeps manipulating the market. I think the first urban village, or the most successful redevelopment project in Shenzhen, is by this company *Gamchao*. So it's really not so much about urban policy, but you can see how a joint venture business model become more and more mature. And the government basically reacting in a

laissez-faire way. So the government lets it happen and they can get profit from it, why not? So I will not set up more rules or policies to control this. And I think what is actually happening right now, on all these urban redevelopment space is that we are at the very beginning model.

I: Alright. I am also wondering why this renewal method is used instead any other methods possible for the redevelopment project of Baishizhou.

P: I think that is the only way the government does not need to show up. Because for the other two you need to get the land back to the government, and then you lease the land on the market. And the people need to do the auction. Because it's a joint venture, it's all about business: instead of the government to demolish everything, and lease the land back to the market, the developers will bid and the price will become very high.

I: Okay. I was hoping you can help me out understanding who are the stakeholders, and if you consider yourself or Urbanus as a stakeholder. For me the definition of a stakeholder is having input in the process of redevelopment. You were previously talking about some stakeholders like the Planning Institute, etc. Are these departments and stakeholders involved at this preliminary phase in this project?

P: Not yet. But eventually they will.

I: Because I am studying just this particular phase in Baishizhou urban village.

P: I think the current stakeholders now, are officially... We are not showing it to any government process yet.

I: Okay so the government is not even part of the process yet.

P: Yes. But informally, I think there is a lot of communication between stakeholders, the developers, the planners, ... I will try to understand and see what their initial thoughts are on this project.

I: So, currently, the landlords, developer, the district government, village committee, and redevelopment company right now involved formally or informally, correct?

P: Yes.

I: Are there are NGOs or activists involved?

P: They're all working on their own thing, it's not yet a network. Like Mary Ann, she never talked to the developer. She is just publishing on internet. She went to a few events organized by the government regarding the same issues. But there is no connection between all these parties yet.

I: What is the role of the government. In this case this is a free-government case. All they have to do is approve or disapprove.

P: Once they have signed it off, the public is going to challenge the government and the developer.

I: Yes for sure. The land is in principal owned by the state and by all the Chinese citizens. So you cannot actually give the developer my asset without my permission, so..

P: I think so. There starts to be quite a big anti-government power problem from the public. The media and everything really care about these things. The government has to be very careful on how they position themselves in this process. Another issues I expect in one and a half year later at least, the final presentation is to the final party leader of the urban planning bureau or of the city. He's going to say 'let's do it' or 'let's not do it'. There needs to be a channel to get this project approved, so all different departments will first sign off, by stating they approve or is responsible for this process to further. So for example the redevelopment department, if anyone from society is reacting against the redevelopment, they can blame different departments for approving, and not the government. So usually, none of the departments would like to sign it.

I: But the collaboration is even harder.

P: between who?

I: Between all the stakeholders.

P: No there is no collaboration between stakeholders, there are only political struggles.

I: conflicts?

P: (laughs)

I: But don't you have to be approved by all these departments?

P: Yes but there is one leading one.

I: So it's their responsibility to present your plan to the other departments.

P: No we are going to present it to everyone but they are going to be responsible for this project.

I: Okay, okay.

P: So the Caiwuwei urban village case for example was not approved, I think In the very last and big meeting, the party leader of the Planning Bureau decided to the developers to have help from the urban design department to help them. And because the architecture department want to be part of it, because they are really against it, eventually they form a three department team, including the regeneration department, architectural department and the urban design company.

I: Okay. I would like to understand the different roles and aims of each stakeholders at this stage. Could you name their roles and aims?

P: The developer is very interested in the very last piece of land they can get on the high-end, so they can develop and reinvest. The big boss is about to retire so what he would like to do is to build a lot and then give it to the next offspring. That's why developer want to hold a lot of offices for themselves to hold on to. The urban village committee and the Shahe company are

the same group of people and their aim is to enjoy their benefit from this kind of urban regeneration project. After the first urban village redevelopment all landlords from different urban villages always expect some developer to come to them about the redevelopment. They are interested in earning back money..

I: through compensation?

P: yes, for compensation. And I think the planning institute, this guy, the depute of the planning institute you met at the meeting.

I: yes, the one who talked most?

P: Yeah, for him, he always want to push some ideas of planning. This is the third project where he pushed the same idea, from my experience. His idea is to build a three-dimensional building; the different layers of transportation system.

I: Is he responsible of the infrastructure?

P: He's also working in infrastructure because they are in planning institute, so they take care of that. We, Urbanus, are the last one to come part of this game. Before us there was SOM before. SOM was hired to produce a design, so you can also consider them as a stakeholder. What the difference is between Urbanus and SOM is that they treated this as a business deal and we try to push some ideas and put them together in an architectural firm.

I: So SOM is more the business-minded and tried to please different stakeholders.

P: They are not pleasing any stakeholders, they are following the instructions and do the urban design.

I: So they are more physical design.

P: We are working exactly on the same thing, physical design, but for them, they get a list of criteria and they try to make everything work. It seems for us we focus on a few points that we are interested in. And that's what we said to the developer when we first met him, and that we want to work on a few points we are interested in.

I: Did the developer react well?

P: He was okay with it. Because at that time they had an informal communication with the planning bureau and the planning bureau gave a good word in about our firm.

I: Ah so for an alternative and through good contact between you and the planning bureau, they were informally told to consult you.

P: Yes. They try to make use of us because we have a better relationship with the planning bureau and we are more convincing. Something like that.

I: Can you tell me more about this relationship between Urbanus and the Planning Bureau?

P: (laughs) I think the planning bureau is very independent and is working in a way that is in a critical sense. And they're small enough, not too big. So Where there is any kind of projects or issues that are very politically complicated that the urban planning bureau would like to do,

they will come to us. So for example if the government would like to find a piece of land and convert it into something else that is political sensitive. They will come to us and we will act very neutrally, which the Planning Bureau might be okay with. So basically they use us as a public voice with our new ideas. The government trusts us for doing the right job. When you do like this kind of public project, you have to be trustworthy and capable of doing things, and that's our identity. With this identity we can propose many more projects. For other companies who take bribes will not be trustworthy, they won't get a lot of project.

I: It's all about having a good image I guess. How is your relationship with the developer or landlord?

P: You mean between developer and landlord?

I: That too. But also between urbanus with developer, and urbanus with landlord.

P: We don't contact any landlord yet because the developer don't want us to talk to them yet. Eventually we will show and present our project to them. There is no project collaboration between us and the developer, but we are working together because the Planning Bureau recommended the developer to us. And we had this first meeting... The thing is, if the Planning Bureau thinks the project will not be approved they will say the developer should approach Urbanus for consultation.

I: Okay.

P: So they come to us. So we have an initial meeting to see what chances there are to make a collaboration.

I: If this project is approved by stakeholders, what will your position?

P: We won't be powerful and we are not a stakeholder. I don't consider us like that. We don't have the power to have our project approved, but the government does. You can imagine we can a very small setters in this stakeholder game to be used for their game.

I: So you've been consulted.

P: You can say so. And eventually we may not even these things as we are actually showing this. We will give our project to the Planning Institute who can do whatever they like with the next stages in the processes of the redevelopment project.

I: Do you think you can still make a difference?

P: Officially we are not a stakeholder. But we have a certain aim and agency in these whole dynamics. But the Planning Bureau has put us in that informal position, which makes us a little influential. We can be effective in changing something.

I: Are there are people who have been invited to the game like you have?

P: I don't know, I don't think so.

I: What are, according to you, all the challenges and opportunities to the collaboration between the current stakeholders?

P: The challenge is that everyone has their own vision and agenda. It's the same for any business project. There is no such system or institution to actually make everything work. Everything is man-made and made specific to this particular project. There is nothing we can follow. Even the government doesn't have a real system to make the approval. The government considers the creative industries and urban renewal of urban villages as a same category. There is no specific system. I always try to compare this case with Kowloon in Hong Kong, for such a large-scale. To even start off a redevelopment in Hong Kong two years of research must be done before, but here it takes two months. It's the same simple system, and Weiwen will tell you how he would like to make to organize an open platform of competition to invite more people to join. If Weiwen is not there in that position the whole system has changed, so basically there is no system. The system is himself.

I: So that is the challenge.

P: I think so.

I: Okay. Thank you very much for answering all our question, we really appreciate your input.

P: No problem.

B. EXEMPLARY TRANSCRIPT INTERVIEW 2

Yunqing Chi (P)

Interview Date: 22nd April 2013

Gender: Female

Interviewer: Catherine Verbeelen (I)

I: How much do you know about Baishizhou urban village?

P: I was born and raised in this urban village. There are 5 urban villages in Baishizhou. I come from Tangtou urban village. The history of this Tangtou started in the 1950s. There was a construction of a dam in their urban village in Bao'an district, they were forced to move in this Tangtou village, which is why this village is young compared to the other villages of Baishizhou.

I: I'm sure you are aware of the redevelopment processes that are starting now, what do you think about that?

P: The developer Lu Jing, I think, talked to us the end of last year or the beginning of this year... He showed a proposed redevelopment project and plan to us. We were taken on a tour by the developer who then consulted another institution for a proposed redevelopment plan. They showed us the new road infrastructure and their style of redevelopment plan.

I: When you saw these plans on this tour, were you satisfied with the project?

P: I was quite satisfied.

I: Why?

P: If they plan to redevelop the way they presented it to us, then we would be very happy. The plan and map was very pretty. The living circumstances right now is not very good. There is not much sunlight, there are electricity wires everywhere, it is dirty. If there is a possibility to upgrade this urban village, our lifestyle and living environment would improve greatly. That would fit me better. Especially younger villagers prefer an upgrade of the urban village.

I: I see. What is the aim and role of this office you are working at?

P: We are mediators, we mediate between villagers, government and developer. We encourage villagers to cooperate for the urban renewal of this urban village.

I: So, basically, they consider themselves here as a mediator, where they have to mediate between the villagers, the government and also the developer. And they try to push landlords to agree with the compensation and accept the project, and also they have to collaborate with the developer. There's a lot of policies they have to abide to, with the government. It's like they are a bridge between the villagers and the developers and government and planning institute.

P: Yes.

I: Have you already talked in numbers for the compensation?

P: Right now nothing is sure. We are in the very beginning stage, the very first step. We are only gathering the views and aims of villagers. We have not finished the first step, so compensation has not been discussed yet.

I: And each village must have a democratic vote of more than 60% in order for the redevelopment project can happen. And if more than 60% of villagers per village accept the redevelopment project, then the next stage is to present the project to the government who decides to approve or disapprove of the project. When the government has approved, then the negotiations and deals on the compensation can start. And the constructing phase can also start.

P: Correct. Only after the approval of government can the compensation negotiations start.

I: I would like to know so far the relationship between the villagers, government and developer. Can you tell me more about this in the case of Baishizhou?

P: Right now in this stage... As long as villagers... Well the government is usually in favor of urban renewal, because they can control better the area. Especially for safety reasons because informal density is very high.

I: Okay. What is the developer's views?

P: I'm not sure.

I: Okay. Are there many villagers who do not agree to the redevelopment processes?

P: I think many are in favor for the redevelopment. Especially the younger ones because they have different views compared to the older generation.

I: How many want to redevelop and how many do not want the redevelopment?

P: Right now, there are two urban villages who have voted more than 75% in favor of the redevelopment project. Xintang and Upper Baishi village are in favor. The approval all depends on the position of your buildings, on which land. Their land in the redevelopment process will have more or less value and it depends on where villagers' buildings stand. Tangtou is not so supportive of the redevelopment project because that land has the highest value and after the redevelopment the developer wants that land to become a comprehensive shopping mall and commercial area. There will be some opposition for that village probably. Lower Baishi village have also more protest with the redevelopment for the similar reason.

I: How likely will there be villagers will oppose and remain in their informal buildings during the reconstruction?

P: It's hard to say but there definitely will be because other redevelopment projects have had the same problems.