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the Way to Sustainability**

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# Study on Governance of Urban Renewal in the UK, Hong Kong and China: the Way to Sustainability

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## Abstract

*China's fast growth of economy and urbanization has created a world record on its own since its reform and opening-up policy in late 1970s. This drives mass demolition and reconstruction and leaves a short lifespan of existing buildings through unsustainable urban renewal. Many developed countries/regions, such as the UK and Hong Kong, have long history of urban renewal. The urban renewal governance has shifted from government-led to broad participation. However, a lack of compatible governance causes the unsustainability during the urban renewal process in China. Little research explores the rationale on how far China can learn from its developed counterparts in the governance of urban renewal. Therefore, this paper aims to explore the current problems and future development of urban renewal governance in China by comparing with the UK and Hong Kong. Firstly, it reviews the nature and status quo of governance of urban renewal in China, the UK and Hong Kong respectively; secondly, through comparing characteristics (role of governments, local participation, and decision basis) of urban renewal governance, differences between China and its developed counterparts will be identified; finally, policy implications are drawn for China to deal with future urban renewal and achieve sustainable development.*

Keywords: urban renewal, sustainability, governance, comparison, China

## Introduction

Urban renewal is a process that rehabilitate the urban areas through physical change and other comprehensive plans in order to cope with urban decay and achieve varied socioeconomic goals (Adams & Hastings, 2001; Couch, 1990; Lee & Chan, 2008). Nowadays, urban renewal plays a more and more critical role in our urban life, including improving physical quality and living environment, meeting housing demands, ensuring energy conservation and emission reduction, promoting regional economic development, enhancing existing community social network, providing more employment and education opportunities (Bäing & Wong, 2012; E. Chan & Lee, 2008; Ng, 2005; Winston, 2010). Another widely used term "urban regeneration" share similar meanings with urban renewal but in different scope (Wassenberg, 2010; Zheng, Shen, & Wang, 2014). It emphasis on an integrated vision and action to improve economic, social and environmental conditions (Roberts & Sykes, 1999). In this paper, we apply the concept of urban renewal and "physical change" part in urban regeneration (use interchangeably).

In China, because of the reform and opening-up policy in late 1970s, the economy and urban population have experienced a rapid growth (Q. K. Qian, 2010). It leads to not only new construction, but also large-scale demolition and reconstruction in the name of urban renewal. Based on an investigation of 3255 demolished buildings in the urban renewal project in Chongqing, China from 2008 to 2011, the average lifespan of the buildings is only around 38 years (Liu, Xu, Zhang, & Zhou, 2012). In urban renewal, great number of demolition of short-lived buildings triggers a wide spectrum of problems, such as economic loss (Hu et al., 2008), waste of resources and energy (Meillaud, Gay, & Brown, 2005; Rees, 1999), aggravation of environmental pollution (Harrington et al., 1999; Langston, 2008), latent society contradictions (Yau & Chan, 2008), and loss of urban culture (Weber, Doussard, Bhatta, & McGrath, 2006).

In developed countries/regions, urban renewal experienced a great change after Second World War. It shifted from government-led massive reconstruction to broad participation and sustainable development (Bromley, Tallon, & Thomas, 2005; Brownill & Carpenter, 2009; Carmon, 1999). The practices of urban renewal governance in developed counterparts can provide valuable experience and knowledge to China.

While, little research has been done on the rational: how China can learn from its developed counterparts in their urban renewal governance? Hence, this paper aims to explore the current problems of urban renewal governance and draw policy implications of urban renewal governance in China by comparing with the developed counterparts.

## **Sustainable Urban Renewal and Governance**

“Sustainability” was first employed at early 1970s to describe an economy “in equilibrium with basic ecological support systems (Stivers, 1976).” Nowadays, sustainability has become a long-term strategy for plenty of countries around the world. Though it has various interpretation, there is an emerging agreement that it involves concerns of social, economic and environmental aspects (Redclift, 2005; Visscher, Majcen, & Itard, 2014; Weingaertner & Barber, 2010). In 1990s, sustainable development was commonly applied to cities in the field of urban renewal, incorporated into planning and linked with government policy (Bromley et al., 2005; Conroy & Berke, 2004). Following sustainable path, sustainable urban renewal aims at solving urban problems as well as meeting sustainable urban future by considering three pillars: economy, society and environment (Hemphill, Berry, & McGreal, 2004; Ho, Yau, Poon, & Liusman, 2011).

Defined by European Union, in the context of sustainable development, urban regeneration requires: intervention of public authorities, integrating of all sectors, as well as participation of all local actors (Dezvoltării & și Locuințelor, 2007). It provides a clear policy guidance, highlighting how crucial the stakeholder participation is. It is not only sectors in government, but also other non-governmental stakeholders. A key part of achieving sustainable urban renewal in practice will be constructing enabling political processes where participation of all stakeholders is optimized (Thabrew, Wiek, & Ries, 2009).

In today’s interdependent world, the participation of different actors requires the organizations and institutions to share objectives, resources, activities, power or some of their authority (Bryson, Cosby, & Bozeman, 1993). Public authority is becoming diffused over different actors in society, and the relationship among them have changed nowadays (Kooiman, 1999). Thus, government is becoming the facilitator and partner instead of the only vital role in dealing with societal issues. To address public problems, wider instruments and partnership are required. Therefore, a shift from government to governance has become the need to embrace diversity and the challenges of division in contemporary society (Adshead & Quinn, 1998; Elsinga, Haffner, Van Der Heijden, & Oxley, 2009; Kluvánková-Oravská, Chobotová, Banaszak, Slavikova, & Trifunovova, 2009; Lovan, Murray, & Shaffer, 2004).

In China, The Decision on Major Issues Concerning Comprehensively Deepening Reforms was adopted in the Third Plenary Session of the 18th CPC Central Committee<sup>1</sup>, “the general purpose of deepening all-round reform is to modernize the governance system and capability; the governments ought to continually optimize governance and services at the local level, streamline administration and delegate power to the lower levels and respond to the people’s interests in time” (CD, 2013). In this context, governance is recognized as a critical concern in China as well as many other western countries.

## **Comparative Framework**

In this paper, the UK and Hong Kong is selected as cases to study urban renewal governance.

The UK can be one of the representative of developed countries in the way to sustainable urban renewal (Tallon, 2013). In the UK, there has been a long history of urban renewal since Industrial Revolution. In 1980s and 1990s, Governments joined force with private sectors to deal with urban decay through large scale urban renewal. In 1997, when ‘New Labour Party’ took power, new urban renewal strategy was set up. It highlighted the local sustainability with the participation of wide-range stakeholders (Ball & Maginn, 2005; Couch, Sykes, & Börstinghaus, 2011).

As a special administrative region, Hong Kong shares similar historical and cultural characteristics with China mainland. After 1988, Land Development Corporation (LDC) was established to speed up urban renewal and strengthen the cooperation with between government and private developers. In 2001, Urban Renewal Authority (URA) was set up to took place of LDC (DJ, 2000). It made a huge change of old urban renewal system into a regulated self-governance mode, and worked on improving housing standard and sustainable built environment (K.-b. Chan, Chow, & Lee, 2015).

In China, great deal of urban renewal projects have been implemented in the form of large-scale demolition and reconstruction since 1990s (Han & Zhang, 2011). Cooperating with real estate developers, governments continually initiates urban renewal projects. It accelerates regional economic development in an unsustainable way.

The UK and Hong Kong used to experience the similar urban renewal period that China is experiencing. While both of them have stepped into the new period which concerns broad participation and sustainability. Thus, today’s UK and Hong Kong can give China a valuable reference to meet the requirement of sustainable urban renewal through governance urban renewal.

Governance is an arrangement where public sectors involve non-governmental sectors in a participative decision making process (Ansell & Gash, 2008; Hufty, 2011). In the governance, there is an interdependence between governmental and non-governmental sectors (Kooiman, 1999). The participation of different bodies reflects the role of the governments and publics (Rhodes, 1996). Besides “how to make broad participation”, it is also important to “make rational decision” through governance (Rondinelli, 2007). Therefore, this paper select three aspects in governance to analyze and make comparison: the role of the governments, local partnership, and decision basis of urban renewal.

## **Urban Renewal Governance in China, the UK and Hong Kong**

### *Urban Renewal Governance in China*

#### (1) Role of the Government

The responsibility of initiatives, implementation and financial support of urban renewal projects should be fully taken by local governments (Song, 2010). As the basic national law, Organic Law of the Local People's Congresses and Local People's Governments of the People's Republic of China defines the functions and powers of local governments. For local governments, according to Article 59, (5), they should “*implement the plan for national economic and social development and the*

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<sup>1</sup> The CPC Central Committee is a political body that comprises the top leaders of the Communist Party of China. The Committee convenes at least once a year at a plenary session, and functions as a top forum for discussion about relevant policy issues.

*budget, and conduct administrative work concerning the economy, education, science, culture, public health, physical culture, protection of the environment and natural resources, urban/rural development and its finance, civil affairs, public security, nationality affairs, judicial administration, supervision and family planning within its administrative area*” (SCNDC, 2015). As a part of urban and rural development issue, urban renewal is also within the scope of functions and powers of local governments.

In central government, there is no designated department in full charge of urban renewal in China (Jie Jiang, Zhang, & Song, 2012). The major relevant function is separated into three departments in different administrative fields. Ministry of Housing and Urban-Rural Development has the function of supervising real estate and construction market, developing standards and national policies about urban planning, construction, and building energy efficiency; Ministry of Land and Resources acts the role of developing national land policies and managing national land resources; and National Development and Reform Commission takes the responsibility of developing national economic and social development planning and drafting up relevant laws and regulations. They do not interfere urban renewal directly, but can influence its initiative and implementation through releasing national policies, regulations, etc. (Song, 2010).

In national level, there is no particular law for urban renewal specially (Liao, 2013; Tian, 2009). Currently all three direct legal provisions about urban renewal are only principal-based provisions. These simple provisions can only give a few basic guidance for local governments to follow.

The first provision is Urban and Rural Planning Law of the People's Republic of China: Article 31 *“for the reconstruction of old urban areas, it is necessary to protect historical and cultural heritage and traditional style, reasonably determine the demolition and construction scale, and reconstruct the places where there are many dilapidated houses and the infrastructure is relatively backward”* (SCNDC, 2007). It provides that demolition and construction should be “reasonably determined” and gives a scenario of deciding reconstruction.

The second one is Land Administration Law of the People's Republic of China: Article 43 *“all units and individuals that need land for construction shall, in accordance with law, apply for the use of state-owned land”* (SCNPC, 2004). According to it, private sectors should apply for the use right of state-owned land before initiatives of urban renewal.

The last one is Regulation on the Expropriation of Buildings on State-owned Land and Compensation: Article 8 *“for public interests such as safeguarding the national security and promoting the national economic and social development, it is necessary to expropriate a building under any of the following circumstances, the people's government at the city or county level shall make a decision to expropriate the building: (5) necessary for the rebuilding of an old urban area where dilapidated buildings concentrate and infrastructure lags behind as organized and implemented by the government according to the relevant provisions of the Urban and Rural Planning Law”* (SC, 2011). Based on this article, government in municipal level or below can expropriate the buildings for public interests, which includes urban renewal.

Besides a few legal provisions, some national development strategies published by central government are also the reference of urban renewal. For example, in the 13th Five-Year National Economic and Social Development Plan of the People's Republic of China<sup>2</sup>, slum clearance in the cities should be speeded up (CPCCC, 2016). These basic law principles and macro national strategies cannot give any detailed guidance for local authorities.

In local level, the organizations, finance and decision making approach is established and regulated by local government (Song, 2010; Yang, 2007). It makes urban renewal system differs from one city to another. However, having few basic guidance from central government, those self-established system of local governments always deal with the urban renewal issues by their own way (Zhu, 2015).

## (2) Local Partnership

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<sup>2</sup> China's Five-Year Plans are a series of social and economic development initiatives. They are established for the entire country every five years, and normally contains detailed economic development guidelines for all its regions.

Due to the diversity of local urban renewal system, the actors in urban renewal practices are also different, especially the departments of local government and organizations. Taking the redevelopment in residential area as an example, those actors consist of local government departments, organizations, private sectors, financial institutions, consultants and local people, which is listed in Table 1. According to Roberts and Sykes (1999), the list of actors in urban renewal should include those who affect urban renewal in the process as well as the outcomes in an area through regular activities and policies, who provides resources or budgets, and all who will experience the impacts.

Table 1. Actors in Residential District Urban Renewal Projects in China

Category	Actor
Municipal and District Government	Urban planning department
	Land and resources department
	Housing management department
	Reform and development department
	Construction department
	Demolition department
	Other departments based on system and policy in different cities
Organization	Neighborhood Committees
	Owners Committee
	NGOs established in different cities (e.g. environment protection organization)
	Governmental Organizations established in different cities (e.g. urban planning association)
Local people	Residents
	Shopkeepers (community commerce)
Private Sector	Real Estate Developer
	Designer
	Contractor
	Supplier
Financial Institution	Bank (e.g. China Development Bank)
	Insurance Company
Consultant	Urban Planner
	Academic
	Other professionals

Source: (He, Yu, & Fang, 2001; Jia, Zheng, & Tian, 2011; Jie Jiang et al., 2012)

Although there are many actors relating to urban renewal, different actors have unequal rights and powers (Bromley et al., 2005). In local level, municipal and district governments play a monopoly role in urban renewal, and generally, the partnership is mainly built between local government and real estate developers (Long, Gu, & Xu, 2008). Because most urban renewal projects rely on property development, the benefits of governments and developers are considered much more important.

Taking Chongqing as an example. It is shown in Table 2, from 2008 to 2016 there are 5 governmental documents concerning urban renewal. Notification of Executive Office of the Chongqing Municipal Government about Promoting Urban Renewal Implementation emphasize to promote Public-private partnership (PPP) to cooperate with real estate developer. Except this, no one gives information about the way how other non-governmental actors participate in the initiative of urban renewal projects (CMGO, 2015).

Table 2. Chongqing Governmental Documents from 2008 to 2016

Year	Major Focus	The Document of Policy/Regulation related to Urban Renewal
2015	Financing, Organizing	Notification of Executive Office of the Chongqing Municipal Government about Promoting Urban Renewal Implementation
2014	Administration	Administrative Measures for Reconstruction and Expansion of Old & Dilapidated Buildings in Slum
2008	Resettlement	Notification on the Relevant Issues Concerning the Construction of Resettlement Dwellings in Old & Dilapidated Buildings Renewal Project in Central Urban Districts
2008	Resettlement	Notification on the Relevant Issues Concerning the Resettlement and Compensation in Old and Dilapidated Buildings Reconstruction Project in Central Urban Districts
2008	Administration	Suggestions on Promoting Old & Dilapidated Buildings Renewal Project in Central Urban Districts

Source: Chongqing Municipal Government

In most cities, publics are usually excluded from the initiative and decision-making. Even some local governments care about public participation, it is more likely a mere formality (Ren, 2011). The participants of experts and residents are selected by authorities according to their own wills. Under this circumstance, demands and opinions of residents are difficult to be seriously and fully taken into consideration, also complicated dissensions cannot be resolved efficiently. The monopoly of local government not only restrict building partnership with other actors, but also leads to information asymmetry (Jie; Jiang, Jia, & Yu, 2009). For some local government departments, 'whether it is in their own interests' is the only motivation of information disclosure. Maintaining and pursuing department interests substantially restrict the information open. In practice, interest-related information is always hard to access by other actors, not to mention participation and supervision.

Inside the local governments, the urban renewal decision making is also in low efficiency. Urban renewal is a wide range activity relating planning, housing management, land management, construction, etc. (Mayer, van Bueren, Bots, van der Voort, & Seijdel, 2005). Provincial governments have the similar functions to central government but in provincial scale. Urban renewal are initiated and implemented in municipal level and district level. Both levels have departments of urban planning, construction, land and resources, etc. That is to say, there are more than 10 administrative departments that are directly related to urban renewal. The division of rights and obligations causes potential problems such as overlap of functions, objective deviation, unnecessarily long decision-making time, complex approval process, buck-passing etc. (Jie; Jiang, Liu, & Sun, 2005).

### (3) Urban Renewal Decision Basis

In most cities, except some basic principle, there is no strict and detailed basis for decision making of urban renewal. In Chongqing, based on Suggestions on Promoting Old and Dilapidated Buildings Renewal Project in Central Urban Districts issued by municipal government in 2008, once a building is identified as a dilapidated building, it should be included in urban renewal plan (CMG, 2008). The standard of dilapidated building here is the one whose structure are dramatically damaged or in a strong possibility to lose structural stability and bearing capacity. This is the only strict and detailed standard which can be found on government documents about decision-making of urban renewal.

The target of urban renewal should include dilapidated buildings, but not all buildings in urban renewal accord with this standard. There are 84 new urban renewal projects with area of around 1.9 million m<sup>2</sup> planned to implement in central urban districts of Chongqing in 2016, affecting more than 22,000 residences (CSB, 2016). While many buildings in the renewal plan are not dilapidated buildings. Parts of them are planned to renovate for beautifying the city scape; some will be redeveloped because of industrial strategy, such as China logistics land banking project in Yuzui area, Dadukou district (affecting 15,808 m<sup>2</sup>, 54 residences). Although there are different options for decision making, without comprehensive strict and detailed basis, these options may be probably chosen according to experience and subjective will. It is hard to guarantee the rationality and meet the sustainability.

### (1) Role of the Governments

Unlike China, the central government of UK involve in urban renewal by enacting relevant laws, establishing designated departments and organizations, and providing financial support (Ball & Maginn, 2005; Shaw & Robinson, 2010). In the laws such as Local Government Planning and Land Act 1980, Local government Act 2010, and Housing Act 2004, the various actors' responsibility and right as well as financial arrangement are provided in detail.

In central government, the cross-departmental unit was decided to set up to deal with the wide-spread urban renewal projects. Almost all initiatives of urban renewal are directed by Social Exclusion Unit (SEU) (ODPM, 2004). The SEU takes charge of providing comprehensive solutions to urban deprivation and cooperates with the Neighborhood Renewal Unit (NRU) to inspect renewal strategy of central government. In addition, Homes and Communities Agency (HCA) acts as the actor to support and accelerate the renewal (Henderson, 2014). It is non-departmental public body and involves in addressing the deterioration of economic and physical environment such as providing the funds and cooperating with local stakeholders.

Local governments do not monopoly the urban renewal (Dargan, 2009). Following the renewal strategies and legal provisions, they act as a part of decision makers, and widely cooperate with other organizations and individuals to promote urban renewal. Local urban renewal projects are monitored by central government.

### (2) Local partnership

So as to deal with the comprehensive urban issues in wide-ranging local areas, the authority encourages the built of local partnerships widely involved by different actors (Carley, 2000; Y. Qian, 2009). These local partnerships have own structures based on the different local conditions. Normally, it consists of relevant sections of governments (all levels), developers, NGOs and representatives of local residents (Bailey, 2012; Carley, 2000). These actors take charge of forming committees together to make decision about overall renewal strategies and specific plans. The partnership is sustained for a long period of time to monitor, evaluate and revise the existing strategies routinely. All actors have equal right in decision-making process, making plans together through negotiation (Y. Qian, 2009). In addition, there is no limit for cooperation between local partnerships from different areas.

To better deliver urban renewal in specific areas, independent companies called Urban Regeneration Company (URC) were established (Couch et al., 2011). URCs are independent from local governments and represents the partnership between public and private sectors (Greenhalgh & Shaw, 2003). They play the roles of attracting investment to deliver urban physical development. In some areas, this responsibility is taken by Economic Development Company (EDC), which focus on expanding economic development broadly (Henderson, 2014).

### (3) Urban Renewal Decision Basis

The UK government set up an official assessment index named Deprivation Indices to measure the multiple deprivations of given areas in whole country (NRU, 2015). The Indices can reflect the seriousness of urban problems in neighbourhood scale, which is also utilized as a baseline for the selection of renewal target, and the reference of outcome assessment.

The latest report is the English Indices of Multiple Deprivation 2015 (IMD 2015). IMD 2015 are based on 37 separate indicators, organized across seven distinct domains of deprivation including Income Deprivation, Employment Deprivation, Health Deprivation and Disability, Education, Skill and Training Deprivation, Barriers to Housing and Services, Living Environment Deprivation, and Crime (NRU, 2015). Applying scientific weights, indices in each domain are combined to calculate the IMD 2015. Based on the outcome, every neighbourhood is ranked in accordance with the deprivation level comparing to other districts.

### (1) Role of the Government

In Hong Kong, the government does not directly take part in urban renewal projects (Hui, Wong, & Wan, 2008). while the Urban Renewal Authority Ordinance (URAO) provides many detailed guidance of the urban renewal, including the rights and responsibility, organizations, initiatives, public participation, financing, etc. (DJ, 2000). According to URAO, two departments in government take responsibility to approve plans and schemes of urban renewal. Financial Secretary should approve draft cooperate plan and business plan, and Town Planning Board should approve Development schemes. Except above, other issues relevant to urban renewal are responsible by URA.

URA does not belong to the government (K.-b. Chan et al., 2015). It cannot enjoy any special status, immunity or privilege. In URA, the Board is the governing and executive body (DJ, 2000). All members in board of directors are appointed by the Chief Executive and have at most 3-years term. While except a few public officials can hold a post as nonexecutive directors, most members in board should be non-official. Thus the urban renewal in Hong Kong can be seen as non-government-led projects.

### (2) Local Partnership

URA does not monopoly urban renewal (K.-b. Chan et al., 2015). Basing on Urban Renewal Strategy (URS), URA adopts a “comprehensive and holistic approach to rejuvenate older urban areas by way of redevelopment, rehabilitation and heritage preservation” (DB, 2011). Publics should all widely participate in these projects(Cheung, 2011).

In each district of Hong Kong, government set up District Urban Renewal Forum (DURF) as advisory platform to support making urban renewal planning (DB, 2011). DURFs take charge of advising on urban renewal or preservation areas, and implementation models. Before advising, public participation activities and relevant studies will be conducted by DURF to make planning in an integrated and comprehensive perspective.

The chairman of DURF should be a professional with a strong background in urban renewal. The other members include the representatives of URA and relevant government departments, members of District Council or Area Committee, relevant NGOs, experts and business associations. In addition, DURF is professional supported by the Planning Department.

### (3) Urban Renewal Decision Basis

Early social impact assessments will be initiated and conducted by DURF before redevelopment is recommended as the preferred option (DB, 2011). The URA will update these assessments by DURF before implementing any specific redevelopment project. With the support of DURF, the URA will carry out two-stage social impact assessment studies before and after publishing proposed project in the Government Gazette respectively. The first stage of assessment is for making final decision of urban renewal, including the socio-economic characteristics, housing condition, population characteristics, historical and cultural background, etc. The second stage emphasizes on mitigation measures and the needs of affected residents such as relocation need, housing preferences, education needs, etc.

## Summary of Urban Renewal Governance in China, the UK and Hong Kong

After studying the system of urban renewal governance in the UK and Hong Kong in details, the summary of the characteristics of each case is shown with China in Table 3.

Table 3. Comparison of Urban Renewal Governance

Characteristics	China	The UK	Hong Kong
Role of the Governments	Central: principle guidance; Local: Self-Organizing, funding	Central: funding, organizing, monitoring; Local: partnership	funding, organizing, monitoring

and regulating			
Relevant Laws/Regulations	Few principal-based provisions	Specific Law	Specific Law
Functional Sectors	Many administrative units	URC/EDC	URA
Local Partnership	Government-led, top-down	Wide-range Participation	Wide-range Partnership
Decision Basis	Not clearly defined	Deprivation indices	Social impact assessment

Based on the study, the governance of urban renewal in China, the UK and Hong Kong vary from one to another. To make this difference comparable, the characteristics of each case are described from five same aspects: role of government, relevant laws/regulations, functional sectors, local partnership and decision basis.

Comparing with the UK and Hong Kong, local governments in China have more freedom to initiate and implement urban renewal projects. While lack of specific law or regulations to define the rights and obligations of different actors in urban renewal. Local governments can only try to solve the problems in their own way without enough legal basis. In addition, too many functional sectors in local governments involving in urban renewal make it in a low efficiency. And without enough public participation as well as a clear and rational basis for decision making, it is hard to meet the requirement of sustainability.

## Discussion

Chinese governments have taken lots of measures to promote urban renewal projects to meet the rigid housing demand and accelerate regional development. Nevertheless, most efforts have been done is to resolve practical issues rather than fundamental problems (Zhang & Fang, 2004). The results came out as plenty of unsustainable urban renewal practices that make the average life span of buildings less than 40 years, and cause conflicts between government and other stakeholders, especially the residents (Liu et al., 2012; Tian, 2009).

To solve those urban problems and reach sustainable urban renewal, it is of great significance to make a change of current urban renewal governance system. Thus, several policy implications are drawn from the experiences developed counterparts to deal with the fundamental problem in China.

### (1) The Regulation and Principal Guidance

At the end of 2012, there were 657 cities in China (NBS, 2013). It is hard for central government to guarantee that local governments can make urban renewal function well just based on a few basic law principles and macro national strategies. It does not mean central government must deeply involve in. It represents that in local level, urban renewal should have more regulation to follow. Learning from the cases, central government in China should set specific laws or regulations to define the basic rights and obligations of local governments and other actors, and provide more principles for urban renewal governance. For example, the laws or regulations should include the requirement of decision-making basis for urban renewal in local level, the right of residents to engage in decision making process, etc.

### (2) The Centralization of Urban Renewal Functions and Powers

In China, there are too many governmental departments involved in local urban renewal projects. While in most cities the scope of functions and powers of all governmental departments are not yet well-defined when cooperating in urban renewal. Because of these, no department can take responsibility for the success of urban renewal projects, and no one have the power to hold all cards. It cost a long time for the initiative of urban renewal projects to get the approval of or build cooperation with all those departments one by one. From the experience of Hong Kong, most issues relevant to urban renewal are responsible by URA; and in the UK, URCs or EDCs take the functions

in different regions. Even neither URA nor URC/EDC are governmental departments. Therefore, to increase the efficiency, the functions and powers about urban renewal should be centralized to fewer departments/institutions inside or outside the local governments.

### (3) The Improvement of Participation

Relationship and partnership of all actors influence the sustainability of urban renewal in different situation (Bromley et al., 2005; Seo, 2002). Among all actors, government is the most important one which creates the institution and directly influence the way other actors participate in (Greenwood & Newman, 2010). In China, the local governments hold public hearings to collect opinions from the local residents. While before that the urban renewal plan has been made. The public hearings seem to be just a formality and final decision is always made by government (Jie; Jiang et al., 2009). It leads that publics only receive the information from governments but cannot truly involve in the decision-making of urban renewal. Thus, their opinions may not be seriously considered by decision makers. In the case of the UK, local committees are formed by representatives of different actors from governmental departments, developers, NGOs and residents to make decision and work together for urban renewal; in Hong Kong, DURF in each district acts as advisors and connect public engagement. To improve participation of different actors in urban renewal, local governments in China should decentralize the power to publics, providing a sufficient way for other actors to participate in the decision-making process. Due to the complexity nature of urban renewal, governments, developers, and other consultants should provide their professional opinions to help make a comprehensive feasible urban renewal plan.

### (4) The Establishment of Decision Basis

Urban renewal is a complex system with various fields such as urban planning, land, economy, construction, environment, etc. (Mayer et al., 2005). Without decision basis, decision-making may only rely on the subjective will and interests of decision makers. According to the case of Hong Kong, social impact assessment is applied as a basic study to support the decision-making and evaluation. The assessment includes the socio-economic characteristics, housing condition, population characteristics, historical and cultural background, etc. In the UK, a series of deprivation indices are set up to measure housing, environment, education, employment, income, etc., in a holistic view to select target of urban renewal area. In the context of China, it is also important to build a comprehensive decision basis as assessment tool, so that decision can be made in a scientific way.

## **Conclusion**

The rapid growth of economy and urban population drive mass demolition and reconstruction through unsustainable urban renewal in China. In the way to sustainability, urban renewal in the UK and Hong Kong shifted from top-down, government-led to broad participation in recent decades. They can give China a valuable reference to meet the requirement of sustainable development through governance of urban renewal. This paper reviews the current urban renewal governance of China, the UK, and Hong Kong in three dimensions: role of the government, local partnership, and urban renewal decision basis. Through comparative study, the differences between China and its developed counterparts are identified. Finally, policy implications are drawn for China to deal with future urban renewal and achieve sustainable development as: more regulation and principal guidance to local governments; centralization of functions and powers of urban renewal; improvement of participation; and establishment of decision basis. Further studies are recommended to study the participation mode of different actors and the criteria of urban renewal basis, which could give detailed and practical guidance to sustainable urban renewal in local context.

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