

## **How to Cite:**

Shin, H.B. (2013) Elite Vision before People: State Entrepreneurialism and the Limits of Participation. In Altrock, U. and Schoon, S. (eds.) *Maturing Megacities: The Pearl River Delta in Progressive Transformation*. Springer  
DOI 10.1007/978-94-007-6674-7\_12

## **Chapter 12**

### **Elite Vision before People: State Entrepreneurialism and the Limits of Participation**

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#### **Abstract:**

This chapter examines a redevelopment project in Guangzhou, China, discussing the extent to which the local state has actively sought to bring about the commodification of a historic inner-city residential neighbourhood. It is argued that while local residents attempted to raise issues in various “sanctioned” spaces organised by the government, their voices to influence the fate of their own neighbourhoods were overshadowed by the local leaders’ ambition to tap into the developmental potential of local places. Nevertheless, it is also shown from the residents’ efforts that what may be necessary for local residents is perhaps an instance of collective mobilisation on the basis of their own vision of neighbourhood and city development, garnering support from the wider society. This becomes all the more important as Guangzhou matures and is expected to inevitably give more emphasis on the re-use of existing urban fabric.

Keywords: Enning Road, Three Olds Redevelopment, Old Town redevelopment, Public Participation, Limits of Participation, State Entrepreneurialism

## 12.1 Introduction

In urban China, enhancing the degree of local residents' intervention in residential redevelopment processes has been controversial. While there are calls for more protection of the housing rights of local residents who often face harsh measures upon displacement, some experts also point out that what is problematic may not be the absence of laws and regulations but the inadequate or instrumental application of those legal measures (Diamant et al. 2005; Shin 2008). In other words, "rule by law" is more appropriate to explain the state practice of law in China, indicating that governments are using laws in convenient ways to make sure they get things done (Peerenboom 2002). Urban redevelopment is no exception to this. While the central and local governments have been revising regulations on several occasions to clarify measures related to relocation compensation and demolition procedures, it is questionable if these new measures address individual and social needs.

In Guangzhou, the municipal government has begun to pay heightened attention to a new round of inner-city redevelopment since approximately 2006 (Ye 2011). The focus on inner-city redevelopment could be understood as a spatial manifestation of the municipality's ambition to rebrand Guangzhou itself at the time of beautifying the city before the hosting of the 2010 Summer Asian Games, and the accumulation needs that emerge out of land scarcity. Under these circumstances, it is expected that there would be an inherent conflict between the government needs to assemble land for development (which would incur residents' displacement and building demolition) and local residents' desire to "stay put" or ask for "fair" compensation. The expected surge of redevelopment projects suggests that local governments are more likely to face a rising degree of confrontations by local residents. The question is: To what extent is the municipality to make the redevelopment process more inclusive, and how does this reconcile with the entrepreneurial orientation of urban governance that increasingly characterises China's cities?

In this chapter, I argue that the local state's drive to fulfil its own version of urban vision renders local residents' participation efforts ineffectual. While residents attempt to raise issues in various "sanctioned" spaces organised by the government, their voices to influence the fate of their own neighbourhoods are overshadowed by the local leaders' ambition to tap into the developmental potential of local places. I take the case study of a redevelopment project in Liwan district, an inner-city district of Guangzhou in southern China. I make use of a range of municipal documents, media reports and my own field research observations and encounters

with local residents and government officials. Field visits were made on a number of occasions between May 2009 and December 2011.<sup>1</sup>

## **12.2 China's New Urbanism and Public Participation**

According to the strategic planning document produced by the municipal government in 2000, Guangzhou's development was to follow the path of "advancement in the east, linkage in the west, optimisation in the north, expansion in the south" (Lu and McCarthy 2008:459). On this basis, Guangzhou has been pursuing outward expansion, investing heavily in dedicated development zones and, subsequently, in setting up new towns in suburban districts. The construction of new towns was also seen as a means to provide more dwellings to meet the growing needs of an increasingly affluent local population, as the city grew in both demographic and economic terms. This outward expansion, however, resulted in some neglect of the city's traditional centre such as Liwan and Yuexiu districts.

From approximately 2006, Guangzhou has begun to emphasise investments in the old city centre to prevent the area from hollowing out. In order to address the financial pressure on local governments, real estate developers were encouraged to participate in redevelopment projects. However, the involvement of developers was to be under the supervision of the state, thus "state-led" to the extent that the state was to be responsible for building demolition, the displacement of local residents and the establishment of master plans for framing the nature of redevelopment (Shin 2009; Wang 2011; Wu 2007). Once the land assembly is completed, project sites are to be auctioned for developers' participation, which would help the local government to recover its initial costs by banking the land use premium. This "private-public partnership" was supported by the municipal leadership's commitment to inner-city redevelopment. As the then mayor of Guangzhou stated, "the government takes the responsibility of demolition and relocation. After completing relocation, social investments [that is developers] will be invited for construction. The expenses for demolition and relocation will be paid by the municipal government in advance, while the district government is also to make contributions" (Nanfang Daily 2007).

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<sup>1</sup> I acknowledge the financial support from the LSE Annual Fund/STICERD New Researcher Award between 2009 and 2011 for carrying out the research in Guangzhou. The support of the Social Science Korea Research Grant, National Research Foundation of Korea is also appreciated. I also thank S. Koh at the London School of Economics for her research assistance, S. He at Sun Yat-sen University for helping with field interviews, and C. Liu at Durham University for her insight into the latest redevelopment progress. The insightful comments from the editors, Uwe Altrock and Sonia Schoon, were also much appreciated. The usual disclaimer applies.

Guangzhou's renewed urban redevelopment strategy reflects the rise of China's new urbanism and demonstrates the emergence of cities as sites of accumulation, characterised by land-based accumulation that makes an extensive use of land resources as a means to generate local state revenues and to help finance investments in fixed assets (Hsing 2010; Shin 2011, 2012). Local states have unfolded as key players in China's urbanisation, accompanied by their entrepreneurial push for urban redevelopment (Shin, 2007, 2009) or "territorially based entrepreneurialism" propelled by China's integration with the global capitalism (Wu 2003). In this process, strategic planning has become a major means to selectively target resources for economic development and state revenue maximisation (Wu 2007). While strategic planning allows greater room for integrating the views of domestic and international experts through various consultation meetings and design competitions, the participation of the general public in urban planning processes, however, is considered "as less efficient or ineffective in achieving economic targets and structural competitiveness" (ibid.:390).

In the changing relationship between the state and the market, the rise of place-based urban accumulation as a state project also suggests that urban development is going to be strongly influenced by "elitism shaped by the coalition of political, economic and intellectual elites working at the top levels of the state" (Ma 2009:ii). Local elites, especially political leaders, would endeavour to exploit the full development potential of local places in order to make both political and economic gains. Chien (2010) puts forward the perspective of "asymmetric decentralization", which refers to the simultaneous processes of (1) greater local autonomy through economic decentralisation and (2) political centralisation to maintain the domination of the party state. This creates local officials' "upward accountability", that is, their endeavour to meet economic performance targets within their jurisdictions in order to achieve career advancement and material benefits (ibid.). In other words, local leaders are compelled by a "target-driven approach to implement policy" (Plummer and Taylor 2004:7).

The entrepreneurial push by the local states in China and the upward accountability to meet performance targets by local leaders result in the production of a relatively narrow space for local residents' efforts to challenge or change the course of government schemes. Saich (2004) discusses two types of participation in Chinese politics: sanctioned and non-sanctioned. While the former refers to the people's participation in "sanctioned organizational structure of representation" (ibid.:184) (e.g. authorised political parties, mass organisations such as Women's Federation and grassroots community organisations), the latter refers to the unsanctioned protests in particular. To some extent, the rising phenomenon of "nail-house households" that refers to those refusing to vacate (Hess 2010; Shin 2013) indicates the

expanding horizon of China's non-sanctioned political landscape. Under these circumstances, urban development is also going to be strongly associated with a particular urban vision that the local elites hold, which leaves little room for public participation to reflect those voices from grassroots organisations and local residents.

### **12.3 Enning Road Redevelopment and the Elite Vision**

To understand the relationship between the urban vision of local leadership and residents' participation, this chapter examines the case of a redevelopment project in Guangzhou. The Enning Road redevelopment site under investigation refers to an old inner-city neighbourhood that accommodates a number of historic buildings and cultural heritage known as Xiguan culture. The Enning Road redevelopment site also enjoys locational advantages that would attract redevelopment efforts from the government as well as interests from the real estate capital. The site's southeastern corner also meets Dishipu Road, which constitutes the western section of Guangzhou's famous shopping street known as Shangxiajiu. The Enning Road redevelopment site is also located less than one kilometre away to the north of Shamian Island, which retains a number of colonial European buildings and has become one of tourist destinations.

The total amount of planned areas for redevelopment reached 11.37 ha (Liwan District Government 2009). At the time of its first project inception in mid-2007, the total building floor space in the redevelopment district turned out to be 20.71 ha. Of these, 14.14 ha were subject to local residents' permanent displacement and therefore subject to demolition, apart from the possible preservation of 2.45 ha that showed unique characteristics (Guangzhou Daily 2007b). The area is located in the south-western part of Liwan District, and the name Enning Road refers to the main avenue along the southern boundary of the redevelopment site. It is known as one of the best-preserved historic avenues that are sidelined with Qilou buildings (Fig. 12.1). Qilou buildings refer to buildings from the early twentieth century, having shop fronts on the ground floor and residential places on upper floors: the protruded sections on the upper floors are supported by pillars, thus creating shades from the sun and protection from rain showers for pedestrians.

Fig. 12.1 Enning Road with Qilou buildings (Author's own picture dated 18 Sept 2009)



Rumours about the Enning Road redevelopment date back to the 1990s but the present day redevelopment was first announced in late 2006 when the city came to re-emphasise inner-city redevelopment. As for Liwan District, it proposed to carry out five redevelopment projects as part of addressing the municipal government's emphasis on inner-city redevelopment: the Enning Road project came to be the first project to be implemented and also the largest project in Guangzhou at the time. By the beginning of March 2007, a government task force was set up in the Street Office<sup>2</sup> in order to carry out all the preliminary works involving contacts with local residents for their displacement and relocation. This task force composed of all the various political, legal and administrative entities as well as the police force (Liwan District Government 2007a) so that all aspects of neighbourhood affairs could be dealt with. A statement from the Party Secretary of Liwan District sums up the early thinking behind the Enning Road redevelopment (Xinhua News 2006):

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<sup>2</sup> The urban administrative hierarchy in Chinese cities has municipal government at the top, then district government and then street offices. Residents' committees under each street office form the grassroots organs that take care of day-to-day affairs that involve direct contacts with local residents.

“The Enning redevelopment plan is to follow the municipal leadership’s intention. It should go through a series of measures for the transformation of the old city to balance the inputs and outputs, and mobilise social strengths to undertake the construction. The comprehensive design is for us [the government] to carry out. The government is to decide the overall framework, where to rebuild, where to demolish and where to do new construction. These are for the government to decide. Detailed design regarding how to construct each building is to go through bid processes”.

Therefore, upon completing the land assembly under the responsibility of the local district government, the Enning Road redevelopment project was to choose real estate developers who would pay the land use premium to secure the site and produce final products by bringing in their own financial contributions and expertise. Accordingly, the compensation measures were also arranged by the district government. As re-housing on site was not possible due to the transformation of the neighbourhood into a tourism and cultural district that utilised the historic characteristics of the neighbourhood, local residents were to be permanently displaced, taking either in-kind or cash-based compensations. While public rental tenants were presented with relocation rental dwellings elsewhere, house owners were encouraged to take cash compensation, using the money to purchase an alternative new or second-hand dwelling. As of mid-2008, the average level of cash compensation was turned out to be around 9000 yuan/m<sup>2</sup>, which included any applicable housing subsidies and incentive payment (Nanfang Dushibao 2008).

In essence, the Enning Road project is another model of promoting “private-public partnership-based” urban development through the use of land resources, while the local state, comprised of the municipal and district governments in particular, dictates the type of redevelopment and business model. The cash compensation and relocation expenses were to be paid out by the Guangzhou Land Use and Development Center while the Guangzhou Municipal Land Resources and Housing Administrative Bureau was to arrange relocation dwellings. This meant that the project site was to be under the control of the Guangzhou Land Use and Development Center after the completion of residents’ displacement and building demolition in order for the land auction to take place (Yangcheng Wanbao 2008).

In this regard, the district government was very eager to look for potential developers (especially those from Hong Kong) who would be keen to partake in the redevelopment of Enning Road. For some years, the Liwan District Government has been hosting a “Guangzhou Liwan Spring Investment Forum” every year in Hong Kong, and one of the major areas of investment identified by the government has been urban redevelopment projects. As early as in March 2007, the Enning Road redevelopment project reportedly attracted the attention of more

than ten companies including the Hong Kong developer that carried out the Xintiandi project in Shanghai (Xinhua News 2007). The Enning Road redevelopment project continued to appear in this investment forum in subsequent years.

The Enning Road redevelopment project has received a great degree of attention from the municipal leaders who often highlighted the need of achieving both environmental improvement and heritage conservation. Over the years, while various draft versions of the Enning Road redevelopment plan were produced by the district government, one of the underlying themes from the early days had been the importance of historic and cultural heritage and turning it into a means to promote development. As early as in March 2007, an emphasis was made on maximising the retention of historic architecture (shop fronts on Enning Road in particular), as well as cultural relics in the redevelopment district (Guangzhou Daily 2007a). In April 2008, the Guangzhou Municipal Planning Bureau approved the “Plan for Protecting and Utilising Historic Architecture in Enning Road Dilapidated Housing Redevelopment District”, which also highlighted the importance of heritage and culture (Yangcheng Wanbao 2008). The planning principle was to create a tourism and cultural district after redevelopment. A senior planner at the Liwan branch of the Guangzhou Municipal Planning Bureau states<sup>3</sup>:

“Basically, this [Enning Road redevelopment] district’s plan is to decrease density and improve the environment, and produce facilities for public services. For instance, tourist hotels, tourism and culture facilities, also conservation of historic buildings, and the creation of green space as well as leisure facilities. Therefore, most (residents are) to be given compensation and relocated”

Consolidating these perspectives, the revised draft plan that the district government announced for a month-long public consultation in December 2009 was entitled the “Plan for the Protection and Development of Enning Road Historic and Cultural District” (hereafter December 2009 Plan), emphasising the cultural and recreational dimensions and calling for the creation of a “historic old city with cultural characteristics” (Liwan District Government 2009). The change also coincided with the municipality’s highlighting of its “Three Olds urban redevelopment policy”.<sup>4</sup>

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<sup>3</sup> Interview on 17 Sept 2009

<sup>4</sup> The policy is a brand name which has been attributed to the municipality’s renewed and heightened redevelopment strategy since the end of 2009. “Three Olds” refer to (1) “old” inner-city areas that see the concentration of dilapidated dwellings, (2) “old” factory areas that see abandonment and poor maintenance, and (3) “old” villages that have given rise to “villages-in-the-city” which accommodate informal extensions and building construction. Please see Chaps. 5 and 6 in this volume for more details on this policy.



Key emphases were placed on the demolition of most buildings for their commercial redevelopment through the creation of antique-style buildings and the reopening of the streams that flew through the centre of neighbourhoods in order to integrate the riverside development with new commercial, cultural projects (News Express 2010a). Accordingly, the Guangzhou Liwan Spring Investment Forum in Hong Kong in 2010 also packaged the Enning Road project as a project to create an “old Xiguan Town” that would become a tourism and cultural district (Guangzhou Daily 2010).<sup>5</sup> In summary, the December 2009 Plan made it clear that the government’s aim was to transform the Enning Road site into a Xintiandi-style leisure and cultural place (Nandu Weekly 2010), which would host “facilities [whose quality would reach that] of six-star rating”, as the mayor of Guangzhou explicitly expressed in August 2010 (Nanfang Dushibao 2010).

## **12.4 Permanent Displacement of Local Residents**

The emphasis on transforming the Enning Road redevelopment site into a touristic and cultural district came with the permanent displacement of local residents. To some extent, this was an expected outcome, given the ways in which the Xintiandi redevelopment in Shanghai also involved local residents’ displacement to make way for the commercialisation of urban heritage (Ren 2008). The displacement of local residents under the name of heritage conservation was also being replicated in the Enning Road redevelopment project.

The actual commencement of residents’ displacement started in May 2007, even though the official notice of demolition including the finalisation of demolition boundaries was publicly announced in late September 2007. It is interesting to highlight the fact that local officials recognised the local residents’ reluctance to move out of the neighbourhood but still emphasised the government’s decision to displace them as part of the redevelopment project. For instance, the Liwan District’s Party Secretary said that “based on the previous survey [of residents], many neighbours do not want to leave Enning Road. Therefore, based on the relocatees’ wishes [sic], their relocation housing should be provided somewhere within Liwan District” (Information Times 2007).

The relocation and demolition progressed slowly. The initial demolition plan produced in September 2007 subjected 1,950 households (based on property rights associated with buildings

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<sup>5</sup> In total, 11 out of 53 projects that the district government showcased belonged to “Three Olds Redevelopment” projects, whose total planned area reached 0.87 million square kilometres.

within the demolition boundary) to relocation. This included 702 households who lived in public rental units managed by the municipality and 1,248 households who were house owners (Guangzhou Daily 2007b). The official commencement of demolition works started in November 2008, by which time a little less than 50% (954 households) had signed compensation agreements (Guangzhou Daily 2008). The next year saw a much slower progress of residents' signing of the compensation agreements. By the end of July 2009, the total number of households who signed the agreements reached 1,188 households (61% of the total number of households) (Information Times 2009), 234 households more than what had been achieved by November 2008. Of these, 614 households were house owners and 574 public rental tenants, which meant that about 49% of house owners and 82% of public rental tenants had signed the compensation agreements, and that the displacement of house owners faced a much slower progress (ibid.).

Another big push came from the municipal and district governments to see the end of the displacement of residents before the commencement of the 2010 Guangzhou Summer Asian Games, but the completion turned out to be difficult (Fig. 12.2). By August 2010, 3 years after the commencement of residents' displacement and about 8 months after the Three Olds policy's official implementation, 444 households (23%) still resisted signing the compensation agreements (Nanfang Dushibao 2010). During the course of the municipality's implementation of inner-city redevelopment as part of pursuing its new policy of "Three Olds Redevelopment", residents' displacement continued. By mid-July 2012, 38 households were refusing to sign the compensation agreements (Guangzhou Daily 2012b).

As in many other redevelopment project sites, intensifying disputes over the level of compensation hindered the government's relocation programmes, and the situation was further complicated by the complex property rights arrangements associated with some of the private dwellings, which resulted from the fact that these properties had gone through historical turmoils during the planned-economy period. Particularly affected would have been those owner-occupiers whose dwellings were inherited from their ancestors but did not have formal title deeds to prove their ownership or those whose title deeds did not record the informally added spaces to address the needs of family members.

Fig. 12.2 Demolition in progress (near Yuanhe Street) (Author's own picture dated 9 Sept 2010)



## 12.5 Residents' Challenge to the Local Government Plans

The overview of residents' displacement shows that the local government's drive to nearly complete the assembly of the site and the removal of residents took more than 5 years. One of the major reasons for the much-delayed progress owed to the resistance by local residents who were frustrated about being kept in the dark regarding what would happen to their neighbourhood after displacement and demolition. While the news of general direction of neighbourhood redevelopment was delivered occasionally by the mainstream media and sometimes by government notices, the precise post-demolition redevelopment plan was still in the making when local residents were pressured to sign their compensation agreements.

As one of the residents stated in her interview with a journalist in December 2007, "I only know demolition will happen. Apart from this piece of [demolition] notice, they have not explained anything, and have not asked us if we'd like to move out or not" (News Express 2007). Such responses indicate that the government attempts to organise concerted efforts among various administrative organs in relation to the Enning Road redevelopment were far from providing

residents with detailed information. Three years later, the lack of information still persisted, as pointed out by another house-owning resident: “The purpose of demolishing this place should first be known to us...At present, [we] do not know which developer is going to develop [this area]”.<sup>6</sup>

Other major reasons for the delay included the appropriateness of demolition and the level of compensation. When the Enning Road redevelopment was announced in 2007, it was originally packaged as an urban redevelopment project to address building dilapidation in the neighbourhood. Reports suggested that out of about 20 ha of building floor space subject to residents’ displacement, only about 18% (2.5 ha) were known to be classified as dilapidated (Nanfang Dushibao 2008). This created frustrations among those displacees who stayed in dwellings of reasonable condition.

As a resident representative complained in a meeting with the director of the Urban Redevelopment Office at the Liwan District Government, “at the time of announcing the demolition notice in 2007, it was said that this was a project to redevelop dilapidated housing, but my house is not dilapidated, so why is it needed to redevelop and demolish it?” (News Express 2010a). However, when the December 2009 Plan was made public for consultation, it was reported that 82% of the building floor space experienced dilapidation and were deemed dangerous for habitation (Xinhua News 2009a). Obviously, this was a highly controversial turnaround that would have fuelled residents’ distrust.

Government-organised consultation meetings were not unheard of, but consulting local residents appeared to have been tokenistic involving only a selected number of resident representatives. For instance, when the Street Office task force was organised in the early 2007, one of the first things that they carried out was meeting with local residents. This took place on 14 March 2007 shortly before the commencement of the government’s relocation programme, and involved the attendance of about ten resident representatives to hear their opinions and suggestions about the neighbourhood redevelopment (Liwan District Government 2007b).

Another consultation meeting took place about two weeks later on 30 March 2007, this time organised by the Municipal People’s Political Consultative Conference. The meeting also saw the presence of the deputy mayor of the Liwan District Government as well as the head of the Street Office that administered Enning Road. Again, about ten resident representatives were invited to attend the forum (Liwan District Government 2007c). Pictures from the two

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<sup>6</sup> Interview on 31 October 2010

government reports indicate that at least four members of the representatives were present in both consultation meetings, suggesting that the two meetings were more likely to have been closed sessions with handpicked selection of local resident representatives. Various government meetings were subsequently held with the primary purpose of encouraging residents' signing of compensation agreements.

Other than these government-organised meetings, when residents produced bottom-up initiatives to collectively respond to government announcements or appeal against government decisions, their voices were met with poor responses. For instance, when the local government made public the December 2009 Plan for a month-long consultation, a group of six resident representatives from Enning Road met the deputy director of the Liwan branch of the Guangzhou Municipal Planning Bureau on 7 January 2010, presenting a petition letter signed by more than 100 households (News Express 2010a). They demanded a public forum to be held to improve the draft plan, and this forum to involve "experts, academics, leaders, residents and other related people, collecting various opinions and suggestions" (ibid.). It was also requested that the outcome of such a forum would feed into the process of revising the December 2009 Plan and afterwards, host another public hearing.

To these requests, the deputy director simply retorted that they were too busy, would not be in a position to immediately respond to the request of holding a forum or public hearing and would first require communication with experts for their views. The representatives called the Planning Bureau of Liwan on 13 January to find out the progress only to be told that the bureau was not prepared at the time to host the requested forum.<sup>7</sup>

Not let down by the poor response, five resident representatives further submitted an opinion letter, signed by 183 households, to the director of the Urban Redevelopment Office at the Liwan District Government after having initially contacted the Petition Department. One of the representatives said, "Since 21 December 2009 when the Liwan District Government announced the Plan for the Protection and Development of Enning Road Historic and Cultural District in response to the public pressure, we have sought the opinions of the Enning Road residents, and would require to send our views directly to the responsible leader at the Liwan branch of the Guangzhou Municipal Planning Bureau" (News Express 2010a). The residents' opinion letter criticised the fact that demolition was being carried out even though no

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<sup>7</sup> Conversely, the restructuring of the institutional setting in response to the new 'Three Olds' policy implementation at the end of 2009 might have also affected the lack of response.

redevelopment plan was formally approved by the government and demanded that the demolition work should come to an immediate halt.

Key criticisms included the following: (1) the draft plan aimed at demolishing most buildings and replacing them with “antique-looking” buildings, which would be against the conservation of Xiguan-style tradition and its cultural roots; (2) the draft plan was to displace all residents and carry out commercial development to create Shanghai’s Xintiandi, seriously damaging housing rights and going against public interests; (3) the draft plan also aimed at uncovering streams previously covered in the 1960s, but it was doubtful if adequate feasibility studies were carried out; (4) while explaining how splendid the future “new Xiguan” was going to be, the draft plan did not have explanations about relocation matters, hence not people-oriented.

Upon completion of the public consultation, when residents enquired the Liwan branch of the Guangzhou Municipal Planning Bureau about the treatment of their opinion letter, they were met with a dry response that “everyone’s suggestion is being compiled, and as for its announcement, please ask the Public Relations Bureau, and there was no indication of when the Public Relations Bureau would release any information” (News Express 2010a).

Not having had satisfying responses from the district government, a larger number of residents took further actions. In April 2010, 220 households from the Enning Road redevelopment site sent an open letter to the Guangzhou People’s Congress and the Political Consultative Conference when their annual gatherings were held (News Express 2010b). The open letter raised concerns about the absence of any concrete post-displacement redevelopment plan, lack of attention to heritage conservation and unreasonable compensation terms. Asking for supervisory attention from the People’s Congress and the Political Consultative Conference, the residents also demanded for the hosting of public hearing and council meetings (ibid.).

Another major round of local residents’ collective action was made when the municipal government announced its draft heritage conservation plan entitled the “Guangzhou Historic and Cultural Preservation Plan” at the beginning of January 2012 (Guangzhou Municipal Planning Bureau 2012). Seventy-eight residents from Enning Road signed a paper to put forward their opinions, which included their strong desire to keep the area as a Canton Opera culture district. It was stated that “Enning Road is where the Canton Opera flourished. Does Guangzhou have any other district that surpasses this area?” (Guangzhou Daily 2012a). Their concern was especially with regard to the area between Enning Road and the (currently covered) stream which was designated as an “environmental coordination area”, meaning that the area did not qualify to be part of the core conservation areas.

The local residents' concern for heritage conservation and the preservation of historic buildings was not unfounded. Even though a number of top government and party officials had been explicitly speaking out in favour of heritage conservation, the official demolition notices still listed most buildings in the Enning Road redevelopment district. For instance, a number of residential buildings that heritage experts defined as having historic and cultural value (e.g. Nos. 9, 11, 11-1, 13, 15 and 17 in the alley named Jixiangfang) fell to the ground against people's expectation. Moreover, a large number of Qilou buildings on Enning Road (Fig. 12.1) were also subject to demolition according to the demolition notices despite the fact that they were highlighted as one of the key conservation sites for protecting the architectural heritage in the district government's newly revised redevelopment plan in mid-2011. These Qilou buildings, together with a number of other historic buildings, were finally dropped from the demolition list in March 2012 when a revised demolition notice was issued.

To some extent, local residents' continuous challenge to the district government's redevelopment plans did not go without any fruits. In June 2011, a revised redevelopment plan was revealed to the general public after having been reviewed and passed by the Guangzhou Planning Committee.<sup>8</sup> When this revised plan (hereafter June 2011 Plan) was known to the general public, the director of the Guangzhou Municipal Planning Bureau was reported to have made a reference to the example of Beijing's Nanluoguxiang as a successful case of neighbourhood transformation into a historic and cultural district (Nanfang Daily 2011a). This largely conforms to China's policy processes that depend on local experiments and extraction of successful "model experiences" before national-level dissemination (Heilmann 2008).

Nanluoguxiang gained its nationwide fame as one of the best practices that advocated heritage conservation without involving wholesale clearance and demolition (Shin 2010). The emphasis on the Nanluoguxiang model instead of previously highlighted Xintiandi implies that the future direction of the Enning Road redevelopment might emulate the Beijing experience rather than Shanghai's. In line with this reorientation, the June 2011 Plan made some adjustment to the list of buildings that were to see existing residents' displacement. This adjustment resulted in the preservation of an additional construction space of 23,000 square metres, thus raising the share of preserved building space in the total construction space to 55% (Nanfang Daily 2011a).

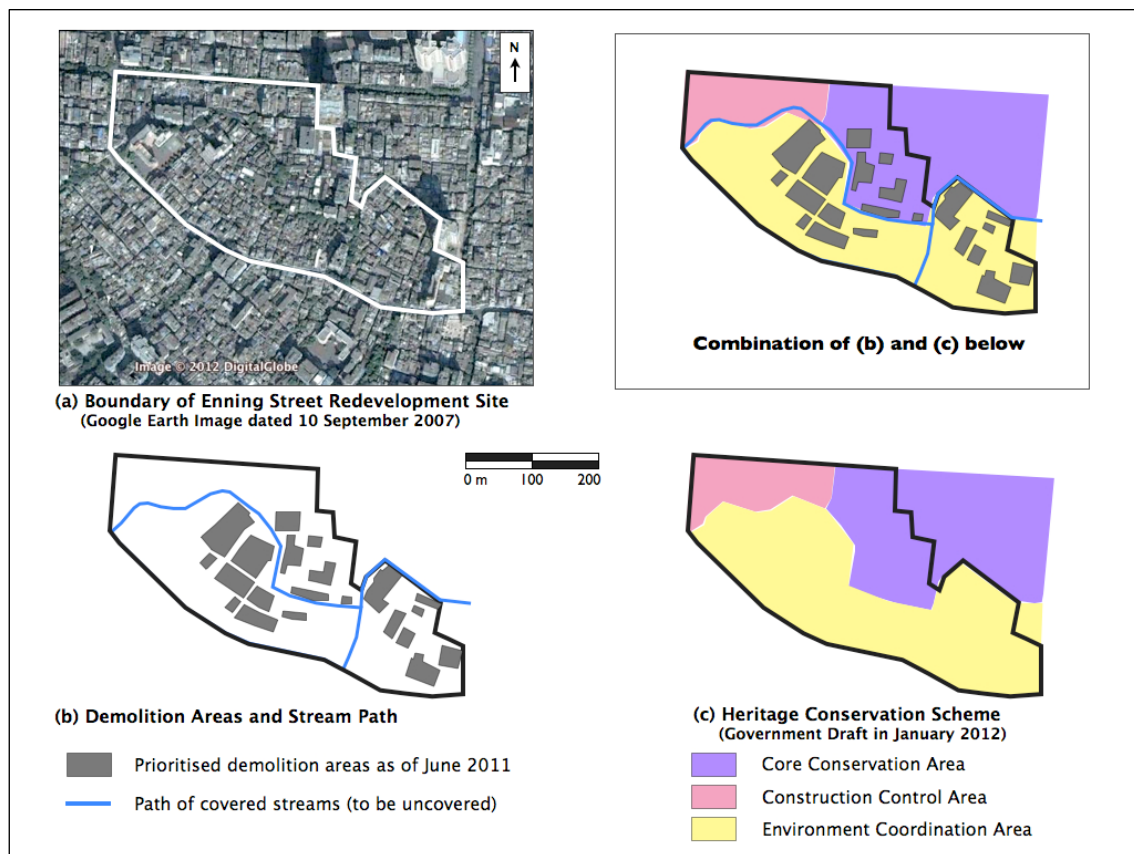
In terms of residents' displacement, instead of 1,950 households, 1,823 households were to be finally displaced (Guangzhou Daily 2012b). Naturally, there were many buildings that already

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<sup>8</sup> This consisted of a selection of government officials, civilian experts and representatives from the general public. The committee was first established in November 2006 and reviews various draft plans to assist the municipal planning activities.

experienced residents' displacement but would survive demolition due to this adjustment, and the government was resolute that these displaced residents were not to return. The June 2011 Plan also divided the redevelopment district into several zones, identifying what functions each zone would serve and highlighting those areas where demolition would be prioritised (Fig. 12.3). In particular, the June 2011 Plan made it clear that key interventions would be made along the streams that were to be uncovered as part of the redevelopment, producing spaces that would give rise to the combination of recreational, leisure and cultural activities. These proposed uses were nevertheless previously what was envisaged at the outset with the government emphasis on learning from Shanghai's Xintiandi.

Fig. 12.3 Enning Road Redevelopment District (Guangzhou Municipal Planning Bureau [2012] for the heritage conservation scheme and Nanfang Daily [2011b] for the prioritised demolition areas as of June 2011; Original satellite image from Google Earth. Image (c) 2012 Google (c) 2012 DigitalGlobe)





## 12.6 Concluding Discussion

The huge delay with the relocation progress in the Enning Road redevelopment project indicated that the local residents' constant exertion of pressure on local and municipal governments and their resistance to signing compensation agreements produced a contested field of urban redevelopment. The review of redevelopment processes from the date of the Enning Road project implementation shows that whenever possible, local residents were vocal about three major issues: (1) the absence of concrete post-displacement redevelopment plans, (2) the lack of attention to heritage conservation, and (3) unreasonable compensation measures that did not take into account the rising housing prices in adjacent areas.

Here, it needs to be acknowledged that while this chapter has not focused on the issue of fair compensation, the compensation issue had been one of major concerns for local residents especially due to the rapidly rising housing prices in Guangzhou during the last few years. Nevertheless, the issue of fair compensation was very much influenced by the residents' concern about the first two points. Local residents were dissatisfied with the absence of concrete post-displacement redevelopment plans because of the uncertainty about whether or not the redevelopment project was going to be more about heritage conservation and environmental improvement to produce public benefits or to realise commercial interests. From the house owners' perspectives in particular, commercial redevelopment was something that should remunerate displacement with a higher level of cash compensation, thus becoming the source of their discontents with the government's standardised compensation schemes.

From the viewpoint of the local governments, the Enning Road redevelopment was a state-led project to improve urban environment (thus meeting the government targets of reducing dilapidated dwellings) and to exploit the developmental potential the historic neighbourhood offered. Creating a "Xintiandi" in Guangzhou was the urban vision held by the local leadership when promoting the Enning Road redevelopment project as a flagship project. This strategic vision was clear from the very beginning and had been fairly consistent throughout the years.

While local residents used various means and channels to voice out their concerns about the state-led redevelopment in their neighbourhood, their voices did little to change the course of government action and were overridden by the government imperatives to fulfil the core spirit of the aforementioned elite vision. One of the few measures the local government conceded in response to the local residents' complaints was the retention of a few more historic buildings on the site by making a small adjustment to the redevelopment plan in mid-2011.

However, this did not change the core nature of the Enning Road redevelopment project. Being persistent and pursuing residents' displacement over a prolonged period of time despite some residents' organised resistance, the Liwan District Government managed to displace most of the original residents they targeted at the outset of the Enning Road project, making way for the promotion of the Enning Road site as a touristic and cultural district.

While the mayor of Guangzhou was highlighting the importance of "preserving the history, preserving the culture, and preserving the historic memory" in order to simultaneously "improve people's livelihood and cultural heritage" (Nanfang Dushibao 2010), the persistent permanent displacement of original residents who were part of the local historic and cultural heritage makes us question what the real benefits of the heritage conservation are going to be and for whom.

Local residents and experts raised concerns about the extent to which the municipal and district governments were committed to heritage conservation, and the discussions in this chapter show that heritage and culture were the two keywords that the local leadership also advocated throughout the years. As exposed by the emphasis on Shanghai's Xintiandi model, however, the urban vision for Enning Road held by the local leadership was devoid of original local residents and would not prevent the selective demolition of historic buildings. The Xintiandi model was not necessarily about preserving existing architecture but selectively demolishing historic buildings and converting survived buildings into adaptive re-use (Wang 2011).

The municipal government's latest shift towards favouring Beijing's Nanluoguxiang model may be regarded as a positive shift, given the less emphasis on wholesale clearance and demolition. This may be regarded as the "maturing" of urban planning processes, influenced by the stubborn actions on the part of local residents. However, the Nanluoguxiang model was a negotiated outcome between the local state and a faction of real estate capital under the mounting pressure for conserving historic heritage adjacent to the Forbidden City (Shin 2010). The precondition was the designation of 25 conservation districts by the municipal government. As for Guangzhou, the Guangzhou Municipal Planning Bureau made a public announcement in January 2012 for the designation of 48 historic cultural districts (Guangzhou Municipal Planning Bureau 2012). Almost half of the Enning Road redevelopment site was excluded from the designation, suggesting that demolition would take place as originally planned by the district government. Some of the key intervention areas identified in the June 2011 Plan (Fig. 12.3) turned out to be in the core conservation areas but were still to experience major demolition as confirmed by the revised demolition notice announced in March 2012.

The critical examination of the Enning Road redevelopment project shows us how the combination of developmental potential of places with the local leadership's urban vision would render local residents' voices and participation ineffective. While other cities in the developing world see the emergence of various forms of urban planning practices ranging from the appropriation of state power through the privatisation of planning (Shatkin 2008) or the jump-scale of local grassroots organisations to form horizontal networks transcending local boundaries (Appadurai 2002), China's planning processes are more prone to being utilised as a means to legitimise state-led urban projects that have strong entrepreneurial orientation (Wu 2007).

Nevertheless, although the actions by house owners fell short of changing the course of displacement and neighbourhood redevelopment, they have come together to organise collective actions and resisted strongly enough to raise public awareness in Guangzhou about the importance of heritage conservation, delaying the local district government's flagship pilot project. To some extent, this can be comparable with Guangzhou homeowners' recent attempts to form lateral networks of homeowners' associations (Yip and Jiang 2011), indicating the potential strengths that local communities could stage vis-à-vis strong states and business interests.

These actions also indicate some glimpse of hope for social mobilisation and grassroots actions, which would have the potential to influence the decision-making and planning processes, as well as the direction of the production of urban space. Residents' mobilisation becomes all the more important as cities like Guangzhou inevitably face the reorientation of their urban development strategies to give emphasis on the re-use of existing urban fabric, thus the emergence of "maturing mega-cities" as this edited volume suggests.

Under these circumstances, what may be necessary for local residents is perhaps an instance of collective mobilisation on the basis of their own vision of neighbourhood and city development that garners support from not only local neighbours but also from the wider society. The vision of China's urban elites as discussed in this chapter may need to be challenged by an equally powerful discourse of alternative urban vision that prioritises individual and social needs.

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