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The relationship between urban villages and urban renewal: The case of Yuncheng, China

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Contents

Contents.....	2
Abstract	5
1.Introduction	6
1.1 Research approach and main questions	6
1.2 Aims and objectives	7
1.3 Research hypothesis	8
1.4 Research methodology	8
2 Literature review.....	9
2.1 Urban renewal.....	9
2.2 Urban village	11
2.3 The relationship between urban villages and urban renewal	14
2.4 Introduction to relevant policies in China	15
2.5 Policy recommendations for optimization	16
3 Urban renewal in China.....	16
3.1 Introduction to the chapter	17
3.1.1 Background of urban renewal	17
3.1.2 The evolution of urban renewal	19
3.2 China's urban renewal development history	22
1. 1950s~1970s.....	22
2. 1970s~1980s.....	22
3. 1980s~1990s.....	23
4. 1990s~2011	23
5. 2012~2020.....	24
3.3 Policy innovation content and sustainable development of urban renewal in China (The case of Yongqinfang, Guangzhou)	25
3.4 Network governance in urban renewal policy in China (The case of Shenzhen and Chongqing)	27
3.5 Contents and key variables of China urban renewal policies (The case of Chongqing)	30
3.6 China's urban renewal policy path and strategy	32
3.6.1 Problems at the policy level in the process of urban renewal.	33
3.6.2 Relevant optimisation strategies on urban renewal policies	33
3.7 The role of stakeholders in urban renewal in China.....	36
3.7.1 Analysis of stakeholder bodies in urban renewal.....	36
3.7.2 Interaction between the various stakeholders	38
3.7.3 Conclusion	40
3.8 Urban village transformation in china's urban renewal (The case of Liede Village in Guangzhou)	40

3.9 Obstacles and problems of urban renewal in China	42
3.10 Opportunities and advantages of urban renewal in China	46
3.11 Conclusion	48
4 Urban villages in China	49
4.1 The formation of urban villages	49
4.1.1 Definition of urban village	50
4.1.2 The process of forming the urban village	53
4.1.3 Reasons for the formation of urban villages	57
4.1.4 Land system and migration phenomenon.....	62
4.2 Analysis of the current situation of urban villages in China	67
4.2.1 Disorganized street systems and serious safety hazards	67
4.2.2 Insufficient public space and a dilapidated ecological environment.....	68
4.2.3 Old functions are difficult to adapt to new needs.....	68
4.2.4 Disappearing traditional culture.....	69
4.2.5 Lack of social security	69
4.3 The necessity for urban village transformation in China	70
4.4 Conclusion	73
5 Relationship between the urban village and urban renewal	74
5.1 Obstacles of urban villages to urban renewal	74
5.2 The positive significance of urban villages to urban renewal	77
5.3 How urban renewal affects urban villages	82
5.4 Conclusion	86
6 The overview of China's current major policies	87
6.1 Relevant cases and policies on urban villages and urban renewal in foreign countries	87
6.2 Current cases and policies on urban villages and urban renewal in China	92
6.3 The case of urban renewal in Shenzhen	96
6.4 Urban renewal and urban village improvement measures in Yuncheng	101
6.5 Conclusion	106
7 Policy recommendations for optimising the relationship between urban villages and urban renewal	108
7.1 Countermeasures and suggestions for urban village transformation	108
7.2 Proposals for optimising urban renewal	112
7.3 Conclusion	116
8. Conclusion	117
9. Reference	119

Table of Figures

Figure1: Urban Village - Handshake House- Source: Dongmiandeyu 23/08/2018.....	6
Figure2: Urban Village in Guangzhou- Source: Zhang Chao 2015.....	6
Figure3: Diagram of Research Methodology, Source: drawn by the author.....	8
Figure4: Context and innovation of urban renewal policy in Yongqingfang, Source: Ye L, Peng X, Aniche LQ,Scholten PHT, Ensenado EM. Urban renewal as policy innovation in China: From growth stimulation to sustainable development.....	26
Figure5: A social network of Shenzhen urban renewal. Source: Wei Zhang, Xinxin Zhang, Guangdong Wu. 2021.....	28
Figure6: A social network of Chongqing urban renewal. Source: Wei Zhang, Xinxin Zhang, Guangdong Wu. 2021.....	28
Figure7: Concerning factors of different stakeholders on urban renewal. Source: Tao Zhou, Yulin Zhou and Guiwen Liu. 2017.....	31
Figure8: Sorting of key variables for each group of stakeholders. Source: Tao Zhou, Yulin Zhou and Guiwen Liu. 2017.....	33
Figure9: Summary of urban renewal policies in recent years, Source: self-produced by the author.	45
Figure10: Map of the spatial evolution of the formation of urban villages, source: Li Junfu, Transformation of Urban Villages.....	65
Figure11: Summary of China's national-level urban renewal industry policies up to 2021, Source: Foresight Industry Research Institute.....	94-96
Figure12: The Evolutionary Path of Urban Renewal Planning in Shenzhen Source:Liu Guiwen 2017..	98
Figure13: Yuncheng City (Central City) 2022 Land Acquisition for Piecemeal Development Programme, Source: Yuncheng City Planning and Natural Resources Bureau.....	103

Abstract

China's cities have developed rapidly over the last few decades, but at the same time some problems have come to light. Urban villages are a common phenomenon in the process of urban transformation, and this phenomenon is particularly evident in China. It has been formed gradually with the development of cities and is an inescapable topic in the process of urbanisation. The transformation of urban villages is one of the more complex parts of the urban renewal process, with the aim of creating a favourable environment for economic development, making full use of scarce land resources, improving the living conditions of residents and enhancing their quality of life and standards.

This thesis focuses on the issue of urban villages in the context of urban renewal and summarises the investigation of the relationship between urban renewal and urban villages in medium-sized inland cities. This paper will start from the introduction of urban villages and urban renewal from the inside out to explore the underlying logic of urban renewal and urban village transformation. The research is carried out from the perspectives of the historical background of urban villages, the composition of the population, the current situation of life and the future development trend of the area. The methods include data collection, questionnaire survey, information analysis and model construction to finally find a set of relatively reasonable suggestions for urban village transformation, so that the mutual promotion of urban renewal and urban village transformation can be made and the ideal urban village form can be reasonably envisaged.

Keywords: urban village, urban renewal, Chinese city, urbanization

1.Introduction

1.1 Research approach and main questions



Fig.1: Urban Village - Handshake House- Source: Dongmiandeyu 23/08/2018



Fig.2: Urban Village in Guangzhou- Source: Zhang Chao 2015

Urban renewal is a way for cities to improve themselves in terms of quality, and dealing with the issue of urban villages is an important part of this. Over the past 40 years of reform and opening up, China has made great strides in urban development and progress, with the urbanisation rate increasing from 17.92% in 1978 to 63.89% in 2020.¹ During this process, a large number of cities have emerged, especially as the scale of cities continues to expand, a large amount of land for agricultural production has been expropriated for use by cities, and the original rural non-agricultural construction land has been retained in urban space and further grown to form urban villages unique to the cities as the urban economy develops. In the early stages of urbanisation in China, the focus on area expansion left many hidden dangers, such as unreasonable urban planning and inadequate land use. 2008 saw the promulgation and implementation of the Urban and Rural Planning Law of the People's Republic of China², which effectively controlled the growth boundaries of cities and gradually shifted urban construction from using incremental land to using stock land. Some large and medium-sized cities, such as Beijing, Shenzhen and Zhengzhou, are developing rapidly and have a high demand for land. In order to improve the efficiency of land use within the built-up areas of the cities, the local governments have started to take the lead in promoting the

¹ Data from China Business Network (CBN), a financial media group with a full range of media businesses including newspapers, magazines and television in mainland China, which has a wide reach in mainland China

² The Law of the People's Republic of China on Urban and Rural Planning was adopted by the Standing Committee of the Tenth National People's Congress of the People's Republic of China at its Thirtieth Session on 28 October 2007 and came into effect on 1 January 2008.

transformation of urban villages within the built-up areas. The transformation of urban villages is an important part of urban renewal as it involves huge investment and high costs, with considerable economic and social benefits. At the same time, various types of renovation projects are gradually replacing new construction projects in the mainstream of urban construction. (Chenguang Zhu 2020)

Countless Chinese villages have been engulfed by modern cities. They no longer consist of picturesque farms and feng shui groves, but of high-rise buildings so close to each other that they create dark claustrophobic alleys - jammed with dripping air-conditioners, hanging clothes, caged balconies and bundles of buzzing electric wires, and crowned with a small strip of daylight, known as "thin line sky." At times, buildings stand so close to another they are dubbed "kissing buildings" or "handshake houses" - you can literally reach out from one building and shake hands with your neighbor. (Al, Stefan 2014)

The issue of urban villages is an increasingly prominent problem that hinders urban development. It has much to do with the speed of urbanisation, the quality of urbanisation, the scientific and intensive use of urban and rural land resources, the restructuring of urban industries, urban ecology and urban modernisation, and is therefore a major issue in the sustainable development of China's economy and society. (Xinhong Zhou 2007) In the view of the municipal government, urban villages are illegal buildings rather than part of the urban fabric. They are often considered urban pathologies that are incompatible with urban modernity. (Yan Liu 2018) The phenomenon of village in city reflects the conflict between modernity and traditional ideas and the expansion of contradiction in the process of urbanization.

1.2 Aims and objectives

The aim of this paper is "to find a relatively rational approach to urban village transformation and to develop a model for the mutual facilitation of urban renewal and urban village transformation, and to develop a rational vision of the ideal urban village form." To achieve this aim this paper has the following research objectives.

- To explore the characteristics and current situation of urban villages in China and to find the direction of urban village transformation.
- To explore the models of urban renewal in China and their advantages and disadvantages.
- Analysis of the relationship between urban villages and urban renewal in China

-Understand the Chinese government's policies on urban villages and urban renewal and the government's efforts in China's urbanisation process.

-Propose a series of measures for the mutual promotion of urban renewal and urban village transformation.

1.3 Research hypothesis

Urban villages are not only a hindrance to urban renewal, but they also offer a lot of help and opportunities. By examining the relationship between the two, a series of improvements can be found. We can take advantage of the advantages that urban villages offer to make urban renewal efficient and high quality, and ultimately achieve a win-win situation that is mutually beneficial.

1.4 Research methodology

In order to achieve the aims and objectives of the study and to attempt to test the hypotheses put forward, the study is divided into two parts, as shown in the diagram: a theoretical research part, and an example research part. For the first part, I will study relevant academic literature and results, survey and analyse theoretical knowledge related to urban villages and urban renewal in the literature, and study the concepts of urban villages and urban renewal and their intrinsic links. In the second part, I will investigate case studies and policies in China and the West in relation to

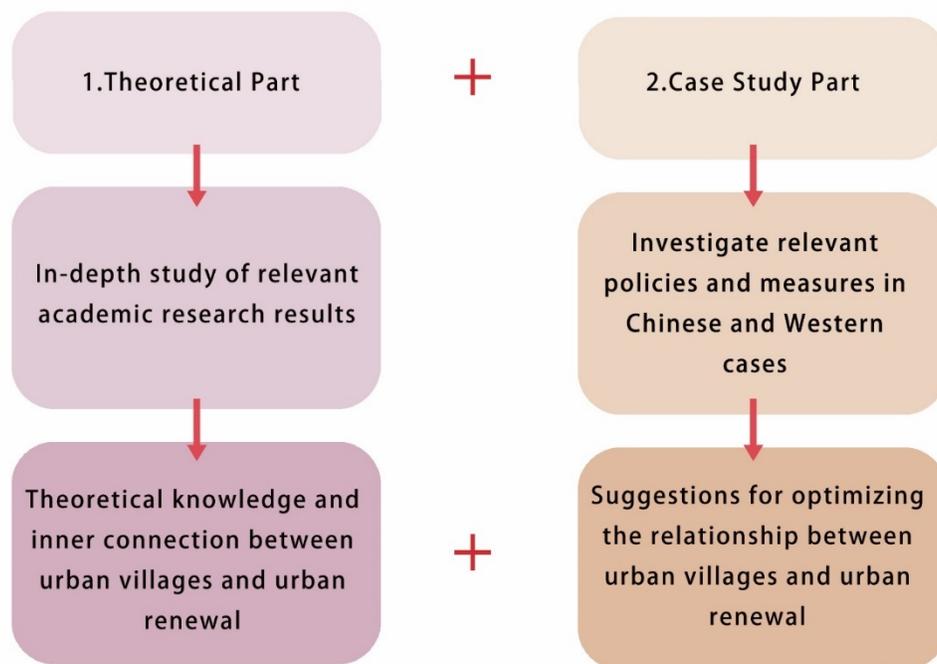


Fig.3: Diagram of Research Methodology, Source: drawn by the author

urban villages and urban renewal, and by comparing the characteristics of the two, I will come up with a series of policy recommendations to optimise the relationship between urban villages and urban renewal in China.

2 Literature review

2.1 Urban renewal

The concept of urban renewal originated in the West as a strategy to address the problems that arise in the course of urban development in Western countries. I read Mao Zhirui's³ article and it gave me a lot of scientific references for the development of urban renewal. Research on urban renewal has been divided into five phases, from "knock-down redevelopment" after the Second World War to "sustainable development" today.

- (1) In the 1950s, redevelopment. The post-World War II urban renewal was influenced by the idea of 'physicalism', which used the model of mass demolition and reconstruction and slum clearance.
- (2) In the 1960s, urban renewal. There was a tendency towards middle-class urban renewal, with many scholars critiquing past models of renewal and thinking in terms of reality.
- (3) In the 1970s, there was a neighbourhood renaissance. Urban renewal began to shift towards a small-scale, incremental model of community renewal that focused on providing better public services for residents.
- (4) In the 1980s, urban redevelopment. As a result of the global economic downturn, urban renewal shifted to market-oriented and real estate development-based redevelopment of older urban areas.
- (5) In the 1990s to the present, sustainable development. A strong focus on the preservation of the human environment and historical values, emphasising the social, economic and physical dimensions of urban governance and advocating multilateral cooperation.

After the 1990s, based on the reflection of governments and the public around the world on the failure of materialistic ideas in practice, urban renewal began to adopt humanistic concerns as an outline for action, and the idea of humanism first prevailed and became the theoretical basis for the revival of integrated community neighbourhoods in Western cities. the famous urban theorist and

³ Mao Zhirui, Associate Professor, School of Architecture and Urban Planning, Kunming University of Technology, with research interests in urban design.

social philosopher of the mid-20th century, Lewis Mumford⁴, was an intelligent more advocate. One of Mumford's most important ideas was to emphasise the need to adhere to the principle of human-centredness in engaging in urban planning, and to use the human scale to guide urban planning work. And the renowned American scholar Jane Jacobs⁵ concern for urban diversity provides an important theoretical basis for the practice of urban renewal. Based on the review and reflection of modern urban planning and urban construction, in her book *The Life and Death of Great American Cities* published in 2007, she argues that governments and planners should view the diverse characteristics of cities from the perspective of their innate characteristics, while pointing out that urban renewal and renovation have, to a certain extent, destructively destroyed characteristic buildings, urban spaces and urban culture. C. Alexander⁶ elaborates on the issue of transformation and preservation of historic values in urban renewal in *The Oregon Campus Planning Experiment*. He argues that there is a great deal of value in the city that has been preserved through its long history, and that large-scale redevelopment based on the theory of physical determinism is a denial of history, not only destroying historic and valuable remains, but also having a negative environmental impact on future development. These views are that urban renewal should not be a simple knock-down redevelopment, but rather a selective renewal based on the characteristics of the city and the interests of its citizens, while preserving the merits of the original city.

The study and practice of urban renewal in China started relatively late, in 1980, Mr Chen Zhanxiang⁷ first proposed the concept of "urban renewal", he believes that renewal includes redevelopment, protection and maintenance, etc. In 1994, in "Beijing's Old City and Ju'er Hutong", Professor Wu Liangyong⁸ innovatively proposed The theoretical concept of "organic renewal". His main point is that, from the city to the building, from the whole to the local, the various parts of the city as a living organism is organically linked, harmonious coexistence. Therefore, urban construction should be in

⁴ Lewis Mumford (October 19, 1895 – January 26, 1990) was an American historian, sociologist, philosopher of technology, and literary critic. Particularly noted for his study of cities and urban architecture, he had a broad career as a writer.

⁵ Jane Jacobs (Butzner; 4 May 1916 – 25 April 2006) was an American-Canadian journalist, author, theorist, and activist who influenced urban studies, sociology, and economics.

⁶ Christopher Wolfgang John Alexander (4 October 1936 – 17 March 2022) was an Austrian-born British-American architect and design theorist. He was an emeritus professor at the University of California, Berkeley.

⁷ Chen Zhanxiang is a senior engineer. He graduated from the Faculty of Architecture of the University of Liverpool, England, in 1943 and received a master's degree in urban planning in 1944, and was Vice-President of the First World Congress of Democratic Youth from 1945 to 1947. He was a member of the Urban Planning Committee of the Shanghai Construction Bureau and head of the General Drawing Team.

⁸ Wu Liangyong (born 7 May 1922) is a Chinese architect and urban planner. He was a former professor in urban planning, architecture and design. He is considered the most influential architect and urban planner in China.

accordance with the inherent order and laws of the city, in line with the urban fabric, the use of appropriate scale, reasonable scale, according to the content and requirements of the transformation, the proper handling of the relationship between the present and the future, on the basis of sustainable development to explore urban renewal and development, and constantly improve the quality of urban planning.

2.2 Urban village

In the urban village section, I studied the articles of Al, Stefan and Yan Liu, and I got references to urban villages from different angles. The urban village is a phenomenon unique to China's urban development, which has emerged from the long history of Chinese cities and the urban-rural dichotomy⁹. However, urban phenomena such as slums and urban fringe areas have also emerged in the course of urban development in the West, and their emergence and development are very similar to the phenomenon of urban villages in China. The main relevant studies include: urban villages, arrival cities, urban fringe areas and slums.

(1) Urban village

In early studies, urban villages were defined by scholars as rural areas around large cities that were on the edge of urbanisation. The book *The Dictionary of Human Geography*, edited by American scholars, defines an urban village as "a community located in a transitional or marginal area of a city that hosts a variety of migrant residents with similar cultural backgrounds and ethnic characteristics". In his book *Urban Economics*, Sullivan, an American expert on urban economics, defines an urban village as "a sub-centre of a modern suburb" and "a place where people live, work and play in harmony with each other and with nature". Definition The urban village, as a generic term for a low-rent community in the inner city, is a place where immigrants (mainly foreign immigrants) settle for the first or second time, and has typical characteristics of a diverse immigrant culture, with immigrant culture and regional culture as its typical features.

(2) Arrival city

In his book 'The Arrival City', Doug Sanders describes the urban-rural migration of nearly one-third of the world's population and suggests that the arrival city should have a forward-looking migration policy and careful planning. Arrival city plays a crucial role in the urbanisation and political, economic and social development of a country, playing the role of a factory for modern

⁹ Urban-rural dichotomy :Asymmetrical forms of organisation and social existence between the relatively backward production and way of life in the countryside and the progressive modern production and way of life in the cities

citizens, taking in a steady stream of rural migrants and exporting modern citizens who are able to integrate into urban life through the refinement of the landing city, and on the other hand, providing stable housing for the vast number of people working in the low-end service sector and ensuring the smooth running of the urban economy.

(3) Urban fringe

In his study of the territorial structure of large European cities in the last century, the German geographer L. Louis found that certain areas originally located at the city boundaries had been swallowed up by built-up areas as the city grew, thus becoming part of the urban area, which he called the urban fringe. The concept of the metropolitan area was first introduced around the year, and this was an innovative definition of the territory at the edge of the central urban area by two scholars, Queen and Thomas, who built on this concept by breaking it down to form the concept of the inner city, the urban fringe and the urban hinterland. The more complete concept of the urban fringe, on the other hand, was introduced by R.J. Privio in 1968. "The urban fringe is a zone of change in terms of land use, social and demographic characteristics, which lies between the built-up and suburban areas and the purely agricultural hinterland, and is almost entirely devoid of non-agricultural dwellings, non-agricultural landholdings. Around 1970, European scholarship gained a new understanding and appreciation of the urban fringe. Influential scholars such as H. Carter and S. Wheatley were the first to suggest the exclusivity of the urban periphery, which differs markedly from both urban and rural areas in terms of the comprehensive character of land use and the transitional character of socio-demographic aspects.

(4) Slum

One of the inevitable products of the urbanisation process, as seen in the history of the world's cities, is the slum, and it is a widespread phenomenon. The British geographer Susan Mayhew defines a slum: a slum is usually characterised as a collection of urban dwellings with incomes within the poverty line. Greg O'hare and Yok-Shiu's research shows that slums are widespread in both developed and developing countries, with a growing trend in developing countries such as India and Thailand. In his study of the Mumbai case, Vinit Mukhija found that slum upgrading policies must be based on a vision of diverse ownership. This is a departure from the tradition of focusing solely on private property rights. At the same time, the value of property rights, the material attributes of real estate rights (potential assets) and the interplay between ownership, property values and material attributes are all issues that must be considered in policy. Based on extensive research and studies in Thailand, Yok-Shiu F Lee found that in large cities in developing

countries such as Thailand, neither village-owned nor community-based forms of upgrading can fully solve the problems of slums. It is necessary to bring in external agencies to mobilise resources within the community and to attract external capital to the process in order to achieve fundamental slum upgrading.

In 1998, China attempted to solve the 'three rural issues'¹⁰ through an 'urbanisation' strategy, and in 2002 it proposed a strategic approach of 'coordinated urban-rural development' to deal with the urban problems caused by the dual structure of urban and rural areas. In 2002, China proposed a strategic approach of 'co-ordinated urban-rural development' to deal with the urban problems brought about by the dual structure. Initially, Chinese scholars focused their research on the formation mechanism, classification, characteristics and impact assessment of the urban village phenomenon. Zhang Jianming, Wang Xin, Lan Yuyun and Li Peilin have analysed in depth the causes and development mechanisms of the urban village problem from the perspectives of institutions, planning and management, and land interests. Li Peilin, Li Lixun, Zhang Jianming and Zhou Suhong have classified the urban villages from various perspectives such as geographical location and land use. Wu Yingjie, Yan Xiaopei, Wei Lihua and Li Lixun have summarised the problems of the characteristics of urban villages in terms of landscape appearance, society and economy respectively. There are also some scholars such as Yang Jian, Zhou Xinhongji, Yin Xiaoying and Yan Xiaopei who have put forward their insights on the impact assessment of the urban village phenomenon in terms of land use, urban management, urban landscape image and social justice. In addition, in 2007, a research group from the Ministry of Construction published a study on the planning and construction of urban villages, in which it was argued that we should look at the phenomenon of urban villages dialectically, and that although they are superficially out of place in modern cities, they also have their value of existence.

With the continuous advancement of urban village renewal projects, a large number of scholars have gradually started to explore the practical application of urban village renewal models and design strategies. Currently, there are two main directions of urban village renewal and transformation models in China, one of which is the division of the model with the main consideration of the renewal subject and the source of funds. For example, Lan Yuyun and Lan Yanxia argue that government-led urban village renewal can maximise the protection of public interests within the village. Yan Xiaopei, Wei Lihua and Zhou Ruibo argue that a "government-villager-developer" interest-balancing mechanism and diverse compensation methods should be constructed. In the context of the Shenzhen urban village renewal project, Cheng Jialong proposed

¹⁰ The "Three Rural Issues" refer to the three issues of agriculture, rural areas, and farmers

three renewal models, namely village collective-led, government-led and developer-led, according to different renewal agents. Another model is the division of land use and renewal volume as the main consideration. For example, the Shenzhen Dachong Village renovation project is the largest urban village demolition and relocation project in China, which adopts the model of demolition and reconstruction, while the Shenzhen Nantou Ancient Town and Dapeng New Area's Biweichang project adopt the model of comprehensive renovation and functional change. In addition, some scholars have proposed models such as landscape transformation or renewal according to three different levels of renewal objectives: high, medium and low.

2.3 The relationship between urban villages and urban renewal

Jia Shenghua, Director of the Real Estate Research Centre of Zhejiang University¹¹, elaborates on the deeper links between the problem of urban villages and urban development from a stakeholder perspective. Firstly, from the perspective of the causes of the formation of urban villages, urban villages are the result of the urban government's policy of spatial expansion under rapid urbanisation, which can be attributed to the dualistic system of urban and rural areas and the drive of economic interests. Secondly, from the perspective of the formation process of urban villages, urban villages have always been the product of the interconnection of the different interests of various stakeholders: exogenous urbanisation has brought about a sharp increase in the number of foreigners living temporarily in the city. These temporary residents, constrained by their own economic characteristics, have demanded cheap rental housing from the city. However, the government's formal low-cost rental housing ('low-cost housing') is unable to meet the needs of the transient population due to the threshold conditions and scope of coverage. At the same time, urbanised villages that were incorporated into urban development (the predecessors of 'urban villages') automatically caught market demand signals from the formal market and took advantage of their good geopolitical advantages and low land costs to offer cheap rental housing to migrant transients, thus eventually leading to and reinforcing various problems in urban villages. (Shenghua Jia, Wenjuan Zheng, Chuanhao Tian 2011)

Since the mid to late 1990s, with the further acceleration of urbanisation, the problem of the urban village, apart from its physical form and incompatibility with the city, has become increasingly prominent in terms of its economic and social impact on the city, and has received great attention from the Chinese government. Many sociologists and economists have begun to analyse the spatial phenomenon and the mechanisms of its evolution at the economic, social and institutional levels,

¹¹ The Real Estate Research Centre of Zhejiang University is an interdisciplinary, cross-faculty, academic, research, government and industry integrated cross-cutting research institution.

mostly from the perspective of its negative impact, and have concluded that it must be transformed. In recent years, some scholars have begun to notice the positive effects of urban villages, and it is the existence of these positive effects and their irreplaceability in the short term that provide a new perspective for the transformation of urban villages. (Xinhong Zhou 2007) Many scholars (Zhang Jianming 1998, Li Lixun 2001, Li Peilin 2002, Yan Xiaopei, Wei Lihua and Zhou Ruibo 2004, Li Junfu 2005, Zhou Lin 2005, Li Jinhuan 2005, Ding Sibao 2005) have made more analyses on the positive and negative effects of urban villages from economic, social and landscape perspectives. They argue that while urban villages have negative effects on urban development and renewal, they also have positive effects that cannot be ignored.

The negative effects include: 1) reduced land use efficiency; 2) damage to the urban landscape and environment; 3) lack of public facilities; 4) social security and stability problems; and 5) cultural attitudes and quality problems.

Positive effects include: 1) lowering the cost of living for low-income people; 2) being a major source of income for farmers who have lost their land; 3) a diverse social life; and 4) a transition from rural to urban areas.

While urban villages bring various positive and negative impacts to urban renewal, the pace of urban renewal also affects the development of urban villages. The stability and change of transformation policies in the process of urban village transformation directly affects the transaction costs and potential benefits of all parties involved, and therefore, when urban village transformation policies are formulated, there is a need to study the different outcomes that may arise from changes in transformation policies. (Chenguang Zhu 2020)

2.4 Introduction to relevant policies in China

This chapter provides some insight into foreign urban renewal policies. The British Urban Development Corporation was a major urban renewal initiative by the British government in the early 1980s to address the problems of ageing urban areas. British cities (especially large cities) were experiencing a tide of serious social unrest, migration, economic decline, and intra-urban problems in the early 1970s. In order to address these problems, the British government began to launch an urban renewal campaign, enacting a series of urban renewal policies. The impact of the rapidly growing tide of industrialisation and urbanisation saw an influx of migrant workers into the cities, making urban housing increasingly tight. In 1929, a worldwide economic crisis swept through the United States, and the federal government became involved in housing issues in order to 'recover' the economy. (Zhi Huang 2013)

The researcher has gathered information on current policies in China from the Chinese government's website and the latest national policies from the White Paper on Urban Renewal in China¹². In addition to this, this paper also collects many researchers' interpretations of China's regional policies, such as Ye Lei, Liu Guiwen and Xu Qiang's research on Shenzhen's policies, and Deng Jionghua, Wang Linsheng and Wang Shifu's research on Guangzhou's policies.

2.5 Policy recommendations for optimization

Regarding the suggestions for optimising the relationship between urban villages and urban renewal, this paper cites the views of Shan Jingjing, Geng Yanan and Yu Binglei in their article "Urban Village Transformation in the Perspective of Urban Renewal: Model Comparison and Pathways" Selection in 2021: 1) Correctly view the multiple game relationship in the process of urban village transformation. 2) Pay attention to the transformation of social space in the process of urban village renewal and transformation. 3) Avoid rigid understanding of urban renewal. 4) Pay attention to the housing problem of the foreign permanent residents in the process of urban village transformation. (Shan Jingjing, Geng Yanan, Yu Binglei 2021) It also learns from Huang Zhi's research and views on Shenzhen's renewal strategies in his article "Research on Urban Village Transformation Patterns and Strategies". (Zhi Huang 2013) Yi Jiaying, Deng Limin and Zhang Weikang, in their article 'Urban Village Transformation, Activating the City', suggest that: 1) policies should be used to regulate the transformation of old villages; 2) the interests of all parties should be balanced; 3) green channels should be opened up to speed up the administrative approval process; and 4) a sound information and data sharing platform should be established. These comments are equally relevant to this article. (Yi Jiaying, Deng Limin, Zhang Weikang 2021)

3 Urban renewal in China

Urban renewal refers to the improvement, perfection and optimisation of the spatial form and function of urban renewal in a specific area by a specific subject. It mainly includes the improvement of infrastructure and public facilities, the protection and cultural inheritance of the historical landscape area, the optimisation and adjustment of the existing land use and building functions, the revitalisation and utilisation of the inefficient stock of land and the improvement of the ecological and environmental quality, which is a concept that integrates the renewal and upgrading of the urban structure, functional system and industrial structure compared to the expressions of urban village renovation, old village renovation and old city renovation. It is a concept that integrates

¹² White Paper on Urban Renewal in China: the official instrument issued by the Chinese government on urban renewal policies and data.

various aspects of urban structure, functional system and industrial structure renewal and upgrading.

3.1 Introduction to the chapter

In this chapter, I will start from the background and source of urban renewal, and introduce the development process of urban renewal in China. Next, I will introduce various aspects of urban renewal projects in China, including: the relationship between policy innovation and sustainable development, network governance, and key variables, paths and strategies, stakeholders, and the relationship with urban villages, and analyze the obstacles and opportunities of urban renewal in China.

3.1.1 Background of urban renewal

After the Second World War, urban renewal became the most influential urban policy in the world. Urban renewal in the West has gone through four stages of development: slum clearance - community redevelopment - old city development - neighbourhood revitalisation, and urban renewal policies, represented by the United States and European countries, have had a profound impact on the physical and social structure of cities around the world. Although each country has its own historical background and socio-economic conditions, and has encountered different problems, different target groups, different approaches and different outcomes, the basic trends of urban renewal have remained the same in the end.(Yu Zhang 2011)

(1) Phase 1: Slum clearance

This phase of urban renewal is characterised by bulldozing and redevelopment. The overall physical image of the city is enhanced by the extensive demolition of dilapidated buildings in the city. Most of the renewal is financed by the government, although in some areas there is some private sector involvement in the redevelopment. The government subsidises the relocators and has a high degree of discretion over the areas and the process of renewal. After a considerable period of recovery following the Second World War, the Western economies began a period of rapid growth, against a backdrop of rising incomes and the desire of the public to be able to improve their living conditions. With the aim of improving the image of the city, enhancing the credibility of the government and making better use of the value of the land in the city centre, a series of major and radical demolitions were carried out in slums throughout the Western world. The United Kingdom and the United States have played a leading role in this dramatic campaign of demolition and construction. The first major slum upgrading took place in the UK, where a massive campaign of poverty eradication began with the introduction of the Housing Act. This led directly to the UK becoming the first country in the world to focus on urban renewal. During the same period, in the

United States of America, the slum clearance programme began under the pretext of a public housing programme in order to revitalise the urban economy and to promote the Housing Act, which was later repeated to form the urban renewal programme.

(2) Phase 2: Community renewal

By the 1960s, Western countries had generally emerged from the shadow of the Second World War with a significant socio-economic uplift and a significant improvement in the economic earning power and quality of life of individual households. With the growth of total social wealth, people began to have the time and energy to think about the role that government should play in society, and they believed and believed that in a market economy of competition and incomplete information, appropriate government intervention could play an important role in the development of the country and society as a whole. Through macroeconomic regulation, the government can improve the services needed in daily life by focusing on the protection of the interests of vulnerable groups and increasing the welfare input of society as a whole. As a result, a new phase of urban renewal, namely community renewal, which focuses on social welfare and the improvement of public services, has gradually replaced the large-scale redevelopment campaigns of the past.

The modern urban programme in the United States in the mid-1960s to tackle poverty and the urban renewal policies of the British government in the mid-to-late 1960s, which aimed at inner-city renewal, physical environment renewal and social welfare enhancement, are well represented. This phase also influenced community renewal in European countries such as the Netherlands, France and Germany. (Wei Zhao 2008)

(3) Phase 3: Old City Development

The global economic downturn and the introduction of the free market policy system into the 1970s led to a shift in urban renewal policy in the West in the 1980s from government-led welfarist community redevelopment to market-led redevelopment of old cities with property development as the main form. The neo-classical development model of the UK and the free market policies of the US formed the theoretical cornerstone of the western urban renewal policy system in the 1980s. During this period, property development became the main mode of local renewal in the UK. Property companies became the primary force in rescuing the economies of declining urban areas. The government sector took a back seat and was primarily responsible for creating an environment conducive to investment and economic growth. The US government's policy of 'urban renewal' removes or reduces funding for the Modern Cities programme, leaving state and local governments to take responsibility for urban programmes. This phase of urban renewal was characterised by a

deepening partnership between the government and property companies, with the government providing the policies and property companies providing the funds to redevelop urban centres to stimulate economic growth in older cities.

(4) Phase 4: Neighbourhood Renewal

After the 1990s, the world began to pay close attention to the human environment, and the concept of sustainable development and people-centredness gradually took root. Urban renewal is no longer just about real estate development and the renewal of the physical environment, but about the renewal of the community. It is a comprehensive and holistic approach to solving various urban problems, working on all aspects of the economic, social and physical environment to make long-term and sustainable improvements and enhancements to changing urban areas. In 1991, the UK's Urban Challenge programme identified resident participation as a key feature of neighbourhood renewal. The preservation of the community's historic buildings and the maintenance of the social fabric of the neighbourhood are as important as the elimination of decline and decay. The key to this is through the assumption that those residents who have original ownership of their homes are willing to join their ownership in order to share a proportionate share of all development proceeds. (Jane Jacobs 1992)

3.1.2 The evolution of urban renewal

From the end of World War II to the present, urban renewal has been practised in many Western countries, and at the same time, the theory of urban renewal has been evolving.

(1) Early physical renewal and later human-centred sustainable renewal

The idea of physical planning is the core idea of modern urban planning theory and the origin of urban renewal theory. From the earliest days of urban renewal in Western countries, represented by the slum clearance movement, physical planning has always been a part of urban renewal. In the early years of urban renewal, governments and planners concentrated their efforts on the aesthetics of the buildings from an architectural point of view, without the necessary 'inner beauty'. The specific context of the spatial environment and the social and cultural development of the city is ignored, while the needs of the inhabitants are ignored. Moreover, practice has proven that such large-scale urban renewal, which emphasises the external over the internal, is not feasible and not sustainable. The fundamental reason for urban renewal is to stimulate the city's internal dynamics and promote its economic development. Issues such as deep humanistic concerns, changes in the social structure of the city, the behavioural and psychological needs of the inhabitants are no longer

the sole domain of sociological and psychological research. People began to realise that the only correct value objective for architectural activities related to urban renewal was the comprehensive care of the human condition and existence. In the late 20th century, the concept of sustainable development emerged as an important ideological basis for urban renewal in a new era, in the face of the problems of resource depletion, environmental pollution and population growth in global economic development.

The concept of sustainable development was developed as a positive response to the pressure of environmental pollution and energy consumption on people to live in the future. The concept was first introduced in the Brent Report in 1987, which emphasised the need to meet the needs of the present without compromising the needs and aspirations of future generations. In June 1996, the United Nations convened the Second Conference on Human Settlements in Istanbul with the themes of "adequate shelter for all" and "sustainable development of human settlements in the context of urbanisation". This marked the recognition of this concept by governments and people around the world and its application as an important development idea in various fields, including urban renewal activities.

(2) Changes in the subject of urban renewal

As the concept of urban renewal has evolved, the main actors in its operation have also changed, from a single dominant type to a multi-participating and co-operative type. Prior to the 1970s, when slum clearance and welfare-coloured communities were being regenerated, both the central and local governments played a leading role, and most of the funds for renewal came from government departments. The 1980s were a time of clear market mechanisms, with government departments and property companies becoming the mainstay of the renewal movement and the role of the community being significantly marginalised. It was not until the 1980s that urban renewal attempted to change the neglect of community issues under the market-driven mechanism, and tended to strengthen the role of the community in renewal: on the one hand, the wishes and interests of the community were incorporated into the renewal plans, becoming a third pole to counterbalance the two roles of the government and the property companies. On the other hand, urban residents coordinate the self-help transformation of their residential communities with the government and developers, and share in the benefits of renewal. The participation of the government, property companies and community residents has transformed the urban renewal movement from a top-down approach to a new bottom-up mechanism, with checks and balances on the power of each party to ensure that the multi-dimensional renewal goals are achievable.

(3) A shift from top-down to bottom-up urban renewal concepts and practices

The bulldozer-style redevelopment of the slum clearance movement was a major contributor to improving the physical appearance of the city and enriching its functions, but it was also criticised for the many problems it created. For example, the living conditions of the lower strata of society were only superficially and temporarily improved after relocation. In essence it is just a renewal process of transferring the poor from an old slum to a modern one, and this process comes at a high socio-economic cost. In order to improve this situation and to properly address the social problems associated with the inhabitants of poor communities, government-led and welfare-influenced community renewal has gradually been adopted and promoted in Western countries. Although ultimately community renewal is still dominated by housing and infrastructure renewal, at least the approach of addressing the social problems of the population through the enhancement of social services has come into view. In fact, in a sense the former inhabitants of the communities being transformed do enjoy some of the social benefits and public services that come with renewal. To a certain extent this also reduces the gap between rich and poor in society and slows down the process of social differentiation. But the key problem with this type of renewal is the lack of necessary externalities. At the same time there are inherent limitations to the amount of money invested by the government. As more and more poor communities wanted to join the renewal programme, and the government was burdened with an increasing financial burden after several renovations, coupled with the decline of the Western economy in the broader context, the gap between promise and reality grew wider and the welfarist policy rapidly became bogged down.

In order to ease the government's finances, stimulate the local economy and promote private investment, market-oriented redevelopment of the old city emerged with great success. Commercial investment in the city centre continued to increase, the middle class returned to the centre of town and the consumer-driven economy gradually increased. In contrast to community renewal, the property development model has significantly improved the socio-economic status of the areas being regenerated, but the resulting demographic displacement and gentrification have become new spin-offs, and neighbourhoods have been destroyed. More importantly, in the real estate development style of urban renewal, in order to attract investors' desire to invest, government departments can suppress the public's role in community building, ignoring the actual wishes and needs of the public, leading to a further widening of the gap between the rich and the poor. As a result, amidst criticism from all sides, the real estate development style of urban renewal was forced to call a halt, and after rethinking the essence of urban renewal ushered in a humanist-oriented neighbourhood revival, where the wishes of residents and public participation were increasingly considered and valued, and the focus of renewal and renovation was extended from a

single physical environment dimension to social, economic, environmental and cultural aspects, in order to make up for the previous problems and deficiencies. The concept of urban renewal is also evolving and maturing in terms of orientation issues.

3.2 China's urban renewal development history

For complex socio-historical reasons, China was a semi-colonial and semi-feudal society for a long time, with a natural economy dominating the national economy. It was not until after liberation that China really entered the process of industrialisation. Faced with the decay of many old cities in the post-war period, urban renewal began to receive attention. In summary, the development of urban renewal in China since liberation has gone through the following stages.

1. 1950s~1970s

From the beginning of liberation to the 1970s, in order to get rid of the poverty and backwardness left behind by the old China, the economy was developed in a socialist planned economy model. Under the guidelines of "changing the city of consumption into a city of production" and "urban construction serves production and the working people", the main focus was on productive construction, with a large number of productive projects located in new urban areas. Due to the many historical legacy problems in the old cities and the limited capacity of the government at that time, the old cities could only be "fully utilised and gradually transformed". (Wei Zhao 2008) The limited urban renewal was mainly focused on the renovation of shantytowns and dilapidated houses, as well as the construction of some basic municipal facilities to solve the basic living problems of the residents, such as hygiene, safety and reasonable separation, and the construction and widening of a few roads in terms of transportation.

2. 1970s~1980s

Late 1970s, the focus of urban construction shifted to clearing 30 years of arrears in amenities and began to focus on building residential housing in an attempt to solve the problem of housing shortages for urban workers. During this period, most of the land for construction was still chosen for new urban areas, while the old urban areas were mainly subject to a policy of supplementing vacancies. Due to the dense population and high density of buildings in the city centre, it was generally not possible to renew and renovate them, thus giving rise to the anomaly of new, good quality and high storey buildings in the periphery of the city, while the buildings in the central areas were more dated and contrary to the normal laws of urban development. In addition, due to the constraints of the management system and economic

conditions, and the weakness of the concept of preserving history and culture, most of the construction projects were fragmented, with low standards, incomplete support, encroachment on green areas and destruction of the historical and cultural environment.

3. 1980s~1990s

During the period from reform and opening up to the early 1990s, the market economy system was developed, but the planned economy mentality still prevailed in the basic process of urban development and construction under the effect of great inertia. The lack of a policy environment for urban renewal during this period, coupled with the hidden problems left behind by inappropriate urban construction before the reform and opening up, put China's urban renewal in a special period of "struggling and stagnation, unable to make new things happen". Cities, especially old cities, have experienced functional and structural decline as well as more serious physical ageing problems. During this period, most cities in China built a number of multi-storey box-like residential areas in old and new areas, hoping to solve the housing problems of the majority of the population with the least amount of money, but at the same time unintentionally destroying the urban fabric and causing the cities to lose their character. This period of urban renewal can be characterised by a 'narrow' and 'plain' formalism and functionalism in an environment of mono-functional urban development, with total government intervention.

4. 1990s~2011

From 1990 to 2011, the establishment and gradual improvement of the socialist market economic system contributed to the rapid development of China's urban economy. The reform of the system of paid land use and the commercialisation of housing contributed to the booming development of China's urban construction and real estate industry, with real estate development becoming the dominant force in urban renewal. This period of urban renewal in China has many similarities with the pre-World War II urban renewal of the West, which was influenced by formalism and focused on sanitation and urban beautification, as well as the post-World War II urban renewal of large-scale demolition and reconstruction. It was characterised by a unidimensional model of renewal that was dominated by real estate development, large-scale and rapid, and focused only on the physical environment. The flourishing momentum of urban renewal in China during this period has its objective background and conditions: firstly, after years of accumulation, the physical environment of the old cities has aged very badly. Secondly, the population density in the old cities was too high and the infrastructure potential had been exhausted, making it difficult to adapt to the requirements of urban economic development and the increasing living standards of the residents. Thirdly, there is less and less land available for

new construction in many cities, forcing people to turn their attention to old cities in the hope of tapping into the stock of land through urban renewal.

5. 2012~2020

Since 2012, China's urbanisation rate has exceeded 50%, and the rapid urbanisation process of the past decades has sown a crisis of ecological environment and food security. Faced with the reality that spatial resources are becoming scarce and development mechanisms are being forced to transform, urban renewal has become an inevitable choice in the era of stock planning. The National New Urbanisation Plan (2014-2020) in 2014 and the Central Urban Work Conference in 2015 signified that China's urbanisation has shifted from high growth to medium growth and entered a new stage of transformation and development with quality improvement as the main focus. The 19th National Congress of the Party has further clarified that the people's growing need for a better life is the focus of national work. In this new historical period, the principles and objectives of urban renewal and its inherent mechanisms have undergone profound changes, and urban renewal has begun to focus more on major issues such as the internal development of the city, the improvement of urban quality, the transformation and upgrading of industries and the intensive use of land.

On 16 March 2014, Xinhua News Agency published the National New Type Urbanisation Plan (2014-2020) issued by the Central Committee of the Communist Party of China and the State Council. The issuance notice pointed out that the Plan is a macro, strategic and fundamental plan to guide the healthy development of urbanisation nationwide in the coming period. Urbanisation is a necessary path to modernisation, an important way to solve the problems of rural farmers in agriculture, a powerful support to promote coordinated regional development, and an important grip to expand domestic demand and promote industrial upgrading. The formulation and implementation of the Plan, and the efforts to come out of a new type of urbanisation with Chinese characteristics, which is people-oriented, synchronised with the four transformations, optimised in layout, ecologically civilised and culturally inherited, are of great practical and far-reaching historical significance to the overall building of a moderately prosperous society and accelerating socialist modernisation. The plan includes eight chapters: 1 Planning background. 2 Guiding ideology and development objectives. 3 Orderly promotion of the civilisation of the agricultural transfer population. 4 Optimising the layout and form of urbanisation. 5 Improving the sustainable development capacity of cities. 6 Promoting the integration of urban and rural development. 7 Reforming and improving the institutional mechanism for urbanisation development. 8 Planning implementation.

The Central Urban Work Conference was held in Beijing from 20 to 21 December 2015. Xi Jinping delivered an important speech at the conference, analysing the situation facing urban development and clarifying the guiding ideology, general ideas and key tasks for good urban work. In his speech, Li Keqiang discussed the current focus of urban work, put forward the specific deployment of good urban work, and made a concluding speech. The main points of the meeting include:

- 1 Respect the law of urban development.
- 2 Coordinate the three major structures of space, scale and industry to improve the overall situation of urban work.
- 3 Coordinate the three major links of planning, construction and management to improve the systemic nature of urban work.
- 4 Coordinate the three major driving forces of reform, technology and culture to improve the sustainability of urban development.
- 5 Coordinate the three major layouts of production, life and ecology to improve the livability of urban development.
- 6 Coordinate the government, society and citizens to improve the enthusiasm of all parties in promoting urban development.

3.3 Policy innovation content and sustainable development of urban renewal in China (The case of Yongqinfang, Guangzhou)

A major policy innovation in China, urban renewal creates an opportunity to promote sustainable inner-city development and to foster economic growth in an environmentally and culturally sound way, which demands a close investigation of its context, internal and external dynamics, and policy features. Property-led redevelopment dominated China's urban renewal since the early 1990s, as a result of the market reform and political decentralization. Recently, it has become important to meet the interests of local communities and the diverse stakeholders in the effort to preserve the urban history and cultural fabric of cities. Here we analyse a groundbreaking case in Guangzhou to provide a point-by-point account of the policy innovation and sustainable development of urban renewal in China in recent years.

Yongqing Fang (population: 14559) is a historical community in which the residents have lived for generations, with their memory of the Xiguan (west gateway) culture. The residents sought to protect their homes and safeguard the community and appealed for improved living conditions, protecting the public space, and maintaining the historical blocks, including the street of Qui Lou Big House. The urban renewal project goals are to bring greater social security, to revitalize commerce, and to improve quality of life.

Aside from the residents, the general public in the city made wide appeals about the impacts of the project, which was manifested in a wide range of social media. Their main goal was to preserve the historic blocks for the general good of the city. In the case of Enning Road, (Zhang and Li 2016) remarked that “residents have managed to react on a number of occasions. It turns out that their actions have been strategically pitched into a multi-scalar contesting field”(p. 162). Popular individual and collective petitions were expressed by residents with regards to heritage preservation and fair compensation plan.

Urban renewal	Context	Innovation
Underrepresentation Phase (2006–2009)	Dominated by growth-oriented economic and political goals in the early stage of urbanization	Urban renewal adopted to stimulate land use, housing boom and urban growth
Consultation Phase (2010–2011)	Civic engagement rose, requiring wide participation and institutional response to care for public interest in urban renewal	National policy targeted at land use reform, with an increasing number of non-governmental actors joined
Grassroots Action Phase (2011–2016)	Environmental concerns demanded grassroots action	Local government started micro-renewal policies
Integrated Renewal Phase (2016 to present)	Emphasizing social, cultural, and historical preservation	Urban renewal sought to secure a sustainable growth

Fig.4: Context and innovation of urban renewal policy in Yongqingfang. Source: Ye L, Peng X, Aniche LQ, Scholten PHT, Ensenado EM. Urban renewal as policy innovation in China: From growth stimulation to sustainable development.

From 2006 to the present, the direction and focus of urban renewal in Yongqingfang has been innovative, from the initial focus on economic growth to the current emphasis on culture, history and environmental protection, with sustainable development becoming an increasingly guiding ideology for urban renewal.

The early stages of the Yongqing Fang project sought to adopt the old-fashioned redevelopment model by demolishing the historical district and implementing a new commercial housing project. The Liwan district government tried to “clean up” the land under the direction of the municipal government for new commercial development, with the investment from real estate firm Vanke as commercial developers. When developers sought project profits without sufficient consideration of social costs and city history, there were limited voices heard from community. The coordination mechanism was rather administrative and coercive, with an unsuccessful outcome and unsustainable renewal model.

In the later stage, the approach shifted to a microtransformation model to preserve the nature of history in the neighborhood and at the same time stimulate high-end commercial activities. Wide involvement from local groups took place. The government became facilitators for historical preservation and commercial development, while developers like Vanke provided a new business

model. There was a multiple party collaboration, manifested by open discussion and negotiation. Public forums attended by a wide range of actors to ensure the renewal policies were put in place, and to require participation and supervision. During this process, the coordination mechanism was characterized by an equal and mutually beneficial relationship, and the outcome at this point seemed promising. (Ye L, Peng X, Aniche LQ, Scholten PHT, Ensenado EM. 2021)

Guangzhou Yongqingfang's urban renewal project is a microcosm of the innovation in urban renewal in China, where policy innovation is increasingly responsive to the requirements of sustainable development. This is not only a decision made at government level, but also the result of the joint efforts of the whole community. The complex network of stakeholders plays a large role in this process and is something that urban renewal has to face.

3.4 Network governance in urban renewal policy in China (The case of Shenzhen and Chongqing)

This chapter cites Wei Zhang, Xinxin Zhang, Guangdong Wu's study of urban renewal network models in *The network governance of urban renewal: A comparative analysis of two cities in China*.

Urban renewal has been an important strategic choice to promote urban development. It involves multiple stakeholders with different interests, such as the government, enterprises, communities, and residents, which is a complex collective action. Therefore, how to coordinate the complex interest demands of various stakeholders in urban renewal, improve the efficiency of urban renewal projects, and ensure the orderly progress of urban renewal is crucial. To address this issue, they used a social network approach to construct an urban renewal network model. The network of 531 urban renewal projects in Shenzhen (Population: 17.682 million) and 300 urban renewal projects in Chongqing (Population: 32.124 million) in 2019 was analysed in comparison using UCINET6 software.

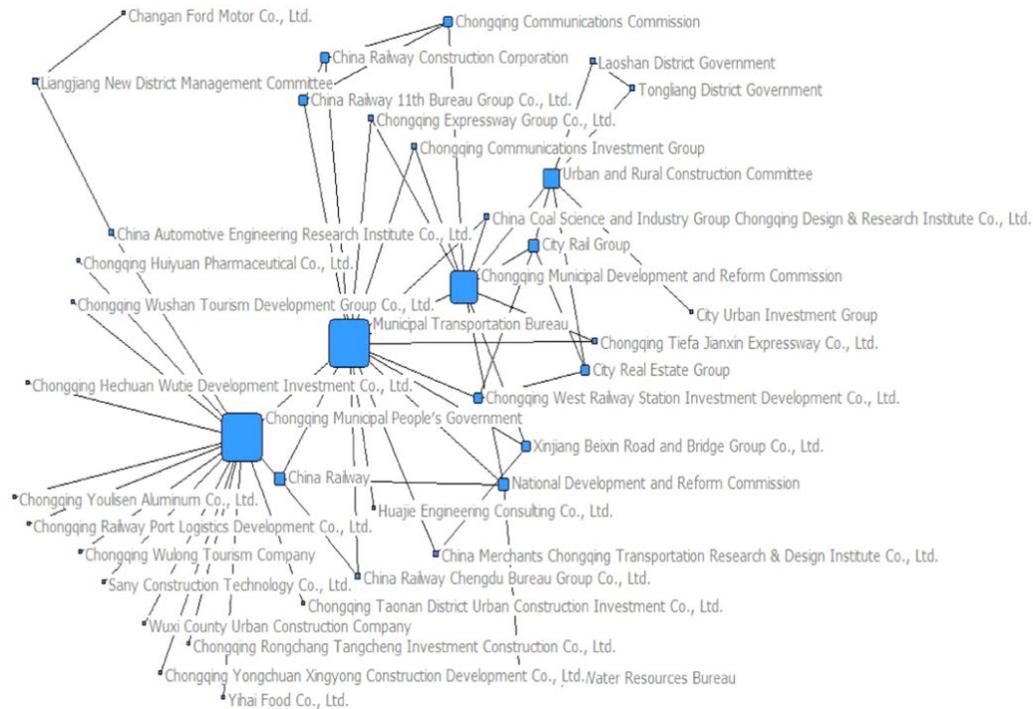


Fig.5: A social network of Shenzhen urban renewal. Source: Wei Zhang, Xinxin Zhang, Guangdong Wu. 2021

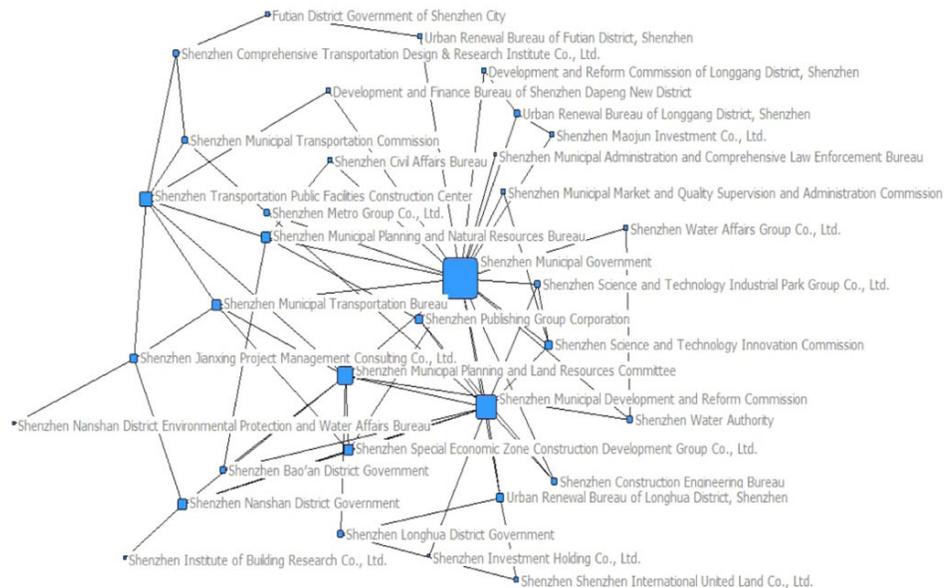


Fig.6: A social network of Chongqing urban renewal. Source: Wei Zhang, Xinxin Zhang, Guangdong Wu. 2021

About the Urban Renewal Network Study.: First of all, this study uses the urban renewal projects of Shenzhen and Chongqing in 2019 to construct the urban renewal network model according to the social network analysis method. It scientifically analyzes the status and existing problems of urban renewal, filling the research gap of urban renewal cooperation networks. Secondly, this study uses UCINET soft-ware to calculate the relevant index data of the urban renewal network in Shenzhen

and Chongqing, and analyzes the problems in the urban renewal network in Shenzhen and Chongqing. Through the comparative analysis of the two cities, the problems of urban renewal can be analyzed more comprehensively, which is more conducive to proposing solutions and promoting the realization of the multiple goals of urban renewal. Finally, in this study, the UCINET software is used to analyze the index data in the urban renewal network by constructing the urban renewal network model. This has certain reference significance for analyzing the problems existing in urban renewal, improving the communication and cooperation among various stakeholders in urban renewal, and promoting the sustainable development of cities and the transformation of urban development models.

The calculated data shows that: first, through network density, it can be seen that although the urban renewal of Shenzhen and Chongqing has formed a cooperative network, the urban renewal network density of the two cities is still relatively low, indicating that the urban renewal network structure of the two cities is relatively loose. The connection between the nodes is not close enough. Government units are mainly at the core nodes of the network, and enterprise units participating in urban renewal construction are on the fringe. The business units at the edge of the network are mainly connected with government departments, and lack communication and contact with each other, which shows that the collaborative communication between the nodes is not sufficient. Compared with Shenzhen, Chongqing's urban renewal network density is relatively smaller, indicating that Chongqing's urban renewal network is not perfect and the network structure is too loose. Second, by measuring the centrality of the urban renewal networks in Shenzhen and Chongqing, it can be seen that the core nodes of urban renewal in Shenzhen and Chongqing are government agencies, mainly because the local municipal government has played a leading role. However, other relevant stakeholders are marginalized, indicating that the ability of these unit nodes to master information resources and information exchange capabilities is generally lower than that of government agencies. However, the advantage of the network structure lies in the communication and sharing of members within the network organization and the sharing of resources. There are core nodes in Shenzhen and Chongqing's urban renewal network to handle a lot of resources and information, while other nodes have fewer resources, which is not conducive to resources. Third, from the measurement results, the urban renewal networks in Shenzhen and Chongqing are mainly controlled and monopolized by several key government agency nodes, and the nodes at the edge of the network are relatively autonomous. Compared with Shenzhen, Chongqing's edge nodes are more independent, but they are unilaterally connected to the corresponding core nodes, and there is no exchange or restriction between them; compared with Chongqing, Shenzhen's urban renewal network is relatively complete. Even between the nodes in

the edge zone, there will be connections between them, and the exchange and cooperation between their nodes will be closer. However, from the data results, it can be seen that the lack of nodes in the supervisory status of the urban renewal networks in Shenzhen and Chongqing may lead to illegal actions by enterprises and other edge nodes driven by interests.

In response to the above conclusions, in order to promote the transformation of the urban governance model, promote the smooth progress of urban renewal and achieve the multiple goals of urban development, this study proposes the following suggestions:

First, optimize the urban renewal cooperation and negotiation platform, and strengthen the communication between the participants. Second, promote the development of enterprises in the field of urban renewal and increase the participation of the participating entities. Third, improve relevant policies and regulations, and regulate the behavior of urban renewal participants. (Wei Zhang, Xinxin Zhang, Guangdong Wu, 2021)

The results of the network analysis for Chongqing and Shenzhen also reflect the current situation of urban renewal in China to some extent: 1 the relationship between stakeholders is not close enough, which is not conducive to efficient urban renewal; 2 there is not enough participation from developers and enterprises and the public, and urban renewal is still mainly government-led; 3 there is insufficient regulation, and more regulations need to be introduced to guide urban renewal.

3.5 Contents and key variables of China urban renewal policies (The case of Chongqing)

This chapter cites Tao Zhou, Yulin Zhou and Guiwen Liu's research in Key Variables for Decision-Making on Urban Renewal in China: A Case Study of Chongqing.

Currently, the Chinese government leads urban renewal via a top-down management style with the government playing the role of decision-maker. The decision-making opinions held by groups of stakeholders are divided, which creates many social problems, project technical issues and even civil disorder. Zhou Tao and others used factor analysis to extract the key variables for decision-making on urban renewal and the entropy weight method to sort these key variables by importance. Based on this order, the differing opinions of stakeholders regarding urban renewal decision-making are explored. First, contradictory opinions exist concerning the importance of the ecological environment, housing and facilities, social welfare and commercial activities, which are the main driving forces behind urban renewal, due to the groups of stakeholders having different interest demands. Second, these varying interest demands of the stakeholders affect the urban renewal decision-making results. Finally, compensation to people for the demolition of their homes, infrastructure supplements and the investment behaviour of developers display the greatest lack of

consensus of all the variables tested in urban renewal decision-making between different stakeholders.

Each group of stakeholders focuses on one particular aspect that contains only a few factors as seen in Figure 7 (i.e., the government focuses on urban and industrial economy, social welfare and network; the market entity focuses on company profit, working environment and public facilities; and the property right subject focuses on physical condition, compensation and social welfare); however, they are unable to form a comprehensive urban renewal decision-making system. Urban renewal decision-making where one group of stakeholders occupies the dominant position of decision-maker cannot play the role of processing the whole situation and guiding the resulting implementation phase. Therefore, combined participation by the government, developers and the public is proposed by many researchers. In practice, however, conventional approaches are that the government controls urban renewal planning and decision-making, disregarding the role of the participation process, which is a facilitator to catalyse urban renewal processing during the implementing or operating stage [20]. The government exercises macro control over the overall urban renewal program by developing a certain amount of renewal regulations. In addition, detailed work is involved in identifying renewal areas via a set of assessment criteria, and then reaching a resettlement and compensation agreement with owners purchasing in the renewal areas. After the above-mentioned work is completed, the government can embark on housing demolition and land use right assignment. The use of land in redevelopment is also governed by the government based on urban planning.

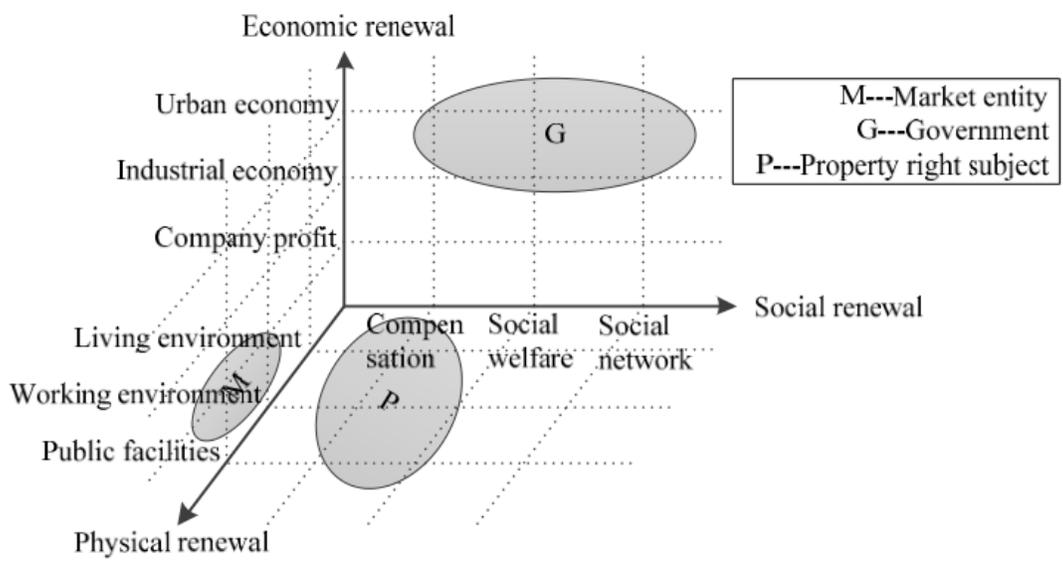


Fig.7: Concerning factors of different stakeholders on urban renewal. Source: Tao Zhou, Yulin Zhou and Guiwen Liu. 2017

Although in China, the government dominates the process of urban renewal, but due to the large number of stakeholders in urban renewal, they often have different concerns. This paper identifies the key variables for decision-making on urban renewal and how the importance of key variables diverges between the different stakeholder groups. A total of 82 influence indices were identified via a literature review and using expert interviews. Then, 300 questionnaires designed in the five Likert scale form were sent to four groups of stakeholders, governments, real estate developers/investors, experts/scholars and the public, associated with urban renewal. A total of 45 key indices were selected using factor analysis by recycling the questionnaire data. Nine key variables, social welfare (V1), economic and real estate development level (V2), public facilities (V3), demolition and resettlement compensation (V4), infrastructure (V5), ecological environment (V6), policy and planning (V7), construction status (V8) and investment behaviour of developers/investors (V9), were identified, which cover nine aspects of the buildings and facilities, ecological environment, economy, society, policy and regulations, development investment, and demolition. These variables embody the various goals of the stakeholders involved with urban renewal projects and can provide a decision-making basis for the comprehensive development of urban renewal. This information is helpful for further research on constructing urban renewal decision-making evaluation systems.

Importance Sorting	Government Officers	Real Estate Developers/Investors and Employees	Experts/Scholars	The Public
1	V ₃	V ₅	V ₆	V ₆
2	V ₅	V ₄	V ₉	V ₁
3	V ₁	V ₁	V ₃	V ₃
4	V ₆	V ₆	V ₄	V ₂
5	V ₈	V ₉	V ₁	V ₈
6	V ₉	V ₃	V ₈	V ₄
7	V ₂	V ₈	V ₇	V ₅
8	V ₇	V ₇	V ₂	V ₉
9	V ₄	V ₂	V ₅	V ₇

Fig.8: Sorting of key variables for each group of stakeholders. Source: Tao Zhou, Yulin Zhou and Guiwen Liu. 2017

The variables with different importance were identified by looking at differences in opinion among different groups of stakeholders. The three main contradicting variables were demolition and resettlement compensation (V4), infrastructure (V5) and investment behaviour of developers/investors (V9), which are the basis to explore opinion bifurcation in urban renewal decision-making among different groups of stakeholders. From this analysis, it is necessary to balance the demand of stakeholders to create sustainable urban development. (Tao Zhou, Yulin Zhou and Guiwen Liu. 2017)

3.6 China's urban renewal policy path and strategy

In order for urban renewal to proceed smoothly, it is necessary to put in place appropriate policies.

Despite the importance attached to urban renewal at national level, there are still a number of issues that arise in the process of urban renewal that need to be optimised in time. To optimise the policy path, we need to first discuss the current policy issues.

3.6.1 Problems at the policy level in the process of urban renewal.

(1) The scope of rights is too narrow. The emergence and growth of urban villages is an inevitable condition in the process of urban development. However, in the initial process of urbanisation-related activities, the planning of cities showed a greater arbitrariness and blindness, the land management system was not really implemented, illegal buildings were everywhere in urban villages, and land ownership was very confusing.

(2) There is a lack of standards regarding government intervention. At present, about three-quarters of urban renewal projects have not yet been actually implemented, and the local government has not yet managed to effectively organise the various urban renewal projects. The reason for this phenomenon is that the government is highly subjective and uncertain about project implementation, project urgency and implementability, and lacks supporting policies.

(3) Confusion of powers and responsibilities between different agencies In terms of institutional set-up, a very serious confusion of powers and responsibilities has emerged. The renewal department, which is primarily responsible for urban renewal, is only guided at an operational level by the department responsible for urban renewal in each region. The latter is directly under the jurisdiction of the district government and is on the same level as many district departments, making it difficult to clarify some of the powers and responsibilities.

3.6.2 Relevant optimisation strategies on urban renewal policies

1. Implementing sustainable organic renewal

It is necessary to strengthen the interpretation and understanding of urban renewal objectives, connotations and policies, as well as to correct misconceptions and prejudices about old urban areas and "urban villages", so that the whole society can form a general consensus on urban renewal. The ultimate goal of urban renewal is sustainability, and the content of urban renewal has changed from focusing on the renewal of facilities and environment to focusing on the "four-in-one", i.e. improvement of facilities and environment, economic and industrial revival, social development integration and historical and cultural conservation. China's urban renewal model should move from "economic urban renewal" to "social urban renewal".

2. Define the scope of urban renewal rights

It is important to clarify the ownership of land resources and buildings in the city, otherwise it will be impossible to carry out relocation and compensation for urban renewal, which is also a major challenge. In this process, the interests of all parties must be balanced. The proportion of public land in the non-five categories of urban land should be increased, and land uses should be regulated and restricted. This should be combined with a policy of development rights trading, so that the legal construction land index can be truly deployed across regions.

3. Improve the spatial structure of the city

We should improve the urban system, build an urban pattern with central cities, metropolitan areas and urban clusters as the mainstay, and coordinate the development of large, medium, small and medium-sized cities and small towns, implement major regional development strategies, and promote the balanced development of national land space. Establish and improve the coordination mechanism for the development of regional and urban clusters, give full play to the comparative advantages of each city, promote the division of labour among cities, strengthen the role of large cities in radiating and driving small and medium-sized cities, and orderly decentralise the non-core functions of megacities. Promote the common construction and sharing of major infrastructure and public service facilities in the region, establish a modern facility network system of comprehensive three-dimensional transportation and other facilities in urban clusters with perfect functions and close connection, and improve the comprehensive carrying capacity of urban clusters.

4. Key aspects of building a long-term mechanism

A long-term mechanism for urban renewal needs to be able to facilitate the smooth implementation of specific projects and to integrate market and value-based mechanisms to achieve multiple objectives such as urban heritage conservation without undermining the economic and social foundations for long-term sustainable renewal. It is therefore important that urban renewal does not rely on large-scale public investment, but rather on a combination of top-down and bottom-up renewal models that incorporate new mechanisms for coordinating interests, renewal incentives and public participation into the urban renewal governance system. The direct and indirect economic benefits of all parties are balanced, and the objectives of renewal are integrated and coordinated, uniting residents, property owners, government and social forces on a single organisational platform. Emphasise research into the synergy of community space and governance policies and systems, strengthen the training of grassroots government street and community personnel, and further clarify the connotations, rights and obligations of community

self-organisation work. Strengthen whole-life management and form a sustainable model of autonomous renewal; actively cultivate an intelligent public participation model for urban renewal, formulate corresponding safeguards and policies, co-ordinate planning, construction, social construction, civil affairs, urban management, culture and even other public service responsible agencies, and establish a "community of destiny" among multiple parties such as the government, enterprises, communities (residents), experts and scholars "This will form an effective synergy to ensure the comprehensive promotion and sustainability of urban renewal.

5. Optimise the approval process for urban renewal

As the pressure to "increase" and "de-stocking" increases, the urban renewal approval process must keep pace with the times and improve its efficiency. From establishing projects, applying and monitoring the direction of urban construction funds, approving and preparing special urban renewal plans, experimental renovation and renewal, issuing administrative permits, accepting urban renewal construction results and evaluation, the process of subdividing functions and clarifying the functions of each department will be carried out to ensure that all departments work in synergy, so that the administrative approval process can be truly optimised and standardised.

6. Promote the construction of new urban infrastructure

Accelerate the construction and renovation of new urban infrastructure based on information technology, digitisation and intelligence to comprehensively improve the level of urban construction and operational efficiency. Accelerate the construction of the city information model platform to create a basic operating platform for smart cities. Implement the construction and renovation of intelligent municipal infrastructure to improve operational efficiency and safety performance. Promote the construction of intelligent communities and realise intelligent community management. Promote the synergistic development of intelligent construction and construction industrialisation, and build an Internet for the construction industry.

7. Improve the management system of urban renewal

The relevant urban renewal department is responsible for strategic planning, co-ordination and decision-making, and the introduction of relevant regulations and guidelines for urban renewal, while effectively coordinating the various districts in the city and properly performing its functions in the management of public affairs. The renewal departments of each district in the city are responsible for urban renewal, and must implement all tasks related to urban renewal, effectively linking the higher and lower levels, as well as supervising and assessing the actual work.

3.7 The role of stakeholders in urban renewal in China

Studies on the main actors of urban governance include the theory of triadic governance structure (government, enterprises and society) (Hao Mao and Zhu Dajian, 2005), the theory of quadratic governance structure (government, NGOs, private enterprises and the public) (Qian Zhenming, 2005), and the theory of polycentric governance (a governance network system including the government) (Wang Dianli, 2005). It can be seen that there is a trend of diversification and complexity of the actors involved in urban renewal. Urban renewal has become a medium for different interest groups to express their interests and demands. Due to the complex structure of interests, the positioning of interests and the fierce competition for interests in the process of urban renewal, rationalising the interaction between interests is the key to the smooth implementation of urban renewal.

3.7.1 Analysis of stakeholder bodies in urban renewal

1. Central Government

The central government, as the controller of the overall interests and the defender of long-term interests, generally influences the process of urban renewal through direct and indirect means. On the one hand, the central government guides the national urban development process mainly through policy and legal means, as well as through the review, approval and supervision of urban planning schemes by local governments; on the other hand, the central government delegates its authority to city governments, giving them autonomy in urban development. However, the lack of a central government as the subject of overall interest is revealed by the indiscriminate demolition of buildings and the arbitrary change of planning schemes by city governments in the process of renewal. The central government's control over major projects such as environmental management, protection of land resources and the preservation and inheritance of the city's historical heritage is insufficient.

2. City Government

As the leader and institutional provider of urban renewal, the city government is both the holder of public power and the manager of public affairs in the city, as well as the representative of public interests in the city. The city government and the multiple roles it assumes are a testament to its territoriality, namely its endogeneity and uniqueness in terms of information about the city, its knowledge of the allocation of public goods and its preference for public services. Therefore, with the city government having direct and absolute power over urban management, it is important to

be cautious in the development and implementation of policies when the city government is involved in urban renewal as an independent interest.

The city government as the central subject of urban renewal can be divided into different sub-subjects. In addition to the city government as a whole, the various government departments within the city government that are involved in urban renewal are often regarded as different interest subjects, and government officials are sometimes treated as part of the interest subjects directly. In short, in terms of actual participation in the urban renewal process, this includes all departments involved in urban renewal, such as the planning bureau, construction bureau, municipal council, etc., horizontally, and vertically, it includes the city, district and street levels of the city's administrative hierarchy. In short, the city government has the power to supervise and control urban renewal, but also the obligation to guide the scientific and rationalisation of urban renewal, thus assuming the position of the central subject of urban renewal.

3. Developers and enterprises

As the basic economic cells of a city, enterprises and developers are important participants in urban renewal. Although the participation of developers and enterprises is essentially profit-seeking, their role is undeniable. On the one hand, private capital investment is a powerful complement to public sector investment; on the other hand, the participation of developers is important in solving a series of market-oriented problems in the process of urban renewal, such as the construction of public services and the supply of social housing.

However, developers and enterprises face many constraints when participating in urban renewal, including hard constraints such as technology and market constraints, and soft constraints such as policies. Hard constraints can be met through continuous development and improvement. However, soft constraints can often become a breakthrough for corruption when participating in urban renewal. In order to obtain a licence to participate in urban renewal and to obtain favourable conditions for their own development, enterprises will often enter into alliances with city governments to influence urban renewal decisions.

4. The community

Although the public is mostly seen as a 'disadvantaged group' in urban renewal, it has great potential as a direct stakeholder in urban renewal. In fact, from the development of urban renewal in western countries, public participation in urban renewal has become a force to be reckoned with. In the current urban renewal mechanism in China, due to the fragmentation of individual interests

and demands of the community, they often play the role of "virtual subjects" in urban renewal. As the community has different degrees of influence on the design of urban renewal schemes, the impact of interest structures and even the process of urban renewal, it has great potential as a part of the overall interest structure of urban renewal.

5 Non-governmental organisations

Non-governmental organisations (NGOs) can play a good role in bridging the gap in the urban renewal process. Some professional NGOs can be recognised as think tanks and public advocates, and can act as a medium of information and expression of the interests of urban residents. The power of NGOs in the urban renewal process is becoming increasingly evident as a channel for social participation. Therefore, the use of NGOs as a potential force for urban renewal is also desirable.

3.7.2 Interaction between the various stakeholders

Urban renewal is not only a re-integration of the urban spatial environment, but also a process of distributing and coordinating the interests of various stakeholders. According to the principle of incentive compatibility of mechanism theory, each participant is incentive compatible when he or she pursues his or her personal goals and at the same time achieves the goals of the mechanism (Hurwicz, 1972). In the case of urban renewal, the objective is to achieve a win-win situation for the city in terms of economic, environmental and social benefits, without compromising the interests of the stakeholders or safeguarding the interests of each of them.

1 Interaction between long-term interests and short-term interests

The relationship between governments is the key to the success or failure of the urban renewal process. The 'district administration' of urban governments, i.e. the rigid constraints of unitary district boundaries, has led to a cut-throat, closed and bounded form of governmental governance (Chen, 2006), making urban governments a machine that focuses only on the regional growth of local affairs. As mentioned earlier, the institutional absence of a central government makes it easier for city governments to ignore or be indifferent to the long-term and global interests of regional resource allocation and environmental management, ultimately resulting in a situation where national and global interests can only be defended and represented by city governments under the real system.

2 Interaction between city governments and developers

Generally speaking, there are three types of interest structures in the urban development process: one is the relationship between the dominant party and the functional unit, where one party (the dominant party) hires the other party (the functional unit) or makes them undertake certain projects by contract. The second is the negotiated relationship between organisations, where multiple organisations negotiate and negotiate, using their own resources to collaborate in order to better achieve the interests of their respective units. The third is systemic collaboration, where organisations understand each other and work together as one, sharing a common vision and working together to create a self-managed network. The first two types of relationships are common in urban renewal, but systemic collaboration is still being explored and developed. According to the experience of western urban renewal, close cooperation between city governments, developers and real estate developers is an important guarantee for the smooth implementation of urban renewal, and is an area worthy of attention in urban renewal in China.

3 Interaction between urban government and urban residents

From the perspective of principal-agent theory, the relationship between the government and urban residents is that of a principal and an agent. The city government is the representative of the public interest, i.e. the representative of the interests of the city residents. However, it is often the case that the individual interests of residents are not always aligned with the public interests of the government in aggregate. As the information and costs that the government needs to consider when deciding on the provision of a public service or public good are multi-faceted and multi-layered, and as public policy is mandatory and selective in making public choices, it is inevitable that there will be omissions or biases. When government interests interact with public interests in urban renewal, urban residents are often discouraged by their individual vulnerability and the high cost of pursuing their interests.

4 The relationship between developers and urban residents

The relationship between developers and urban residents is based on the theory of incentive compatibility, which requires that developers and enterprises contribute to the public interest in urban renewal while safeguarding their interests. The city government needs to provide incentives and constraints to developers in the planning process. The main objective is to prevent the socialisation of costs by developers and to avoid the public becoming the scapegoat for the economic and social costs of urban renewal. In this regard, the protection of benefits and compensation mechanisms for the urban public are key.

3.7.3 Conclusion

"Policy is essentially an institutional arrangement between the interests of people by the government or the public authority of society" (Ding Huang, 2004). In addition to being one of the direct stakeholders in urban renewal, the city government is also the leading decision maker and has the responsibility to promote urban renewal with its administrative power. Developers and the urban public represent a wide range of public participation while safeguarding their own interests, and their effective participation and influence on government decisions cannot be ignored. As the direct audience of urban renewal, the wishes and interests of the urban public are also a factor to be considered in the implementation of urban renewal plans. In short, urban renewal involves a huge amount of resources and benefits that need to be distributed in a public manner.

3.8 Urban village transformation in china's urban renewal (The case of Liede Village in Guangzhou)

This chapter cites Yongqi Zhao, Ning An, Huiling Chen, and Wei Tao's study of the village of Hunde in Politics of urban renewal: An anatomy of the conflicting discourses on the renovation of China's urban village.

In 2004, Guangzhou (Population: 18.811 million) successfully applied to host the 2010 Asian Olympic Games. In the opening ceremony of the Asian Games, Haixinsha became the top priority of Guangzhou municipal engineering. Liede Village (Population: 17000), an urban village in the city and less than 2 km from Haixinsha, immediately entered the field of vision, and the renovation of the Liede Village was imminent. After obtaining this hosting qualification, the leaders of Guangzhou City Hall visited Liede Village to negotiate with the villagers. Next, the government reached an agreement with the villagers, and the renovation of Liede Village took an important step forward. Because of the location advantage of Liede Village, many real estate developers have also calculated that the renovation would provide substantial commercial benefits. For the government and the villagers, the introduction of real estate developers has appropriately provided a funding guarantee for the reconstruction of Liede Village. From this perspective, the Liede Village renovation includes the limitations and complicity of the power and interests among the stakeholders, including the government, the real estate developers, and the villagers.

Despite the introduction of real estate developers and the villagers' participation mechanism in the process of Liede's renovation, the role of the government remains the most powerful, and it has proposed a series of measures. First, the collective-owned land in this village is allowed to be converted into state-owned land in the name of village, which will be sold by the government

through proxy and auction and then returned to the village's collective economic organization for the renovation and the development of the collective economy. Second, the demolition of villagers' homesteads is based on the principle of replenishing 1 m² of housing area by 1 m² of new residential area, which guarantees that the villagers' housing conditions will not be lost after the village renovation. This demolition compensation programme protects the fundamental interests of the villagers and has obtained active cooperation from the villagers. In this context, the collective affairs of the village, which was originally decided on by the general villager congress, has been replaced by the company's shareholder representative assembly. This change has greatly accelerated the decision-making speed of the related affairs and correspondingly accelerated the entire renovation of this urban village's renovation, which has affected the villagers' right to be informed, leaving hidden dangers in the follow-up renewal. Moreover, the real estate developers provided sufficient funding and technical support for this renovation through market-oriented commercial operations; thus, the renovation to Liede Village was completed in the shortest time possible. Notably, this project also exposed the profit-driven nature of capital, in which the real estate developers used savvy commercial means and contract designs to maximise their profits from the collective land, deprived the villagers' of the residual value of the collective property, and controlled the initiative of the villagers' future income distribution.

Based on the Liede renovation project, our observation is that the smooth implementation of this urban village renewal is achieved under a multiparticipation mechanism in which various stakeholders including the city government, real estate developers, and villagers have engaged in a conspiracy of interests. This new urban village renewal model was led by the government and had villagers participate as part of a collective community, and real estate developers intervened. This model is also an active attempt by Chinese local governments to explore sustainable urban renewal. To create a good urban renewal environment, create the social benefits of urban village renovation, and further promote the renovation of other parts of the city, the renovation of Liede Village began to consistently appear in media discourse under the guidance of the government. The Liede renovation has thus become a demonstration case for Guangzhou's urban village renewal works, which was promoted and advocated by the whole city and the whole country.

By focusing on Liede Village's transformation, which is 'gazed by the mass' but finally 'resisted by the whole village,' we observe that although the traditional power discourse system can rapidly promote the understanding of urban villages' new landscapes and define the logic of social justice through the 'top-down' powers, in a society where power forms power operations and is diversified, the 'bottom-up' discourses can also challenge the traditional power system and redefine spatial justice. In the case of Liede Village's reconstruction, this redefinition of spatial justice is mainly

reflected in the villagers' resistance to the limitation of their 'participation right.' That is, during Liede Village's reconstruction, the participation rights owned by the villagers are only a form of participation rights, and in the implementation and decision-making process of the reconstruction, the villagers' rights have already been conditionally limited through the form of 'representatives of villagers.' This reflects the flexibility of China's current government discourse, which the arbiter of all policies. The government can selectively establish the public image of Liede Village's reconstruction through the mainstream media, and the villagers can adopt flexible methods to fight for space justice. This resistance of the villagers essentially uses various institutional loopholes caused by the transfer of China's urban-rural dual system. In other words, the resistance of the villagers and their power originated from different understandings of the old and new political and spatial systems. This study confirms that the insufficient understanding of the stakeholders in the current Chinese urban village reconstruction model is a major cause of various social problems. Because of the emphasis on the market compensation for demolition and the insufficient understanding of the stakeholders' other demands during the transformation process, conflicts among different stakeholders are often caused after the transformation. In China's institutional context, the lack of awareness and expertise of the mass populations in participating in public projects, coupled with the government's pursuit of administrative efficiency, has led to an imbalance in the allocation of power resources. Although a multiparticipation mechanism has been established in this process, such as public hearings, different discourses continue to be the root cause of conflicts among the various stakeholders. This study examines the spatial power demands of the stakeholders, and argues that the transformation of China's urban villages is not only a transformation of the physical environment but also an update from an institutional and cultural level. The discourse is about the demands of the relevant participants, and the discourse unification is the basis for the final consensus of the stakeholders. The balance of discourse is essential to ensure the sustainable development of the urban village. (Yongqi Zhao, Ning An, Huiling Chen, Wei Tao, 2021)

3.9 Obstacles and problems of urban renewal in China

China's current urban renewal is situated in a more complex and special context that is different from that of developed Western countries and other developing countries: accelerated urbanisation, coexistence of agglomeration urbanisation and suburbanisation, the impact of globalisation, increasing social disparity, the tendency of the government to profit and the lack of civil society. Based on this particular context, and drawing on the experience and lessons learned from urban renewal in Western countries, the following major problems of urban renewal in China can be summarised.

- (1) Physical ageing, structural decline and functional decline co-exist.

Usually, people only understand urban renewal as the transformation of the physical environment, such as the repair, alteration and reconstruction of houses. But in fact, urban decline is not only manifested as physical ageing, but also as structural and functional decline under the circumstances of rapid urban development and accelerated urbanisation, both of which are relative decline and invisible wear and tear. As the economic and social structure of cities changes, the structure and layout of urban land and urban functions also change, but due to the inertia of urban development, the adjustment of the internal organisational system of cities often lags behind the changes in the economic and social structure of cities, which is the root cause of structural and functional decline. The structural and functional decline not only leads to the "marginalisation" of some areas, but also affects the normal functioning and effective enhancement of the city as a whole.

- (2) Urban renewal is a single approach, large in scale and fast in speed.

Urban renewal should be a combination of conservation, repair, remediation, demolition and reconstruction to achieve the best results. China's current urban renewal is driven by a sense of quick success and profit, and is one-sidedly interpreted as demolishing the old and building the new. The concept of "running the city", which was created by the reform of the land use system and the commercialisation of housing, has given this wrong model of urban renewal a nice label of "urban management". The massive demolition and construction of urban renewal has seriously damaged the traditional look and social network of the old city. The loss of the traditional landscape has resulted in a monotonous, dull and featureless cityscape. The disintegration of social networks has led to a cultural and psychological imbalance among the residents of the old city and a decline in the community structure, as well as a certain degree of disruption to the stability of the community order.

- (3) The lack of government funding for urban renewal and the abduction of urban renewal by real estate development. (Wei Zhao 2008)

Urban renewal involves a large amount of capital investment, and the reality of being in the primary stage of socialism makes the financial situation of most cities in China, with the exception of a few developed cities, not optimistic. The old urban areas of most Chinese cities are usually also the central areas of the city and have a high locational value. As a result, old urban areas have become hot spots for real estate development. The dominance of real estate development in urban renewal has given rise to two problems: firstly, driven by economic

interests, developers often carry out high-intensity development in old urban renewal at the expense of the overall social benefits and environmental quality of the city, thus leading to new environmental degradation. Secondly, in old city renewal, developers are reluctant to build infrastructure with high investment and low returns. The government's limited finances are even less able to supplement the construction of infrastructure in a timely manner. This, coupled with the huge pressure on urban infrastructure brought about by high-intensity development and construction, makes the problem of inadequate infrastructure in old cities even more serious.

- (4) The content and objectives of urban renewal are too one-sided and lack consideration of economic, social and historical and cultural aspects.

It has been proven that urban renewal that focuses only on the physical environment can only treat the symptoms but not the root cause, while the social and economic decline of the city is the root cause of urban decay. In addition, urban renewal lacks respect for history and culture, and many historical and cultural monuments and traditional urban features have been destroyed in the process of renewal, while new buildings are characterless and incompatible with the overall appearance of the city, thus reducing the competitiveness of the city.

- (5) The top-down renewal model lacks effective public participation.

At present, urban renewal in China basically adopts a top-down decision-making mechanism, with the government and developers working together for "profit" and economic interests becoming their common goal. Local residents and community organisations, as stakeholders in urban renewal, are not given equal rights to participate with the government and developers. The lack of public participation mechanisms in urban renewal has resulted in a lack of supervision and checks and balances on the rights of the government and developers. Urban renewal has deviated from basic values and has therefore been implemented with much resistance. Many foreign scholars and officials have commented that China's urban government has become the most 'profit-oriented' government in the world, not as a public service provider in the first place, but as a 'super-corporation'. The experience of Western countries has shown that successful urban renewal relies on the combined efforts of government, developers and the public, although the values of all three are not the same.

(6) The policy and regulatory system of urban renewal is not perfect. At present, in the field of urban renewal, there is no specific urban renewal law in China, only some relevant laws, administrative regulations or departmental rules, such as the Urban and Rural Planning Law of the People's Republic of China (2007) and the Urban Real Estate Management Law (1994). Apart from that, there are some relevant regulations in certain key cities. As there is no clear and practical policy or regulatory basis for the operation of urban renewal, there are often ambiguities and disputes between stakeholders. In addition, the lack of a 'rule of law' inevitably leads to the 'rule of man', which allows for a variety of poor decisions and corrupt practices to flourish. However, in recent years, the Chinese government has paid considerable attention to this new concept of urban renewal and has introduced a series of relevant policies. A summary of recent urban renewal policies is as follows (incomplete):

2009	The Ministry of Land and Resources and the Guangdong Provincial Government, after consultation and agreement with the State Council, have decided to jointly promote the construction of a pilot demonstration province for land conservation and intensive use, and to make the transformation of old towns, old factories and villages an important task.
2013	The Ministry of Land and Resources has made a comprehensive summary of Guangdong's experience in the transformation of the "three olds" and has been promoting it in Zhejiang, Liaoning and Shanghai.
2013	At the Central Urbanisation Work Conference, it was pointed out that cities have a lot of historical memories, especially some old urban areas with a long history, which are the most valuable and should not be destroyed by fickle materialism.
2015	Central Urban Work Conference: Urban development intensity should be controlled, development boundaries should be scientifically defined, and urban development should be promoted to change from an outward-looking to an inward-looking enhancement.
2016	Several Opinions on Further Strengthening Urban Planning and Construction Management: We should implement urban repair and organic renewal in an orderly manner, solve the problems of declining environmental quality, spatial disorder and destruction of historical and cultural heritage in old urban areas, and promote the coordination and beauty of buildings, street facades, skylines, colours and environments.
2016	Several Opinions on Deepening Urbanisation: Accelerating the transformation of urban shantytowns, urban villages and dangerous houses, and establishing an incentive mechanism for urban low-utility land in development.
2017	The Ministry of Housing and Construction has proposed urban double repair, and the Guidance on Strengthening the Work of Ecological Restoration and Urban Repair: repairing the functional spatial environment of cities through the repair of mountains, water bodies, water systems and green areas, and deficient the shortcomings of cities.
2018	The Notice on Further Strengthening the Retention and Renewal of Existing Buildings in Cities: To strengthen the retention and renewal of existing buildings, the issue of demolition of existing buildings should be strictly controlled.
2019	The experience of 58 cities, such as Sanya and Xuzhou, in carrying out pilot work on urban double renovation was summarised and promoted.
2019	The Central Economic Work Conference highlighted the concept of "urban renewal" for the first time. The conference proposed to increase housing security for the urban poor, strengthen urban renewal and the renovation and upgrading of existing housing stock, do a good job of renovating old urban areas, and vigorously develop rental housing.
2020.4	The Notice on Further Strengthening the Management of Urban and Architectural Style, which strictly controls the construction of oversized public buildings, super-high landmark buildings and buildings in key locations, strictly restricts the blind planning and construction of super-high rise "skyscrapers" in various places, and promotes the conservation and use of historical buildings.
2020.7	The General Office of the State Council's "Guiding Opinions on Comprehensively Promoting the Renovation of Old Urban Districts" clarifies the tasks of renovating old districts and the mechanisms for organizing and implementing them.
2020.8	The Ministry of Housing and Construction, in conjunction with 12 departments, issued the Opinions on the Action to Carry out Urban Residential Community Construction to Make Up for Shortcomings to promote the construction of complete communities.
2021	In his government work report, Premier Li Keqiang introduced the main objectives and major tasks for the 14th Five-Year Plan period, pointing out that the new urbanisation strategy with the core of urban renewal should be promoted, urban clusters and metropolitan areas should be developed and strengthened, and urban renewal actions should be implemented.
2021.9	The Circular on Preventing Large-scale Demolition and Construction in the Implementation of Urban Renewal Initiatives: Control large-scale demolition, additional construction and relocation, preserve and utilise existing buildings, maintain the scale of the old city pattern, and continue the characteristic appearance of the city.
2021.10	Opinions on Promoting Green Development of Urban and Rural Construction: Seeking to transform the development of urban and rural construction, greening and renovating existing buildings, encouraging simultaneous implementation with the renovation of old urban districts, the renovation of dilapidated houses in rural areas and seismic strengthening.
2021.11	Notice on the First Batch of Pilot Urban Renewal Work by the Office of the Ministry of Housing and Construction, which decided to carry out the first batch of pilot urban renewal work in 21 cities, including Beijing.

Fig.9: Summary of urban renewal policies in recent years, Source: self-produced by the author

(7) Lack of a dedicated agency for urban renewal.

Due to the lack of understanding of urban renewal and the lack of attention to it, most cities in China do not have a dedicated body that can co-ordinate the whole process of urban renewal decision-making, implementation and supervision, and this is compounded by the fact that there are too many levels of urban administrative bodies in China, the lack of clarity of responsibilities and powers between them, and the many approval processes and long decision-making times in urban administration.

(8) The level of urban renewal planning is not high.

Urban renewal involves many aspects such as physical, social, economic, environmental, historical and cultural aspects, but the preparation of urban renewal planning in China is still at the primary stage of physical planning or spatial planning, with a single objective and content and poor operability, which is difficult to adapt to the diversity, complexity and enormity of China's current urban renewal.

(9) Lack of overall consideration for urban renewal.

The starting point and objectives of urban renewal are often limited to the city itself, which makes the task of urban renewal impossible or even counterproductive. For example, under the system of paid use of land and differential land rent, industrial enterprises in the former old city were relocated from locations with better location conditions and higher land values, but many of them, due to improper site selection, often relocated to ecologically sensitive areas or near irrigated areas, causing new pollution that is much more harmful than could have been avoided in urban areas. Moreover, the distance between the place of residence and the place of work after the enterprises have moved out creates huge traffic flows and transport costs, which not only affects the overall operational efficiency of the city, but also causes a lot of inconvenience in the life of the employees.

3.10 Opportunities and advantages of urban renewal in China

Urban renewal in China started late compared to Western countries, starting with the renovation of old urban areas after the founding of the country in 1949. Although there are many problems, China's urban renewal has advantages that are unmatched by other countries due to the differences in various aspects.

(1) Fast pace

In 1979, at the beginning of the reform and opening up, China had less than 200 million urban residents, but now China has 840 million urban residents. In the past 40 years of reform and opening up, China has added more than 600 million new permanent residents to its urban population. These people have left the agricultural production and lifestyle of the past and come to the cities to participate in the development of secondary and tertiary industries, which has greatly boosted the growth of China's economy. The top 30 large cities alone accounted for 43% of the country's GDP in 2019. It took China less than 40 years to increase its urbanisation rate from 20% to 60%, compared to around 200 years for developed European countries represented by the UK and around 100 years for American countries represented by the US. Therefore, the first major characteristic of China's urbanisation is its very fast pace. Of course, due to China's large land area, the development of urbanisation in the east, middle and west is not balanced, with the urbanisation rate in the east being more than 10% higher than that in the west.

(2) Huge market for urban renewal

Not only is China urbanising at a fast pace, there is one country that has also been urbanising at a fast pace for some time, and that country is Japan. From 1950 to 1970, Japan's urbanisation rate increased by 1.27% per year, but neither Japan nor any other developed country has a population base as large as China's. Japan's urbanisation rate grew from 20% to 60% with just 50-60 million people moving into the cities, while China had 600 million people moving into the cities, 10 times more than Japan. The country has added such a large urban population in 40 years, which is unique in the world. It has become a consensus that the era of incremental growth has turned into an era of stock. According to estimates, the total market value of China's real estate is about RMB496.15 trillion (Approximately EUR 71 trillion) as of today, and at a 2% urban renewal conversion rate, urban renewal may bring a huge market of about RMB10 trillion (Approximately EUR 1.43 trillion).

(3) It is the future urban development trend

China is now at an intermediate to advanced stage of urbanisation, with limited space for the expansion of central cities, and an important avenue for their development is urban renewal. Through urban renewal, central cities replace and upgrade their industrial structure according to the laws of the economy, revitalise their stock of assets, improve the output efficiency of the stock of assets such as land, buildings and infrastructure within the city, form organic industrial clusters with neighbouring cities, and gradually form metropolitan areas. With the rapid development of cities since the reform and opening up, the quality of urban upgrading has become weak due to the existing resource endowment and methods, limited by factors such as population, land and industry.

As cities are living organisms, urban renewal is the next stage of urban development to upgrade the existing urban structure and to achieve sustainable social, environmental, human and economic development.

(4) National-level policy promotion

From 2016 to 2019, the government continued to issue policies on urban renewal to support the improvement of urban renewal policy gaps and promote the urban renewal process. In September 2019, the Guangdong Provincial People's Government issued the "Guidance Opinions on Deepening the Reform and Accelerating the Promotion of "Three Old" Transformation for High-Quality Development", aiming to promote the construction of a pilot demonstration province for land conservation and intensification. In February 2019, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Outline of the Development Plan for the Greater Bay Area of Guangdong, Hong Kong and Macao, pointing out the need to promote urban renewal in accordance with local conditions, transform urban villages and merge small villages, strengthen the construction of supporting facilities and improve the urban and rural living environment, indicating that the state attaches greater importance to urban renewal. In 2021, urban renewal was included for the first time in the Government's Work Report and in the Fourteen Five-Year Plan and the Outline of Vision 2035, and localities responded positively by rapidly introducing a large number of urban renewal policies and implementation plans. To date, according to incomplete statistics, most provinces and municipalities have proposed urban renewal in 2021, and 13 prefecture-level cities have issued urban renewal-related policies. Among them, Shenzhen and Shanghai have completed their urban renewal legislation, and Guangzhou's urban renewal legislation is under consultation. Beijing, Chengdu, Shanghai, Tianjin, Wuhan and Wuxi have set up or are preparing to set up urban renewal companies and funds, and urban renewal is developing rapidly under the policy drive.

3.11 Conclusion

This chapter discusses the basics of urban renewal. It begins with the origins of urban renewal and describes the practical and theoretical development of urban renewal in the West. The practical part includes: 1 slum clearance, 2 community renewal, 3 old city development and 4 neighbourhood revitalisation. The theoretical part includes: 1 early physical renewal and later people-centred sustainability, 2 changes in the main body of urban renewal, and 3 the shift from top-down to bottom-up urban renewal concepts and practices.

This is followed by an introduction to the development of urban renewal in China: from the

vigorous construction of cities for production during the planning economy, to the transformation of buildings with a focus on their appearance, to the renewal of cities with a focus on their connotations in the new era.

Before analysing the strengths and weaknesses of urban renewal in China, the chapter cites several case studies to provide a more in-depth introduction to urban renewal in China from different perspectives, including: 1 the content of policy innovation and its relation to sustainable development, 2 network governance in policy, 3 key variables in policy, 4 pathways and strategies, 5 the role of stakeholders, and 6 the relationship with urban villages.

It concludes with an analysis of the problems and strengths of urban renewal in China. Problems include: 1 decline in all aspects of the city, 2 single means of renewal, 3 abduction of urban renewal by real estate developers, 4 one-sided content of renewal, 5 lack of public participation, 6 inadequate relevant laws and regulations, 7 lack of specialised institutions, 8 inadequate preparation leading to cumbersome procedures, and 9 lack of holistic thinking. Advantages include: 1 fast, 2 large market, 3 clear future development trend, 4 government support.

Understanding the development history and background of urban renewal is the basis for exploring the relationship between urban renewal and urban villages. Urban renewal is a process in which cities constantly seek to avoid harm, and the complexity of urban villages epitomises the difficulties of urban renewal.

4 Urban villages in China

4.1 The formation of urban villages

The term 'slum' emerged abroad in the 1820s, followed in 1936 by the concept of 'urban-rural transition zones' by the famous German geographer Louis. The subsequent emergence of the American urban renewal movement and a number of other phenomena was based on the rapid development of urbanisation abroad. China's urbanisation process had a relatively late start, but then the phenomenon of urban villages, which is unique to China, also emerged.

The rapid urbanization of China since the mid-1980s has led to the development of a new spatial category, the urban village (or village-in-the-city, chengzhongcun), which describes rural villages that have been absorbed by urban spatial or administrative growth.¹ Characterized by a dual urban-rural land management structure, the collectively owned land of the original villages, now located in urban and not rural settings, is managed by villagers' organizations and not by the urban land administration system, producing a booming low-end housing environment that seeks to

maximize revenue from available space (in some cases up to 80% or 90% of available land is built-up—see Xie, 2005: 31–32; Chen and Jim, 2010: 234; Chung, 2010: 428). Speed of development and legal ambiguity have outpaced the development of planning policies and guidelines to regulate expansion and organization of urban villages (Chung, 2009; Hao et al., 2011). The resulting unique spatial environment is characterized by apartment buildings that are built in close proximity to one another (colloquially referred to as ‘handshake buildings’), which disregard urban and rural design standards, safety regulations and environmental considerations.

Local governments have generally turned a blind eye to urban villages’ development, or have retroactively authorized them (Wang et al., 2009), implicitly acknowledging their own inability to produce adequate housing for the migrant population and the centrality of urban villages to urban development (Liu et al., 2010). Still, the advancement of a dominant urban development regime, which focuses on economic viability and spatial homogenization, signaled urban villages to be a problem with more drawbacks than benefits, and thus the target of aggressive redevelopment and eradication policies. This redevelopment-by-demolition model is led by strong locally based coalitions composed of local villagers, real-estate developers and local governments (Chung, 2010; Li and Li, 2011, Lin et al., 2015), all situated to gain economically from the redevelopment–demolition process.

However, in recent years, even proponents of the redevelopment-by-demolition model have begun to recognize the positive social and economic roles of urban villages within China’s rapid urbanization process. Urban villages are increasingly seen as informal, transitional and flexible spaces that, by operating within existing urban regimes such as the hukou system or dual land ownership, help to integrate migrants into urban society (Wang et al., 2009; Liu et al., 2010; Wu et al., 2012), while providing affordable facilities for migrants (Bach, 2010; Hao et al., 2011; Lin et al., 2011a; Zhang, 2011; Lin and de Meulder, 2012; Lin et al., 2014).

4.1.1 Definition of urban village

Urban villages literally mean ‘villages in the city’. In the process of rapid urban expansion, the original villages are gradually surrounded by the modern city, thus forming a mixed urban-rural village. As a result of the long-term disregard for the management of urban villages, their overall development has been much slower than that of other urban spaces, and they have gradually evolved into a special state of separation from the city and the countryside. Many scholars in China have given their understanding of the concept of urban villages from various perspectives, including the urbanisation process, land ownership and land use, as well as its community attributes.

1. A descriptive definition of the external form of the urban village. In his article in the *Journal of Urban and Rural Construction* (1996), Yang An describes, "In the bustling downtown, there are beautiful and elegant new modern buildings lined up along the roads, but behind the modern buildings there are often large groups of farmhouses situated in a disorderly manner, of different heights and old and new. The whole of the former farmstead is wrapped up in modern urban architecture. A real farmhouse is a farmhouse with surrounding fields, full of pleasant countryside and idyllic scenery. In contrast, urban villages are farmhouses with concrete high-rises around them, full of the incongruity between the city and the countryside. Many of the farmhouses in urban villages are also luxuriously built, but often the halls coexist with the humble rooms, and the haphazard buildings are crowded together, with new houses but no new villages, new houses but no new streets. There is no reasonable layout between buildings, no reasonable spacing between buildings, narrow roads and even dirty water. There is no rural freshness and no urban tidiness. There are no traces of urban functions within the urban village, no water or sewage pipes, no public rubbish dumping and disposal, and occasionally chickens or pigs can be seen strolling around the urban village. The atmosphere of the countryside is suffocated here, the city is all but gone."

2. Defined from the perspective of the causes. In the "Study of the Village in the City" in the ninth issue of *Urban Planning*¹³ in 1999, Jing Dong pointed out that the village in the city refers to the rapid expansion of urban land in some economically developed areas or cities since the reform and opening up due to rapid urban construction and rapid urbanisation. Some of the villages and their arable land that used to surround the cities were incorporated into the scope of urban land, and the nature of most of the arable land was transformed from collective ownership to universal ownership. The land that was returned to the villages in the process of land acquisition and the former villagers' residential land, their own land, their own hills and hills remained unchanged from their former collective ownership, and the communities formed on these sites with mainly residential functions were called villages in the cities, or what we call here urban villages.

3. Defined from the perspective of land relations. In his book *The Transformation of Urban Villages* (2004), Li Junfu points out that "Urban villages are those villages that are located within the urban planning area or in the urban-rural interface, surrounded or semi-encircled by the built-up urban area, with no or only a small amount of agricultural land."

4. defined in terms of property rights and business systems. Tan Bingcai and He Qihuan pointed out

¹³ Founded in 1977, *Urban Planning* is a scientific and technical journal sponsored by the Chinese Society of Urban Planning and supervised by the Ministry of Housing and Urban-Rural Development. The journal is the most influential and authoritative urban planning publication in China.

in the article "Special attention to urban villages, the dead end of urbanisation" in the Economic Daily (2002), "Urban villages are rural communities within the overall urban planning area that still retain and implement the rural collective ownership and rural business system. Urban villages are a product of the urbanization process and an inevitable phenomenon at a certain stage of development."

5. defined from the perspective of community characteristics. In his book *A Study of Urban Villages in Guangzhou*, Zhang argues that there is a distinction between urban villages in the broad and narrow sense, but regardless of the broad and narrow sense, there must be the existence of rural mass self-governance organisations such as villagers' committees or management area committees. Zhang argues that urban villages should conform to four principles, namely, being located on the fringe of the city; rapid urbanisation process; the existence of rural self-governing organisations and the integrity of administrative boundaries.

6. Defined in terms of the social relations of people. In the article "Solving the problem of urban villages in the process of urbanisation", Xie Zhixiang (2004), "Urban economy and regional economy", he introduces. "Urban villages are former rural residential areas (including land, houses and other elements), people and social relations that have been retained in place during the rapid urbanisation process, without the opportunity to participate in the new urban division of labour and industrial layout. Residents still rely on land and land attachments as their main source of livelihood, and communities are formed on the basis of primary relations (geo- and blood relations) rather than primary relations (karmic and contractual relations)."

7. pragmatic definition. Beijing has proposed four types of urban villages in the governance of urban villages. The first type: areas located in built-up urban areas, where there have long been no peasant households or agricultural land, which have long been converted into street offices and neighbourhood committees town management, and where the administrative establishment of townships and villages has been abolished, and where there is no longer any collective property or residential property rights for peasants. The second type: there is no longer any arable land in the village, and the land in the former natural village other than the house bases has been expropriated and turned into urban construction land, and there is no longer any collective peasant property in the village. Although some villages have changed their rural village committees into urban-type resident committees, and the farmers have been converted from agriculture to non-agriculture and become urban population, the farmers' residential bases have not yet been expropriated into state ownership, and the property rights of residential bases and houses are still farmers' property rights. The third type: "urban villages" where the existing land property rights still belong to the rural

collective and the villagers are mainly earning non-agricultural income. All or most of the land has been expropriated by the state. Although all the farmers in the village have been converted to urban households, the farmers' residential bases have not yet been expropriated and the nature of the land has not yet changed. There are even a number of collective peasant properties and economic entities run by villages. The fourth type: villages where there is still some arable land, where the village government or village committee is still established, where there are still many people with peasant households, and where farming and animal husbandry still account for a certain proportion.

8. Key features method definition. In his report "Integrating urban and rural development and planning for investment and financing of new cities" (2005), Li Wei pointed out that there are five characteristics to describe urban villages. These five key features are: firstly, whether there are residential bases and private farmer's houses; secondly, whether there is land other than residential bases; thirdly, whether there are agricultural households; fourthly, whether there is a village committee or regional management committee and other rural mass self-government organisations; and fifthly, whether there is collective property of farmers. Among the above five key characteristics, the presence of one of them implies the existence of an urban village.

9. From the perspective of urban planning, an urban village refers to a rural community that still maintains and practices the rural collective ownership and agricultural economic system within the construction site of an urban master plan.

10. From an architectural point of view, an urban village is a special spatial form formed within the built-up area, within the original rural settlement, with one household and one building as the basic feature, also known as a village in the city.

The urban villages studied in the thesis are rural communities that are surrounded by or incorporated into urban construction sites in the process of rapid urbanisation, and have some urban characteristics as well as rural characteristics in terms of infrastructure and lifestyles.

4.1.2 The process of forming the urban village

Unlike the slums of other countries, China's urban villages are the result of China's unique institutions and national conditions, and are closely related to the country's historical development. The formation process of urban villages can be discussed in two dimensions: time and space.

In terms of the temporal dimension, the formation of urban villages can be divided into the following stages:

(1) Before the founding of the country.

The process of urbanisation in China began after the Opium War, when only a few large cities such as those on the eastern seaboard where Western countries were entrenched and individual economic centres in the interior experienced aberrant development, but most towns were still quite backward. The countryside still maintained the traditional lifestyle of men farming and women weaving that had been practised for thousands of years.

(2) After the founding of the country until the 1980s.

After the founding of the country, urbanisation improved, but the new government lacked experience in urban construction and did not have sufficient knowledge of the situation at the time, and in some places took initiatives that hindered rapid urban development, resulting in a slowdown in China's urbanisation process. The spread of business units, factories and dormitories from the old urban areas to the suburbs, the massive conversion of agricultural land into non-agricultural land, and the improvement of the rural landscape to some extent, still distinguish it from what is currently known as urban villages.

(3) 80s to 90s.

With the rapid development of society, the urbanisation process accelerated significantly, and urban construction land expanded rapidly in various forms, such as faceted outreach, axial along traffic arteries and frog-hopping. At the same time, more and more rural settlements, which were formerly part of the suburbs, were enclosed within the urban development sites. These villages have undergone a marked transformation in terms of economy, society, environment, landscape and lifestyles. The traditional rural community began to decline, and the urban-rural space became blurred. The lifestyle and ideology of the inhabitants gradually began to permeate and spread from the original countryside to the city.

(4) The 1990s to 2000.

After the 1990s, with the construction of a large number of commercial, office and residential buildings and the large-scale expropriation of land by industrial parks, high-tech development zones and economic parks, many primitive rural settlements were swallowed up and urban villages in the modern sense emerged. At the same time, for these rural villages caught in the urban storm, their economic, social and urban construction have not been integrated into the overall planning and unified layout of the city, due to the influence of the dual structure of urban and rural areas in

terms of land, household registration, population and administration, and the accumulation of contradictions over time has led to the formation of urban villages in the true sense.

(5) 2000 to the present.

The contradiction between the rapid development of the city as a whole and the serious lagging of local areas has become an irreconcilable contradiction and the continuation of this situation has affected many areas of the city. A number of cities have started to rectify and transform urban villages by combining the expected goals and the implementation of specific actions to clean up this stumbling block to urban development in many areas and lots. For example, in 2000 Zhuhai proposed the goal of "transforming old villages in the city and creating high-quality communities" to eliminate all 26 villages in the city within three years. In 2005, Beijing proposed to renovate 171 urban villages within the Fourth Ring Road and around the Olympic venues within three years. In 2006, Yantian District in Shenzhen promised to complete the transformation of urban villages within three years, among other specific measures. In Xi'an, since 2002, 150 urban villages have been approved for renovation and 79 renovation plans have been approved, and by the end of 2008, a total of 8.82 million square meters of demolition work had been completed in 53 villages.

In terms of the spatial dimension, the formation of urban villages can also be divided into the following stages:

(1) Settlement stage

This can be called the pre-urban village stage and is typically characterised by traditional rural settlements. At this stage, the city has not yet expanded into the village and the village is still simply a primitive rural settlement, with a predominantly agricultural economy and a meagre income for farmers.

(2) Urban-rural integration stage

It can also be called the urban village growth stage, characterised by urban-rural contact. With the increasing expansion of urban land, a large amount of agricultural land in the surrounding villages is gradually expropriated by the city. As urban-rural land is wedged into each other, urban infrastructure such as water, electricity, gas and roads are extended to the rural areas, and the income from farming is replaced by the income from urban land rent. Commerce and industry gradually became the main source of economy in urban villages, and more and more villagers turned to non-agricultural activities, and the living space of farmers gradually shrank to the narrow

interior of settlements. These conditions set in motion a process of 'exogenous' urbanisation of the peri-urban countryside, whereby external economic forces propelled the urbanisation of the villages themselves. This 'exogenous' urbanisation contributed to the evolution of the socio-economic structure of these villages towards the typical 'urban village' of today.

From an institutional point of view, the collective ownership of land and the policy of residential bases were important institutional conditions for the formation of urban villages. The collective ownership of land and the policy of residential bases bound villagers together and formed a community of interests based on land, which was difficult to divide and dismantle, a significant difference from the private land state.

From a social point of view, the social psychological conditions for the survival of the urban village are constituted by the strong clan and geo-conceptions in rural China, and by the fact that the concept of settling down and moving to a new place. At the same time, with urbanisation and socio-economic development, land has proliferated and the foreign population has grown exponentially, making private rental a lucrative industry, which is the social condition for the development of urban villages.

From the government's side, the main problems are: (1) insufficient awareness and lack of timely planning and regulation. The government underestimated the consequences of the occurrence and development of urban villages and failed to come up with timely and effective planning and renovation measures, which ended up accumulating. (2) The economic and social costs of resettlement are huge. The rapidly advancing urbanisation process has led former rural residents to take the initiative to welcome urbanisation and make maximum use of the differential land rents formed by urbanisation, making the cost of resettlement so high that the government could not afford it for a while, so it adopted an avoiding attitude and allowed it to develop. (3) It is impossible to solve the aftercare problems of the urbanisation of the peasants, such as re-arranging employment and solving their social security and sources of livelihood.

(3) Urban village stage

This is the mature stage of the urban village, characterised by the conflict between urban and rural areas. At this stage, almost all the arable land in the village has been expropriated by the city and the original village settlement has been completely surrounded by the built-up area of the city. The original agricultural land has been turned into urban construction land, and the original farmers have no more land to cultivate, but they are still farmers in terms of household registration and have not achieved simultaneous urbanisation. Administratively, urban villages are still villages and

towns, and their agricultural income is rather meagre. Villagers in urban villages rely on compensation fees from land concessions and renting out their own properties to support themselves. The law and order situation in urban villages is chaotic, the building layout is haphazard and the infrastructure is outdated and unsustainable. At this point, the conflicts between the "city" and the "village" in terms of construction, society, culture, environment and transportation have become more and more profound, and the conflict between urban and rural areas has become increasingly serious.

(4) Disintegration of the urban village

This is also a sign of complete urbanisation. With the development of the city and society, the subsequent potential urban villages accept the lessons learned from the past and integrate into the modern city, breaking away from the social relations of the urban villages and taking the initiative to harmonise with the overall development of the city. The city has been developed and built as a whole through unified planning and layout. The phenomenon of the "urban village" will also collapse and leave the stage of history. This phase is a vision of the future and it is clear that the phenomenon of the urban village will continue for a long time.

4.1.3 Reasons for the formation of urban villages

There are many theories and opinions on the causes of urban villages. Some point out that it is an inevitable phenomenon in the process of urbanisation, others attribute the root cause of the problem of urban villages to the accumulation of contradictions and entanglements in the urban-rural dichotomy, others attribute it to the massive influx of migrant population into the cities, and others agree that the demand for economic benefits is an intrinsic cause. The growth and spread of this particular phenomenon in China's urban villages did not occur overnight, and is not the result of a single factor, but is a special product of the intertwining of multiple factors in a particular time and space. The reasons for the formation of "urban villages" in China can be explored from the following aspects:

1 Rapid urbanisation is the external driving force behind the formation of urban villages

Urban villages are the product of a specific stage in the urbanisation process and have their own intrinsic regularity of production and development. The urbanisation rate in China has increased from 17.8% in 1978 to 63.89% in 2020.¹⁴ Urbanisation plays an important role in promoting the

¹⁴ Data source: National Bureau of Statistics of China

transformation of China's society from traditional to modern, from closed to developed, from agricultural to industrial, and from rural to urban society, promoting the progress of China's society, culture and economy in many aspects.

The process of urbanisation under the ideology of developmentalism has led to a variety of problems and contradictions in the process of urbanisation in China. Emphasis on economic growth at the expense of comprehensive social development. A 'one-sided urbanisation' that emphasises economic efficiency at the expense of social justice. The 'adventurous' strategy of blindly pursuing the speed of urbanisation. The massive encirclement of rural land and agricultural resources without regard to the transfer of surplus rural labour. Some scholars have pointed out that "the spatial levelling of the rural poor into the cities has merely turned these people into urban slum dwellers".

With the massive construction of cities, the original rural settlements were gradually submerged in the wave of urban expansion, and agricultural land was expropriated and replaced by land for urban construction, leaving the peasants themselves with nothing more than land for their homes. At the same time, with the rapid encirclement of the surrounding skyscrapers, the tracts of residential land are left alone in the city. With the government's focus and capacity for urban construction and management skewed, the phenomenon of 'urban villages' has developed over time. Rapid urbanisation is therefore the external driver for the creation of 'urban villages'.

According to data released by the National Bureau of Statistics in February 2012, by the end of 2011 the proportion of the urban population in China's total population had reached 51.27%, exceeding 50% for the first time, with a total increase of 600 million, while the number of rural workers had increased by nearly 160 million in the same period. Therefore, the rural population is only "moving" in the cities rather than becoming urban residents.

2 The dual structure between urban and rural areas is the root cause

Since the mid-1950s, China's policy of urban-rural segregation, which was implemented during the planned economy to suit the strategy of promoting the priority development of heavy industry, began to form a dualist management system that distinguished between urban and rural areas, artificially separating urban and rural areas in political, economic and cultural terms, and giving rise to a system of urban-rural dualism that is unique to China. The dichotomy between traditional and modern society is only a symptom of the problem, but is in fact an institutionalised product of the urban-rural divide. The particular structural system can be analysed from the following perspectives.

(1) The land system

The complexity of China's dualistic land legal system is determined by its urban-rural duality. The fact that China has a socialist system of public ownership is explicitly stated in the Constitution and the Land Management Law. According to Article 10 of the Constitution and Article 8 of the Land Management Law, land ownership is specifically divided into "land in urban areas belongs to the State". "The land in rural areas and suburban areas belongs to the peasants collectively, except where the law stipulates that it belongs to the State; residential bases and self-reserved land also belong to the collective". The two provisions determine that urban villages are in a state of co-existence and interlocking ownership of land between the state and collective land.

(2) Household registration system

In 1951, the Ministry of Public Security published the first law and regulation on the management of household registration in New China, the Provisional Regulations on the Management of Urban Hukou. In 1958, the Regulations of the People's Republic of China on the Registration of Hukou were adopted, and Article 10(2) of the Regulations made clear provisions for the entry of the rural population into the cities, signifying the formation of a system of hukou migration in China, with strict restrictions on the movement of the rural population to the cities. The Regulations on the Work of Rural People's Communes went even further by restricting peasants to the land of production teams. The urban-rural barrier created by the hukou status system also resulted in huge differences in the lives of urban and rural residents, such as pensions, medical care, unemployment, relief and subsidies.

(3) Management system

Article 3 of the Urban and Rural Management Law states that "Cities and towns shall formulate city plans and town plans in accordance with this Law. Construction activities within the planning areas of cities and towns shall conform to the planning requirements. Both the Urban Real Estate Law and the Regulations on Urban Housing Demolition and Relocation are for construction projects within urban areas and do not cover rural areas. The Organic Law of Villagers' Committees is also silent on the construction of houses on collective land. Article 152 of the Law of Property Rights, "The person who has the right to use a residential base shall enjoy the right to occupy and use the collectively owned land in accordance with the law, and shall have the right to use the land to build a dwelling and its appurtenances in accordance with the law". The Regulations on the Planning and Construction of Villages and Market Towns also stipulate that the scale and height of construction should be controlled by government departments, while the Regulations on the Administration of Urban Housing Demolition and Relocation and the Urban Real Estate Law are often used as

reference standards in the course of specific operations, resulting in a confusing situation in the management system of urban villages.

(4) Property rights system

The confusion over the ownership of houses has directly led to disorderly construction, resulting in a large number of illegal buildings. Many of these buildings are either unregistered or do not have all the certificates of ownership, and the confusion of the village collective property rights system has also contributed to this phenomenon. It was not until the Law of the People's Republic of China on Property Rights, adopted at the Fifth Session of the Tenth National People's Congress on 16 March 2007, that the relevant provisions were made.

3 Migrant population

In the 30 years since the beginning of reform and development, China's urban population has increased from 120 million to 594 million, and as many as 150 million people in agriculture have been de-farmed, making the scale of population transfer the largest in the world. 2000's fifth national census showed that the migrant population in Beijing was 3.8 million, in Shanghai there were 3.87 million migrant people, and in Guangzhou around 3.3 million. According to the results of the 2005 National Population Sample Survey released by the National Bureau of Statistics, the size of China's migrant population has reached 147 million people.

The process of urbanisation is in fact also a process of continuous penetration and spread of urban civilisation to the rural areas. The people who have moved from the countryside to the cities are gradually being accommodated and transformed by the cities in terms of their ideology, way of thinking, lifestyle, behaviour, values and cultural literacy, which are based on the traditional small-peasant economy, and under the influence of the basic characteristics of the cities, such as socialisation, commercialisation, standardisation and legalisation, they are gradually establishing a new urban-rural social order that is different from that of the agricultural society.

From an objective point of view, the earlier and faster the inflow of foreigners, the earlier and faster the formation and development of urban villages, especially in the local economic development also played a role in boosting. On the one hand, the government was unable to provide adequate accommodation for the large number of migrants, and on the other hand, it provided a breeding ground for the private construction of unauthorised buildings in the urban villages. Therefore, itinerant population is the additive to the formation of urban villages.

The emergence and fast growth of urbanizing villages is an outcome of China's recent and on-going experiences with rapid urbanisation and its associated rural–urban migration and China's land policies. China's urbanisation has induced a massive rural migration since the late 1970s. According to official estimates, there were about 70 million rural–urban migrants working and living in urban areas at the end of 2000. However, due to the incompleteness of reforms of social services in the urban sector in the face of rapid urbanisation, the rural migrants do not have access to many urban amenities including urban housing. In addition, China's land policies have enabled the native farmers in the urbanising villages to construct inexpensive housing units and rent out these units to the rural migrants. Through these villages, indigenous farmers are becoming well-off landlords by building and leasing out extra rooms (Möbrant, 2006) and rural migrants are able to find shelter while they are excluded from the urban housing system.

Nonetheless, villages within cities are generally perceived as undesirable places and are consequently dismissed by urban authorities. Most of villages are associated with unplanned land uses, decayed housing conditions, reduced public safety and deteriorating social order. Therefore, urban policies have been adopted to demolish many urbanising villages and to redevelop the villages into commercialised urban housing districts. (Yan Song, Yves Zenou, Chengri Ding 2008)

4 Economic interests

The core of the conflict in urban villages lies in the issue of interests, which is concentrated on the relationship between the various parties involved in urban villages. Urban villages are the result of the pursuit of maximising income from land and housing rents. The land use and development and construction behaviour of urban villages is entirely dependent on the comparative interests of land revenue distribution. The geographical location of urban villages is more obvious and the potential value of land is high. The lucrative profits from renting out houses give the local villagers a taste of the sweetness, coupled with the lack of government control measures, the lack of sufficient funds for construction and the rather limited size of the villagers' house bases. In order to obtain better living conditions, the villagers will inevitably pursue profit to the maximum, often ignoring the architectural shape and its impact on environmental conditions, and trying to maximise the intensity of land development, resulting in a chaotic building layout, increased floor space and building density. The result is a chaotic layout of buildings, a larger footprint and higher building density. The result is what we call in common parlance "a line of sky", "handshake buildings", "veneer buildings" and so on.

The change in the working conditions and production methods of villagers in urban villages is a

result of the villagers' need to pursue their own interests. The chaos in the management order also reflects, to a certain extent, the different demands of the various stakeholders in the urban-rural dichotomy, while the "urban village" is also a point of conflict between the overall development of the city and the local people's own interests. Therefore, to a certain extent, the demand for economic benefits has become a catalyst for the formation of "urban villages".

4.1.4 Land system and migration phenomenon

1. Land system and land expropriation

China's long-standing dual land management system of urban and rural areas, i.e. state ownership of urban land and collective ownership of rural land, provides that urban land is owned and managed by the state and supervised by urban planning and municipal administration, while the use and management of rural land belongs to the village collectives, and farmers can acquire new land use and revenue rights without compensation or at low cost within a collectively defined share, subject to administrative approval. The land use and management of rural land belongs to the village collectives. Industrial and urban construction require new land for construction, and the law requires that land for construction be used in principle on state land, so the state converts collective land to state land by means of expropriation and by paying certain compensation. The development of the urban economy and the expansion of urban areas has led to a huge appreciation in the value of land, and the predatory use of this land by the government and villagers and investors has become a disorderly and even frantic activity.

The urbanisation of China is rapidly advancing against the backdrop of the urban-rural dichotomy. As we can see from the definition of urbanisation, it comes with the process of industrialisation, which is based on economic development, especially the agglomeration of industries and the development of the industrial economy. Urbanisation manifests itself on the one hand in the transformation of rural populations and agricultural territories into cities, and on the other hand in the transformation of agricultural land into non-agricultural land and of rural land into urban land, leading to an expansion of urban populations and urban land. In this sense, urbanisation is a process of land use change.

Let us look at how Chinese law regulates the arrangement of property rights, expropriation and transfer of land. There are two main existing laws that deal with the right to transfer agricultural land, one is the Land Administration Law of the People's Republic of China and the other is the Law of the People's Republic of China on Rural Land Contracts.

Article 2 of the Land Administration Law provides that "The People's Republic of China implements a socialist system of public ownership of land, i.e. ownership by the whole people and collective ownership by the working masses" and Article 8 provides that "Land in urban areas belongs to the State. The land in rural and suburban areas, except for those provided by law to be owned by the State, belongs to the peasants' collective ownership of residential bases and self-reserved land and hills, which belong to the peasants' collective ownership". Article 2 of the Land Management Law further stipulates that "No unit or individual may encroach on, buy, sell or otherwise illegally transfer land. The right to use land may be transferred in accordance with the law". The significance of this provision is that the right to use land, both state-owned and collective, cannot be bought, sold or transferred. However, after the separation of the right to use and ownership of state-owned land, the right to use enters the market and is freely transferred, while there are various restrictions on the transfer of the right to use collective land. The nature of the legal relationship between rural collective land is set out in Article 63 of the Land Management Law, which states that "the right to use land collectively owned by peasants may not be transferred, assigned or leased for non-agricultural construction". Also the basic state policy of protecting arable land is the policy basis for restricting the transfer of the right to use collective land. Such collective land property rights are incomplete from the perspective of the market economy system. Property rights are a collection of rights, and property rights that are not tradable and restricted from trading are not complete property rights. (Zhou Xinhong, 2007)

Article 43 of the Land Management Law stipulates that "any unit or individual who needs to use land for construction must apply for the use of state-owned land in accordance with the law" and that "state-owned land includes land owned by the State and land formerly owned by peasant collectives that has been expropriated by the State ". Rural collective land does not have direct access to the market, but it can be nationalised first and then put up for sale in the market. Therefore when urbanisation and economic development require the conversion of a portion of agricultural land to non-agricultural construction, the only legal way under current law is through monopolistic means of state expropriation, i.e. where agricultural land is converted to construction land that is not for the peasants' own use, the transformation from collective land ownership to state ownership must be completed. Although the Law on Rural Land Contracting, adopted in 2007, not only confirms and declares the protection of farmers' right to use and benefit from land, but also confirms and declares the protection of farmers' right to transfer and benefit from land, it is still all limited to the "agricultural use of land" and the principle of transfer still stipulates that the agricultural use of land cannot be changed.

A fast-growing economy and rapid urbanisation will inevitably lead to a huge demand for land and

an exponential increase in its value. The current law recognises the government's right to expropriate agricultural land, but also recognises that the government can sell the right to use the expropriated land to the market. Compensation for the government's expropriation is based on the proceeds from the agricultural use of the expropriated farmland. The sale of the right to use the land, on the other hand, can be priced according to market principles - the highest bidder among competing parties based on the expected return from the future use of the land. This means that the current law not only recognises the government's exclusive monopoly on eminent domain, but also protects the right to obtain the maximum legal value. The current system of land expropriation deprives farmers of the right to bargain for compensation, and the government often lags behind in considering farmers' interests and fails to fundamentally reform and innovate systems that break the urban-rural dichotomy, leaving farmers with no choice but to petition and appeal and break through existing institutional norms to influence the price of compensation. The government and the investors who conspired with it, driven by the efficiency-first philosophy of governance and the unscientific concept of development and performance in the past few years, have started a near-crazy campaign of land expropriation to deprive farmers of their interests. The expanding urban areas have swallowed up the land on which the suburban peasants depend for their livelihood, while the peasants do not share or cannot fairly share in the value brought by the market allocation of land resources. This is a systemic deprivation of benefits against the peasants.

In terms of land acquisition methods, in order to acquire land quickly, or fundamentally with a view to gaining maximum profit in the short term, the government usually neglects the scientific use of land, and patches of collective land are gradually fragmented by construction land for various functions, while residential land and land for township enterprises, which are costly to demolish and take a long time to negotiate compensation, are left behind. Due to the lack of serious planning guidance and control over urban construction, the government has allowed land acquisition units to freely choose their land, and the demand for large amounts of land for the rapid development of the city festival has gradually swallowed up the surrounding peasants' uplands. Apart from some of these villagers who were gradually incorporated into the city, some of whom have been converted to urban residents as a result of expropriation, the remainder still belong to the peasantry in terms of their status, and they also still retain their collective land, but this land is basically no longer agricultural land, but mainly residential land, land for public facilities and some land for business purposes.

During the decade of the 1990s, the country's urban and rural construction land increased by 26.4 million mu, of which 81% of the new construction land came from the occupation of arable land, with a total of 21.38 million mu of occupied arable land. Irrespective of the eastern, central and

western regions, urbanisation has mainly manifested itself in the form of government-led urban outward expansion. For Chinese farmers, whatever urbanisation and industrialisation may bring to their future, the first thing they have to face is the loss of their land. 1.7 million peasants were expropriated in Zhejiang province between 1999 and 2002, and a total of 980,000 peasants lost their land in Shaanxi province in the decade between 1994 and 2003. The distribution of these landless peasants is mostly concentrated in urban villages and suburban areas. Land expropriation is a process of institutional dispossession of peasants by the government, and has led to the rapid spatial submersion of urban villages into "villages in the city" (an empirical study of the current state of China's land system).

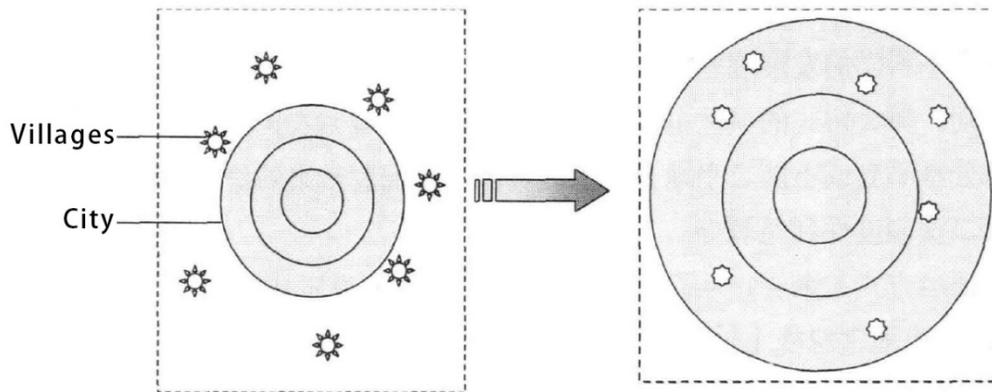


Fig.10: Map of the spatial evolution of the formation of urban villages, source: Li Junfu, Transformation of Urban Villages

2. Floating Population and Migration Phenomenon

After the reform and opening up, the reform of the rural system, the transformation of township enterprises, the change in farmers' attitudes and the breaking down of barriers between urban and rural areas, coupled with the imbalance in regional economic development and the existence of comparative interests between urban and rural incomes, the surplus rural labor force, which had been strictly controlled by the household registration system under the policy of urban-rural division, left the countryside and became an army of urban migrants. This has resulted in a unique "wave of migrant workers" from the countryside to the cities and from the mainland to the coast. According to a study conducted by the Rural Economic Analysis Group of the Chinese Academy of Social Sciences, 49.24 million rural workers left the country in 1993, of whom 38.66 million were urban migrant workers, accounting for 78.5% of the rural exodus, but the actual number is probably much higher than the statistical results. According to the 2000 census, there were 120.17 million migrants in the country, of whom 73% were urban migrants, reaching a huge 87 million. 1989 saw over 1 million temporary residents in Shenzhen, and by 2005 there were 10.26 million registered temporary residents, an increase of over 10 million in 15 years. These city dwellers are engaged in various

occupations such as service workers, production workers, technical workers, construction workers, professional and technical staff, general clerks, clerks, managers, residential service workers, business service workers, individual owners, stall vendors, domestic service workers, municipal sanitation workers, etc.

The construction and development of the city requires a large number of foreign cheap labourers, but the city obviously lacks the perfect infrastructure to accommodate them, and due to the limitation of land resources and capital, the government cannot provide enough cheap housing for the vast number of foreigners to rent for a while. When urban villages attract large numbers of foreigners with their excellent location and low rents (without the cost of land and avoiding taxes), even if the government could afford to build low-cost housing, it would lose its competitiveness due to cost and location. The large and growing number of migrants each year and the huge rental demand they generate are the economic factors that have enabled the rapid development of urban villages.

In 2000, Guangzhou's provincial migrant population alone reached 124,890, most of whom live in rented houses or self-constructed shacks in "city villages". The population in Shipai Village was 42,000, four times that of the villagers. In Tangxi Village, the number of foreigners is 21,393, seven times that of villagers. The most educated foreigners, 59.7%, are middle school educated, mostly working in labor-intensive industries or trade services, with an average monthly income of about 500 RMB. According to Li Zinkui (2005), security guards in Shenzhen earn a monthly salary of RMB 1,000, cleaners RMB 800, petrol station workers RMB 900 and restaurant waiters RMB 800, and with their incomes, they can only live in low-cost housing. Li Junfu (2003) conducted a survey of rental housing rents in six urban villages in Guangzhou, and their average monthly rent was 7 RMB per square metre, a tenth to a fifth of that of the surrounding commercial housing.

With such incomes and no institutional housing support, temporary residence and mobility are their inevitable choices, and low-cost rental housing in low-rent, well-located urban villages naturally becomes their first choice. For former suburban farmers who have lost their land and have neither skills nor experience, making money from the land is the least risky way to earn a living. In a survey conducted by Zhang Guihua, Yin Huaiting and Yao Chunli (2003) on three typical urban villages in Xi'an, the average monthly rental fee for a rental house was 7 to 8 RMB per square metre, and the average rental income per household basically amounted to 3,000 RMB, which was the main source of livelihood for farmers in urban villages, accounting for 70 per cent of their annual income.

The huge rental demand from migrant populations and the low-cost supply of housing in urban

villages, in the context of a serious shortage of effective government provision of low-cost housing and weak binding controls, has driven the rapid development of urban villages in a disorderly and disconnected manner from urban planning.

4.2 Analysis of the current situation of urban villages in China

The number of cities in China has grown from 30 in 1978 to over 600 today, and the built-up area of cities has expanded from 36,000 square kilometres to over 90,000 square kilometres. With the rapid development of cities, villages around cities have quietly entered the cities, forming the unique "urban villages" in China. Urban villages are a special regional phenomenon in China's urbanisation process, a product of incomplete urbanisation in a specific historical, economic, social, cultural and policy context.

At present, all cities in China basically have the phenomenon of urban villages, and it is more obvious in large and medium-sized cities. It is most obvious in economically developed regions such as the Pearl River Delta, the Yangtze River Delta and the Bohai Sea Economic Zone. In Guangzhou, 138 urban villages have been included in the renovation plan in recent years, accounting for 20.9% of the city's planned development area. If these urban villages are renovated, it is conservatively estimated that at least 200 billion yuan will be needed. Shenzhen, with 241 urban villages and 91 of them within the SAR and 150 outside the SAR, is the largest number in the country, covering a total area of 43.9 square kilometres and a population of 2.15 million. Wuhan, 147 urban villages and 15 agricultural and forestry units, with a total population of 365,500 people, equivalent to a quarter of Wuhan's planned built-up area in 2020, and a total land area of 200 square kilometres. Zhengzhou, with 168 urban villages, can free up 100,000 mu of land, covering nearly 70 square kilometres, accounting for nearly a quarter of the total built-up area. Beihai, 45 urban villages, covering an area of about 11.2 square kilometres, with a built-up area of about 6.36 million square kilometres and 47,700 households and 149,300 residents. Taiyuan, 83 urban villages, covers an area of 100 square kilometres, with a resident population of 127,400, and the number of foreigners is directly related to the resident population.¹⁵ This shows that there are numerous urban villages in China, designed for a huge scale of land and population.

The current situation in urban villages can be summarised in the following ways:

4.2.1 Disorganized street systems and serious safety hazards

With the long-term indifference and indulgence in the management and development of urban

¹⁵ Data source: National Bureau of Statistics of China

villages, it is not uncommon to see residents in the villages building their own private structures such as canopies, security windows, open-air pickets and assembled air-conditioning equipment, with low quality buildings, chaotic layouts and very many illegal structures, as well as narrow and curved internal traffic and prominent safety problems. This disorderly development has led to the street system becoming increasingly chaotic and the internal spatial environment deteriorating, all of which have severely constrained the renewal and development of the urban villages, which are caught in such a vicious circle.

4.2.2 Insufficient public space and a dilapidated ecological environment

The building density in urban villages is extremely high, and the phenomenon of "handshake buildings" is widespread, with a serious lack of public space and cultural and recreational facilities; secondly, the ecological environment has been completely neglected. For a long time, under the constraints of the urban-rural dichotomy, urban management policies and planning standards could not be implemented in urban villages, and coupled with the imperfect monitoring system and regulations, there was a vacuum in the construction management of urban villages. At the same time, under the dual influence of the agglomeration and diffusion effects of large cities, a large number of floating people, mainly farmers who have moved to the cities, have flocked to the cities, creating a widespread demand for cheap housing. In order to obtain more rental income, villagers in urban villages have carried out unplanned, overloaded and disorderly development of collective land, and "dirty, disorderly and poor" has become a typical feature of urban villages. The living environment in urban villages is of low quality, with very high building density and very little spacing between buildings. In terms of public service facilities, the first thing is that the supporting public facilities are not perfect. Most of the urban villages are inherited from traditional rural settlements, and most of them do not have centralised green areas, and there are insufficient public facilities such as secondary schools, primary schools and kindergartens. Secondly, the municipal pipeline projects are weak. Due to the lack of space for laying pipelines in the villages, the construction of various municipal pipelines is extremely irregular, and many hidden dangers have been left by the random pulling of lines and laying of pipes. Finally, the disaster prevention and rescue capability is poor. The original reservoirs, rivers and canals in the village have been blindly filled in and narrowed during the development process, and the vertical elevation of the village is generally not up to the standard of urban flood control, resulting in frequent "flooding" during heavy rainstorms and reduced flood prevention capacity.

4.2.3 Old functions are difficult to adapt to new needs

Due to the early construction period of urban villages, the construction of infrastructure such as

water and electricity networks is relatively backward, making it difficult for some of the old functions of urban villages to adapt to the new needs of modern cities; moreover, most of the urban villages are located in the built-up areas of cities, and the functional patterns of the surrounding cities have basically taken shape, making the functional patterns of urban villages even less competitive.

4.2.4 Disappearing traditional culture

On the one hand, most of the residents of urban villages are foreigners, who have their own "hometowns" that they are more familiar with and attached to, and do not have a high sense of identification with the space they live in now. Moreover, most of the foreign residents are forced to work for a living, leaving early and returning late, and are not very concerned about the quality of the space in the urban village, and even though they are dissatisfied, they are unable to change the situation. On the other hand, the influx of foreigners has led to a greater mobility of the population in urban villages, and the movement of indigenous residents has led to the disintegration of the original acquaintance society within the village, resulting in a dichotomous society of local residents and foreigners, a reduced sense of urban identity and the gradual disappearance of traditional lifestyles and social relations.

4.2.5 Lack of social security

Villagers in urban villages own their own land and mostly live on rent. With the development of urbanisation, villagers' land has been expropriated one after another, and villagers in the past have gradually been transformed into urban residents, thus facing the problem of employment. Most of these labourers are of junior secondary education level, with poor knowledge and skills, and are not very capable of learning. They are forced to put down their farming tools when they lose their farming uplands and look for new jobs in the cities. On the one hand, with the cities placing higher demands on the quality of the workforce; on the other hand, the overall employment pressure in the cities is high and the demand for jobs is much higher than the number of new jobs on offer. The one-off financial compensation offered by the government when the land was initially expropriated could not fundamentally solve the villagers' livelihood problems in the future, and the government did not include this group of villagers in the city's unemployment protection system. A large proportion of the workforce has been unemployed for years without social security. The education protection system in urban villages is also inadequate. The majority of villagers in urban villages are reluctant to spend money on education, and because of their own low level of education, they do not ask their children to study hard to gain knowledge and wealth, preferring short-term income investments in order to receive more dividends at the end of the year.

4.3 The necessity for urban village transformation in China

Objectively analysed, urban villages have also played a positive role in the development process of China's cities. Firstly, urban villages have absorbed a large number of foreigners and relieved the pressure on the city government to resettle the foreign population. Secondly, urban villages have played a positive role in passing on the historical heritage of the city. Thirdly, urban villages objectively play a role in calming down urban housing prices.

Looking deeper into the current situation of urban villages around the country, a series of problems are also becoming increasingly prominent. Most of the urban villages in China have a high population density and limited land for living, which inevitably leads to crowded buildings and haphazard construction in urban villages; the diverse population structure and low income people with low cultural awareness have also given rise to a series of social conflicts, sowing hidden dangers for residents' personal and property safety and restricting economic development. The only way to solve the problem of urban villages is to transform them. Through research and study of the current situation of urban villages around the country, combined with the achievements made in the transformation of urban villages at home and abroad, I propose the necessity of transforming urban villages from the following aspects:

1 Urban village transformation is an inevitable requirement for building a suitable living environment

First of all, as the arable land in urban villages was swallowed up, the residents of urban villages took advantage of their land zones and lived on rented houses and land. Driven by economic interests, villagers built houses at sight, resulting in a chaotic layout of buildings, causing aberrant development of the environment and a living environment that began to be poor, undermining the harmony of a scientific habitat.

Secondly, from a human and social point of view, the countryside has a complex variety of inhabitant classes, surrounded by dense buildings and with little contact with nature. The influx of a large number of foreigners has made social security problems very prominent, with cases of fighting and robbery occurring from time to time. Environmental problems also follow.

In addition, the villagers in urban villages have lost their land, their cultural quality and their ability to earn a living, and are unable to adapt to the fast-paced life in the city.

In summary, urban villages have lost both their idyllic beauty and their urban landscape. Villagers living in urban villages are extremely insecure in terms of living, safety and hygiene, and are far from a scientific habitat. The habitat of urban villages needs to be vigorously transformed.

2 The transformation of urban villages is an inevitable requirement of urban economic development

After the encirclement of the countryside by the city, many rural lands have increased in value and the price of land has been greatly increased due to the development of the land around them by the city. Real estate development activities such as the development of the land must pay for the purchase of land, while the villagers only need to pay the corresponding home base management fees to build and develop, so the cheap land level has led to property developers to cooperate with villagers by way of inducement. The developers promised the villagers high land compensation as the land price to develop the property project, which also resulted in the loss of a large amount of state land grant money and the damage to the state's interests. On the other hand, such development activities have resulted in the creation of a large number of low-cost commercial houses. According to Article 55 of the Measures for the Administration of Urban Real Estate of the People's Republic of China, "Where, for profit, the owner of a house rents out a house built on state-owned land whose use rights have been acquired by means of allocation, the land revenue included in the rent shall be paid to the State." There is no doubt that low-rent commercial houses have been retained to this day, and state revenues have been lost for a long time.

It can be seen that the transformation of the nature of land after the transformation of urban villages has an important role to play in curbing the loss of state revenue. In addition, the transformation of urban villages can effectively drive the development of urban infrastructure and the real estate industry, expand investment demand, especially by attracting social capital to participate in urban construction, increase domestic demand, expand the demand for residential housing, durable consumer goods and services, and stimulate the development of related industries, etc. At the same time, the optimisation of the urban environment brought about by the transformation of urban villages will inevitably expand the value-added space of urban assets and further promote the healthy development of the urban economy.

3 The transformation of urban villages is a necessary requirement for improving the social security system

The current household registration system in China separates urban residents from farmers. In terms of housing, education, medical care, pension insurance and labour insurance, urban residents have a clear advantage over peasants. This policy has led to a long-term freeze in the distribution of population and labour force between urban and rural areas, so that villagers are forced to stick to their place of residence and cannot change their occupation at will.

The urban-rural social security system is institutionally inequitable and narrow in coverage. The

coverage of our urban residents in the social security system, which is mainly based on unemployment benefits, disability protection and social welfare protection, is proportionally insufficient. While the agricultural population is addressed individually, the vast majority of peasants are basically outside the state's social security system, urban residents of employment, medical care, housing, pensions and other welfare measures, peasants to enjoy.

In addition, although urban villages provide cheap rental housing for a large number of transient people, they are highly mobile, the tenancy relationships are not permanent, and the government functionaries are unable to manage them in depth, leaving the people and households separated for a long time. Such a state of affairs is not conducive to the implementation of our social welfare protection, medical care, education and other national policies for the people's livelihood, and to a certain extent is not conducive to the stable development of society.

The transformation of urban villages can eliminate the shortcomings of the old dual social management system between urban and rural areas, thus establishing and expanding the existing urban social security system with pension insurance, labour insurance, unemployment relief, disability protection and other social security benefits as the mainstay, and making it easier to manage the floating population after the transformation of urban villages, as well as helping the government departments to manage in depth so that various social security policies can be put into place.

4 The transformation of urban villages is an inevitable requirement for the establishment of a sound legal system

The historical background of urban villages and the dual system of urban and rural areas have led to a weak awareness of the legal system among villagers, making it difficult to improve the legal system, which to a certain extent has hindered the establishment of a sound rule of law society in China. Firstly, villagers in urban villages have a low level of education and a weak awareness and understanding of the legal system. Secondly, the village committees do not have sufficient efforts to popularise the law. The members of the village committees come from the villagers and their knowledge and understanding of laws and regulations is not stronger than that of the villagers.

Land in urban villages is the only means of livelihood for villagers in urban villages, and the villagers' fear of losing their land makes them reject urban village transformation and even confront the government, thus creating conflicts. Firstly, the villagers want to receive a large amount of compensation from the government in the face of land expropriation, but the standard of this compensation varies and lacks a strong legal basis and theoretical support, leaving the villagers in a

passive position. Secondly, in the process of land acquisition and demolition, once the villagers' interests are damaged, the villagers' awareness of legal protection is indifferent, and most of them will think that the government is infringing on their own interests and choose to confront the government. Once again, the transformation of urban villages in China is still at an experimental stage, and the legal system in this area is not yet sound, lacking a set of legal system combined with the current socio-economic situation, and forced demolitions and confrontations are constantly occurring throughout the country, resulting in many social tragedies.

5 Urban village transformation is an inevitable requirement for improving urban public services

The transformation of urban villages is an important stage in the urbanisation process, the aim of which is to achieve urban integration through the transformation of the original villages, and the completion of urban village community is the best form of achieving urban integration. The transformation of an urban village is not only about the appearance of the village, but more importantly about the inner transformation of the villagers in the urban village. Adequate public services and facilities can help to meet the basic needs of villagers and soften their resistance to the transformation of urban villages to a certain extent. The construction of public service system is an important element in the transformation of urban villages. The perfection or otherwise of the public service system and the enhancement of public service facilities in the transformation of urban villages will directly affect the effect of the transformation of urban villages, and it can be said that a transformation without a sound supporting public service system is a failed transformation. In addition, the ultimate goal of urban village transformation is to achieve urban integration. A perfect public service coverage system not only helps to promote the normal operation of the urban economy, but is also an important constraint on the quality of life of urban residents.

4.4 Conclusion

This chapter deals with the basic concept of 'urban village', its historical evolution, its causes, its current situation and the need for transformation.

Firstly, the concept of urban villages is discussed from the perspectives of urban planning, architecture, social relations and economy. It goes on to explain the formation of urban villages in China in two dimensions: time and space, and introduces the reasons for their formation: rapid urbanisation, the urban-rural dichotomy, the influence of the floating population and economic interests. Of these, the land system and the floating population are the key causes of the formation of China's urban villages, so they are described in more detail in this chapter.

Next, the chapter explains several existing problems in China's urban villages, including: safety

hazards, public environmental damage, functional obsolescence, lack of traditional culture, and lack of social security. It concludes with a discussion of the need for urban village transformation.

5 Relationship between the urban village and urban renewal

In China, the issue of urban villages is one that must be faced in urban renewal, and it can even be said that the transformation of urban villages is a difficult and important part of urban renewal. Nowadays, even though they are different from traditional urban communities, urban villages are part of the city and their ecology has a significant impact on their surrounding areas. And urban renewal is an integrated upgrading of the city as a whole, and the process may be gradual or radical. But whatever the form of urban renewal, it will be affected by the urban village. The relationship between the two is complex, with urban villages, due to their inherent complexity, both posing certain difficulties and impediments to urban renewal and, to a certain extent, easing the pressure of urban renewal. I will analyse both the negative and positive aspects of urban villages on urban renewal, both before and during the transformation process.

5.1 Obstacles of urban villages to urban renewal

Firstly, before transformation, urban villages have many bad effects on urban space because of their inherent complexity and many problems. And during the transformation process, compared to the traditional transformation of old urban areas, urban villages can bring more difficult problems to the overall urban renewal work.

1. Negative impact before transformation

(1) Low efficiency in land use.

Urban villages are distributed as part of the city within the built-up areas of the city, occupying valuable urban construction land. The excellent location and perfect urban supporting facilities around the village make the land in the village has great appreciation potential and development value, but at present, most of the land in the village is the villagers' residential base or the development land of collective enterprises, basically it is a "handshake building" of exclusive households, the efficiency of land use is low, and the value of land is not fully reflected. China's per capita land resources are scarce, and urban land is particularly scarce, while economic development and urbanisation require a large amount of land for construction. In the context of urbanisation and the influx of rural population into the cities, this efficiency of land use in urban villages can hinder the progress of urban renewal to a certain extent and prevent it from being carried out more effectively.

(2) Poor landscape environment.

Due to the confusion of land ownership and use in urban villages, the drive for profit has led to disorderly expansion of construction. The function of land use is disordered, with residential, industrial and storage land mixed, and the protection distance is far below the specification requirements, posing a great threat to the life safety and health of the residents. The interior is too densely built, the architectural design is old and outdated, and most areas have little or no public green space, which seriously affects the urban landscape. Due to the duality between urban and rural areas, the development of urban villages is not integrated into or lags behind the unified planning, construction and management of the city. The result of this long-term lack of management is the peculiar urban phenomenon that we can often see, where on the one hand there are elegant urban housing or public facilities, and on the other hand there is a "concrete forest" with a poor environment. The poor environment around the urban village affects the surrounding area, which in turn has an impact on the urban renewal of the surrounding area and makes the whole urban landscape uncoordinated.

(3) Lack of public facilities.

Due to the dualistic nature of the urban-rural public investment system, the urban government has seriously under-invested in public facilities in urban villages, while villagers' self-governance lacks long-term interests, resulting in a serious lack of municipal roads, health, sports, culture and education facilities in urban villages, which, together with the high population density, has resulted in chaotic traffic, poor hygiene, extremely fragile ability to deal with public crises such as disaster prevention, and low quality of life for the residents. The lack of public facilities has led to the fragmentation of urban villages from the urban space, which is detrimental to the prosperity and stability of the city as a whole, as well as to the urban renewal process.

(4) Social security and social stability issues.

Due to the confusion of tenancy, the number of migrants in many urban villages has far exceeded the number of indigenous people. Urban villages have become mixed communities of villagers, transients and urban residents. As a result, many social backwardnesses have developed in urban villages, with high crime rates and a poor security environment, making them the "hardest hit" areas in the city. As the inhabitants of urban villages are basically the low-income class of the city, they are either victims of land expropriation, discrimination because they come from rural areas, or are engaged in the lowest end of urban industries, the gap between the rich and the poor and the mainstream of the city is widening, and they basically do

not enjoy the same social welfare and protection as urban residents. Therefore, the urban village area has become the most unstable place in the city, and the residents of urban villages have become the most unstable factor in the city, which is a major problem in building a harmonious city and a harmonious society in the process of urbanisation in China. The huge fragmentation of urban village residents from the surrounding community is not only detrimental to social stability, it is also an urgent issue for urban renewal to consider.

(5) Cultural concepts and quality issues.

Due to the passive and radical nature of the urbanisation process in urban villages, it is difficult for the original villagers to adapt to the impact of traditional rural culture and modern urban culture. The villagers themselves are less educated, have weak urban employment skills and experience, and the relative increase in economic income has not improved the cultural quality of the villagers and their legal awareness is indifferent. They rely on rent and dividends from the collective economy to meet their needs and have a poor entrepreneurial spirit, which is reflected in the phenomenon of the "subjective surplus labour force" and the "second generation" who have nothing to do in the village, and which has a very negative influence on their offspring. In short, they have not yet integrated into the city culturally, psychologically and in terms of lifestyle, and there is a great distance and gap between them and the city dwellers, a situation that can easily lead to confrontation between different groups. The cultural and qualitative backwardness cannot be changed overnight, and urban renewal must take into account the situation of urban village residents and give them attention and opportunities.

2. Obstacles in the renovation process

The transformation of urban villages is part of urban renewal, and the complexity of urban villages in this process poses many difficulties and problems that need to be solved for the overall urban renewal.

(1) The problem of the way of life of villagers in urban villages.

The transformation of urban villages needs to be carried out under the concept and principle of "putting people first". The urban village renovation project is not just about changing the status of rural people as farmers, beautifying the living environment, planning and taste of rural construction, but about increasing the income and living standards of rural residents on the basis of improving their quality of life. Therefore, it is necessary to consider not only the transformation of the original buildings, but also the future income of the local villagers, which

is also a reflection of the concept of sustainable development.

(2) Integration of the urban village population into the city.

The main purpose of urban village transformation is to transform farmers into citizens, but in reality, urban villages have a complex composition of inhabitants, ranging from rural residents to temporary outsiders and city residents. As a result, it is difficult to integrate the population in urban villages and it is not possible to provide social security and educational opportunities for all categories of people, so that they can integrate into urban life as quickly as possible. This implies a change in the way of life of the villagers, which involves many aspects, including employment, education, culture, lifestyle, etc., and requires long-term operation and a lot of human and material resources.

(3) Compensation and resettlement for urban village renovation and demolition.

Urban villages are generally transformed in such a way that farmers lose their productive land and cannot rely on it to meet their living needs. Therefore, in the transformation of urban villages, it is necessary to pay attention to the compensation for the interests of rural farmers, so that they can still live normally after losing their land resources. In addition, there is a need for scientific studies and policies on the use of collective property, land use, building and demolition, health insurance, etc. to be implemented smoothly. In fact, a large number of "nail households"¹⁶ are the result of inadequate compensation and resettlement, and the question of how to satisfy villagers without putting too much pressure on the government needs to be handled carefully.

(4) Funding for urban village transformation

The source of funds is an extremely significant issue. In urban village transformation, a large amount of money is needed to ensure the normal implementation of the transformation project, as it will involve the expenditure of many projects. Moreover, after the renovation is completed, there are more expenses for urban road construction, infrastructure construction, water supply and drainage, sanitation, education and safety, so it is important to pay attention to this aspect in the renovation so as to do a better job in the urban village renovation project.

5.2 The positive significance of urban villages to urban renewal

¹⁶ A nail house, which refers to certain houses that have not been demolished for various reasons and are in a downtown or development area.

Before transformation, urban villages can act as a buffer zone to increase the tolerance rate for the rapid urban renewal taking place and relieve much of the social pressure. In turn, during transformation, urban villages can facilitate urban renewal because of their excellent location and the economic and social value that transformation can bring.

1. Before the transformation of urban villages

(1) Low-cost living areas for low-income urban classes

Urbanisation and the development of the urban economy require a large number of cheap labourers, and the preferred place of residence for most migrant people from rural areas entering the city is the urban village, as it provides them with affordable low-cost housing. Zhou Lin, a researcher at the Shenzhen Institute of Comprehensive Development in China, conducted a survey on a sample of four urban villages in Shenzhen and found that people living in urban villages have a personal monthly income mainly in the range of 2,000 to 3,000 yuan, which is the middle and low income group in the city. While the government is unable to provide low-cost living quarters for the large number of transient people in the short term, the urban villages have relieved the pressure on urban housing to cope with the low-income urban population, both in terms of foreigners and part of the internal population, and have in fact assumed the function of low-cost urban living quarters. This positive role has been increasingly recognised by scholars.

Urban villages as low-cost living areas in cities help to control the cost of doing business in cities. Most of the mobile population from rural areas are engaged in manufacturing, construction and informal employment such as catering and domestic services, and most of the industries employed undertake the basic functions of the city. On the one hand, the diverse employment orientation of the migrant population effectively complements the industrial structure of the city, and the services and products they provide have become an indispensable part of the city's economic functioning and the improvement of citizens' lives, as evidenced by the "shortage of nannies" during the Spring Festival when farmers return home. On the other hand, their low wages and low cost of living effectively keep the marketing costs of the city relatively low, contributing to the city's urban competitiveness. Thus, the urban village, as a low-cost living area, actually plays an important role in maintaining the low cost of doing business in the city. Just as all the world's metropolises cannot do without low-cost living areas, cities in developing countries need low-cost living areas even more. In a sense, the existence of the urban village contributes to the improvement of the urban fabric and the standard of living of

its citizens, allowing for a steady process of urban renewal.

(2) The main source of livelihood for landless farmers

One of the main reasons for the formation of urban villages was the impulse of villagers' interests brought about by the rent economy. In the early 1990s, when urbanisation was rapidly advancing, the low cost of land acquisition was simply not enough to meet the villagers' urban living. Although the state resettled some of the villagers' labour force into state-owned enterprises, the state-owned enterprises themselves were not doing well and most were laid off or transferred to other jobs, and the social security provided by the state for these landless peasants was basically non-existent or not enough to meet the actual needs of the villagers. The villagers therefore rely on rental income and the income generated by providing living services to these migrant populations as their main source of livelihood. This mitigates the extent to which villagers in urban villages become urban poor and reduces the pressure on city governments to maintain financial and social stability. It is difficult to imagine how such a large group of urban villagers could be an extremely destabilising factor for urban society if they did not have access to rental income and other sources of livelihood.

(3) A diverse social ecology

Modern urban life has led to a dispersion of social and psychological perceptions among city dwellers, a lack of care and interaction between neighbours, while the unique forms of interaction between residents in urban villages and the lively neighbourhood commercial activities create a diverse social ecology that makes the city seem lively, lively and intimate. Social ecology simply refers to the interaction between people and other activities in society. Unlike the built environment, which is often recreated physically in a short period of time through planning and construction, the former requires the accumulation of time to develop a diverse community culture. The modernist architectural trends of the 1920s and 1960s in the West also had a great impact on urban construction in China, with buildings that were aesthetically pleasing but lacked a sense of life and humanistic concern, precisely because they neglected the cultivation of a social-ecological environment. Since then the Western architectural and planning community has begun to reflect on this, suggesting that more attention should be paid to the creation of community diversity in urban construction. This is reflected naturally in the urban village, from the structure of the housing and human activities to the commercial activities and urban functions. This community atmosphere satisfies Maslow's theory of the highest level of human needs for social interaction. John Freedman, an

internationally renowned master planner who holds the title of 'Honorary Professor of Urban Planning at the University of California, Los Angeles', said in a lecture after visiting a Shenzhen urban village that 'Xiasha is more representative of Shenzhen culture than Overseas Chinese Town. Only the latter's social landscape and social atmosphere are characteristic of Shenzhen.' Associate Professor NG Mee Kam of the Centre for Urban Planning and Environmental Management at the University of Hong Kong, a student of John Freedman, elaborated on the master's words "Why he was so interested in the urban village was because he saw there a close and harmonious relationship between people. In order to develop a city, demolishing the old and building the new may look good, but it may also lose a lot of social capital. This social capital is the vast network of social relationships that have taken years to build up between the people living in the old village, and the deep bonds and friendships they have with each other."

(4) Transitional belt for farmers to integrate into the city

Under the dualistic urban-rural household registration policy, in addition to the serious de facto differences between urban farmers and urban residents in terms of status class, cultural background and conceptual awareness, there is also a serious de facto imbalance in terms of housing supply, employment and pensions, and health care coverage, which makes farmers who have left their hometown and land face multiple pressures and obstacles, both psychologically and materially. On the one hand, it is difficult for city people to accept them fully and quickly, or even to discriminate, prevent and alienate them, while on the other hand they themselves lack an identity with the city because they have left their land and lost their roots. Therefore, the architectural features, human characteristics and the kinship and local ties brought about by the settlement of the urban village form a small society of "rural-like relations", which becomes a transition zone for them to truly integrate into urban society, and this is one of the migration pull factors in the urbanisation process. If they are able to complete the initial accumulation of urban property and long-term living in the transition zone, and if their second or third generation can enjoy the same educational and employment opportunities as the children of urbanites, then they will gradually become true urbanites. From this perspective, the urban village plays an important and irreplaceable role in the urbanisation process.

2. In the process of urban village transformation

(1) Improvement of urban spatial structure

The different zones in the city determine their land value and land use. Through the

transformation of urban villages, the spatial structure of the city is affected in two ways: firstly, by the redevelopment of the previous spatial structure, which was part of the village and town building sites, with most of the buildings characterised by small-scale concentration and also by villages surrounded by other urban buildings. In this situation, land, housing and rental prices are significantly higher, and driven by the interests, villagers will have more ideas of chaotic construction, forming a disorderly state of urban housing construction. Through the transformation of urban villages, the concentrated distribution of urban villages can be effectively curbed, and the transformation of urban villages can be integrated into the unified system of urban planning, reconstructing the spatial structure of the city and effectively improving the spatial structure of the city. Secondly, the impact on the expansion area of the built-up urban area. Through the transformation of urban villages, the construction of roads, commercial services and municipal public facilities in the original village will be improved one after another, which not only has a positive effect on the completed existing urban area, but also can effectively radiate its surrounding area and speed up the construction and improvement of surrounding roads, commercial and public facilities. Therefore, urban villages can be used as a new urban map to bring more space and opportunities for urban renewal.

(2) Promoting the economic development of the city

The transformation of urban villages in the specific implementation process will affect the development of other industries and thus promote the economic development of society. The economic impact of urban village transformation on urban planning is mainly reflected in the following aspects: (1) housing construction and development. Housing construction and development mainly includes the relocation of housing, subsidised housing and real estate development and construction, etc. Through the development of housing to meet the demand for urban housing, to provide sufficient housing for residents, thus driving economic development. (2) The construction of commercial service facilities. These facilities are usually office buildings and shopping malls, which are rented out to the public in order to generate economic benefits and promote economic development. In addition, the commercial publicity of the city will also bring some clustering effect, making the city appear commercial concentration development, conducive to the rational planning of the area. (3) Urban municipal infrastructure construction. Urban municipal infrastructure mainly refers to road greening, road lighting and road sanitation, etc. Although these do not bring direct promotion for economic benefits, they can establish a good image of the city and produce a certain positive effect for foreign investment and urban development. This shows that the economic potential of urban villages is huge and can provide a great impetus for urban renewal.

(3) Improving the structure of land use

The transformation of urban villages can promote the rational use of urban land resources. Under the previous planned economic system, the land use structure of China's cities was extremely unreasonable, with a high proportion of industrial land and less land for public facilities, resulting in an extremely unbalanced phenomenon and unreasonable urban planning. The transformation of urban villages has changed this situation, making the use of land resources more reasonable, with planning and purposeful development and construction, reducing some of the previous problems of haphazard development and planning. The use of urban land resources is in line with the trend of development of the times and the current demand for land use under the restructuring and transformation of urban industries. The planning of land resources is a key part of the transformation of urban villages, and only through continuous consolidation and development can the utilisation of land and land value be enhanced to a greater extent. The proportion of land occupied by industrial and municipal services can be reasonably optimised, thus optimising the rational use of land resources.

(4) Enhancing the urban landscape

The transformation of urban villages is usually based on the shaping of spatial forms to change the urban landscape. Before the transformation of urban villages, there were generally problems such as "chaos" and "miscellaneous", which had a great negative impact on the image of the urban landscape and hindered the normal development of the city. Through the transformation of urban villages, we need to consider the appropriate urban spatial environment and apply the advanced concepts and technologies in urban planning and design to the urban village transformation project. Firstly, by building public services in the old urban villages and improving and upgrading the original facilities to achieve the overall effect of the urban landscape, the overall effect of the urban landscape can be effectively improved. Secondly, in terms of the direction of urban renewal, it needs to revolve around urban construction and the overall upgrading of municipal utilities to form a more complete urban system, thus promoting a good image of the urban landscape.

Urban renewal is accompanied by the rise of high-rise buildings, and in this process there is often a lack of urban landscape, while urban villages, as urban "patches", can also be used as a supplement to the overall urban landscape if they are reasonably transformed, thus enhancing the overall image of the city.

5.3 How urban renewal affects urban villages

Urban renewal involves all aspects of urban life, and its subject and scope are often predetermined. In fact, the transformation of urban villages is part of urban renewal, but due to the specificity and complexity of urban villages, urban renewal often does not involve urban villages, and we often speak of urban village transformation as distinct from urban renewal. Therefore, when the subject of urban renewal is not the urban village, the urban village is also affected by this context of urban renewal, and the environment, life, business and demographic composition of the urban village are all affected.

1 Landscape environment and infrastructure

Urban villages were originally rural sites, but due to the expansion of the city they have gradually become surrounded by urban buildings. Due to the neglect of the government and other reasons, the environmental problems of urban villages are not solved in a timely manner and do not keep up with the progress of the overall urban infrastructure construction, and are separated from the surrounding urban areas.

This is exacerbated by the urban renewal of the surrounding areas. The reasons for this are: (1) urban renewal raises the level of infrastructure and landscape environment in the surrounding areas, and optimises waste disposal and road systems. If the environment of the urban village is not further optimised, the gap with the surrounding area will be further widened. (2) Due to the peculiarities of the system, the environmental problems of urban villages are often not taken seriously, and the renovation and construction of the surrounding areas will produce a large amount of construction and domestic waste, which can easily be deposited near the urban villages, making the urban village environment further deteriorated. (3) Urban renewal allows cities to accommodate more people, and urban renewal requires a large amount of cheap labour. At this time, urban villages help cities absorb a large number of workers from the lower class, which to a certain extent promotes the widening of the gap between urban villages and urban areas.

2 The economy

In the context of urbanisation and urban renewal, a large number of people have flocked to cities, partly because they have the capacity to accommodate more people, and partly because urban renewal has created more employment opportunities for migrant workers. The migrant workers or cheap labourers cannot afford the cost of living in cities, so they choose to live in urban villages where rents are low. In order to earn more income, the indigenous residents of urban villages convert their original houses into flats as a way to accommodate more tenants.

However, urban renewal, as it does not involve the urban village part, has not really improved the lives of the residents of urban villages, although it has to some extent become a source of livelihood for the cheap labour in urban villages, and to some extent has contributed to the formation of urban villages.

3 Demographic composition

The original inhabitants of urban villages were peasants or indigenous people, but the rapid development of cities today has led to an increase in the number of jobs and the need for a large amount of cheap labour for urban renewal, and as a result of all these factors, the population composition of urban villages has gradually diversified, but in general it belongs to the low-income group in cities. The population attracted to urban villages includes: (1) the population of migrant workers, who are hardworking and play an irreplaceable role in the construction of the city. (2) The young people who come to the city in search of employment opportunities, including the less educated young people and the group of recent college graduates. (3) The rural population who work in low-skilled jobs in the city, including nannies, waiters and labourers.

Urban renewal has provided employment opportunities for many low-income people, and has to some extent contributed to the current status quo of the urban village population.

4 Culture

The urban village population, because of the large number of peasants present, tends to be less educated, but because they were brought up in the countryside, they have a strong sense of belonging to the village and neighbourhood relationships are close and intimate. This is very different from the cold interpersonal relationships in modern cities. And as a result of urban development and urban renewal, there is an influx of young people from the countryside into the cities, and the rural areas tend to have a predominantly middle-aged and elderly population, as is the case in urban villages. At the same time all sorts of people are living in urban villages for economic reasons, and the originally close neighbourhood relationships are affected. This is compounded by the renewal of the areas surrounding the urban villages, where the familiar idyllic landscape no longer exists, and where rural culture has been hit hard by urban renewal, especially in villages with a historical heritage.

5 Policies

Urban renewal is inevitably followed by policies, and different types of policies can have a significant

impact on urban villages.

Take the example of urban village transformation in Shenzhen, China. The Shenzhen Urban Village Transformation Master Plan (2005-2010) released by Shenzhen earlier states that "urban village transformation includes two major types of transformation: comprehensive transformation and integrated improvement". "The comprehensive renovation can take the form of off-site redevelopment, overall demolition and construction, partial demolition and construction, etc. Comprehensive renovation is aimed at urban villages that are not to be renovated in the near future, and the leading idea of this document is the comprehensive renovation of urban villages. The Interim Regulations for the Renovation of Urban Villages (Old Villages) in Shenzhen (2004) issued by the Shenzhen Municipal People's Government states that "where compensation for residential properties is made in the form of property rights replacement, the area of real estate compensated to residents shall in principle not exceed 480m² per household, and the area of legal residential properties in excess shall be compensated in monetary terms". If the transformation of urban villages were to take place, the economic value of the property compensated for each household would exceed RMB 10 million, based on the price of commercial housing in Shenzhen.

Driven by high economic returns, there exists an incentive for residents of urban villages in Shenzhen to undertake demolition and redevelopment-style urban village transformation. With this policy intact, villagers' speculative behaviour has greatly increased, building additional houses, constructing temporary structures of low quality, and in some cases, taking out high-interest loans to invest large amounts of money, increasing the cost of the urban village transformation process. For the same purpose of acquiring land, improving the urban environment and gaining political achievements, the government did not opt for institutional changes to reduce costs and still facilitated the deal at a higher renovation cost. As a result, the villagers' speculation gains excess revenue and the increased costs are passed on to the community to bear. If the renovation is carried out according to demolition and redevelopment, each villager receives a high financial profit, so there is a strong opportunistic and speculative behaviour among villagers. If urban village renovation is based on comprehensive redevelopment, then the potential gains for villagers disappear, sunk costs increase and opportunism increases the costs for villagers. Some villagers, unable to reap the potential benefits, form interest groups and fight against the implementation of the new system, creating a major obstacle to the transformation of urban villages.

In the process of urban village transformation, it is necessary to consider the influence of the institutional environment on the urban village transformation policy, and once the urban village transformation policy has changed, the transformation behaviour has changed accordingly.

Therefore, the formulation of urban village transformation policy should take into account both the need to reach a deal and reduce transaction costs, as well as the complexity of the policy, the influence of the policy on the external environment and the confrontation of interest groups that may arise from policy changes.

5.4 Conclusion

This section focuses on the relationship between urban villages and urban renewal. The first is the impact of urban villages on urban renewal, divided into two parts: hindering and positive impacts, and divided into two phases: pre-renovation and in-renovation.

1. Negative impacts prior to conversion include:

(1) Inefficient land use. (2) Poor landscape setting. (3) Lack of public facilities. (4) Social security and social stability problems. (5) Cultural perception and quality problems.

2. Obstacles in the transformation include:

(1) The problem of the way of life of villagers in urban villages. (2) The problem of integration of the urban village population into the city. (3) The problem of compensation and resettlement for the demolition and relocation of urban villages in their transformation. (4) The problem of funding for the transformation of urban villages.

3. Positive impacts prior to the transformation include:

(1) Low-cost living areas for the low-income urban class. (2) The main source of livelihood for landless farmers. (3) A diverse socio-ecological environment. (4) A transition zone for farmers to integrate into the city.

4. Positive impacts in the transformation include:

(1) Improvement of the spatial structure of the city. (2) Promotion of urban economic development. (3) Improvement of the land use structure. (4) Enhancement of the urban landscape.

The next explains the impact of the wider urban renewal context on the ecology of urban villages, including the landscape setting and infrastructure, economy, demographic composition, culture and policy.

Urban villages are in fact part of the urban renewal objectives and are a difficult and important part of the transformation. The two are closely linked and influence each other, and how to handle the

relationship between them is the focus of the urban village transformation and urban renewal process.

6 The overview of China's current major policies

The development of cities is always characterised by a concentration of poverty, and even in developed countries, localised poverty exists to the same extent in cities. This chapter begins with an analysis of urban renewal and slum upgrading in several developed and developing countries, with a focus on policy aspects. The current policies on urban renewal and urban village transformation in China are also reviewed and analysed.

6.1 Relevant cases and policies on urban villages and urban renewal in foreign countries

1. Slum upgrading in the USA

The rapid urbanisation of the United States began around 1840, and with the massive concentration of all types of people in cities, the cities experienced problems of overcrowded housing, poor conditions, unemployment and poverty, and soaring crime rates, and different types of gentrified areas were formed in the cities. One type is the residential agglomeration of foreign industrial populations, mainly labourers who entered the city on a large scale to engage in industrial or other labour; the other type is the historical settlement, i.e. an area formed historically where people of different religious beliefs, racial differences and cultural differences gathered to live according to tradition and custom, such as Greenwich Village and South Village in New York, the North End of Boston and Old City in Philadelphia.

The early historic settlements were relatively stable due to the relatively close social ties of their inhabitants and the relatively small scope of their activities such as employment and living. In the mid-20th century, with the development of the automobile industry, cities expanded and new towns were built at an accelerated rate, and the American population, especially those with better incomes, began to move to the suburbs. At the same time, government policies to restore and renew historic settlements were not effectively implemented. Historic neighbourhoods first became 'stagnant and monotonous, and monotonous, lifeless neighbourhoods were inevitably abandoned by citizens of great energy, ambition or wealth' (Jane Jacobs 1961), and the neighbourhoods then declined and gradually evolved into settlements for the poor.

Slum upgrading and the renewal of historic settlements in the United States can be divided into three main stages in terms of historical phases:

The first phase: the community improvement movement, was aimed at the slums.

It was mainly from the end of the 19th century to the beginning of the 20th century, when some middle-class and intellectuals, with a focus on social injustice and social problem solving, promoted the community improvement movement by improving the living environment of slum dwellers and raising their cultural level through social influence and cultural thrust.

The second phase: the urban renewal movement to revitalise declining urban centres.

This was mainly between the mid-twentieth century and the 1970s, when the US federal Housing Act of 1949 was enacted with the aim of promoting government-led urban renewal and slum clearance. In its early stages, the urban renewal movement was dominated by demolition and physical redevelopment. However, large-scale demolition and redevelopment and wholesale relocation brought about not only changes in the built form, but also the removal of the social networks and neighbourhoods of historic settlements.

In 1996, the National Historic Preservation Act (promoted by NGOs) provided for the legal protection of historic settlements, with special emphasis on the protection of iconic historic buildings. At the same time, a series of plans and policies, including the Model Cities Programme, were introduced to guide the renewal of slums and historic settlements.

The third phase: Neighbourhood Renewal with a focus on community development. 1974 saw the enactment of the Housing and Community Development Act, which is considered to be the turning point in the shift from an urban renewal movement to a voluntary neighbourhood renewal programme. The programme established the Community Development Fund, which integrated urban renewal, model cities and urban beautification practices with the goals of slum eradication, preservation of historic buildings and improvement of community facilities, and the Urban Development Fund, which tilted towards the goal of rejuvenating, revitalising and re-prospering neighbourhoods that were deteriorating and in decline.

2. Slum upgrading in the UK

The Industrial Revolution brought about a rapid shift of labour from primary to secondary and tertiary industries and an influx of people into the cities, which also saw the emergence of slums in the British cities of the century. Property developers, motivated by profit, built 'back-to-back houses', which were airless, densely built, poorly serviced and in very poor condition.

London, for example, was the capital of the industrial revolution and thus a prime example of the

creation of urban slums. As the economist Clapham put it, "No pen and ink can describe the worst living conditions in which the lower classes of London workers found themselves (John Clapham: An Economic History of Modern Britain)". Firstly, living was very cramped and space was very small, with most workers' families having only one room to live in. Secondly, the utilities were very poor and the environment extremely degraded. Back-to-back houses were not equipped with ventilation facilities in the first place, and the lack of toilets, refuse collection points and water and drainage facilities made sanitary conditions so poor that epidemics and infectious diseases spread. Thirdly, the identity of the inhabitants is more complicated and social security is chaotic. The slums are not only inhabited by the poor, but also harbour criminals, drug addicts and prostitutes, making them almost a breeding ground for disease and a haven for crime.

Due to the strong macro control of the government, slum clearance in the UK from the early 20th century and the modern slum clearance campaign in the 1960s during the urban renewal movement, slum conversion has always been integrated into the overall urban development strategy. In this process, the government laid the foundations for full government involvement in urban and residential development by legislating to nationalise the development of land, creating institutions dedicated to management and coordination and introducing financial incentives. For example, the British government enacted the Dwelling improvement act in 1875 and 1890, the first slum clearance legislation. The Housing of the Working Class Act was enacted in 1890, requiring local authorities to renovate old urban settlements that did not meet sanitary conditions. In 1914, the London County Council launched the Inner Area Redevelopment and Slum Clearance Campaign, which involved the demolition and redevelopment of low density housing for the working class. In the 1950s and 1960s, the Housing Act was amended in a number of ways, for example, in 1957 to allow the government to designate areas for redevelopment and to carry out redevelopment by either a redevelopment order or a land use order, and in 1959 to introduce a standard grant system. As a result of this policy, the 1960s saw the gradual transformation of typical slums in major cities, mainly through the clearance of slums and the redevelopment of high-rise housing.

3. Slum upgrading in the Brazil

Brazil's slums are a product of urbanisation and have become a huge liability for Brazil's economic and social development, with serious social implications. Brazil's slums were originally created by an influx of rural to urban farmers and the houseless poor who illegally occupied public land or undeveloped private land. In Rio de Janeiro, for example, as early as the mid-19th century, around 40 per cent of the population were slaves who had escaped from the plantations and their settlements were known as quilombo, which evolved into slums and shantytowns. Over the

following decades, the poor migrated to Rio, many of them freed slaves. The slums were created through the 'illegal occupation' of land and the construction of their own housing on unused urban land. Compared to slums in the US and the UK, Rio's slum housing is in poorer condition, with many built from discarded materials such as broken planks, old tyres and pieces of iron. However, according to one study, about 90 per cent of Rio's inhabitants had a monthly income of over US\$85 in 1996, while only the rural areas of northeast Brazil have incomes above this poverty line, so it can be argued that the poor in Rio's slums still have an unparalleled economic advantage over the rural areas due to the prosperity of the city.

The problem of urban slums is one of the most influential issues in Brazil's economic and social development and has brought about a series of political and social problems, such as social instability due to the disparity between the rich and the poor, confrontation and conflicts between different classes of people, increasing violence and crime, serious social security problems such as education and health care, etc. The government attaches great importance to the management of slums, and after the initial failure to clear them, the Brazilian government has combined economic and social factors in a comprehensive approach to slum management, combining slum management with the resolution of poverty and class conflicts among the inhabitants, resulting in a unique approach to the legalisation of slums in situ. This is done by:

(1) Land legalization policy.

In the process of slum management, the Brazilian government has legalised land in areas where conditions are relatively ripe, i.e. recognising the land ownership rights of the occupants. For example, in 1994, the city of Rio de Janeiro introduced the Urban Illegal Settlement Project, which granted land titles to a number of small plots of land occupied by slum dwellers.

(2) Slum upgrading.

Since the late 1980s, the Brazilian government has been investing in slum infrastructure, such as sanitation, waste disposal, sewage systems, etc. These actions have partly improved the living space in slums and, through these upgrading activities, have also improved the living conditions of slum dwellers.

(3) Improving cultural synergy in slums.

In Brazil, where the gap between the rich and the poor is very wide, and therefore the conflicts and antagonisms between the different classes are high, the Brazilian government has focused on

improving the cultural synergy of the slums while improving their physical space. For example, the City of Rio de Janeiro's 1994 Community Plan for Slums, which integrates slums into urban development plans, also focuses on the development of slum health and education. (UN-Habitat, The Challenge of Slums: A Global Report on Human Settlements) The Brazilian government thus considers slums as an integral part of the city and considers their physical and cultural forms in concert with urban development.

4. Slum upgrading in the India

With over 1.3 billion people living on 2.98 million square kilometres of land, India has a population density greater than that of China. According to surveys, the urban poor account for 50% of India's total poor, and over 70% of the urban poor are low-income households¹⁷ (NSSO: The National Sample Survey Office). In Mumbai, India's second largest city, with a population of 14 million in 2006, 7.7 million people live in slums, representing 55% of the city's total population, in addition to a large number of homeless people. These slums have little or no infrastructure, open toilets abound in the city and many houses are made of canvas due to the heat. Mumbai's slums are not only staggering in number - over 1,000 - but also in size, with the largest slum being nearly 2 square kilometres and home to over one million people. The rapid spread of slums is due, firstly, to the dramatic increase in urban population that has accompanied industrialisation; 96% of Mumbai's slums, for example, are populated by immigrants. The second is the high cost of living in the city due to high property prices. Mumbai, India's second largest city, had the second highest property prices in the world in 2007 after London. Thirdly, due to India's historical 'caste system', caste differences have led to social stratification, which has cemented a large number of people from the lower castes at the poverty line, thus creating a huge gap between the rich and the poor, and leaving the poor in a vicious circle due to their poor access to education.

The main feature of slum upgrading in India is that the government has introduced policies to encourage self-conversion in various ways and means, guiding residents from all walks of life to invest in the conversion of their houses according to their income, followed by less financial support from the government. Its policies can be divided into the following main stages according to time.

The first phase, mainly from the 1950s to the mid-1960s, saw the government expand its housing programme for the poor, coordinating social resources for land acquisition, development and loans for rural housing upgrading, slum clearance and integrated development.

¹⁷ Data source: National Sample Survey Organisation of India survey data (NSSO)

The second phase, mainly from the late 1960s to the end of the 1970s, saw the introduction of the Urban Land Act (which included provisions to ensure that urban land was used for housing for the lower and middle income groups) and the establishment of the Housing and Urban Development Corporation (HUD), which began to improve slum infrastructure in some cities.

The third phase, mainly from the 1980s to the late 1990s, saw the government recognise the seriousness of the environmental degradation, wealth disparity and security problems that slums caused in cities and begin to implement urban poverty alleviation programmes centred on the provision of basic services to the urban poor. The scheme highlighted the orientation of private real estate companies as the main provider of housing for the poor.

In the fourth phase, after the 21st century, India's urbanisation accelerated and the number and scale of urban slums increased, giving rise to the phenomenon of the slum 'complex' typical of the film *Slumdog Millionaire*. The slums have developed a self-contained way of functioning, producing and living, which has put enormous pressure on the balanced development of the city and made the eradication of slums a huge challenge. Jawaharlal Nehru National Urban Renewal Mission of 2005 has selected 65 cities for slum improvement projects. (Wang Ying 2012)

6.2 Current cases and policies on urban villages and urban renewal in China

In recent years, the Chinese government has attached increasing importance to urban renewal and has introduced a number of policies to promote urban renewal, including the transformation of urban villages. In this section, I will review China's urban renewal policies in recent years, which can better illustrate the development of urban renewal in China in recent years.

Prior to the introduction of the concept of "urban renewal", the "shantytown renovation" initiative and the "old reform" projects implemented in China were also part of urban renewal. However, the scope of urban renewal is much broader and more market-oriented. Among them, the objects of shanty renovation are dilapidated housing in towns and cities, the objects of old renovation are old towns, villages and factories, and the objects of urban renewal are industrial areas, commercial facilities, residential districts and urban villages.

In 2021, urban renewal was written into the government work report for the first time; the "14th Five-Year Plan" and the "2035 Vision and Goals Outline" also proposed to implement urban renewal actions to promote the optimisation of urban spatial structure and quality improvement, urban renewal has been upgraded to a national strategy.

The pace of urban renewal in China has accelerated in recent years, and the development of urban

renewal in China in recent times can be summarised in the following important points according to policy stages:

(1) July 2013, the State Council's "Opinions on Accelerating the Renovation of Shantytowns": the country promoted the renovation of various types of shantytowns, accelerated the comprehensive improvement of old residential areas in cities and towns, strengthened comprehensive environmental improvement and housing maintenance and renovation, and improved practical functions and supporting facilities.

(2) May 2017, the State Council executive meeting: March 2018-2020 shantytown reform attack plan, renovating another 15 million sets of various shantytowns.

(3) July 2020, "Guiding Opinions on Comprehensively Promoting the Renovation of Old Urban Districts": By the end of the 14th Five-Year Plan period, taking into account the actual situation of each region, strive to basically complete the task of renovating old urban districts built before the end of 2000.

(4) March 2021, "Outline of the 14th Five-Year Plan and Vision 2035": Accelerate urban renewal, renovate and upgrade the functions of old districts, old factories, old neighbourhoods and urban villages, promote the renovation of old buildings, and actively expand new car parks and charging piles.

Urban renewal, a major livelihood and development project, is highly valued at the national level, and as of 2021, relevant policies are summarised below:

Date	Publishing Department	Policy Name	Key Points Explained	Nature of Policy
2012.12	Ministry of Housing and Construction, Development and Reform Commission, Ministry of Finance, etc.	Notice on Accelerating the Renovation of Shantytowns (dilapidated buildings)	Accelerate the transformation of concentrated shantytowns (dilapidated houses), actively promote the transformation of non-squattered shantytowns (dilapidated houses), gradually carry out the comprehensive improvement of old residential areas in towns with poor infrastructure and high building density, steadily implement the transformation of urban villages, and focus on the transformation of shantytowns in resource cities and independent industrial and mining areas.	support category
2013.4	Ministry of Housing and Construction	Green Building in the 12th Five-Year Plan	Integrated planning for environmental improvement of old districts, renewal of old infrastructure, seismic and energy-saving renovation of old buildings.	guidance category
2013.7	State Council	Opinions on Accelerating the Renovation of Shantytowns	To comprehensively promote the transformation of various types of shantytowns; to transform 8 million urban shantytowns in the five years from 2013 to 2017. Among them, 2.32 million households will be renovated in 2013. To accelerate the comprehensive improvement of old residential areas in cities and towns, strengthen comprehensive environmental improvement and housing maintenance and renovation, and improve the use of functions and supporting facilities.	support category
2014.8	State Council	Notice on Further Strengthening of Squatter Settlements	Further improve the planning of shantytown renovation, improve the layout of housing selection points, improve the planning layout of supporting facilities, accelerate the preliminary work of the project, strengthen quality and safety management, and accelerate the construction of supporting facilities.	regulation category
2015.6	State Council	Opinions on Further Improving the Construction of Urban Shantytowns and Dangerous Urban and Rural Houses and Supporting Infrastructure	Develop urban shantytowns and urban and rural dilapidated houses and supporting infrastructure construction. Three-year plan (2015-2017). 2015-2017, renovate 18 million units of various types of shantytown housing including urban dilapidated houses and urban villages (including 5.8 million units in 2015) and 10.6 million rural dilapidated houses (including 4.32 million units in 2015), and increase the construction of supporting infrastructure for shantytown renovation.	support category
2016.7	Ministry of Housing and Construction, Ministry of Finance, etc.	Circular on Issues Relating to Further Improvement of Squatter Settlements	Accelerate shanty reform, control the cost of shanty reform in accordance with the law, scientifically plan the land vacated by shanty reform, focus on supporting and environmental construction, and give priority to arranging the release of land vacated by shanty reform in the regulated category, etc.	regulation category
2016.11	Ministry of Housing and Construction	Thirteenth Five-Year Plan for Earthquake Resilience and Disaster Prevention in Urban and Rural Construction	Accelerate the demolition and renovation of severely under-resilient housing through shantytown renovation and seismic strengthening. Research and explore a combination of mandatory and guided seismic identification and reinforcement systems for houses. Continue to implement the renovation project of dangerous houses in rural areas and co-ordinate the seismic retrofitting of agricultural houses.	guidance category
2016.12	Ministry of Housing and Construction, Development and Reform Commission, Ministry of Finance, etc.	Implementation Measures for Incentives for Squatter Settlement Improvement Work (Trial)	Encourage all places to effectively promote the transformation of shantytowns, incentive support refers to the annual shantytowns work proactive and effective provinces, the number of annual incentive support provinces (regions and cities) in about eight, and appropriate to take into account the differences between the east, central and western regions.	Support category
2017.5	/	Executive Meeting of the State Council	March 2018-2020 shantytown reform attack plan to renovate another 15 million units of various types of shantytowns, fulfilling the promise of renovating urban shantytowns and urban villages inhabited by about 100 million people	Support category
2017.5	Ministry of Housing and Construction, Development and Reform Commission	The 13th Five-Year Plan for the Construction of Municipal Infrastructure in National Cities	Old urban areas are problem-oriented, combined with urban shantytowns, urban villages, old neighborhoods, etc., to combat urban flooding and black smelly water bodies as a breakthrough, and orderly promote the construction of sponge cities; promote the transformation of water, electricity, gas and heat and secondary water supply facilities in old neighborhoods	guidance category
2017.9	Ministry of Housing and Construction, Development and Reform Commission, Ministry of Finance, etc.	Guiding Opinions on Promoting Clean Heating in Cities and Towns in Northern Heating Areas	The main urban areas, urban and rural areas and urban villages should be combined with the renovation of old cities, shantytown renovation and the renovation of old neighborhoods to completely eliminate loose coal heating and use clean heat sources for heating. Other areas that have not yet been renovated or do not have the conditions for renovation, encourage the use of "clean coal + environmentally friendly stoves" to replace loose coal.	guidance category
2018.9	Ministry of Housing and Construction	Notice on Further Improving the Retention and Utilisation and Renewal of Existing Urban Buildings	We attach great importance to the preservation and renovation of existing buildings in the city, establish and improve the mechanism for the preservation and renovation of existing buildings in the city, actively disseminate and popularise the concept of inheriting the history and culture of the city and promoting green development, and encourage the whole society to form a culture of respecting and protecting the history and culture of buildings and architectural resources.	regulation category

2019.2	Ministry of Housing and Construction	Guidance on the Development of a Better Environment and Happy Life in the Construction of Urban and Rural Habitat and the Overall Harmony	It is clear that the implementation vehicle is determined according to local conditions, and the focus of habitat construction and improvement is determined according to the prominent problems existing in the habitat of different types of communities.	regulation category
2019.3	State Council	Report on the Work of the State Council in 2019	It is necessary to vigorously upgrade old neighbourhoods, support the retrofitting of living facilities such as lifts, continue to promote the transformation of shantytowns and vigorously develop community elderly services.	Support category
2019.7	Ministry of Housing and Construction	Notice on the Renovation of Old Neighbourhoods in 2019	Comprehensively promote the renovation of old urban areas For the first time, the central government's special funds for urban security housing projects have included the renovation of old neighbourhoods in their scope of support.	Support category
2019.9	Ministry of Finance	Notice on the Advance Disbursement of Budgetary Subsidies for Part of the Central Fiscal Year 2021 for Urban Sheltered Housing Projects	Comprehensively promote the renovation of old urban areas For the first time, the central government's special funds for urban security housing projects have included the renovation of old neighbourhoods in their scope of support.	Support category
2019.12	/	Central Economic Work Conference	It is necessary to increase housing security for the urban poor, strengthen urban renewal and the renovation and upgrading of existing housing stock, do a good job of renovating old urban districts and vigorously develop rental housing. To adhere to the positioning of the house is used to live, not for speculation, the full implementation of city-specific policies, stable land prices, stable house prices, stable expectations of long-term management and control mechanism, to promote - the stable and healthy development of the real estate market.	Support category
2020.7	State Council	Guiding Opinions on Comprehensively Promoting the Renovation of Old Urban Districts	By 2022, the basic formation of urban old neighborhood transformation system framework, policy system and working mechanism; to the end of the "14th Five-Year" period, combined with the actual situation around, and strive to basically complete the renovation of the old urban neighborhoods need to be renovated before the end of 2000 transformation tasks.	Support category
2020.7	Ministry of Housing and Construction, Development and Reform Commission, Ministry of Education, Ministry of Industry and Information Technology, etc.	Green Building Creation Action Programme	Improve building energy and water efficiency. Combine clean heating in northern areas, renovation of old urban districts and construction of sponge cities to promote energy and water-saving renovation of existing residential buildings.	guidance category
2020.8	Ministry of Housing and Construction	Notice on the Issuance of the Green Community Creation Action Programme	Combining urban renewal and the renovation and upgrading of stock housing, taking the renovation of old urban neighbourhoods and the maintenance of municipal infrastructure and public service facilities as a grip, the Jackboard renovates and upgrades community infrastructure such as water supply, drainage, power supply, weak electricity, roads, gas supply, fire-fighting and household waste classification, and adopts green products and materials such as energy-saving lighting and water-saving appliances in the renovation.	guidance category
2020.8	Ministry of Housing and Construction	Notice on Effectively Strengthening Historical and Cultural Conservation in Urban Renewal and Resolutely Stopping Destructive Acts	Promote the delineation of historical and cultural districts and the identification of historical buildings, strengthen the assessment and demonstration of urban renewal and renovation projects, and enhance the self-inspection of urban renewal and renovation projects that have already started, so as to ensure that urban areas and buildings with conservation value are effectively protected and that the problems identified are rectified in a timely manner.	regulation category
2020.8	Ministry of Housing and Construction	Opinions on the Implementation of Action to Make Up for Shortcomings in the Construction of Urban Residential Communities	Combined with urban renewal and renovation work such as the transformation of old urban areas, the shortcomings in the construction of existing residential communities are made up in accordance with local conditions through complementary construction, acquisition, replacement, leasing and renovation.	guidance category
2021.3	State Council	Report on the Work of the State Council in 2021	It is necessary to solve the outstanding housing problems in big cities and effectively increase the supply of guaranteed rental housing and shared ownership housing by increasing land supply, arranging special funds and concentrating on construction. Government investment is being directed more towards projects that benefit a wide range of people's livelihoods, and 53,000 new construction projects are underway to build old urban communities.	Support category

2021.3	The Central Committee of the Communist Party of China and the State Council	Outline of the 14th Five-Year Plan and Vision 2035	Accelerate urban renewal, renovate and upgrade the functions of old districts, old factories, old neighbourhoods and urban villages and other stock areas, promote the renovation of old buildings, and actively expand new car parks and charging piles.	Support category
2021.3	Ministry of Housing and Construction	Views on Enhancing Green and Low Carbon Construction in the County (Draft for Comments)	Vigorously develop green buildings and building energy efficiency, promote energy-saving renovation and functional upgrading of old neighbourhoods.	guidance category
2021.4	Development and Reform Commission	Key Tasks for the New Type of Urbanization and Integrated Urban-Rural Development in 2021	Implement urban renewal actions. In the old urban areas, we are promoting the urban renewal action with the renovation of old districts, old factories, old neighbourhoods and urban villages as the main content. Accelerate the transformation of old neighbourhoods, with 53,000 new renovations to be started in 2021, and energy-saving building renovations to be carried out in parallel where possible. In urban clusters, metropolitan areas and large cities and other areas with economic development advantages, explore the transformation of old factories and large old neighbourhoods. A number of urban villages will be transformed into urban communities or other spaces according to local conditions.	Support category
2021.8	Ministry of Housing and Construction	Notice on Preventing Large-scale Demolition and Construction in the Implementation of Urban Renewal Initiatives (Draft for Public Comments)	Guide localities to actively and steadily implement urban renewal initiatives to prevent problems such as following the over-real estate development and construction approach, large-scale demolition and construction, and haste for quick profits.	regulation category
2021.9	Development and Reform Commission, Ministry of Housing and Construction	Notice on Strengthening the Construction of Supporting Facilities for the Renovation of Older Urban Areas	Strengthen the project reserve; further mapping of urban old neighborhood transformation supporting facilities shortcomings and safety hazards; strengthen financial security; central budget investment all for urban old neighborhood transformation supporting facilities construction projects, to promote multi-channel financing; strengthen supervision in and after the event; improve the long-term management mechanism.	Support category

Fig.11: Summary of China's national-level urban renewal industry policies up to 2021, Source: Foresight Industry Research Institute

In general, China's urban renewal policies have continued to be introduced, facilitating the steady progress of urban renewal in China and achieving many results.

6.3 The case of urban renewal in Shenzhen

1. Shenzhen Urban Renewal Policy History.

(1) 1988-2003 Updating the budding period: controlling illegal and indiscriminate construction

In the 1990s, Shenzhen saw a sharp increase in the number of foreigners, which led to an increase in the profitability of rental housing and a high incidence of illegal and indiscriminate construction. The government began to plan for a large supply of land to meet the needs of urban development, and started a large-scale collective expropriation of agricultural land to speed up the process of comprehensive urbanisation. During this period, policies such as the Notice on Strictly Stopping Illegal and Illegal Construction of Private Houses and Occupation of Land, and the Measures on Compensation for Land Requisition and Demolition in the Shenzhen Special Economic Zone were promulgated, mainly regulating the handling of illegal land use, illegal buildings and the transfer of property rights and land use rights, but the policies were mainly based on blocking control and management, lacking proper guidance and communication, leaving behind many historical land

problems. 2. 2004-2008 renewal exploration period

(2) 2004-2008 Renewal Exploration Period: Renewal of Urban Villages and Industrial Areas

During the "Shenzhen at Speed" period, Shenzhen developed many characteristic "urban villages" and old abandoned industrial areas formed by "land for market". This phase of urban development set out the goal of adjusting the spatial pattern, rationalising land consolidation, optimising industrial development and promoting the construction of a regional economic centre. This was followed by the promulgation of the Interim Provisions on the Transformation of Urban Villages (Old Villages) in Shenzhen and the Opinions of the Shenzhen People's Government on the Upgrading and Transformation of Industrial Areas, which quickly launched the renewal and transformation of urban villages and old industrial areas and kicked off the pilot renewal system.

(3) (2009-present) Renewal Development Period: Comprehensive Construction of the Renewal System

After becoming a pilot project in Guangdong Province in 2009, Shenzhen promulgated the Shenzhen Urban Renewal Measures and began the process of building a comprehensive renewal system, followed by the Opinions on Further Promoting Urban Renewal. Rules for the Implementation of the Shenzhen Urban Renewal Measures. Notice on Interim Measures for Strengthening and Improving the Implementation of Urban Renewal Provisional Measures on Further Strengthening the Implementation of Urban Renewal" and other supporting policies. The urban renewal system has gradually risen to the level of government regulations or even local laws and regulations, aiming to establish a standardized, orderly and long-term urban renewal mechanism, promote the economical and intensive use of land, energy and resources, and promote sustainable urban development.

In the process of urban renewal in Shenzhen, many policy changes have been experienced, from which we can see the trend of urban renewal in Shenzhen, such changes can be summarised as follows: 1. The main bodies of renewal have evolved alternately, seeking diversified organisational models. 2. The number of renewal targets is expanding, and different renewal strategies are being implemented. 3. The renewal decision-making mechanism is gradually taking shape and the market is becoming professionalised. 4. renewal planning is constantly innovating, guiding the transformation of urban governance.

The Evolutionary Path of Urban Renewal Planning in Shenzhen		
Content	Status	Evolutionary path
Objective	Multi-composite	From a single objective to a multiplicity of composite objectives, from physical environment transformation and urban image enhancement to urban industrial upgrading and functional adjustment;
Path	Combination of top and bottom	From "top-down" planning decisions in the nascent period, to "bottom-up" decisions in the exploratory period to drive renewal, to "top-down" comprehensive renewal in the development period
Technology	Game of interests	From a spatial control based on the scale of construction and the nature of the site to a network-based governance that integrates renewal policy, social behaviour and operational governance
Code	Important parts	From being largely outside the planning legislation system when the policy plan was updated, to being gradually embedded in statutory plans and becoming an important part of the legislation system
Space	Regional integration	From rapid local regeneration to maximize economic benefits to integrated regional regeneration with a view to better aligning with overall urban development

Fig.12: The Evolutionary Path of Urban Renewal Planning in Shenzhen, Source: Liu Guiwen 2017

2. Shenzhen Urban Renewal System Innovation

Limited land resources and strong development needs have driven innovation in the system, and "asking for development space through system innovation" is an inevitable choice for Shenzhen's transformation path (Ruan Bingjing,Zhang Shaoliang, 2009) . Shenzhen's urban renewal system innovation in terms of land rights, renewal units, development units, policy support construction, small plot renewal and pricing system provides policy inspiration for other cities in China.

(1) Innovation in land development rights

In 2009, the Shenzhen Urban Renewal Measures and a series of operational guidelines were

promulgated, separating the right to develop or dispose of land from the right to use the land, empowering the market and the original landowners, setting a price for the development rights, implementing the agreement on land development rights for sale, defining the land contribution rate, and establishing a win-win land benefit sharing mechanism among the government, market players, property owners and the former rural collective economic organisations. In the process of urban renewal in Shenzhen, the land unbundling measures have attracted many market players, which has strongly promoted the implementation of urban renewal.

(2) Renewal unit planning innovation

Unlike traditional planning, renewal planning is no longer a colour map of land, but a delineation of different policy zones, with different policy orientations within the policy zones defined through policy zoning. At the same time, the object of renewal is no longer a simple zoning, but a composite definition of renewal areas, status quo classification, planning guidelines, economic policies and other aspects. The urban renewal unit plan is not simply a spatial plan, but a comprehensive operational plan that includes scope definition, spatial control, balance of interests, implementation measures, etc. At present, renewal units are defined at the meso-zoning, physical environment and policy standard levels, and a more complete system of renewal unit drafting conditions, renewal unit plans and renewal unit planning guidelines has been constructed, thus forming two different planning systems for urban renewal planning in old areas and new urban areas, which provide effective references for the construction of other urban planning systems.

(3) Attempts at development unit planning

Urban development unit planning is mainly a new type of comprehensive planning of a consultative and process-oriented nature that is oriented towards implementation, co-ordinated development and balanced interests by integrating multiple statutory plan areas in a dense urban renewal unit and using a variety of technical and policy tools such as planning, land and public policies. The urban development unit plan is highly innovative, advocating innovation in the pre-planning consultation model, innovation in reforming the full supporting system, innovation in implementing development models and other innovative systems that strengthen the coordination of urban renewal and urban development, while improving implementability. There is a pilot implementation of development unit planning, which is currently under a moratorium, but it has had a significant impact on the reform of the planning system in terms of market demand, land system, public participation and management mechanisms, and has provided a useful experiment for future innovation in the urban planning system.

(4) Policy support construction

Policy-oriented construction is the essence of land contribution and an important feature of urban renewal in Shenzhen. For urban renewal units, the independent allotment should be greater than 3,000 square metres and not less than 15% of the area of the demolition area. Specifically, the construction ratio, land value, construction method and planning layout of policy support construction such as municipal transport infrastructure, housing construction and innovative industrial housing construction are defined. The scale of policy support construction is determined by tools such as land contribution ratio and allocation ratio of renewal projects. Its reasonable standard definition effectively improves land use efficiency and to a certain extent reduces the government's financial expenditure while maintaining the public interest of the city, and is also a system innovation that can be tried to be promoted.

(5) Small Plot Renewal System

Small plots have flexibility in implementation due to the small scope of demolition and redevelopment, but their small contribution to the land and limited spatial breakthrough make it difficult to achieve economic balance, and due to the restriction of the State Land and Resources Development [2010] No. 151 that prohibits bundling and transfer, the disposal of small plots has become a common problem in the renewal process. The policy strictly stipulates the entry requirements for small-lot renewal units, including the size of the renewal site, the direction of functional upgrading, the proportion of willingness to regenerate, and the land contribution rate. Although it is not a mainstream mode of urban renewal, it is one of the innovations in Shenzhen's urban renewal development as a supplementary mode of renewal.

(6) Renewal Land Value Collection System

The land premium system is an important part of the urban renewal policy, defining to a certain extent the boundary between the interests of the government and market players, and is of great significance in promoting urban renewal. At present, renewal land transactions are mainly by agreement, and a renewal land premium collection system has been formed with the announced benchmark land premium discount as the core and the market assessed land premium as the supplement. Starting with the 2004 Interim Regulations on the Transformation of Urban Villages in Shenzhen, a series of policies have been promulgated to gradually improve the renewal land value charging system, covering a wide range of renewal projects, extending to above- and below-ground levels, clarifying the time point for land value measurement, promoting policy support construction, and establishing a renewal land value adjustment mechanism, forming a

comprehensive, flexible and coordinated land value charging policy system.

As an experimental zone of reform and opening up in China, Shenzhen's urban renewal experience is often of national exemplary significance. Shenzhen's urban renewal has triggered a comprehensive innovation in the policy system, government functions, planning system and even the concept of urban governance, providing an effective experience for other cities in China to learn from. This chapter introduces the development history of urban renewal in Shenzhen, and proposes institutional innovations in urban unit planning, development unit planning, policy support construction, small-lot renewal system, and renewal land price charging system in Shenzhen urban renewal. At present, other provinces and cities in China are also facing urban renewal problems, and Shenzhen's practical experience has certain significance for urban renewal in other cities across the country.

6.4 Urban renewal and urban village improvement measures in Yuncheng

Yuncheng (Population: 4.7332 million) is a prefecture-level city under the jurisdiction of Shanxi Province, located in the southwest of Shanxi Province, bordering Jincheng City to the east, Weinan and Xi'an to the west, Sanmenxia to the south and Linfen City to the north. It has a total area of 14,182 sq km, accounting for 9% of the total area of Shanxi Province. In 2019, Yuncheng City has 1 municipal district, 2 county-level cities and 10 counties under its jurisdiction. According to the data of the 7th census, the resident population of Yuncheng City was 4,774,500 as at 00:00 on 1 November 2020. In recent years Yuncheng City has seen an outflow of population, industries are transforming, development is slow, and various urban construction projects are underway in the city. However, due to various reasons, the phenomenon of urban villages within Yuncheng City is very common. Although the government is seeking solutions to enhance the appearance of urban villages, the results are not obvious, and next I will introduce the current situation and policies of urban renewal and urban village transformation in Yuncheng City.

The urban areas of Yuncheng City are included in the transformation plan of a total of 45 urban villages, of which 36 are within 88.9 square kilometres of the central city and 9 are not within the planning area, involving 18,400 households and a population of 59,885 people, with an area of 1011.84 hectares of land for residential construction in the urban villages to be transformed. The Yanhu District CPPCC organized some CPPCC members to conduct special research on the transformation of urban villages and found that there were still some problems in the transformation process that needed to be solved as soon as possible. (Lv Kaibing, Standing Committee Member of Yanhu District CPPCC, Deputy Director of Yanhu District Committee Office)

Firstly, the area of the house foundation of the village being transformed is large and the financial resources at the district level are insufficient. The Regulations on the Administration of Land for Building Houses in Villages and Towns stipulate that the area of house bases in Pingchuan shall not exceed two cents. However, according to our statistics, the actual house bases of households within the urban village range from three to six cents, and there is even a situation where one household has about one acre of construction land, and there are more private buildings, illegal buildings and family flats (family flats account for more than 30%) in the renovated area. The cost of demolition and relocation is much greater than the net gain from land, and the financial resources at the district level are obviously insufficient.

Second, the differentiation of compensation standards has made it more difficult to move. In recent years, when urban construction expropriates land for residents' construction, the URA, the City Investment Corporation, the City Land Bureau and Salt Lake District have different standards on compensation for expropriation, resulting in a higher than low compensation standard for residents, making it more difficult to move.

Thirdly, it is difficult to move back and resettle. Salt Lake District has no property management function and has no control over the source of resettlement housing. In terms of sunshine resettlement, due to the lack of communication and exchange, the households relocated back have certain doubts about the government's openness and fairness in housing supply, household type matching and house selection, which makes the resettlement work more difficult.

Fourthly, there is insufficient municipal authorization. Due to historical reasons, Salt Lake District has no administrative functions in planning, construction and management in the central city, and lacks some basic work information such as general planning and control planning. The organization and implementation of each urban reform project requires the authorization of the municipal government before it can be carried out in accordance with the procedures. At the same time, the city planning and housing construction departments are required to provide relevant information on planning and construction.

At the same time, Yuncheng City Central City 2022 land acquisition into a piecemeal development programme is being implemented, the implementation cycle for 2022 to 2023. The 2022 central urban area of Yuncheng City involves a total of 3 areas, with a total area of 586.5375 hectares, accounting for 100.00% of the total area of the development area, including 33.0891 hectares of existing facilities, accounting for 5.64% of the total area of the development area (2.2361 hectares of infrastructure and 30.8530 hectares of public service facilities). The area of land acquisition is

553.4464 hectares, accounting for 94.36% of the total area of the tract development area. Different areas have different emphases in land renovation and development.

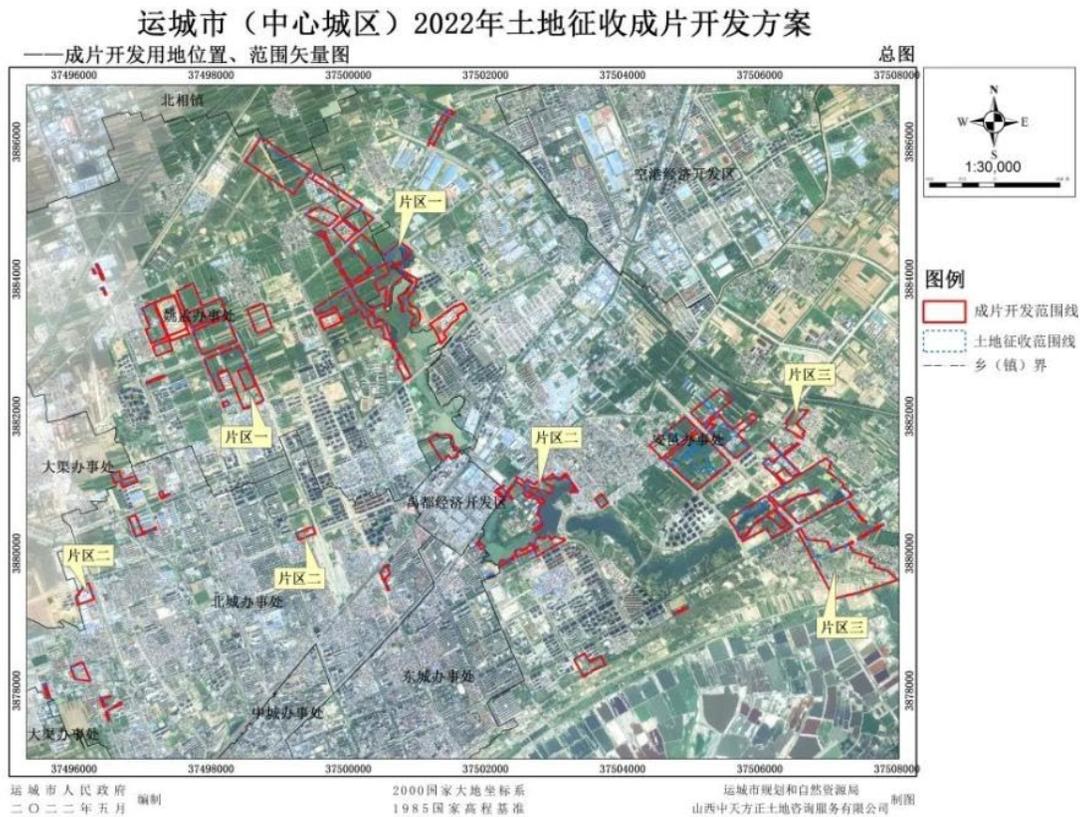


Fig.13: Yuncheng City (Central City) 2022 Land Acquisition for Piecemeal Development Programme, Source: Yuncheng City Planning and Natural Resources Bureau

Obviously, just expanding the city area without focusing on the internal optimisation and enhancement of the city will not work. For this reason, the government of Yuncheng City has introduced a series of policies to promote the old transformation of the central urban area, which includes the part of urban village transformation. The relevant policies include: the implementation opinions on the transformation of shantytowns in central urban areas, and the guiding opinions on strengthening the management of self-built houses of residents (villagers) in central urban areas to accelerate the implementation of organic urban renewal actions. I will then give some introduction to these policies.

(1) Implementation opinions on the transformation of shantytowns in central urban areas: (2015.7.25)

This implementation opinion is a series of relevant programs introduced by the People's Government of Yanhu District, the Management Committee of Yuncheng Development Zone and

Airport Development Zone, and all relevant units directly under the city.

The general requirements are: in order to meet the needs of urbanization development, improve the living conditions of shantytown residents, improve the intensive utilization rate of urban land, fully promote the transformation of shantytowns in central urban areas, strive to complete the task of transformation of shantytowns in central urban areas on time, further enhance urban taste and improve the living environment.

The basic principles include: 1. government-led, market operation; 2. lawful expropriation, proper resettlement; 3. localization, pragmatic; 4. integrated planning, supporting construction; 5. economical, green and environmental protection.

Scope of transformation: all areas within the planning area of the central city with more simple structure houses, higher building density, long service life, poor housing quality, many safety hazards, dirty environment, imperfect functions, unsound facilities and poor traffic flow (in principle, the whole transformation area is not less than 20 mu). The transformation of urban villages is uniformly incorporated into the scope of urban shantytown transformation and is steadily and orderly promoted. State-owned industrial and mining shantytowns located in urban planning areas are included in the scope of urban shantytown renovation.

In addition to this the government has, introduced relevant tax relief policies, such as: exemption from taxation for infrastructure support costs involved in shantytown transformation projects, and tax relief for urban land use tax, land value-added tax, deed tax, stamp duty, property tax, business tax and corporate income tax in accordance with relevant regulations.

There is also a series of compensation and resettlement policies to facilitate the project: (1) Replacement of house ownership area in accordance with the principle of how much is expropriated and how much is returned. Villagers with financial difficulties are given priority for resettlement in accordance with the policy on subsidised housing. Farmers will become citizens, village committees will become residents, villagers will become shareholders, and agricultural insurance will become urban insurance. (2) If the expropriated land is land of state-owned nature, it will be implemented in accordance with the Regulations on the Expropriation and Compensation of Houses on State-owned Land. (3) Where the expropriated houses are on collective land and have no legal formalities, compensation will be made to varying degrees according to the number of storeys of the houses. (4) The expropriation of ancillary buildings shall be compensated according to the cost of construction. (5) If the expropriated person disagrees with the compensation of the value of the expropriated house, it may be assessed by the relevant institution in accordance with

the law. (6) The principle of giving priority to the construction of rehousing houses for relocation. (7) If the use of the house is changed without permission, compensation and resettlement shall be given according to the original use nature. (8) Urban village transformation projects should reserve 8-10% of the development land for the development of collective economy. (9) The expropriated persons who actively cooperate with the expropriation work shall be appropriately rewarded with bonuses, priority rehousing and priority relocation. (10) The government shall apply to the people's court for enforcement in accordance with the law against private construction, rampant price demands, failure to relocate beyond the stipulated period, and acts that seriously affect the progress of the project. The relevant units shall provide reasonable guidance in a timely manner, put an end to roving prices, and shall not make arbitrary adjustments to the approved expropriation compensation scheme. (11) Those who spread rumours, sow discord, create trouble or incite disturbances shall be dealt with strictly and quickly in accordance with the law.

Finally there are various work requirements: (1) Clarify the responsibilities of each unit. (2) Strengthen public opinion. (3) Improve efficiency. (4) Ensure quality and safety. (5) Strengthen work responsibilities. (6) Strengthen supervision and inspection.

To sum up: the introduction of the implementation of Yuncheng's central city shantytown transformation is undoubtedly significant for Yuncheng's urban renewal, in which the compensation and resettlement policy gives the urban village transformation a law to follow. However, the policy at this stage is still in the mode of pushing back and rebuilding, and there will still be many problems.

(2) Guidance on Strengthening the Management of Self-built Houses of Residents (Villagers) in Central Urban Areas to Accelerate the Implementation of Urban Organic Renewal Initiatives (2021.5.8):

The guidance issued by Yuncheng this time is a supplement to the 2015 implementation advice, which places more emphasis on the concept of organic urban renewal and fills in the gaps in the management of self-built houses in the central city. I will then extract some key points for introduction.

Basic principles: Self-built houses for residents in central urban areas should meet the needs of self-occupation, be safe, suitable, economical and aesthetically pleasing, conform to planning, save land, pay attention to disaster prevention, safe construction, protect the environment, reflect regional characteristics and properly deal with ventilation, lighting and other neighbouring relationships. The management of self-built houses adheres to the principles of simplicity, convenience and benefit to

the people, without increasing the burden on farmers, optimising procedures and improving efficiency.

Planning and management: Self-built houses should be built on the residential bases acquired by residents (villages) and conform to the requirements of road red lines, green lines, infrastructure and public facilities as determined by urban planning. In principle, the number of storeys should not exceed 2, and the total height of a flat-roofed house should not exceed 8 metres and the highest point of a sloping roof should not exceed 10 metres. If the residence bases of residents are located in important urban areas and historic districts, the construction of their residences should conform to the requirements of urban planning, and the number of storeys, height and colour should be in harmony with the surrounding buildings. If the residences of residents are included in the scope of protection of historic buildings, they should be repaired and reinforced according to the original number of storeys, the original area and the requirements of the landscape appearance of historic buildings. For the reconstruction of dangerous houses within the scope of heritage protection buildings and controlled protection buildings, the consent of the administrative department in charge of heritage protection should be obtained in writing.

This time, the guidelines also set strict requirements for the declaration procedure and strengthen the supervision of the relevant departments, marking the transformation of urban renewal from the earliest big demolition and construction to organic urban renewal.

In 2022, the People's Government of Yuncheng City once again issued a circular on the decision to expropriate some houses in the central urban area, with the aim of promoting the urban renewal initiative to take effect in Yuncheng and improve the quality of the city's appearance.

All of this shows that the government of Yuncheng is paying more attention to urban renewal, however, urban renewal in Yuncheng is not smooth and there are still many urban village problems that need to be solved, and the situation is still serious. The solution to these problems requires the continued attention of the government and the concerted efforts of all sectors of society. In the next section I will offer some comments on urban renewal and urban village transformation in China.

6.5 Conclusion

In this section I present and sort out the situation in different countries and regions around policies on urban renewal and urban villages.

Urban village upgrading in the context of urban renewal abroad:

1. Slum upgrading in the United States: 1. community improvement campaigns targeting slums. 2. urban renewal campaigns to revitalise declining urban centres. 3. neighbourhood revitalisation schemes focusing on promoting community development.

2. Slum upgrading in Britain: 1. modern slum clearance campaigns in the urban renewal movement of the 1960s. 2. the Home Improvement Act and the Working Class Housing Act of 1875 and 1890 respectively. 3. the London County Council slum clearance and inner city renewal campaign of 1914.

3. Slum upgrading in Brazil: 1. legalisation of land. 2. implementation of slum upgrading. 3. improvement of cultural synergy in slums.

4. Slum upgrading in India: 1. 1950s to mid-1960s, the government expanded housing resettlement schemes for the poor. 2. late 1960s to late 1970s, the government began implementing the Urban Land Act. 3. 1980s to late 1990s, the implementation of urban poverty alleviation schemes centred on the provision of basic services to the urban poor. 4. 2005 Jawaharlal Nehru National Urban Renewal Mission

Urban Renewal and Urban Village Transformation in China:

5. China's urban renewal policy: a summary of several important points: 1. July 2013, the State Council's Opinions on Accelerating the Transformation of Shantytowns 2. May 2017, the State Council Executive Meeting: March 2018-2020 Shantytowns Attack Plan 3. July 2020, the Guiding Opinions on Comprehensively Promoting the Transformation of Older Urban Areas 4. March 2021, the Outline of the 14th Five-Year Plan and Vision 2035

6. Shenzhen's urban renewal system innovation: 1. land development rights innovation. 2. renewal unit planning innovation. 3. development unit planning experiment. 4. policy support construction. 5. small-lot renewal system. 6. renewal land price charging system.

7. Urban Renewal Policies in Yuncheng: 1. Implementation Opinions on the Transformation of Shantytowns in Central Urban Areas. 2. Guidance on Strengthening the Management of Self-built Houses of Residents (Villagers) in Central Urban Areas to Accelerate the Implementation of Urban Organic Renewal Actions.

7 Policy recommendations for optimising the relationship between urban villages and urban renewal

7.1 Countermeasures and suggestions for urban village transformation

1 Preparation and adjustment of urban village plans and strengthening of village construction management in urban fringe areas

Villages located in urban fringe areas should urgently prepare village plans so that their construction is coordinated with urban planning, integrated into the overall strategic layout of local economic development and urbanisation processes, and prepared for the integration of villages into cities. At the same time, construction planning for urban villages should be strengthened and supervision and monitoring of construction should be strictly carried out. The construction of villages must be carried out strictly in accordance with the plan and must not be changed at will. Those who do not obtain the "Planning Permit for Construction Land" and "Planning Permit for Construction Works" without site selection and location will not be allowed to go through the land approval and related construction application procedures. Farmers should insist on stopping the phenomenon of unauthorized expansion of residential base area and haphazard construction. Village cadres should be trained in urban planning and construction knowledge in order to enhance their planning awareness, attach importance to planning and strictly implement it, so that villages can develop in a rational and orderly direction and lay a good foundation for their transformation into cities.

2 Urban land expansion should adopt unified planning, unified land acquisition, unified development and unified management

Before urban land expands to the periphery and may encircle rural settlements into it, or early in the existence of this trend, corresponding planning and construction control measures should be taken in advance and the overall conversion of the rural population into an urban population should be carried out earlier so that the management system of the city can be established in time to prevent the creation of new urban village problems. The government must take proactive measures to address the obstacles encountered in the transformation process from village to city and from villager to resident, and increase management and financial investment. This is an important condition for preventing the emergence of new "urban villages". Of course, the process of transforming villages into cities requires the government to invest a lot of financial and material resources to provide a series of prerequisites for the transformation of farmers into urban residents, such as employment and welfare protection, but it must not be left unattended just because it is

more difficult. Generally speaking, the deeper the development and the more value-added the land, the more difficult it will be to carry out the demolition of villages, and the cost of transformation will instead become higher and higher, and the government will invest more and more in this area. This is because the transformation of urban villages will still depend to a large extent on government subsidies to complete. Therefore, the current investment is for less investment in the future. The city government should take proactive and proactive measures in the face of the expansion of the urban area, solving the problems of land use, household registration and administrative authority at an extremely early stage, without procrastination and without leaving any loose ends.

3 Formulate corresponding regulations and policies to regulate the development of urban villages

The management of the planning and construction of urban villages cannot simply follow the approach of the Regulations on the Planning and Construction of Villages and Market Towns, as "urban villages" are completely different from ordinary villages in terms of nature, form and population composition. It is advisable for villages to take into account their own actual situation, and even if they cannot afford to carry out renovation in the near future, they should formulate corresponding regulations and policies on the phenomenon of "urban villages" as soon as possible, such as specific provisions on the granting, leasing and mortgaging of collective land, in order to regulate their construction. In terms of its management system, it should be regulated in accordance with the urban population and planning management model, so that the relevant departments can intervene early to bring the construction and management of "urban villages" into line with urbanisation as soon as possible and create the conditions for transformation in the long term.

4 Increase the intensity of preferential policies, while controlling incremental land development

In order to attract developers to enter the urban village transformation, the intensity of concessions for developers who intervene in the transformation projects should be increased. For development and construction activities in urban village transformation, some taxes and fees for land development and construction should be substantially reduced, and in some villages with high investment and low returns, the government should subsidise them to increase the profit rate of development and construction within urban villages. In addition, while providing concessions and subsidies for the transformation of urban villages, it should also control the incremental development of land in the suburbs of the city to reduce the choice of developers and force them to intervene in the transformation of urban land.

5 Effectively improve and implement compensation for the demolition of villagers' private and

collective property

Make good preparations for demolition and relocation. Before demolition and transformation, it is necessary to conduct a mapping survey of each village, do a good job of project feasibility studies, especially investment calculations and real estate market projections, and increase publicity on the transformation of urban villages so that villagers and tenants fully understand the significance of urban village transformation and the policies, measures and compensation methods for demolition and transformation, so as to increase the transparency of the transformation work and obtain the cooperation and support of villagers and tenants.

Reasonable compensation for demolition and relocation of villagers' private houses. The success or failure of the renovation work is directly related to the appropriateness of the compensation for the resettlement and demolition work. The compensation scheme should be formulated in accordance with the principles of justice, fairness and openness to protect the interests of the villagers to the maximum extent. As the transformation of urban villages basically adopts the "demolition first and resettlement later" approach, how to resettle the villagers and what kind of standard resettlement becomes a problem that must be solved. To solve this problem, we cannot simply apply the methods stipulated in the Regulations on the Management of Urban Housing Demolition and Relocation (compensation for the price, housing for housing or compensation for the difference in price), but must take into account the special situation that the real estate owned by the residents of urban villages is their main source of livelihood. This should be done in accordance with the principles of "price for housing, fair exchange, preferential housing and consideration of livelihood options".

Properly resolve the conversion of collective village property. For villages with collective property, registration should be made in advance to make the quantity and value of collective property transparent, and to ensure openness and fairness in its distribution and income during conversion. During the transformation, the collective property should be accurately quantified in terms of individual villagers, and the collective village economy should be transformed into a form of shareholding system, with the equity being reasonably distributed so that villagers enjoy the right to ownership and income, and the right to use and operate the property should be set up by the village as a company, with management personnel recruited to run the operation. During the entire conversion process, the principle of openness must be ensured to ensure the transparency of the entire process and to eliminate the occurrence of rent-seeking behaviour by individuals.

6 Training for villagers to improve their overall quality

In the future, China's urban industrial structure will be adjusted, and high-tech and capital-intensive industries will be the preferred industries in cities, which will put forward higher requirements for the quality of the workforce, and the quality of the rural workforce is far from being able to meet such requirements. The improvement of the overall quality of farmers is a key issue in relation to the coordination of urban-rural conflicts in the process of urban village transformation. It includes not only the improvement of farmers' cultural quality and values, but more importantly, the residents of urban villages should be given new training and education to acquire the means and skills to make a living in the city. Therefore, pre-job training and vocational education should be vigorously strengthened to improve the work skills and literacy of urban village residents as much as possible to adapt to the economic activities of the city.

Training for residents of urban villages should be flexible and informal, taking the actual needs of villagers as the starting point, so that training and employment activities are closely integrated and targeted. The government can set up a training fund dedicated to the training of urban village residents. The types of training can include various aspects such as cultural quality and labour skills, and the training should be long-term so that villagers can still receive training and guidance in production and life after they have integrated into urban society.

7 Improve the social security system for villagers after they have been transformed into urban residents to eliminate their worries

In order to solve the worries of the farmers, so that they can put down their burdens and easily integrate into the city. In addition to the employment problems of villagers, on the one hand, special institutions can be set up to provide vocational training for farmers who have moved to the city, and to provide various channels for their employment and open up employment paths, and on the other hand, an unemployment insurance system should be set up that includes all workers who may be unemployed among the socially employed.

At present, the social security system for urban residents in China is not yet complete. In particular, rural residents in urban villages have greater difficulties in employment, retirement, child care and schooling. In particular, some villagers are of low quality themselves and have great difficulty in finding employment in the city. Although these villagers have lived in the city for many years, it is still difficult for them to truly integrate into the city on all fronts, and if a social security system with the same living equivalence as that of urban residents is not established in time for the transformation, so that they feel that the transformation will not pose a threat to their survival, it will seriously affect their motivation to transform. Therefore, it is necessary to establish a more

comprehensive social security system for villagers, including pension protection, unemployment protection and medical protection.

7.2 Proposals for optimising urban renewal

Urban renewal projects should be carried out in the public interest and adopt a three-tier model of government-led, market-led and resident-led interaction, promoting urban renewal through three different intensity renewal methods: piecemeal demolition and redevelopment, spot transformation and upgrading, and protective "micro-renewal" of old urban areas. In the case of the overall renewal of non-cultural preservation areas, a government-led, market-operated model should be adopted. On the dotted renovation and upgrading projects, advanced development and operation subjects are actively introduced, and the organic combination of capital, resources and management output is achieved through equity cooperation with the original property rights subjects to realize the renovation and upgrading of renewal. In the old city renewal projects, it is advisable to adopt a government-led, enterprise-implemented model, with the principle of cultural preservation as the first principle, and to promote the protective transformation of the old city's appearance by means of "micro-renewal". Policy support, organisation, information technology and flexibility are all essential for the smooth and efficient implementation of renewal projects.

1 Establish a dedicated agency to co-ordinate urban renewal management

As cities enter a stage of urban renewal that focuses on the reuse of old spaces, the government should establish a co-ordinated management agency, such as an urban renewal bureau, to form a complete management and implementation mechanism that includes policy formulation, planning system, operation process and characteristic innovation, so as to realise a dedicated management system for urban renewal.

As a national benchmark in urban renewal, Shenzhen has a lot of experience in co-ordinating and collaborating with various approval bodies to improve the efficiency of renewal approval. At the municipal level, the Shenzhen Urban Renewal Leading Group was set up as the overall coordinating body for urban renewal work, and the Shenzhen Urban Renewal and Land Preparation Bureau (formerly known as the Shenzhen Urban Renewal Office), a body directly under the Municipal Planning and Land Resources Committee, was set up as the executive arm of urban renewal work. This agency acts as the general coordinator of government departments in urban renewal work, helping investors through the whole process of government services for renewal projects and improving the administrative efficiency of renewal approval. Urban renewal work in other cities can also learn from this initiative in Shenzhen according to their own circumstances.

2 Improve institutional development to protect the rights and interests of all parties in urban renewal

Improving relevant policies is the basis for streamlining the implementation process, establishing a process management system, strengthening project supervision and ensuring a balanced distribution of interests.

The reuse of old spaces under the perspective of urban renewal requires a variety of policy support from the government. Urban renewal requires not only land and planning policies, but also fiscal policies (land revenue issues, tax relief), building management policies (e.g. policy adjustments in areas such as building codes), real estate registration policies, etc. A four-level technical and institutional system of urban renewal - regulations, policies, technical standards and operational guidelines - has been established to coordinate and balance the interests of all parties with rules. While promoting the efficient allocation of spatial resources, the redistribution of spatial benefits should be fair, just and open. It should also serve as a mechanism to protect the rights and interests of investors, residents of the district, property owners at all levels and relevant government departments, so as to better guide the participation of all rights holders in the renewal projects and realise the renewal and upgrading of the overall urban landscape.

3 Build an information platform and realise open project information

Building an internet information platform requires an urban renewal information exchange platform, a land data application and analysis platform, an industrial demand big data service platform, a supply and demand service platform, and a resource integration platform, whose contents cover various aspects such as project financing services, project investment and construction, and project investment and operation. The information platform can help urban renewal sites introduce suitable industrial projects and find suitable land carriers for the upgrading, transformation and expansion of urban industries. During the project promotion process, information at all stages is publicly announced on the information platform to enhance the transparency of the project, prevent and control rent-seeking behaviour, introduce public supervision and safeguard the interests of the people.

4 Matching top and bottom, clarifying the planning and management system

In the process of reusing vacated resources for urban renewal, a "top-down" master plan and a "bottom-up" local unit renewal demand should be organically combined. The relationship between macro-control and local renewal is a top-down one, which must be reflected in the government's

functions and implemented in the process, while at the same time fully taking into account the bottom-up renewal needs.

At the same time, in the promotion of renewal projects, the government should take a macro view from the perspective of urban development and formulate annual renewal plans, forming a "top-down" renewal target. For those communities that are eligible and have a strong desire for renewal, the community management department will submit an application for renewal to the government on behalf of the residents, and the application will be approved and incorporated into the next year's renewal plan, forming a 'bottom-up' renewal path. Only by forming a benign mechanism of "bottom-up interaction" can urban renewal be more dynamic and reflect the humanistic approach to urban renewal, and "urban renewal with a temperature" can be implemented.

5 Using the internet platform to guide residents to participate in renewal decisions

Urban renewal work should be based on respecting the cultural characteristics and social psychology of the renewal units, coordinating the demands of the relevant interests and balancing the interests of the city, society, the market and the original rights holders in the most feasible way of transformation. A database of information exchange between different communities can be built with the help of an internet technology platform to collect residents' willingness to renew, analyse the necessity of renewal for communities that have reached 80% willingness to renew, and initiate the renewal declaration process for communities that are eligible for renewal and have not formed a work conflict with the renewal work of the district, as a database of urban renewal situations, to better co-ordinate renewal plans and improve the scientific nature of work. For units that are about to start renewal, we can use internet platforms such as WeChat and online communities to collect real-name wishes and conduct renewal network research to improve efficiency and reduce the workload of household surveys. For areas in the process of renewal, residents' opinions can be collected through the renewal platform, and a mechanism of interactive communication between the renewal monitoring unit, planning unit, renewal implementation unit and community residents can be formed through the use of diversified internet terminals. This will lead to a "more grounded renewal mechanism".

6 Combining multiple models to promote the continuity of cultural heritage and urban development

China has a long history, which is preserved in many of its old urban areas, and plays an irreplaceable role in the cultural heritage of China. As cultural carriers, heritage buildings and remnants of the times should be valued and protected in the process of reuse of vacated resources

and urban renewal. The principle of paying attention to cultural relics, outstanding modern buildings and historical and cultural districts in the process of urban renewal has formed a consensus among academics and has also received the attention of the government. In the process of reuse, it is necessary to realise the reshaping and renewal of heritage buildings and buildings left over from the era from the perspective of preserving the cultural development history of the city and passing on its cultural heritage.

In some of the old city renovation encountered in the historic value of the neighbourhood and buildings, should be adopted micro-renewal mode, focus on the combination of point and surface, piece of the district level, should be used to repair the old as the old, born in the new in the old conservation development mode, enhance the style of the neighbourhood, while optimising the conditions of the district infrastructure, improve supporting facilities. For modern urban areas without heritage conservation needs, a large-scale demolition and redevelopment model can be adopted. On the one hand, it can thoroughly improve urban functions, improve the backward appearance of the city and the living environment of residents, and on the other hand, it can revitalise the stock of land resources, maximise the revenue from concessions, realise the reasonable conversion of land functions, and bring the city back to life and vitality. In cases where the age of the building does not meet the requirements for renewal, but the appearance of the neighbourhood is poor, or where factors such as unreasonable planning arrangements and inefficient property operations have resulted in low efficiency in the use of buildings and a lack of vitality in the neighbourhood, a small-scale, gradual "micro-circulation" transformation model can be adopted to promote the organic renewal of urban neighbourhoods. The city can adopt a small-scale, progressive 'micro-circulation' model to promote the organic renewal of urban neighbourhoods. This will minimise the amount of renovation work and allow for a rapid renewal of the building. After the renovation, we will reorganise the functions of the buildings, introduce new industrial resources, improve the efficiency of the buildings and enhance their functionality in order to better serve the community.

7 Innovative financial tools to provide diversified capital support for urban renewal

Establish an urban renewal fund to provide financial subsidies for renewal units that cannot realise market-based benefits. In peripheral urban areas, with the help of stock land tapping and market-based means, land dividends are released to generate cash flow for self-blooding. While completing the renewal of the area, the government obtains land grant proceeds and can extract part of the funds into the urban renewal fund to subsidise the renewal of old urban areas.

Policy banks such as China Development Bank have set up special funds for urban renewal to help renewal enterprises speed up their capital turnover, enhance their ability to leverage projects, and act as a capital medium for releasing the value of land, so as to better raise capital support for urban renewal work.

Opening up the Housing Fund to old city renewal. Open up housing fund loans to residents who wish to carry out renewal, specifically for the "micro-renewal" of old courtyards in old urban areas, to improve the efficiency of the use of housing fund and expand the benefits.

Establish a financial subsidy mechanism for urban renewal in old urban areas. Urban renewal in old urban areas is aimed at improving the living environment of old city residents on the one hand, and the preservation of the city's historical heritage on the other.

A market-based mechanism should be established to bundle the "micro-renewal" tasks of the old city with the urban renewal projects in the peripheral areas of the core area, so that the renewal costs can be passed on to the old city and the peripheral areas of the city, and the benefits can be shared.

7.3 Conclusion

Based on the analysis in the previous chapters, this chapter proposes specific countermeasures and recommendations for optimising urban village transformation and urban renewal.

Suggestions for the transformation of urban villages include: 1 strengthening the management of village construction in marginal urban areas, 2 unifying the management of urban land expansion, 3 formulating relevant legislation to regulate the development of urban villages, 4 implementing preferential policies for the transformation of urban villages and limiting incremental land development, 5 improving compensation for demolition and relocation of private and shared ownership, 6 training and improving the quality of villagers, and 7 improving social security for villagers after their household registration changes.

Suggestions for optimising urban renewal include: 1 establish a dedicated body to manage urban renewal, 2 improve the system to protect the interests of all parties, 3 build a platform for information disclosure, 4 clarify the planning management system from top to bottom, 5 use the internet platform to guide residents to participate in decision-making, 6 use diversified models to promote cultural continuity and urban development, 7 innovate financial tools to guide diversified capital support.

8. Conclusion

This research started with two starting questions, the results and limits of which we can summarize here. The transformation of urban villages is actually a part of urban renewal, which is closely related. In the previous urban environment, urban villages were often areas with many hidden dangers. However, in the context of urban renewal in China today, how to use the relationship between Urban villages and Urban renewal is a key element to promote the process of urban renewal. There are many problems in urban villages, but urban renewal measures are conducive to solving these problems. At the same time, due to their superior location advantages, urban villages can bring huge impetus to urban renewal and have huge development potential. In the process of urban renewal, solving the hidden dangers of urban villages and maximizing the advantages of urban villages is the optimal solution to deal with the relationship between the two in the future. (Yongqi Zhao , Ning An , Huiling Chen , Wei Tao , 2020)

From 1950 to 2020, urban renewal in China has gone through many years of exploration, from the earliest days of building for production to the massive development of land to today's sustainable urban transformation, with outstanding results and many problems. With an urbanisation rate of 7.3% to 63.89%, China's urban renewal has huge development potential and market, but there are still problems such as lack of specialised institutions, single renewal methods, excessive interference from developers, lack of public participation and relevant legal support. The emergence of the phenomenon of urban villages is almost inevitable due to the state system and urban development. China's household registration and land system makes it more difficult for farmers living in urban villages to integrate into urban life, which has led to a further increase in the fragmentation between cities and urban villages. At the same time, cities are expanding and large numbers of people are entering the cities and choosing urban villages as places to live. Although urban villages have to some extent reduced the housing burden for the whole society, they have in turn brought about many social problems. The environment of urban villages is dirty and untidy, and it is very difficult to transform them. And to solve the problem of urban villages and urban renewal, exploring the close relationship between the two and making a series of adjustments is a must. The urban renewal process in the West and some other countries is many years ahead of China, and there are many valuable cases to learn from. At the same time, the Chinese government has been paying more and more attention to urban renewal in recent years, and the pace of urban village transformation has been increasing, with a series of relevant regulations and policies, such as the inclusion of urban renewal in the 14th Five-Year Plan. China has made some achievements in urban renewal and urban village transformation, but there is still a long way to go before these problems can be completely solved.

In this article, I have put forward a series of proposals that I hope will help to optimise urban villages and urban renewal. We should strengthen the construction and management of villages and towns at the edge of the city, and limit the expansion of urban land to cut off the possibility of new urban villages from the source, and speed up the introduction of relevant laws and regulations to attract developers to inject more capital by offering concessions for the transformation of urban villages. Finally, it is necessary to improve the quality of residents and improve social security so that residents do not have to worry about anything. For urban renewal, the government should establish a special management body and improve the system to ensure the interests of all stakeholders. It can also set up an information platform to ensure people's right to know while also guiding residents to participate in decision-making. This will ensure a combination of bottom-up and top-down approaches, and finally the use of innovative financial tools to guide capital to join in and promote the continuation and development of the city's cultural heritage.

Conclusion:

Starting from various background information, this paper conducts an in-depth study and discussion on the development history, background knowledge, current policies and underlying causes of urban renewal and urban villages in China and abroad, thus summarising the mutual influence relationship between urban renewal and urban villages. The paper then proceeds to conduct a horizontal comparison and vertical study from relevant policies to identify the strengths and weaknesses of urban renewal and urban villages in China, and draws on relevant policies of other countries, ultimately arriving at a series of optimisation and transformation measures and recommendations. The problem of urban villages and urban renewal in China is caused by a series of historical and institutional reasons, the institutional reasons of which are different from those of other countries, and the effects of these reasons cannot be changed overnight. Urban renewal is a new concept for China that has only been emphasised by the government in recent years, so China still faces many practical difficulties and has a long way to go in terms of urban renewal and urban village transformation in China. With policy support and adjustment, I have a positive attitude towards the future of urban renewal and urban village transformation in China, and I hope this thesis will be of some value in the related field.

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