Urban Regeneration and Transformation of Governance Structure:

Why is Reconstruction of Urban Culture Important?

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Abstract

Urban regeneration in various cities around the world is being driven not by a government-led model (which we will call the “government model”), but rather by a governance structure involving a citizen-led model (the “governance model”). In other words, the community sector (or non-profit sector) has come to play an increasingly important role in urban regeneration. This enlarged role of ordinary people in urban regeneration can be seen to have resulted in switching of the governance structure of urban local governments from the government model to the governance model.

“Governance” refers to the political process of decision-making that accommodates conflicts stemming from the different views and interests of concerned parties. This concept of governance has been garnering attention over the past 30 years or so. Previously, it was accepted as a matter of course that government administration would take the leading role. However, governments facing concerns about financial crises have lacked the capability to respond satisfactorily to the varied needs of a public with a diverse set of values. With the awareness that administration by government had reached the limits of its capacity, the concept of governance began to receive attention.

The growth of independently initiated voluntary organizations was part of the backdrop of the shift from the government model to the governance model. Voluntary organizations have responded to the diverse needs of communities with flexibility and by developing various support activities. Public services provided by urban local governments are comprehensive and fair, but their cookie-cutter style cannot always respond to the specific needs of communities. When public services cooperate with voluntary organizations, they have the ability to adequately respond to a community’s diverse needs.

The following four factors can be linked to the establishment of projects associated with the governance model of urban regeneration: (1) the multileveled configuration of the networks of organizations and individuals; (2) the existence of intermediary support organizations, which enable voluntary organizations’ organizational autonomy; (3) asset management, which enables voluntary organizations’ financial autonomy; and (4) urban government policies that promote public input.

Emotional attachment to where one lives are the inspiration for public grass-roots urban regeneration projects. Emotional attachment can be strengthened by looking back at a city’s history and culture and then redefining and recreating the city so that it can adapt to new social conditions. For this reason, cultural elements play a vital role in the process of urban regeneration.
Introduction

Our theme is the examination of citizen-led urban regeneration from the perspective of changes in governance structure. Also, in the process of urban regeneration, we would like to consider why the reconstruction of urban culture is important.

Since 2007, we have made a comparative study of urban regeneration enterprises in cities selected from around the world—in China, Japan, the UK, the US, the Netherlands, and Indonesia. Based on the results of that research, in August of this year we publish our book entitled: Segmented Society and Urban Governance. Our results were also featured in the Chinese language book, Urban Rejuvenation. Regarding the Chinese book, we would like to express our appreciation to Mr. SU Binggong of the Shanghai Research Center of Chinese Culture and Creation.

As for the issue of urban regeneration, we discovered the facts that urban regeneration in various cities around the world is being driven not by a government-led model (which we call the “government model”), but rather by a governance structure involving a citizen-led model (the “governance model”). In other words, the community sector (or non-profit sector) has come to play an increasingly important role in urban regeneration. This enlarged role of ordinary people in urban regeneration can be seen to have resulted in switching of the governance structure of urban local governments from the government model to the governance model.

Today, we will be dividing our theme of urban regeneration and governance into three points for discussion. First, what is citizen-led urban regeneration and what kind of relationship does it have with the political decision-making process? Second, what kind of relationship is there between the social conditions for the establishment of citizen-led urban regeneration and cultural factors? And third, we will verify points one and two by looking at a case study of the Tianzifang area of the Luwan district of Shanghai.

What is citizen-led urban regeneration?

First we will explain what citizen-led urban regeneration is and then what kind of relationship it has with the political decision-making process. Citizen-led urban regeneration arises when a voluntary organization of citizens uses community resources to start up an enterprise aimed at rebuilding the community by improving the overall lifestyle—such as through the improvement of the environment, job creation, the offering of social services, etc. Citizen-led urban regeneration is not simply improving the physical environment of rundown areas; it addresses the problem of an individuated society, or the restoration of quality
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of life to socially isolated individuals. This kind of citizen-led urban regeneration emerged on a global scale starting in the 1990s, and we will refer to these enterprises as "urban regeneration" to distinguish it from "urban redevelopment," which is the top-down-style rebuilding enterprises that come from the governments or private developers.

Starting in the 1960s, the government-led model of what was called "urban redevelopment" was used for renewing major cities worldwide following the development of the scrap-and-build model. Especially from the 1980s onward, redevelopment of urban spaces was promoted in major cities worldwide, so-called "global cities" in which the financial and service industries and IT-related enterprises were concentrated. Countries' neo-liberalistic government policies of loosening government regulations promoted real-estate businesses and private developers advancement of urban redevelopment that prioritized economic efficiency, which led to a shift to high-rise buildings and concentrated land usage.

Due to this, cities in decline and cities in rural areas, which were not targeted by this redevelopment, saw increases in unemployed, the elderly, and others living in poverty. Beginning the 1990s, the problem of poverty and socio-economic inequality grew to global proportions. As governments of various countries facing financial crises grew unable to handle the problems of spreading socio-economic inequality, expectations were pinned on voluntary organizations to provide solutions. Voluntary organizations were turned to with the hope that they could continually deal with livelihood issues of people who fall between the cracks of shrinking government public services and market services from private enterprises faced with intensifying competition resulting from neo-liberalism.

While being utilized by the government and staying mindful of being outsourced, voluntary organizations make efforts toward acquiring a social power that can stand up to governments and the market. One feature of this is turning voluntary organizations into enterprises. Non-profit enterprises were created by utilizing regional resources (land and building assets, personal relationships, etc.), then taking the enterprise-generated profits and applying them to community welfare. In order to manage such non-profit enterprises, cooperation from governments and private enterprises is needed. Thus, the political decision-making process called governance is established.

"Governance" refers to the political process of decision-making that accommodates conflicts stemming from the different views and interests of concerned parties. We understand governance to be the decision-making process in which the groups formulated by the government, market, and community sectors cooperate through a coordinated relationship in which each party's role is clearly designated.

On the contrary, the political process in the government model is one in which the
government, a specially empowered organization, makes decisions in a top-down fashion and pressures other organizations and citizens to act in accordance with those decisions. In the government-model process, several groups and organizations are vertically integrated through axis of government. This is quite different from the political process in the governance model in which the government acts as the axis merely on a superficial level.

Against the backdrop of the community sector taking on a major role in urban regeneration and the political system of urban local governments has shifted from a government-led model of to a citizen-led model, this concept of governance has been garnering attention over the past 30 years or so.

Voluntary organizations that support urban regeneration enterprises are able to skillfully respond to the diverse needs of communities and are developing support activities. Voluntary organizations have responded to the diverse needs of communities with flexibility and developed support activities. Public services provided by urban local governments are comprehensive and fair, but their cookie-cutter style cannot necessarily respond precisely to the individual needs of communities. When public services cooperate with voluntary organizations, they can adequately respond to the communities’ diverse needs. Today in Japan as well, the 1995 Great Hanshin Earthquake, commonly referred to as the Kobe Earthquake, served as a turning point because the importance of volunteers and NPOs was recognized. Since that time, government policies advancing the growth of the community sector have been being promoted.

**Citizen-led urban regeneration and culture**

Next, we would like to consider the importance of social conditions and cultural factors in the establishment of citizen-led urban regeneration enterprises.

It differs greatly depending on the social conditions of the particular country as to whether or not the governance model can be formulated based on the coordinated cooperative relationship between the government and market sectors and the voluntary organizations that have made themselves organizationally independent by becoming enterprises. Generally speaking, financial strength and specialization are weak points of voluntary organizations, so in order to become enterprises, a lot of social support is necessary. Thus, countries with a social system that supports voluntary organizations tend to facilitate the governance model, whereas countries without such a system tend to generate the government model.

With social systems that support voluntary organizations, the following four factors determine the success of citizen-led urban regeneration enterprises: (1) the multileveled
configuration of the networks of organizations and individuals; (2) the existence of intermediary support organizations, which enable voluntary organizations’ organizational autonomy; (3) asset management, which enables voluntary organizations’ financial autonomy; and (4) urban government policies that promote public input. So, there is a high possibility of realizing an ongoing citizen-led urban regeneration enterprise in cities where a multileveled network is in place, intermediary support organizations are active, asset management is solid, and public policies are being implemented to support the growth of voluntary organizations.

Another interesting point our group discovered is that in order to secure these four elements at the same time, the cooperative sharing of regional resources are necessary. In other words, if people living in those areas do not agree to the cooperative sharing of regional resources, those four factors cannot be secured at the same time.

This reveals the key to understanding why culture is such an important point for urban regeneration: In order for a large number of people to agree to pursue mutual benefit, they must share a collective identity connected to their area.

Looking at it from a different perspective, why do citizens take initiative to become involved in urban regeneration enterprises when they witness the stagnation or decline of cities? Citizens’ actions are based on volunteering, so they are not motivated by money. The citizen-led model of governance abolishes the concentration of decision-making authority, so it is difficult to imagine citizens’ motivation stemming from a desire for power or fame.

We feel that culture plays a major role in the motivation of citizens. In other words, the outline of citizens’ motivation appears when the place where they live was founded on a specific history and culture. If that were not the case, it would not be possible to mobilize large number of citizens to join urban regeneration enterprises.

No one wants to see the community where they were born and raised fall in to decline. But most citizens do not think that their involvement can stop such deterioration because the power of a single person is too small. However, if the intention to stop the decline and regenerate the community is gathered together, it can be transformed into the power to achieve change in society. History and culture are the catalyst to change individual’s scattered feelings into a large force.

With the starting point of looking into the community from an outside perspective, when citizens redefine the place they live in reference to its history and culture, a strong fondness and a sense of pride towards their home emerges. This fondness and pride are strengthened by looking back at the history and culture of one’s city, then redefining and recreating it in order to be able to adapt to new social conditions. Through this process, citizens are
motivated to become involved in bottom-up style urban regeneration. That is to say, rather than simply wanting to return the community to the way it used to be, when large numbers of citizens sharing the goal of recreating the community so that it will be suited to the new conditions of the time, that itself becomes the first step towards citizen-led urban regeneration. We feel that that is precisely the reason why cultural elements play such an important role in the process of urban regeneration.

The case study of Tianzifang

We want to show how urban regeneration is related to urban culture with the case study of Tianzifang. First, we will review how the urban regeneration advanced in Tianzifang.

Tianzifang is home to the area of with a high concentration of western style residences called Shikumen. From the mid-19th century, these Shikumen thrived in urban areas of Shanghai where great numbers of western style homes were built for ordinary people. While steeped in traditional Chinese architecture, western forms of architecture were incorporated into the residences. Shikumen were the result of this fusion of Chinese and western forms, so it may be said that Shikumen can be born only in Shanghai. However, with its communal bathrooms and kitchens, Shikumen do not suit contemporary lifestyle, and in the 1990s Tianzifang’s were fated for demolition.

From the mid-1990s, urban development in China advanced rapidly. Generally speaking, the method of redevelopment consisted of the local district government that has the authority over that area, to commission a major development company to plan and implement the redevelopment of an area. Residents were given compensation and forced to move out. Then, the developer would tear everything down and construct new buildings. Businesses and people could move into the new buildings, but due to rising real estate prices, previous residents were not always able to move back to the new residences in the area where they had once lived.

In the late 1990s, the Luwan district government decided to redevelop Tianzifang following that business-led model. The Taiwanese developer commissioned to handle the project made plans to demolish all of old residences and construct high-rise condominiums. If those plans had come to fruition, the Shikumen residences would have disappeared with luxury condominiums taking their place. In other words, it would have become a cityscape like so many others you can see in Shanghai.

However, one person, a local leader the small sub-district of Jiedao at the time, had the idea that the historical Shikumen homes could be preserved, that the area could be rebuilt as a place where diverse kinds of people could enjoy walking around while at the same time
providing benefit for residents. After gaining the cooperation of a businessperson returning from Canada, he planned how to realize a concept using that area to take first steps toward achieving a “creative industry” in Shanghai. Famous artists heard rumors that old buildings were being remodeled into studios and they relocated to the area. Ink painters and photographers followed suit and in a few years Tianzifang had become a gathering place for people searching for an artistic atmosphere.

Once people began to gather there, the old residences were remodeled into shops such as cafes, restaurants, and boutiques. In general, the residences were a kind of three-story row-house or town-house style in which each unit was shared by a number of households. The area allotted for each family was extremely small and the accommodations were poor. So when companies opened up shops, they rented one, or even two or three complete residences and remodeled the interior as a shop while preserving the traditional external structure. The retailer moving into the space covered the cost of remodeling, but if the shop became successful, they could recoup their initial investment. The businessman imposed careful restrictions on the incoming shops in order to protect the cultural atmosphere of the area. Residents acted as more than just the owners of the real estate, some of them volunteered to help with operations.

The culture attracted a lot of foot traffic which in turn stimulated the establishment of businesses, resulting in the preservation of the traditional buildings while the residents were able to keep their right to own the real estate. Profits rose for retailers that entered the area and visitors to Tianzifang soaked up the cultural atmosphere. The rebuilding of Tianzifang was the result of cooperation between several different parties which all ended up profiting. It was a win-win situation.

The district government acknowledged the success of Tianzifang and in April of 2008 the previous plan to redevelop the area was dropped. Now, Tianzifang’s preserved landscape of Shikumen in which the residents were not forced to leave has come to be seen as an alternative model of urban regeneration built around the preservation of historical buildings. It is receiving ongoing attention both domestically and abroad.

So, what are we trying to say with this success story of Tianzifang?

First, the starting point for the rebuilding of Tianzifang was the desire to preserve Shanghai’s unique architectural culture of Shikumen. However, more than simply keeping the old things, the new idea was to bring out the history of the area and make it a space that anyone—men and women, young and old—can enjoy. To put it another way, the value of Tianzifang was rediscovered by reappraising it from an outside point of view. Tianzifang was redefined. The introduction of an artistic element, which had not formerly been present,
generated attention and visitors. This process of fostering a cultural atmosphere also solidified the image of Tianzifang with the preserved Shikumen architectural style coming to symbolize the exotic culture associated with the history of Shanghai. Many citizens had simply considered the buildings to be inconvenient and out of date, but they came to share the redefined view of Tianzifang, which served as a basis for multiple groups to join work together to achieve urban regeneration. It was precisely the governance model of urban regeneration which led to the rebirth of Tianzifang.

We think the case study of Tianzifang sheds new light on the meaning of urban culture in the process of urban regeneration.

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