



Shantytown Redevelopment Projects: State-led redevelopment in Chongqing, China

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Doctor of Philosophy

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Acknowledgements

At the final moment of submitting my dissertation, I write these words with the all my sincerity.

Pursuing a PhD was never a carefully considered decision. I followed the path others took, with a touch of spontaneity and a “give it a try” mindset. Four years passed, and it was only through stumbling forward that I gradually found clarity in my direction. Studying in a foreign country has been a journey filled with moments of joy and sorrow—each experience, no matter how big or small, has contributed to my growth. The people I encountered, whether fleeting acquaintances or lifelong friends, have all been a blessing.

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"You need to build confidence in yourself so you can write with confidence!"

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The top of this page is left blank, reserved for my loved ones in heaven:

My dearest grandmother, my father, and my uncle (Daba).

You have always been here, never far away.

Abstract

Since 1978, China's transition from a planned to a market economy, driven by neoliberal reforms, has profoundly reshaped the governance of shantytown redevelopment projects (SRPs). While market forces dominate urban redevelopment, the state remains pivotal, particularly in directing large-scale urban transformations. This duality has sparked debates over the state's role in policy implementation, market intervention, and the resulting disparities among stakeholders involved in SRPs. In 2008, the central government launched a nationwide shantytown redevelopment initiative, marking a turning point in urban governance. These projects aimed not only to improve substandard living conditions but also to align redevelopment efforts with broader goals, including economic growth, social stability, and urban modernization. The 18T Redevelopment Project in Chongqing serves as a flagship case, involving the relocation of over 6,000 households and a large number of shantytown tenants. It encapsulates the complexities of balancing state intervention, market dynamics, and stakeholder interests within the SRP governance framework. This study investigates the implementation of SRPs in Chongqing by examining stakeholder engagement and the operationalization of state-led governance mechanisms in the 18T project. Drawing on in-depth interviews with government officials, developers, and residents, as well as detailed policy analysis, the research unveils a governance model shaped by a top-down authoritarian approach infused with managerialist strategies and populist elements. The findings reveal a complex interplay between policy design, state-individual relations, and stakeholder dynamics, offering critical insights into the evolving governance landscape of urban redevelopment in China.

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List of Acronyms

CBD	Jiefangbei Central Business District
CCP	Chinese Communist Party
CDB	China Development Bank
GBP	Pound Sterling
MOHURD	Ministry of Housing and Urban-Rural Development
NDRC	National Development and Reform Commission
NPC	National People's Congress
RMB	Chinese yuan
PRC	State Council
SRP	Shantytown Redevelopment Project
URAU	Urban Redevelopment Authority

Chapter I: Introduction

1.1 State-led Urban Redevelopment in China

Urban redevelopment usually involves a redistribution of benefits. It is a complex process involving a complex interaction between various stakeholders when dealing with spatial restructuring. It requires significant political will and financial resources initiated by certain players, and at the heart of this is the state. The state provides an established regulatory platform in a state-led urban redevelopment project, including a framework for urban planning and land use control. The debates in this process revolve around the state's powers and how much it exercises at the local level. Also, they can include local and other interests and, to what extent, more importantly, how the different interests interact in this process.

Since 1979, China's market-oriented reforms have significantly influenced the roles of the state, markets, and residents in urban transformation. During the socialist era, the state saw the supply of public housing as a fundamental duty and distributed it via welfare programs. As reforms advanced, social welfare experienced substantial transformations, and public housing has evolved into a residual sector (Wang & Murie, 2007), with housing reforms appearing to adhere to neoliberal ideas (Stephens, 2010; Liu & Yau, 2020). This neoliberal paradigm differs from Western nations, which 'relies on the extensive naturalization of market logic' (Peck & Tickell, 2002) and promotes minimal governmental intervention (Harvey, 2005). In China, the neoliberal element has progressively integrated with centralized authority, resulting in a distinctive variant of neoliberalism¹. The state is crucial in executing economic growth and urban redevelopment initiatives, collaborating with market forces to enhance urban governance (He & Wu, 2009; Stephens, 2010; Wu, 2010). This governance model often raises concerns about the complex power relations of urban redevelopment and the equitable opportunities for benefit

¹ China's neoliberalism with Chinese characteristics refers to a unique governance model that combines the market logic of neoliberalism with strong centralized government control during the country's economic transition and reform period. This model reflects both market-oriented features and state-dominant attributes, and scholars describe it as a form of "neoliberalism with Chinese characteristics" (He & Wu, 2009).

distribution (Li, 2015). And the management of large-scale shantytown redevelopment plans in China exacerbates these challenges.

Over the last forty years, China's rapid economic growth has been accompanied by unprecedented urban expansion and social change. Chinese cities have experienced large-scale urban demolition and reconstruction, and urban redevelopment is also considered an effective way to solve urban process problems. In the wave of urban redevelopment, shantytowns have become a 'lucrative' target. The so-called "shantytowns", according to the definition given by the Chinese Ministry of Housing and Urban-Rural Development, refer to areas in cities with a high number of simple structural houses, high building density, a long service life, poor housing quality, many construction safety hazards, imperfect usage functions, and inadequate supporting facilities. In Chongqing, there are more specific criteria for shantytown houses, One of which is C and D-grade² dangerous houses identified by housing safety appraisal institutions. The other is houses with serious safety hazards and imperfect supporting functions that were built before the 1970s. At the same time, as a shantytown is a regionalized concept, the main reason for designating an area as a shantytown is to consider the distribution of the above two types of houses, and the area thus designated for renovation is referred to as a shantytown (Chongqing Bureau of Planning and Natural Resources, 2021). This study employs the term shantytown to denote neighborhoods characterized by a significant prevalence of structurally deteriorated residences that are devoid of essential infrastructure, including gas and water services, in accordance with the discourse, policy, and context surrounding shantytowns in China. For some cities, shantytowns have provided affordable housing for millions of migrants and have served as a place for these migrants to settle into the city for work. However, since the introduction of the Shantytown Rehabilitation Regulations, the shantytowns in their time have been treated as blights on the city's appearance and have been transformed into shopping malls and luxury housing, or upscale neighbourhoods with distinct gentrification (He et al.,

² C and D-grade houses refer to buildings identified as structurally unsafe by China's Housing Safety Appraisal System, where C-grade denotes partial structural risks, and D-grade indicates full structural unsafety.

2020). At the same time, slogan-like concepts such as "activating the remaining land resources in the city" and "ploughing deeper into the city" were put forward, and shantytowns, "one of the few urban spaces that can be utilized. The shantytowns are favoured by property developers and the government as "one of the few urban spaces that can be utilized".

The first round of the national shantytown renovation project began in 2008 with the redevelopment of shantytowns. The central government emphasized the two "responsibilities" assigned to shantytown renovation projects. One of them is to create new economic growth points. While creating an "upgraded" version of the economy, the economic growth rate should not fall too fast in the short term, and some new economic support points need to be formed. The large-scale shantytown redevelopment project can effectively boost investment in real estate and related industries, which has substantial growth implications. Secondly, it serves as a "ballast" for the healthy and smooth progress of China's "urbanization" road. The central government attaches great importance to the "urbanization strategy" and regards it as the most important means of boosting domestic demand, transformation, and upgrading and modernization of the country.

At the same time, however, there is a great deal of social debate about shantytowns, in which the question of whether a new class of urban poor will be formed and whether the problem of intra-urban dichotomy can be appropriately resolved are the focus of social concern (Cattaneo et al., 2022). While 2008 saw a significant legislative movement toward shantytown redevelopment plans, this is not a new phenomenon. Since the 1980s, some municipalities (in China) have initiated community redevelopment plans in inner cities that include upgrading housing conditions (Leaf, 1995; Wu, 1994; Song et al., 2024). In the late 1990s and early 2000s, such redevelopment initiatives evolved into a large-scale gentrification movement, with houses being demolished and residents being forced to move from the city centre to the suburbs (Fang & Zhang, 2003).

The scale and ambition of China's shantytown redevelopment is often compared to post-war urban redevelopment in the United States. This state-

led housing transformation was intended to address urban decay and facilitate the migration of the middle class to the suburbs. However, instead of improving the socioeconomic conditions of residents, the new housing was criticized for recreating slums on the same sites (Vale 2002, 2013). Top-down urban redevelopment in the United States focused on physical transformation, and often ignored the needs and voice of residents. China's current SRP involves the demolition of dilapidated communities and the forced relocation of residents. Between 2008 and 2012, some 12.6 million households participated in the nationwide SRP (State Council of China, 2013); their homes were demolished, and they were forced to relocate. In 2013, the central government launched a second round of SRP, with an executive meeting of the State Council announcing a big decision: "In the next five years, 10 million more shantytowns of all kinds will be renovated". The decision to "speed up the implementation of various types of shantytown renovation" was clearly defined as one of the three main priorities for future housing construction. A refinancing plan for Chinese real estate enterprises was announced - with property developers raising additional funds through targeted issuance to invest in renovating shantytowns in the region. This has also led to speculation that the government works with market forces and intends to encourage corporate participation. In the face of the development of these policies, we should give a more penetrating and essential explanation of these constant changes.

Urban reconstruction in China is complex, involving interactions between local governments, market forces, and self-starters (Lin et al., 2014). A 'game between formal institutions (laws, rules, regulations) and informal institutions (norms/values, traditions and routines)' affects these stakeholders differently (He & Lin, 2015). Some studies have found that municipal governments and developers dominate urban redevelopment by giving land and cash, making inhabitants and communities more vulnerable and disadvantaged. Basic disputes concerning urban redevelopment schemes cause confrontations between municipal governments, developers, and households, according to some research (He, 2012). As urban housing demolition regulations change, so do urban redevelopment actor interactions (Ren, 2014; Shih, 2010). Most

Chinese urban restructuring studies have focused on high-land-value districts with robust housing markets. Because of the great profitability of these redevelopment projects, developers and municipalities are eager to join. Shantytown redevelopment projects usually follow this model, with municipal governments and developers playing a central role in initiating and managing the redevelopment process. These projects are usually carried out in several stages, beginning with planning and demolition, followed by the relocation of residents, and finally, the transformation of the area into a commercial or residential district.

However, the management of shantytown redevelopment is far more complex than this simplified process describes. It operates within a mechanism shaped by the interplay of state intervention, market forces and resident responses, reflecting a dynamic power interaction between different stakeholders. The management structure of shantytown redevelopment reflects the intersection between top-down state-led policies and the involvement of municipal governments as intermediaries between state policy objectives and local interests. Central government policies provide the overall framework, while municipal governments adopt and implement these policies according to local conditions, often in line with market incentives to maximize land value and fiscal revenue.

At the heart of this mechanism is the conflict of interests between the state, market participants and residents. Municipal governments prioritize economic development and revenue generation, using land as a key resource through mechanisms such as land sales and taxation. Developers, meanwhile, are profit-driven and want to maximize returns on their investments in redeveloping land. Meanwhile, residents (especially those relocated due to redevelopment) often face significant challenges in defending their interests due to the power imbalances inherent in the redevelopment process. These challenges are compounded by the lack of effective legal and institutional mechanisms to mediate conflicts or ensure equitable outcomes.

Chongqing, one of China's four municipalities, is a typical example of the dynamics of urban redevelopment. Geographically and historically divided into

upper and lower halves, Chongqing presents stark spatial and economic contrasts. The bustling Jiefangbei area in the upper half of the city is Chongqing's commercial and financial centre. Meanwhile, 18T, located in the lower half of the city, has long been home to low-income groups and migrant workers. Despite its proximity to the city centre, the 18T area is classified as a "shantytown" due to poor housing conditions, high building density and inadequate infrastructure. The stark economic and spatial differences between these two areas highlight the uneven development of Chongqing and are a microcosm of urban inequality throughout China.

In 2008, the central government launched the nationwide Shantytown Redevelopment Project (SRPs), marking a major shift in the focus of urban redevelopment, and things began to change. We must investigate what has changed this shantytown and its citizens when real estate developers and power come. The Chongqing 18T is used as a case study to examine and analyze redevelopment approaches, procedures, and results. This research also examines how state-led shantytown redevelopment programs affect power relations in China by examining its policy framework. This research is based on semi-structured interviews with different stakeholders involved in the 18T SRP in Chongqing, including experts, government department personnel, developers, and residents. Chongqing is considered one of the SRP's key cities. Between 2001 and 2013, Chongqing initiated large-scale demolition and forced relocation of residents, mainly through real estate development, to renovate shantytowns in essential nodes of the city, completing the renovation of over 27.9 million square metres of shantytown housing, involving about 400,000 households. The case study of this research, the 18T Redevelopment Project, involves more than 6,000 relocated households (as well as non-residents) and serves as a strategic focus for shantytown redevelopment projects in Chongqing, China.

As a nationwide political movement to renovate shantytowns, the central government has placed this goal simultaneously on improving people's livelihoods and promoting economic growth (as discussed in Chapter 2). Shantytown redevelopment not only aims to solve the housing difficulties of

low-income groups and improve the livability of urban space, but is also given the function of accelerating economic transformation and urban redevelopment. In Chapter 2, we explored the historical and social background of the formation of shantytowns and analyzed the central role of shantytown redevelopment policies in unlocking land value and optimizing the functional layout of cities. At the same time, as discussed in Chapter 2, the implementation of this policy is often accompanied by a game of interests between multiple parties, especially the power interactions between the government, the market, and residents.

1.2 Research rationale and justification

China has undergone profound economic and social reforms over the past 40 years of Reform and Opening up. The urbanisation process has accelerated significantly, and shantytown redevelopment has gradually become one of the important contents of urban development. In particular, after the global financial crisis in 2008, adjustments to national policy elevated shantytown redevelopment to a major livelihood project. During this period, shantytown redevelopment was given a dual mission: on the one hand, it was to improve the living conditions of residents and solve the problem of housing difficulties; on the other hand, it was to serve as an important means of stimulating domestic demand and stabilizing economic growth (State Council of China, 2014). The launch of the National New Urbanization Plan (2014–2020) marked a shift in China’s urban development strategy, placing greater emphasis on a “people-oriented” approach. In this context, “people-oriented” governance signals a discursive move toward centring citizens’ lived experiences and social needs within the broader framework of economic development. Whereas earlier urbanization efforts were primarily state-led and investment-driven, focusing on infrastructure and public service provision, recent policies reflect a more socially embedded orientation. This reorientation is particularly evident in the evolution of slum redevelopment policies, which have moved from a focus on material improvement to more holistic forms of urban governance (Huang et al., 2025). Such a shift not only expands the policy repertoire but also illustrates a broader paradigmatic transition in urban

governance—from growth-led rationalities to those concerned with social equity and everyday urban life.

Against this backdrop, China's "territorial urbanization" has become a key factor in understanding the implementation mechanisms of shantytown redevelopment policies. "Territorial urbanization" refers to the central government's vertical control over local governments and its appointment of officials through the party-state system and administrative hierarchy (Cartier, 2015). Within this system, the spatial layout, implementation pace, and policy intensity of shantytown redevelopment projects are often closely linked to the rank of local officials and their performance evaluation metrics (Saich, 2015; Cartier, 2015). This institutional arrangement reinforces the "top-down and bottom-up interaction" model between the central and local governments in urban governance. In practice, the central government collaborates closely with local governments, relevant departments, professional institutions, and social capital through policy guidance and resource allocation, while consolidating its leadership role in urban governance. The central government grants local governments greater autonomy through appropriate decentralization of power, enabling them to advance development projects and enhancing their policy implementation capabilities and governance initiative (Wu, 2018). In this process, the interactive relationships between local governments and other stakeholders (including developers, social organizations, and residents) have also undergone significant changes (Li & Li, 2011).

A significant body of literature has already explicitly explored the specific pathways and social impacts of China's shantytown redevelopment initiatives. This literature not only covers material aspects such as housing supply and infrastructure upgrades but also delves into the interactive relationships among different stakeholders involved in the redevelopment process and the synergistic logic of policy tools. Whether it be urban institutional theory, growth coalition theory, regulatory theory, or narratives of urban social movements, these frameworks provide rich conceptual resources to help understand shantytown planning, redevelopment, and related controversies

(Zhang, 2002; He & Qian, 2017; Wu, 2007, 2022). These studies generally agree that shantytown redevelopment, as an important tool for promoting urban economic growth and spatial restructuring, has been embedded in local development strategies and national governance logic. However, the governance mechanisms that underpin this argument have not yet been systematically explored or sufficiently challenged in the existing literature. Specifically, some current research remains confined to macro frameworks such as “effective governance”(有效治理) and “good governance”(善治), failing to delve into the interactive logic and institutional embeddedness structures among diverse actors during policy implementation. In practice, the governance of shantytown redevelopment is not only a spatial renewal project but a complex process involving the allocation of multiple institutional resources, the operation of financial incentive mechanisms, official performance evaluations, and citizen negotiation and bargaining. This process involves diverse actors such as the state, local governments, developers, and residents, whose collaboration or conflict collectively determines urban space and daily behavior (Lin, 2015; Li, Kleinhans & van Ham, 2018; Zhang et al., 2020). Although many scholars have explored the drivers and effects of shantytown redevelopment (Yuan & Song, 2020), these discussions often focus more on the results and less on the language of governance itself.

At the same time, any investigation of the existing literature will find it difficult to determine exactly what the shantytown redevelopment mechanism means and how it is practiced. This is due to the proliferation of terms used to describe shantytown redevelopment models, ranging from state-led (Wu, 2016; He et al., 2020), locally-led (Li et al., 2018), market-led (He & Wu, 2009; Fields, 2018), public-private partnership (PPP) (Chen, 2019), and public participation (Lin, 2015; Zhang et al., 2020). This perspective itself also has some inherent limitations. It tends to view the municipal government as a unified actor, ignoring its internal complexity. For example, how decisions are made and implemented within the government, or the differences between grassroots implementers and the municipal government, often have a profound impact on the effectiveness of project implementation (Wu & Zhang, 2022), but are not fully reflected in this type of discussion. However, this is still

necessary research, and the mode of governance for shantytown redevelopment is also one of the focuses of this paper. This study takes the shantytown redevelopment plan as an ideal perspective for exploring China's governance models and mechanisms for three main reasons:

First, shantytown redevelopment is a typical area that reflects the tense relationship between the state and society in modern Chinese society. Over the years, this has deeply revealed the tension between the government and the public (Chen et al., 2014; He & Wu, 2017). As this policy has increasingly become a key tool for local governments to drive economic development and demonstrate governance achievements, the social conflicts and power restructuring associated with it have become more evident. Therefore, conducting in-depth research on how governance mechanisms can effectively alleviate the tension between the government and the public, and promote coordination and cooperation among diverse stakeholders, has become particularly urgent. This not only holds significant implications for achieving social fairness but also provides theoretical and practical support for promoting the sustainable development of Chinese cities.

Second, shantytown redevelopment involves a diverse array of stakeholders — including government bodies, property developers, and residents — and its governance is marked by institutional complexity and interactive dynamics. Within China's distinctive political system, the ruling party is deeply embedded in local social structures and maintains close connections with grassroots organisations such as neighbourhood committees and community offices (Thornton, 2013; Cartier, 2015). In practice, municipal administrative departments, under party leadership, have deployed urban redevelopment strategies not only to improve living conditions but also to ensure political stability, reduce public discontent, and reinforce state legitimacy, all within a formal legal framework (He & Wu, 2009; Chen et al., 2014). The governance of shantytown redevelopment encompasses several overlapping dimensions: hierarchical bureaucracy, managerialist practices, delegated governance responsibilities, public-private partnerships, and mechanisms of resident consultation. These institutional arrangements shape

both the policy process and the substantive outcomes of redevelopment efforts. As governance mechanisms evolve, local governments play a critical role in negotiating competing interests, often adopting strategic approaches—such as performance-driven implementation—to accelerate project delivery (Zhang & Wu, 2006; Wu, 2015). At the same time, recent adjustments to central – local relations have granted municipalities greater discretion in resource allocation and policy calibration, allowing for a more adaptive approach to redevelopment (Chien & Woodworth, 2018). Shantytown redevelopment is, therefore, not only an important element of urban regeneration but also an ideal lens through which to study China's local governance models and mechanisms. By exploring the dynamic processes of this governance mechanism, we can gain a deeper understanding of its role in shaping planning decisions and redevelopment outcomes, as well as explore other potential paths for intervention in shantytown redevelopment. The term "mechanism" is used in this study to encompass the norms, institutions, practices and policy tools used by urban managers to implement and manage the urban development process (Healey, 1999; Wu, 2018). This perspective will provide valuable theoretical support for improving China's governance mechanisms.

Third, China's governance mechanisms are deeply influenced by its entrenched bureaucracy. China's bureaucracy has a long history, having been established as early as the Eastern Zhou Period (c.771-256 BCE), and has developed systematic and complete characteristics throughout its long history (Zhou, 2019). This bureaucratic system emphasizes hierarchical structures, bureaucratic control, and political obedience, forming an administrative embedding mechanism centered on political parties, which continues to exert a profound influence on contemporary governance structures (Lieberthal & Oksenberg, 1988). In urban governance practices, such as shantytown redevelopment, the government-led institutional characteristics are particularly evident. This process typically involves a multi-level administrative system, from central government strategic direction to local implementation, forming a highly hierarchical policy execution mechanism (Zhang & Wu, 2006; Huang, 2024). However, this vertical power logic does not always effectively

coordinate the actions of diverse stakeholders, often exposing obstacles and disconnects in cross-level coordination during policy implementation (Lieberthal & Lampton, 1992; Mertha, 2009). In fact, one important governance feature revealed by shantytown redevelopment is the limitations of authoritarian regimes in addressing contemporary urban complexity. Although the state and political parties dominate institutional design, they also face challenges from social expectations, technical constraints, and institutional flexibility (Wu, 2018). In practice, some local governments adopt a “governing through mobilization” strategy, using community outreach, political mobilization, and public performances to secure resident cooperation and build policy legitimacy and justification (Perry, 2013). In shantytown redevelopment projects, local governments package the projects as “public welfare initiatives” to mobilize residents' participation, mitigate resistance, and enhance project implementation efficiency (Hsing, 2010; Ren, 2013). Therefore, this study will focus on the governance process and how the municipal government responds to the task of shantytown redevelopment using a governance model.

1.3 Research project

1.3.1 Research aims and questions

This study aims to explore the governance of shantytown redevelopment projects, viewing governance as a “process of regulation, coordination, and control” (Rhodes, 1996), which encompasses the interactions between government agencies and other stakeholders, as well as the different levels that influence urban decision-making. It is therefore necessary to first deconstruct the complexity of governance in shantytown redevelopment into multiple interrelated categories to gain an in-depth understanding of the whole decision-making and implementation process. Subsequently, the complex interactions between different stakeholders in shantytown redevelopment projects are systematically analyzed, especially in the context of an imbalanced power structure, to examine how various practices affect the progress of projects and the achievement of their goals. Against this background, and through an analysis of the models and mechanisms of urban

redevelopment (shantytown redevelopment), this study aims to provide a systematic assessment of the field of shantytown redevelopment in China. This analysis not only reveals the practice and power relations between stakeholders in the dynamic structure but also provides a key perspective for understanding coordination and conflict in complex governance systems. The case study of the 18T project in Chongqing provides an ideal entry point and analytical example for this research.

This study sets out three key objectives. First, it aims to refine a framework for comprehensively understanding the decision-making and implementation processes of shantytown redevelopment, using the Chongqing 18T project as a case study. By examining the relationships between different governance levels and the interactions among actors, this study provides theoretical support for a systematic analysis of China's SRP governance mechanisms.

Second, it seeks to address gaps in the literature by exploring how SRP governance mechanisms respond to market transformations, emerging policies, and real-world urban practices.

Third, the study aims to deepen the understanding of SRP by analyzing how urban redevelopment patterns and mechanisms shape power dynamics and social practices among stakeholders. This perspective offers valuable insights into the evolving complexity of governance systems while informing future policy development and practice optimization.

Based on these objectives, the study raises the following three research questions:

- *Who are the stakeholders and participants involved in shantytown redevelopment projects (SRPs)?*
- *What are the core policy objectives of shantytown redevelopment? How are national and local policies concretized in practice?*
- *How is the governance structure of shantytown redevelopment constructed? How are power interactions and governance relations among stakeholders manifested?*

This research centres on three core issues to systematically explore the participants, policy objectives, and governance structure of shantytown redevelopment projects. First, the research will conduct an in-depth analysis of the key stakeholders and participants in shantytown redevelopment to clarify the roles of each entity in the governance framework and the distribution of power. These stakeholders include the central government, municipal government, developers, residents, and other institutions involved in the project. By sorting out the interactions between these entities, the research will reveal their specific roles in policy implementation, benefit distribution, and conflict mediation.

Second, the research focuses on analyzing the core policy objectives of shantytown redevelopment and exploring how these objectives are materialized at the national and local levels. Shantytown redevelopment not only carries the ambitious goals of economic modernization and urban redevelopment but also involves the balance of social stability, cultural protection, and public interest. Starting from the national policy framework, this research will explore how municipal governments adjust and implement policies in light of regional realities, especially in a diverse urban environment. What differences will there be in the implementation of policy objectives and the selection of policy tools? In addition, the research will focus on the trade-offs faced in the implementation of policies, such as the conflict between economic development and social equity, cultural protection and market efficiency, and how to promote the achievement of policy goals through governance innovation (such as the PPP model and financial support mechanisms).

Finally, the research will explore in detail the governance structure of shantytown redevelopment and the power relations therein. It will focus on analyzing the governance system's hierarchical composition and functional division from the central to the local level, as well as the synergies and contradictions under the multi-level governance framework. The research will examine the leading role of the municipal government in governance through 18T case studies, as well as the actual performance of grassroots governance

innovations (such as the "Command Centre") in coordinating stakeholders and promoting policy implementation. In addition, the research will reveal the operating mechanisms of power interaction and control logic among different actors, including the municipal government's strengthening of control over grassroots implementation through economic incentives and resource allocation, developers' strategic choices based on market interests, and residents' marginalization and limited participation as shown in negotiations and protests. By analyzing the evolution of governance models, this study will clarify how these governance structures shape the social and spatial impacts of shantytown redevelopment, and reveal the reference significance of governance innovation for similar future projects.

These three research questions are closely linked and together form a comprehensive analytical framework for shantytown redevelopment projects. Through a systematic study of stakeholder relationships, the concretization of policy goals, and governance structures and their power interactions, this study not only reveals the complexity of shantytown redevelopment but also provides new theoretical perspectives and empirical evidence for understanding governance mechanisms and practices in the context of China's rapid urbanization.

Answering these questions requires a deep theoretical and empirical understanding of the mechanisms of shantytown redevelopment. At the theoretical level, examining the frameworks that guide the interactions between the state, the market, and society and the role of governance models in shaping power dynamics is crucial. For example, understanding top-down state-led decision-making and planning and the alternative top-down balance between management and community participation can provide valuable insights into governance efficiency and equity. Empirically, analyzing case studies such as the redevelopment of a particular community can provide concrete insights into how policies are implemented and how stakeholders negotiate their interests. Only by comprehensively addressing these issues through theoretical exploration and empirical evidence can we lay a solid foundation for understanding the logic and development of SRP governance.

Understanding "where we have come from" in terms of policies and governance structures can help us better grasp "where we are going" and thus gain insight into the future direction of urban redevelopment in China and beyond.

1.3.2 Study contributions

This study aims to expand the understanding of urban governance and the complexity of shantytown redevelopment projects in China, with a particular focus on the 18T project in Chongqing. It is worth noting that while mainstream urban governance theories are largely rooted in the governance experiences of Western welfare states (Pierre, 2011; Brenner et al., 2010), research on governance practices in China's unique political and social context remains relatively scarce. China's governance environment is characterized by high institutionalization and continuous evolution, with its core framework rooted in a one-party political system and supported by a strongly intertwined fiscal and administrative relationship between central and local governments. It also exhibits a hybrid interactive logic of constant negotiation and coordination among the state, market, and society (He & Wu, 2009; Zhou, 2012). This is not merely an institutional arrangement but a profound social structural force that has crystallized through historical processes into a governance model with strong path-dependent characteristics (Levi, 1988; Jin & Liu, 2011). Within this institutional landscape, existing governance frameworks often fail to adequately capture the complexity of urban governance in China, stemming from its authoritarianism and institutional specificity (Huang, 2011). Some scholars have pointed out that the structural challenges and governance burdens faced by Chinese urban governance have exceeded the scope of what "technical governance measures" (such as regulatory design and performance evaluation) can address (Zhou & Lian, 2011). National governance is still primarily achieved through a vast bureaucratic system, but the tension between centralization and local implementation (Chen, 1991) and the contradiction between governance uniformity and local flexibility (Zhou, 2009) have become long-standing structural issues in institutional operations. This is particularly

evident in large-scale urban redevelopment projects such as shantytown redevelopment projects, where governance mechanisms also reflect the logic of institutional operations. On the one hand, the state reinforces its control over local governments through fiscal transfers and project guidance; on the other hand, local governments leverage policy authorization, land-based fiscal revenues, and autonomous financing capabilities to demonstrate high levels of initiative in project implementation. This “re-expansion of local state power” (Oi, 1992) not only facilitates the implementation of policies but also drives the complexification of urban finance and the financialization of project governance (Shen & Wu, 2017; He et al., 2019; Wu, 2015). However, while existing research has shed light on these economic logics, in-depth exploration of specific governance mechanisms in shantytown redevelopment—particularly how local governments adjust strategies, innovate governance, and negotiate power within institutional spaces—remains insufficient. Therefore, the focus of this study is not on a grand evaluation of institutional effectiveness, but rather on how governance relationships are constructed, negotiated, and even challenged within specific institutional environments. By analyzing the interactive logic and control structures among decision-makers, this study aims to theoretically and empirically demonstrate how these mechanisms manifest in shantytown redevelopment.

Although some studies have explored economic issues such as the financialization of shantytown redevelopment and urban finance (Shen & Wu, 2017; He et al., 2019; Wu, 2015), in-depth research focusing on governance mechanisms (especially the role of municipal governments and governance innovation) remains insufficient. Therefore, the focus of this study is not on a grand evaluation of institutional effectiveness, but rather on how governance relationships are constructed, negotiated, and even challenged within specific institutional environments. By analyzing the interactive logic and control structures among decision-makers, this study aims to theoretically and empirically demonstrate how these mechanisms manifest themselves in shantytown redevelopment.

Through empirical research, this paper provides an in-depth analysis of the governance model and mechanisms of the shantytown redevelopment project in 18T, Chongqing, based on DiGaetano and Strom's "analytical governance framework". From a multi-dimensional perspective of governance, the paper systematically explores how the governance model intertwines with the macrostructure, political culture, institutional environment, and micro-actor interactions to influence the project's decision-making process. The research also reveals how governance mechanisms shape the project's decision-making logic and implementation path in the dynamic relationship between multi-agent collaboration, power distribution and interest coordination. Through the application of this framework, the study finds that the governance model of the 18T project is not only subject to the macro constraints of national policies and the institutional environment but is also deeply embedded in the interest games of multiple actors such as the municipal government, developers and residents. These governance mechanisms play a central role in resource integration, conflict mediation and policy implementation. These findings provide important theoretical insights into understanding the governance logic of China's shantytown redevelopment projects.

Moreover, this study contributes new knowledge through its comprehensive research design and methods. The empirical part not only draws on a rich data set (including interviews, photographs, policy documents and local archives) but also combines a variety of analytical tools to deconstruct the complexity of the shantytown redevelopment process deeply. These methods comprehensively capture the dynamic interactions between different governance actors and the key details of policy implementation.

Ultimately, the research further reveals the multiple impacts of shantytown redevelopment projects on social space, economic development, and cultural preservation. Through a detailed analysis of the 18T project, the research demonstrates the process of transformation from traditional shantytowns to modern urban spaces, especially the social consequences that emerge during this process, such as the marginalization of residents, the dynamic adjustment

of social structures, and the contradictions and effectiveness of cultural heritage preservation. These analyses expand the understanding of the relationship between society and space in shantytown redevelopment.

1.4 Structure of thesis

The thesis first discusses the political, social and economic context of shantytown redevelopment projects in China. The first chapter offers a thorough overview of the broader context surrounding shantytown redevelopment in China. This research explores the factors behind urbanization and economic changes in recent decades that have resulted in the rise of shantytowns and the need for their governance. As national economic policies transitioned from a planned economy to a market-oriented approach, there were significant changes in the ways urban land was allocated and developed. Consequently, shantytowns have come to represent a historical legacy of the contradictions inherent in the urbanization process. This chapter also examines the adjustments to the governance framework in recent years, particularly the shift in central policy from a growth-oriented to a people-centred development philosophy, and how this shift has affected the decision-making behaviour of municipal governments and the prioritization of redevelopment projects. In addition, this chapter clarifies the importance of studying shantytown redevelopment by summarizing existing literature and policy documents: It is about improving urban space and enhancing residents' quality of life and reflects the core logic of social governance and policy implementation in China.

Chapter 2 provides an in-depth analysis of shantytown formation and unique characteristics from a historical and social perspective. First, it discusses the origins of shantytowns in China's urbanization process, including the impact of the land ownership system, uneven urban planning, and historical legacies on the formation of shantytowns. Second, the chapter focuses on the inequalities in shantytowns, particularly how inadequate resource allocation and uneven public service coverage have exacerbated the marginalization of these areas. In addition, the chapter discusses the combination of the visible characteristics of shantytowns (such as their physical appearance and

demographic composition) and the hidden mechanisms (such as grassroots governance structures), pointing out that shantytowns are not only spatial problems but also epitomes of social governance issues. Finally, by summarizing relevant practical cases at home and abroad, this chapter proposes some possible solutions, including people-oriented redevelopment models and adjustments to policy tools, such as financial support, community participation, and cultural preservation. It also critically discusses the potential social consequences of the "urban landscape redevelopment" strategy, which aims to eliminate shantytowns.

Chapter 3 takes DiGaetano and Strom's (2003) urban governance model as the theoretical basis to explore the governance mechanism of the shantytown redevelopment in 18T, Chongqing. It systematically analyzes the power interaction and policy implementation dynamics between the central and municipal governments from three levels: structural background, political culture and institutional environment. The focus is on the characteristics of China's "unitary system and bureaucracy" (Zhou & Lian, 2012) and how related systems shape the governance environment and affect the collaboration and power distribution of multiple actors, providing an analytical framework and empirical support for studying the governance logic of shantytown redevelopment.

Chapter 4 details the research design and methods, including using quantitative and qualitative data. The research comprehensively covers the policy implementation, governance mechanisms and social impacts of shantytown redevelopment projects through case studies, policy document interpretation, interviews and field observations. In addition, this chapter discusses possible ethical issues that may arise during the research process, how to balance the objectivity and participation of researchers, and how to protect the privacy and interests of interviewees when dealing with sensitive issues. The chapter also reflects on the researcher's academic position, emphasizing the need to fully consider the uniqueness of the local social, cultural and institutional context when interpreting complex social phenomena.

Empirical analysis begins in Chapter 5, which focuses on the social and political context of the 18T project in Chongqing. The policy background of shantytown redevelopment and the project characteristics of 18T are systematically sorted out. In the form of a timeline, this chapter details the entire process of 18T from the start of preliminary research in 2008 to the completion of the development of the cultural heritage and high-end residential areas in 2024. Research focuses include the leading role of the municipal government in policy formulation, the form and actual impact of public participation, social conflicts during the demolition and resettlement process, and the role of developers in urban redevelopment. This chapter also explores innovative governance models in policy implementation, such as establishing a "Command Centre" to coordinate the interests of multiple parties and promote the project in line with local economic development and cultural protection needs.

Chapter 6 analyzes the micro-governance of shantytown redevelopment through 18T case studies. Starting with institutional arrangements and governance structures, the research reveals how the principal-agent model operates in multi-level governance and how the municipal government mobilizes the efforts of various parties through incentive mechanisms. A detailed analysis of the roles of major stakeholders such as the central government, municipal government, developers, entrusted companies, and residents focuses on the power interactions and interest games among them in policy implementation. In addition, this chapter explores in detail the "Command Centre" as a concrete manifestation of governance innovation and its practical challenges in coordinating grassroots implementation, such as insufficient resource allocation and imbalanced resident demands. This chapter responds to my first research question: Who are the stakeholders and participants involved in shantytown redevelopment projects (SRPs)?

Chapter 7 discusses the governance model, mechanisms and impacts of the 18T project. It explores the dual governance logic of top-down management and bottom-up popular mobilization, emphasizing the interplay between policy legitimacy, political stability and symbolic modernization. The chapter also

examines governance mechanisms such as delegated governance through hierarchical structures, public mobilization and participatory frameworks. Finally, it analyzes the impacts of the 18T redevelopment, including spatial transformation, social marginalization and the legacies of governance models. The findings of the empirical analysis are synthesized, and the broader implications of shantytown redevelopment for urban governance in China are explored. This chapter assesses the governance mechanisms used in redevelopment projects and discusses their role in China's evolving governance landscape. Finally, it reflects on the potential applicability of 18T governance models and their implications for future urban redevelopment projects. This chapter explores two questions: What are the core policy objectives of shantytown redevelopment? How are national and local policies concretized in practice? How is the governance structure of shantytown redevelopment constructed? How are power interactions and governance relations among stakeholders manifested?

Chapter II: Complexities of SRPs

2.1 Introduction

This chapter discusses the socio-economic background of shantytowns in China, covering land ownership, local development mechanisms and the methodology for shantytown research. First, the second subsection describes the process of shantytown formation, clearly differentiates between "shantytowns" and "urban villages", and explains the logic of urban development based on the land economy. The third subsection analyzes the characteristics of shantytowns in urban centres, focusing on the population composition, building density, housing structure, safety risks, and infrastructure of shantytowns to help readers understand the growth mechanism of shantytowns in modern cities and their interaction with the surrounding environment. The fourth subsection focuses on shantytown redevelopment's diverse models and characteristics, covering different governance models such as government-led, market-driven, and community participation. It analyzes the game and cooperation between the government, market, and community in the process of shantytown redevelopment, as well as the challenges brought about by the coupling of space and society. Finally, the fifth section will summarize the entire chapter's content, demonstrate the research's necessity and significance, and lay a theoretical foundation for the in-depth analysis of subsequent chapters. Through a comprehensive analysis of the complexity of shantytown renovation, this chapter aims to provide a systematic perspective and theoretical support for understanding the shantytown problem in China's urbanization process.

2.2 The Formation of the Shantytown in China

This section explores the historical and institutional context that contributed to the formation of shantytowns in China. The formation of shantytowns is a complex and multidimensional phenomenon in China's urbanization process, deeply influenced by both historical and structural factors. First, from the 1950s to the 1960s, due to the lack of detailed policy restrictions, individuals

who owned land met their housing needs by building their own homes. Over time and with population growth, more houses were built around the original buildings, gradually forming high-density shantytowns. This process not only reflects the lagging economic development at the time but also reveals the ability of residents to spontaneously organize living spaces without standardized management (Wu, 2001; He & Wu, 2005).

Second, local development in China is highly dependent on the logic of land-driven development, attracting investment through land resources to promote urban development. In this process, municipal governments mainly acquire land from residents to achieve urban development. However, the "chaos and skill" in urban planning, land ownership and land expropriation systems have enabled different stakeholders to "play the rules" in the regeneration of shantytowns, resulting in opacity and unfairness in land use rights and ownership (Luo, 2012). This institutional uncertainty and flexibility not only add to the complexity of the land market but also poses many challenges to shantytown governance.

The formation of shantytowns in China is not only the result of historical legacies but also the product of current land policies and urban planning logic. Understanding these formation mechanisms is crucial for the in-depth analysis of shantytown redevelopment models, which will be discussed in the following chapters, revealing the central role of municipal governments in land acquisition and urban expansion.

2.2.1 The Concept of Shantytown in Chinese Context

Historical and structural factors influence the formation of shantytowns in China. First, in the 1950s and 1960s, because there were no detailed policy restrictions, individuals who owned their own land solved their housing needs by building their own houses. With the passage of time and the growth of the population, more houses were built around the original houses, and this long-term construction formed shantytowns. In Latin America and Africa, "slums" typically refer to large-scale informal settlements arising from mass rural-urban migration, with minimal government oversight or infrastructure (UN-

Habitat, 2003). These communities are often marked by precarious land tenure, inadequate public services, and a high vulnerability to health and safety hazards (Davis, 2006).

The concepts of shantytowns and "urban villages" are often confused, but it is important to distinguish between the two. However, both are informal housing solutions in the process of urbanization. Shantytowns are mainly related to the historical industrial and urban environment. They are usually built on state-owned land or built by state-owned enterprises. In contrast, urban villages are rooted in the transition from rural to urban and are formed on collectively owned land in suburban areas as the city expands. This has resulted from rapid urbanization and dual property ownership structures (Bai, 2010). Urban villages often retain the social structure of the countryside and often have stronger internal organization and economic activities. For example, the original villagers continue to view land ownership as their primary means of livelihood, resulting in a community that is neither fully urban nor entirely agricultural (see Figure 2.1 for a summary of the diverse characteristics of China's urban villages). The emergence of urban villages in China is primarily rooted in the urban-rural dichotomy, as these settlements embody both urban and rural attributes (Bai, 2010).

In contrast, shantytowns are mainly located on state-owned land and lack cohesive social organizations. Shantytowns are home to vulnerable groups such as migrant workers and low-income urban residents, and are often associated with poor living conditions and limited social cohesion (Zhao, 2007). Because of these fundamental differences, different governance approaches are needed when dealing with issues related to shantytowns and urban villages (Qin, 2012).

Aspect	Shantytowns	Urban villages
Origins and background	Shantytowns typically originate from historical periods of urban economic stagnation or	Urban villages are rural communities that have been encircled by urban expansion. They

	waves of migration caused by wars and disasters. Housing in these areas is often self-built by residents on unclaimed land, former industrial sites, or the foundations of enterprise dormitories.	originate from China's rural land system, with housing predominantly self-built or modified by original villagers on collectively owned land.
Land tenure	The land in shantytown areas is predominantly state-owned, historically associated with industrial zones, old city quarters, or unclaimed land.	The land in urban villages is largely collectively owned, and redevelopment and construction are primarily constrained by regulations governing rural collective land management.
Social relations	Residents of shantytowns primarily consist of the urban low-income population and migrant workers. These communities generally lack cohesive social organizational structures, and neighborhood ties tend to be weak.	The residents of urban villages are mainly original villagers, with social relations primarily based on kinship and geographic ties. These communities exhibit a strong sense of identity and internal autonomy, characterized by a high degree of self-governance.

Figure 2.1: A comparison of the differences between shantytowns and urban villages.

(Source: Author's own)

Urbanization in China (1978) has been the main driver of shantytown formation and transformation. This process has transformed rural and urban fringe areas into urban zones and rural land into urban land. However, it has often resulted in the segregation or underdevelopment of some areas due to imbalances in planning and management power. While shantytowns are often the target of top-down, government-led redevelopment projects, urban villages often involve negotiations with rural collectives. They are subject to more complex land use rights issues (see Figure 2.2). Unlike urban villages, shaped primarily by rural-urban transition and collective land ownership, shantytowns are closely related to the legacy of the planned economy and early urban housing policies. Their formation reflects the combined effects of multiple factors.

In the planned economy era, many enterprises and public institutions build collective dormitories or raise funds to build houses to solve the housing needs of enterprise employees. With these units' subsequent restructuring, closure, consolidation, and transfer, some self-built houses have become low-quality and need more maintenance. These neglected houses have gradually evolved into shantytowns. Secondly, the formation of "shantytowns" in China is also directly related to urbanization. China's urbanization process (1978 to the present) has been almost synchronized with the process of reform and opening up. Beginning with the reform of the rural economic system as the primary driving force of urbanization, the improvement of agricultural production efficiency and the decline of township enterprises have prompted the transfer of a large amount of surplus rural labour to the city, which has become the main force of urbanization. A large number of people migrate from the countryside to the city, concentrated in the urban fringe or the urban-rural junction, living in low-cost temporary housing or illegal buildings (Yang, 1995). These extremely simple huts and shacks gradually formed contiguous "shantytowns" from small to large and scattered to concentrated. It is also

worth noting that throughout the real estate reforms of the 1990s, rapid urban expansion was often in the form of "demolition", a gradual expansion from the original city centre to the suburbs. However, for various reasons, some plots of land were not included in the scope of urbanization development, and modern cities were isolated from shantytowns. Therefore, the development of urbanization in China and the administrative control of land supply are the main factors affecting these "shantytowns".

Generally, "shantytowns" refer to informal housing areas characterized by poor sanitation, low income, and high population density (Davis, 2006). In China, "shantytowns" are a policy concept without a clear legal definition, but they are often identified as targets for renovation, specifically manifested as old factory worker dormitories, early-built simple housing, and low-quality settlements on the outskirts of cities (Zhang, 2005; Wu et al., 2007; Wang, 2016). According to the "Guiding Opinions on Promoting the Renovation of Urban and State-Owned Industrial and Mining Shantytowns" (Ministry of Housing and Urban-Rural Development, etc., 2009), shantytowns in China can be categorized into two types based on the type of land they occupy: The first type is shantytowns located on state-owned land, primarily consisting of simple structures built before liberation (constructed using wooden planks and plastic sheeting) and brick-concrete structures built after liberation by state-owned enterprises to accommodate large numbers of workers; The second type is shantytowns located on collectively owned land. These areas often emerged during the planned economy era or periods of rapid urban expansion and are products of specific historical and institutional contexts in China.

China's shantytowns are often seen as a historical byproduct of the country's socio-economic development (Zhang, 2010). However, the formation and evolution of shantytowns varies greatly across regions and historical contexts. For example, in Liaoning Province, in northeast China, shantytowns first appeared before the founding of the People's Republic of China, when urban mining areas developed concentrated worker camps. After the founding of the People's Republic of China, the expansion of state-owned industrial enterprises stimulated the construction of housing for worker families, leading

to the proliferation of shantytowns. By the 1990s, as industrial restructuring led to factory closures and widespread unemployment, many workers could not improve their housing conditions, and these areas gradually evolved into prominent urban housing problems (Ni, 2012; Chen & Ni, 2014). In Shanghai, the formation of shantytowns was driven by waves of migration triggered by war and famine. Displaced people settled on unowned or vacant land, built temporary housing and gradually expanded into larger residential areas.

After 1949, with the implementation of land nationalization, stricter immigration policies and accelerated urban redevelopment projects, these shantytowns were systematically redeveloped and largely disappeared, leaving a legacy as a unique form of housing in a particular historical period (Zhao, 2007). Unlike the stereotypical image of slums characterized by high crime and mortality rates, many of China's better-located shantytowns embody a unique blend of resilience and vibrancy. Despite the poor living conditions, these neighbourhoods maintain a relatively high population density and an overall strong employment rate, reflecting the industrious nature of their residents. The inhabitants of these shantytowns typically include some of the city's oldest residents and temporary migrant workers. These vulnerable groups face significant barriers, such as low incomes, ageing, and other socio-economic challenges, which prevent them from improving their housing situations. The inhabitants of these shantytowns typically include some of the city's oldest residents and temporary migrant workers. These vulnerable groups face significant barriers, such as low incomes, ageing, and other socio-economic challenges, which prevent them from improving their housing situations. Migrant workers in particular, with their limited education and income, are highly dependent on low-cost housing, which makes shantytowns a practical, if not ideal, rental option. However, the economic opportunities brought about by China's reforms and urbanization have largely bypassed these residents. They have neither benefited from the wealth created by the "reform and opening up" policy nor from the compensation schemes associated with large-scale demolitions. Although these residents actually live in the heart of China's most prosperous urban centres, they remain socially and economically marginalized, confined to the most inconspicuous corners of

the bustling metropolis and on the margins of urban life. This juxtaposition highlights the complexity and imbalance of China's urban transformation.

Shantytowns are usually accompanied by negative conditions such as dirty environments, crowded spaces, low function, and concentrated poverty and are called the "depression" of urban development. Without outside reconstruction intervention, shantytowns are likely to evolve into urban "slums". The state attaches great importance to renovating run-down areas and is committed to improving the housing conditions of low-income people and sharing the dividends of urban development. In 2005, shantytown redevelopment was promoted to the level of national policy and then gradually developed into a top-down, wide-ranging national redevelopment task. The central government launched a nationwide shantytown redevelopment program in 2008.

Chinese-style redevelopment: starting with land development

Since the 1990s, China has entered an era of economic growth fueled by rapid and comprehensive urbanization. This process initially took root in the inner cores of major cities, where land development became the fundamental strategy for municipal governments to drive urban expansion. This aligns with Lefebvre's (1991) theory of the production of space, in which land and spatial resources are commodified. Within this framework, municipal governments employ administrative measures to undertake large-scale resident relocations, repurpose urban residential land, and attract investment through a "land-for-investment" approach, ultimately maximizing land development potential (Hsing, 2010).

China's distinctive public finance and land systems have made land a crucial driving force behind urban development, giving rise to a characteristic land-driven development model (Liu, 2018). Its success mainly depends on the land-driven growth mechanism and the tax-sharing system. In this context, municipal governments have achieved economic accumulation through the commodification of land, gradually forming a land-centric growth model (Zheng et al., 2014). The land-driven growth mechanism refers to the process

by which municipal governments use land resources to obtain huge profits, promoting urban expansion and economic development through land sales, related tax revenues and real estate economic activities. Following the 1980s, to encourage municipal governments to promote economic reform and development, the central government implemented a performance evaluation system for local authorities, with GDP growth serving as the primary assessment criterion. As a result, local leaders felt obligated to use all available economic and political resources to spur regional economic growth. Municipal governments prioritized expanding urban infrastructure, promoting industrial growth, and increasing the local economy (Liu et al., 2016). This land-centric growth model further promoted the transformation of the governance model of municipal governments. As Wu (2015) describes, Chinese municipal governments have gradually shown the characteristics of "entrepreneurial governance" in the process of urbanization. In pursuing GDP growth, municipal governments prioritize economic development goals, with land transactions and urban development as the main sources of revenue. Municipal government leaders are no longer just traditional administrators but act like the "CEO of a city development company" (Chien, 2007), using administrative means and market mechanisms to promote land development and investment.

The 1994 tax-sharing reform was a major adjustment to China's fiscal system, redefining the financial powers and responsibilities of the central and municipal governments. After 1994, more of China's fiscal revenue was concentrated in the central government, while the burden of fiscal expenditure remained with the municipal governments (Zhu, 2004; Huang, 2005). The tax-sharing reform was initially designed to address the decline in central government revenue since the 1980s. After the reform, the central government ensured its own tax base by establishing an independent tax system (national tax) and allocated part of the revenue to municipal governments (local tax). Specifically, most of the taxes from industrial enterprises belong to the central government, while the revenue from retail sales and land leasing is mainly at the disposal of municipal governments (Zhu, 2004). Against the background of China's decentralized economy, the central government has delegated a large number of public services and

social welfare expenditures to municipal governments. However, when municipal governments share tax revenues, they need to hand over a considerable proportion to the central government. The most important element of the tax-sharing system is the division of central and local revenues according to tax revenue. Value-added tax, one of the largest types of tax, is classified as a shared tax, with the central government accounting for 75% and municipal governments 25%. One of the main manifestations of the pressure on municipal government finances is the serious decline in the self-sufficiency rate of municipal governments, which has resulted in a large gap between revenues and expenditures (Zhu, 2004). The central government's centralized net income is the financial gap created by local reforms (Zhou, 2010). Accompanying the reform is a significant shift in municipal government's fiscal revenue. Municipal governments have gradually moved towards a development model based on land acquisition, development and transfer, thus forming the development of the "land economy" (Sun & Zhou, 2012). Specifically, the land economy can be divided into two models: one is to lease land to real estate developers at high prices, targeting "urbanization of the population" and obtaining one-off income from it; the other is to sell land to industries or other large-scale projects at low prices (or even for free), aiming to attract investment through industrialization and obtain long-term tax revenue from it (He et al., 2016). This demand of municipal governments is also closely related to the wave of urbanization in the late 1990s.

The rate of urbanization increased rapidly from the mid-1990s. With a series of institutional innovations such as the reform of the housing system in 1998 ("listing of urban stocks") and the auction of land in 2003 (seller-determined market), the "land finance" (land finance is an important part of the land economy, emphasizing the function of the government to obtain income through land transactions and taxes) has been continuously improved. Municipal governments that have seen their share of tax revenue decline have not declined but have instead rapidly accumulated a large amount of capital. Against this macro background, the combination of power and capital has broken through the initial dilemma of urban development. As land development proceeds, the face of the city is also completely transformed.

2.2.2 Urban Planning, Land Ownership and Acquisition

Within this institutional framework, land has emerged as the primary revenue source for municipal governments. In their pursuit of economic development and land resource management, municipal authorities treat land as a crucial policy instrument and economic lever (Rithmire, 2015). Land is not only fundamental to farmers' livelihoods but also a vital asset that plays a crucial role in wealth accumulation and power dynamics (Mattingly, 1993). Consequently, land tenure, land use rights, and ownership have increasingly become central issues in discussions on economic development and social progress (Bahl, 1997).

Through institutional frameworks, municipal governments have reinforced their control over land development, with China's urban growth largely driven by two key systems: the land use rights (LUR) system and the land expropriation system (Wu, 2015). Prior to the 1980s, most urban land was managed by state-owned industries and enterprises, which had the privilege of using land free of charge. However, this approach resulted in a dual challenge—inefficient land utilization and a lack of stable financial resources for municipal governments to invest in infrastructure development.

To address these problems, China began implementing a land tenure system in the late 1980s. The main objectives were to promote the formation and development of the land market, improve land management, and optimize the efficiency of land resource utilization (Ding, 2003). The implementation of this system has had a multifaceted impact. On the one hand, the land use pricing policy has significantly promoted housing and real estate development, providing municipal governments with an important source of revenue to fund large-scale urban projects. On the other hand, this policy has also provided the necessary financial support for urban infrastructure construction, urban redevelopment, and the reform of state-owned enterprises (Gyourko et al., 2022). A series of important legal and institutional reforms accompanied the gradual implementation of the policy. In 1987, China launched a land valuation pilot and promulgated the "Regulations on the Classification of Urban Land (Trial)". In 1988, the State Council decided to implement the

collection of urban land use fees (taxes) nationwide. Since 1990, the Urban Planning Law has explicitly stipulated that all land development projects must comply with urban land use planning regulations. In 1994, the Chinese government introduced the *Urban Real Estate Management Law*, formally establishing a legal framework for the real estate industry and a commercial land market (CPC News; Wu, 2015). According to the Constitution of the People's Republic of China and the Land Administration Law, China implements the public ownership system, which means that the state owns urban land, and rural and suburban land, except for that which is owned by the state according to law, is owned by rural collective economic organizations. Under this system, individuals and enterprises cannot own land outright but can obtain land use rights for a specified period. The duration of these rights varies depending on the type of land use, with residential land granted for up to 70 years, industrial land for 50 years, and commercial land for 40 years. While properties built on state-owned land can be bought and sold like regular commodities, these transactions primarily involve the transfer of land use rights rather than actual ownership (Yu & Yang, 2001).

This institutional design has transformed the value of land from an invisible resource to an explicit asset. Through land transfer fees, land auctions, and other forms, the market value of land has gradually been revealed and incorporated into the economic system (Wu, 2015). Land transfer income has not only become the largest source of revenue at the disposal of municipal governments but has also laid the foundation for municipal governments to embark on the path of "land finance" (Guo & Yu, 2023).

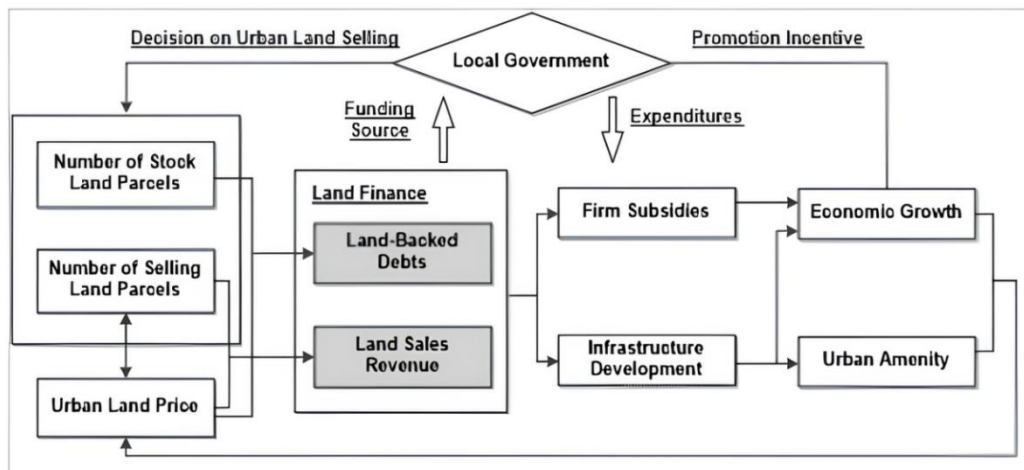


Figure 2.2: Land finance institutional framework.

(Source: Gyourko et al., 2022)

Following the reform of land marketization, municipal governments have become the leading promoters of land development against the backdrop of economic expansion and accelerating urbanization. In particular, enacting the 1989 Urban Planning Law gave local authorities the power to formulate urban plans, issue land use and construction permits, and implement development controls. This shift directly highlighted the interests and responsibilities of municipal governments, shaping their role in urban development. The introduction of land and housing reforms in the mid-1990s (He & Wu, 2009) marked a significant turning point in this process. This reform promoted rapid urbanization and a surge in real estate projects, making land a core resource for capital accumulation. Since the late 1990s, China's land marketization process has accelerated further as domestic capital increasingly shifted from industrial production to urban space development. Wu (2006) argues that cities have evolved beyond mere spaces for production and living; they now serve as crucial vehicles for capital accumulation and key drivers of growth within the global economic system.

The uniqueness of China's land ownership system has been discussed above. This two-tier ownership structure divides urban land into state-owned land, which is owned by the state and managed by municipal governments on behalf of the state (Wu, 2015). Rural land is collectively owned by rural

villagers (rural collective land), and each villager shares ownership of the collective land. Under this institutional framework, property rights and land use rights are separated. Land use rights can be traded through transfer or lease, but the trading process is strictly restricted by land use and planning (Wu, 2014). Land planning control and land use management are closely related to land development. According to relevant laws, the government is not allowed to directly develop rural collective land unless it is converted to state-owned land through legal procedures (Hao et al., 2011). Rural collective land is categorized into agricultural land and rural residential land, with any changes in land use strictly prohibited without prior planning approval (Wu, 2015). According to the Constitution of the People's Republic of China, all land within urban jurisdictions is state-owned and classified as "state-owned land." Municipal governments formulate and implement urban and rural planning to clarify the direction and use of land use and use this as a basis to promote urban development and infrastructure construction.

Land Management Law states that rural land is jointly held and rigorously managed by land use rights. It is mostly agricultural and rural residential. Only municipal governments can expropriate, develop, and sell rural property to meet urban building land shortages. They buy cheap agricultural property, level and develop it, and sell it on the secondary land market through "tender, auction, and listing" (Zhou, 2010). In certain locations, land revenue has exceeded municipal fiscal budget receipts due to this land-based development strategy (Gyourko et al., 2022). Municipal governments can use land mortgages and financial guarantees to acquire big loans for urban infrastructure and development utilizing large-scale land transfer income and expropriated urban building land. This loop, "land revenue — bank loans — urban construction — land expropriation," fuels urban expansion (Zhou, 2010).

Urban land development usually involves four stages: expropriation, approval, construction and leasing. In the first stage, expropriation involves the ownership of houses or land by different subjects (referred to as "property rights"), which plays a crucial role in the process of land development. Property rights are the rights of owners to consume, obtain income from and

transfer the assets they own (Kiser & Barzel, 1991). However, according to Barzel, property rights are actually impossible to define in any exchange fully. This section will discuss the need for a system of urban planning to provide legitimacy for land expropriation by municipal governments in China. In the expropriation process, municipal governments must deal with the dual relationship between property and land use rights. The withdrawal of land use rights generally accompanies the expropriation of property rights. According to the Land Administration Law of the People's Republic of China, the state owns urban land, and municipal governments exercise management rights on behalf of the state. When expropriating land, they need to withdraw land use rights through legal procedures and provide reasonable compensation to property owners. Compensation generally consists of two parts: financial compensation for the house's value, and resettlement compensation for the residential rights of the land expropriator. This expropriation mechanism has played an important role in the process of urbanization. However, it has also led to many controversies and challenges, such as low compensation standards (Cai, 2017) and insufficient protection of residents' rights and interests during the land expropriation process (Gao, 2004).

2.3 Characteristics of Shantytown Within the Central City

The following section explores the characteristics of inner-city shantytowns from two perspectives, analyzing how they have evolved into urban enclaves through an institutional lens. First, we examine the composition and physical appearance of these settlements. Then, we investigate their relationship with migrant populations, focusing particularly on the "informal market" and management strategies. Additionally, this section introduces key "Chinese concepts" to provide a clearer framework for understanding the subsequent discussion.

2.3.1 The Composition of the Shantytown Population and Its Physical Image

Shantytowns are the most typical impoverished communities in Chinese cities in modern times, and their physical form and living environment significantly

reflect the living conditions of the bottom social groups in the urbanization process. Against the backdrop of urban spatial expansion, land use has gradually transformed, but the construction model lacking systematic planning has led to the formation of shantytowns. Migrant populations usually obtain simple housing through low-cost leasing or even build their own, resulting in a large number of unapproved "illegal buildings". As Chen (2006) describes, "New migrants from the lower classes are entering the cities from rural areas across the country, and they cannot build their own shacks – there is no vacant land or wasteland in the city today for outsiders to live in."

Shantytowns actually have status implications in Chinese cities. Residents of shantytowns are usually citizens with local household registration, and despite the poor living conditions in shantytowns, they enjoy legal residence rights. This can be considered a kind of "privilege" compared to the "peasant entering the city". Some migrant workers from the countryside have obtained the right to reside through certain channels, but this is not common (Qin, 2012). The household registration system limits the opportunities for migrant workers to obtain affordable housing, social services, and stable employment in cities (Huang & Ran, 2015). Migrant workers can occasionally obtain temporary residence rights through work permits or collective dormitories, but this is not common. As Qin (2012) pointed out: "China's cities simply do not allow migrant populations to gather or spontaneously build shantytowns." This means that although these individuals have effectively participated in urban construction and operations, they are excluded from the formal housing system and unable to obtain legal residency rights or institutional urban welfare benefits like those enjoyed by shantytown residents with local household registration. Qin further notes: "For migrant workers, owning their own informal housing (such as shantytowns) is virtually impossible." Under this structural constraint, migrant workers often have no choice but to enter existing shantytowns or urban fringe areas as tenants, renting extremely limited and rudimentary living spaces at very low costs to temporarily accommodate themselves. These housing units lack property rights protection and basic safety and service provisions. Qi et al. (2007) and Liu (2009) place this housing dilemma within the broader context of urban informalization,

emphasizing that it is not the result of individual choice but rather the outcome of long-term interaction between urban institutions and social structures. For example, Wang et al. (2006) found in their survey of Shanghai that in 2004, 53.5% of migrant workers lived in collective dormitories provided by their employers, while 46.5% had to find housing on their own. However, these privately rented accommodations often fall far below municipal standards, with per capita living space frequently below the legally mandated minimum of 10 square meters, and most lacking basic sanitation facilities, severely violating policies such as the "Shanghai Residential Lease Management Regulations" (Wang et al., 2006; Chen, 2010).

In addition to the above-mentioned migrant population, residents of shantytowns are often described as the "low-end population" of the city. Hong (2017) examined the term "low-end population," which "has long been used officially, even appearing in reports by the highest leaders." and argues that "in the years following 2007, expressions such as 'involving the low-end population in a concerted manner' and 'reducing the employment space for the low-end population' frequently appeared in development strategies in Beijing. After 2010, the term 'low-end population' also appeared in nationwide planning." In this context, "low-end population" usually refers to "migrant workers, blue-collar workers, etc., with low education levels, low skills, no urban household registration, doing manual labour, and working in low-end industries." (Hong, 2017; Luo, 2017) In particular, this definition of the term "low-end population" is marked by the lack of household registration, which is closely related to the migrant worker population. The living environment of these groups is also, just like their social status, forced to be isolated on the outskirts of the city, away from the mainstream social and economic networks (Zhang et al., 2003). This spatial isolation further limits their social integration and exacerbates their difficult living conditions.

These shantytowns are densely populated, and many of the houses were built without formal approval, so living space is extremely cramped. According to survey data from 2010, "the total area of family housing in Shanghai's shantytowns is small, with an average housing area of 18 square meters per

household." The small living space per capita has seriously affected the residents' living and quality of life. "The proportion of households with living space per capita less than 3 square meters is 17%, and the proportion of households with living space per capita less than 8 square meters and greater than 3 square meters is 62%." (Li, 2015). In terms of living space configuration, many shantytown residents lack independent kitchens and bathrooms, and residents need to share cooking and bathing facilities with family members or neighbours in cramped homes.





Figure 2.3: Shows the "Water Curtain Cave(水帘洞)", a method used by 18T residents for washing and drying clothes. A clothesline stretches across the narrow alleyways, with water droplets from the not fully wrung clothes dripping down, creating an effect reminiscent of walking through a water fall cave.

Figure 2.4: Displays a lodging advertisement in the 18T shantytown. The so-called "luxury accommodation" costs only 10 RMB per night (approximately £1.12), while a standard double room is priced as low as 2—3 RMB per night (approximately £0.22—£0.33).

Figure 2.5: Illustrates the living environment in the 18T shantytown. Upon stepping through the doorway, the entire living space becomes fully visible at a glance.

(Source: Flash Player, 2018)

In many shantytowns, residents often add or expand their homes privately to accommodate the growing family size or meet the needs of tenants. This has resulted in a haphazard building form and different floor heights. Since the building materials are simple and mostly made of wood or brick-wood structures, and the houses are closely spaced, shantytowns have become high-risk areas for fires. Especially during the summer heat, the shantytowns become high-risk fire zones due to the extreme temperatures inside the buildings after exposure to the sun, the ageing of old pipes, and the risk of short circuits. Large-scale casualties are often caused. During the rainy season, these houses are often in disrepair, and roof leaks are common, with the situation of "heavy rain outside, light rain inside" being seen everywhere (People's Daily Online Shanghai, 2018). This poor living environment not only stems from the low quality of the buildings themselves but is also closely related to the illegality of the housing rental business. These houses often do not meet the requirements of urban planning and public safety regulations and, therefore, are not subject to supervision or only limited intervention (Zhang et al., 2003). This has gradually led to shantytowns being regarded by society as "dangerous communities". Their fragile landscape features and temporary building structures not only affect the safety of the occupants but also threaten the safety of lives and property in neighbouring areas. The natural environment and poor building conditions that shantytowns rely on are a helpless choice for migrants to survive.

2.3.2 Shantytown and Migrant Population: Hidden Market and Organizational Model

How to achieve a stable living order for the large number of migrant population in shantytowns is also the biggest challenge. In some cities, there

are huge groups of urban lower-class people living in difficult conditions, as well as a large number of migrant populations who do not provide housing security. According to the current urban rental regulations, people who cannot afford to pay rent and who are unlikely to "abide by the law" are actually living here. A vibrant grey market has long developed in cities that defy the formal system (Wang et al., 1997; Chen, 2013). These areas are full of informal housing rentals, unlicensed vendors, small-scale processing and repair services, etc. Although this market may be regarded as hidden and low-end and often encounters prejudice and exclusion from mainstream society, it is indeed an important part of shantytowns. It makes up for the part of demand that the formal system cannot bear and provides a low-cost lifestyle for the urban underclass.

Examining this phenomenon from the perspective of the theory of "market embedding" (Granovetter, 1985), it is not difficult to find that the economic activities of human society do not take place in isolation but should be "inlaid" in the social structure and relationship network. In today's big cities, we can still find room for the survival of such market activities. A large number of urban migrants seem to have an "autonomous" market whose operating logic is not simply to chase capital profits but more like part of a social mutual aid network. Specifically, in terms of living in shantytowns, there are various forms of implicit real estate leasing and spontaneous service industry forms. These lifestyles are about self-help and mutual assistance among the floating population, and at the same time, they are the organizational form of an acquaintance society (Chen, 2010).

In order to effectively incorporate a large number of migrant populations into the urban governance system, the states carries out daily management through the mechanism of street offices and community (or village) neighbourhood committees and requires migrant populations to apply for residence permits through the public security and community. The "incorporation" of migrant populations that meet certain conditions into the urban grassroots society is further institutionalized by means of "settling down" (household registration transfer). However, their real-life logic does not

stop at the superficial concepts of "household registration" and "family". It is also connected to the "gaps" in the urban system through the networks within the group (Chen, 2013).

Under the current legal and administrative system, the management of shantytowns mainly relies on the coordination and implementation of grassroots organizations such as street offices and community neighbourhood committees (or village committees). The community neighbourhood committee (or village committee) is responsible for daily management and community work, while the street office needs to carry out various tasks assigned by higher authorities, be responsible for environmental management within the area, and guide the work of the community neighbourhood committee (Nanji Gate Street Office, 2024). Due to the scale of the shantytowns and the complexity of their residents, it is often difficult for multiple government departments (public security, urban management, housing construction, etc.) to supervise them with a "one-size-fits-all" approach directly. They also tolerate a certain degree of unlicensed operations due to "maintaining stability" considerations. This model of intertwined grassroots governance and "self-governing" markets still strives to maintain a basic order of residence and life.

2.4 The Way Forward for Shantytown Redevelopment

Based on the previous discussion of the structural problems and persistent challenges facing shantytowns, this section explores the direction and evolving strategies of shantytown redevelopment. First, we consider shantytown redevelopment as a form of "social engineering" is an ambitious project that aims not only to rebuild the physical environment but also to reshape social relations and governance dynamics within urban spaces. Next, we will delve into the practical methods or tools employed by local authorities and developers to address shantytown problems, highlighting these strategies' innovative and controversial nature. We will then continue to discuss how municipal governments' competition to clear shantytowns has evolved into a competition to reshape and reconstruct the city's image. Through these lenses, this section will provide a panoramic view of the

motivations, strategies, and controversies of contemporary shantytown redevelopment in China, laying the groundwork for a broader discussion of urban governance.

2.4.1 A New “Social Engineering” Project

Since 2005, China has launched a large-scale shantytown renovation project. The state describes this task as: "Shantytown renovation is not only a major livelihood project but also a major development project." From a national perspective, shantytown renovation is an important policy for improving people's livelihoods and promoting social fairness. In August 2005, the State Council held a symposium on the pilot project of renovating the open coal mine areas in the central government-decentralized local coal mines in the northeast region, focusing on studying policy measures for shantytown renovation in resource-exhausted cities to solve the problem of housing security for low-income groups in cities and accumulate experience for subsequent large-scale renovation. The 11th Five-Year Plan proposed implementing an overall regional development strategy and properly managing shantytown renovation and coal-subsidence areas. Large-scale shantytown renovation in Northeast China also began. The 17th National Congress of the Communist Party of China listed "housing" as a key livelihood project, further emphasizing the importance of shantytown renovation. In 2007, the State Council issued the Opinions of the State Council on Solving the Housing Difficulties of Urban Low-Income Families, which proposed gradually improving the living conditions of groups with housing difficulties, including accelerating the renovation of concentrated shantytowns. Subsequently, the central government launched a nationwide affordable housing project. In 2010, a number of ministries and commissions jointly issued a series of policies, such as the "Notice on Tax Preferential Policies for Urban and State-owned Industrial and Mining Shantytown Renovation Projects", which provided financial, tax, and financial support for shantytown renovation. Xi Jinping (2012) states, "Eliminating poverty, improving people's livelihoods, and gradually achieving common prosperity are essential requirements of socialism and an important mission of our party." With this goal in mind, in

2013, the State Council officially issued the Opinions of the State Council on Accelerating the Work of Shantytown Redevelopment, and in 2014, the National New-Type Urbanization Plan (2014-2020) was introduced. In 2015 and 2016, the central government proposed the Three-Year Shantytown Redevelopment Plan, which guides explicitly the redevelopment of shantytowns and promotes their redevelopment across the country through top-level design. The main feature of this stage is monetized resettlement, which is the main method of urban shantytown redevelopment. To make up for the funding gap, the state encouraged more social capital to participate in shantytown renovation, represented by the PPP model, and leveraged the support of bond financing for shantytown renovation through in-depth cooperation between the government and enterprises. At the same time, the central bank's innovative policy tool of PSL (collateralized supplementary lending) in 2014 partially solved the funding problem of monetized resettlement of shantytowns. 2015-2017 was a period of vigorous central government stimulus and rapid development of shantytown renovation. After a long period of shantytown renovation work, more than 80 million people in housing difficulties have moved out of shanties and into buildings (news). From 2018 to 2020, the country implemented a three-year shantytown renovation plan, basically completing the target task of renovating 15 million shanties of various types. The shantytown renovation work is coming to an end, and development is shifting to a stage of comprehensively promoting the renovation of old urban communities.

In the context of China's social and economic transformation and upgrading, with the continuous increase of the urbanization rate and the proportion of the added value of the tertiary industry, urban development has shifted from incremental development of new land development to storage potential of urban centre reconstruction - strategic urban redevelopment. Urban redevelopment has become the main direction of significant cities, strategically promoting high-quality urban development through cultural revitalization, industrial and economic upgrading, spatial efficiency improvement, and improvement of livelihood services. Municipal governments actively upgrade and change the urban industrial structure through urban

redevelopment, inject new cultural and innovative elements and create a more pleasant living and business environment to stimulate the inner vitality of the city and continue its prosperity of the city.

At the same time, the historical significance of urban redevelopment is also undergoing subtle changes. The initial content of urban redevelopment was mainly simple demolition and reconstruction, while the concept mentioned in China in the early days was more about "three old" transformations, which meant that a large amount of land was released through the transformation of old towns, factories, and villages to meet the needs of road construction and building. However, urban development is not about expanding the space through one-by-one land replacement but about upgrading the industrial structure. Nowadays, urban redevelopment is not limited to demolition and reconstruction but extends to the re-layout of spatial structure, the redevelopment of land resources, and the reshaping of regional functions. The urban redevelopment includes the reconstruction of the old city and shantytown, among which the reconstruction of the old city is a form of contemporary urban redevelopment, and the reconstruction of the shantytown belongs to the broad scope of old city reconstruction.

As a branch of urban redevelopment, Shantytown redevelopment has become the focus of China's state-led large-scale urban redevelopment policy (He, 2020). To improve housing conditions for low-income households, enhance living environments and urban ecology, and advance the goals of new urbanization, the Chinese government has implemented a nationwide, top-down shantytown redevelopment initiative. China's shantytown redevelopment can be broadly divided into two phases. The first phase began in 2008 in response to the Great Recession and the global financial crisis. Adopting a top-down approach, the government launched a nationwide redevelopment program as part of an economic stimulus package aimed at mitigating economic losses, compensating for the decline in exports, and stimulating growth. In the same year, the State Council issued the Opinions on Solving the Housing Problem of Urban Low-Income Families, which proposed that "cities should promote the redevelopment of centralized

shantytown areas based on local conditions." This marked the official launch of China's nationwide shantytown redevelopment initiative. The second phase commenced in 2013, emphasizing a more people-centered approach to urbanization. The State Council outlined a vision for "a new type of urbanization that puts people first," reinforcing the commitment to shantytown redevelopment and setting a goal of constructing 10 million housing units in these areas. In 2014, the General Office of the State Council issued the Notice on Further Strengthening the Redevelopment of Shantytown Areas, aiming to accelerate the transformation of urban shantytowns, where approximately 100 million people reside.

Shantytown redevelopment is an important livelihood project to improve the poor population's living conditions. It is considered an urban regeneration project (Dong & Zhang, 2008) and has been the central task of urban construction in the past period (Fang, 2012). In the course of implementation, this policy has been endowed with a rich sense of purpose. The impact of such projects on the economy is evident; they promote the real estate market boom, affect the housing price, and promote the great cycle of the domestic economy. From 2013 to 2018, the potential of monetization of shantytown transformation in improving spatial structure, improving land use efficiency, and promoting sustainable urban development has been reflected (Yuan & Song, 2020). According to official data from 2016, the monetization of shed reform helped the municipal government digest the property market inventory of 250 million square meters (Yu, 2018), which has an essential impact on the housing prices of Chinese cities. The shantytown reform aligns with broader national policies, including the "six stability" proposed in 2018. The "Six Guarantees" initiative emphasizes the importance of stability in all aspects of the economy. Shantytown redevelopment's role in achieving employment, financial, and investment stability highlights its strategic significance for China's economic development (Xinhua, 2017).

"We must fully implement the decision-making and deployment of the Party Central Committee, adhere to the general tone of seeking progress while maintaining stability, adhere to the new development concept, do a solid job

of stabilizing employment, stabilizing finance, stabilizing foreign trade, stabilizing foreign investment, stabilizing investment, stabilizing expectations, and fully implement the task of ensuring residents' employment, ensuring basic people's livelihood, ensuring market players, ensuring food and energy security, ensuring the stability of industrial chain and supply chain, and ensuring grassroots operation." To achieve the "six stability" and "six guarantees" is the most important work and task facing the whole Party and the people of the country at present, and is also fundamental to the stable development of China's economy and society at this stage."

October 4, 2020: "Doing a good job in employment is the key to achieving

" Six Stability "and" Six Guarantees."

China's shantytown redevelopment is carried out within the larger framework of urban redevelopment, reflecting a strategic response to the changing socio-economic environment. The Central Urban Work Conference held in 2015 proposed that "we should control the intensity of urban development, scientifically delineate the boundaries of urban development, and promote the transformation of urban development from extension and expansion to connotation and enhancement." The "Several Opinions of the Central Committee of the Communist Party of China and The State Council on Further Strengthening the Management of Urban Planning and Construction" issued in 2016 proposed an "orderly implementation of urban repair and organic redevelopment." In 2019, the Central Economic Work Conference once again proposed that "urban redevelopment and the upgrading of the housing stock should be strengthened". In 2020, municipal governments also made urban redevelopment an important part of the preparation of the "14th Five-Year Plan" as one of the few urban Spaces the government can utilize, the redevelopment of shantytowns has become a large-scale engineering project and livelihood project with a municipal government focus. On the one hand, land auctions and large-scale engineering projects have become municipal governments' main income sources. On the other hand, the municipal government also hopes to bring cultural tourism revenue and

employment opportunities to the city through investment in redevelopment projects.

2.4.2 Approaches to Shantytown Redevelopment

Since the beginning of the Reform and Opening Up (in 1978), China's housing supply system has gradually undergone a market-oriented transformation, and residential redevelopment has also gradually evolved from the previous "government-led" model to a "real estate-led" redevelopment model (He & Wu, 2005). Under this model, municipal governments attract private or foreign capital to intervene in demolition and land development (Turok, 1992) and work with developers to form so-called "growth alliances," which dominate urban redevelopment (He and Wu, 2005; Shin, 2009). Developers play a central role in this process, providing a large amount of capital and leading the transformation and subsequent development of commercial and residential projects through cooperation agreements with the government. The first step in a real estate-led redevelopment process is the acquisition and demolition of existing properties and land, followed by a master plan for the construction of new projects for commercial development or high-end residential construction (Shih, 2010; 2015). Developers often negotiate directly with residents to discuss matters such as compensation amounts and relocation locations. Compensation amounts may be based on the number of households or the reference floor area. Residents can usually choose between two types of compensation: monetary compensation and/or compensation in kind. It is worth noting that such urban redevelopment projects, to some extent, reflect the attributes of public housing projects-residents receive compensation through the government, which reflects the intention of social security, but at the same time, they have a distinct market orientation, aiming to promote the development of the local housing market, and even in some cases change the functional layout and social class composition of the target area. In other words, this also highlights the "commodification" of housing and the redistribution of property rights (Wu et al., 2007; He et al., 2009). However, this initiative also faces serious challenges. There are often inconsistencies in the standards for land compensation and resettlement subsidies for different

households in the same area, which even raises questions among residents about the fairness of the compensation plan (Ding, 2007). In the absence of uniform standards or effective supervision, the actual rights and interests of residents are often weakened.

With the advancement of marketization, the "price shadow effect" brought about by demolition and reconstruction has gradually become more prominent. Urban redevelopment practices not only lead to sudden fluctuations in the housing market but may also give rise to new real estate "hotspots," thereby transforming the local image, cultural values, and attractiveness (Lambert & Boddy, 2002).

To some extent, this effect brings "multiple dividends" to municipal governments: on the one hand, the city's appearance can be upgraded rapidly, making it more attractive to foreign investment and tourists; on the other hand, tax revenue from land transactions and real estate development injects considerable funds into local finances. However, these seemingly positive changes are often accompanied by a simultaneous rise in house prices and rents in surrounding areas (Vicario & Monje, 2003), significantly increasing the pressure on low-income people or migrant workers to survive in urban centres or core areas. Rising housing prices not only mean more capital and prosperity but also invisibly change communities' social structure and cultural ecology. The social networks and lifestyles that traditional residents have relied on may be impacted by the arrival of "elite" or "high-end" projects. A large number of original residents cannot afford the new high housing prices and rents and are forced to move to the edges of the city or to lower-cost settlements, further exacerbating the spatial division of the city and social inequality (Wu, 2002).

2.4.3 Competition to Clear Shantytowns - Reconfiguring City's Image

In the context of the nationwide campaign-style governance of "shantytown redevelopment," in order to actively respond to the central government's call and achieve the set goals, municipal governments have launched large-scale "cleaning" operations, which in fact, also correspond to the expulsion of the

so-called "low-end population." Some researchers have linked these practices to the "gentrification movement" (Lees et al., 2009). Municipal governments and capitalists join forces to reshape urban space through policy measures and development projects (Smith, 1996; Smith, 2002; Shin, 2014), but in China's shantytown redevelopment governance, this is more of a state-led "gentrification movement" (Wu, 2016). In some cases, this clearance-based redevelopment has even evolved into "violent gentrification," which has been criticized for forcibly evicting lower-class residents (Zhang, 2019; Weinstein & Ren, 2009).

Why can "shantytown redevelopment" be regarded as a clearance process? This is inseparable from the country's complex property rights system (Roy, 2005). When farmers enter the city, they cannot build their own shanties, and they cannot afford regular housing, so they can only temporarily live in shantytowns. However, the strict household registration system is itself a key means of regulating resources and population in large cities - migrant workers without an urban household registration cannot enjoy public welfare, including medical care, education, and housing, making it difficult for them to settle in the city for a long time truly, and even more so to bring their families to city. For this reason, China does not have large-scale concentrated settlements on the surface that are similar to the "slums" in the global context. However, due to the lack of legal protection, these farmers are also like quicksand, placed in a passive and unstable state (Bai, 2017).

At the practical level, municipal governments, driven by land incentives, are more aggressive and entrepreneurial (Wu, 2016), and municipal governments regard shantytown redevelopment as an important indicator of "city competition" (Harvey, 1989). Achieving the goal of redevelopment not only means improving the city's image but also brings potential investment and business opportunities. Because of this, the logic of "urgent completion of tasks" and the pursuit of economic performance often lead to radical policy measures, such as the rapid mobilization of "fire safety" or "city appearance improvement" in the urban-rural fringe areas to demolish a large number of shantytown houses. This drastic redevelopment approach inevitably triggers

resistance from residents, and confrontations between municipal governments, developers, and even village committees are not uncommon.

When municipal governments seek to gain higher rankings in the "city competition" or demonstrate their "political achievements," they often intensify "cleaning" activities that are carried out violently or semi-forcibly, leading critics to describe it as a "large-scale violent eviction." Similar phenomena also frequently occur before major urban events (such as international competitions and expositions) (Shin, 2013) in order to quickly create a "clean" urban appearance. However, such control and cleanup only targets a certain group of people, namely those considered to be "low-end populations". This has been described as the logic of Chinese capitalism in terms of labour selection (Bai, 2017): that is, prioritizing the retention of people who can directly contribute to the city's economic growth and meet the needs of the city's image, while excluding the bottom-level workers who cannot match this logic.

Scholars have extensively discussed early practices of shantytown management and redevelopment, particularly large-scale demolition actions in cities like Beijing and Shenzhen. These actions have faced criticism for their shortcomings. For instance, some argue that such measures involve significant financial investment by the government to resolve fragmented property rights, thereby accelerating gentrification and driving economic growth (Lu & Chen, 2017). Others have noted that these actions often prioritized economic benefits over social equity, marginalising vulnerable groups and reconstructing urban class structures from segregation to reintegration (He, 2005; Yang, 2017).

In 2014, the Chinese central government altered its urban development plans to address land-centered urbanization. The National New Urbanization Plan (2014–2020) changed the concept from land-driven to people-centered. This shift from traditional urbanization to a more sustainable approach addresses fundamental imbalances and ensures long-term urban growth. Better informal housing compensation (Liang, 2013) and dispute resolution during destruction and relocation are key policy improvements (He, 2005). The new urbanization

plan emphasizes "people-centered" growth and quality of life. Public engagement in urban planning and redevelopment projects has increased, making urban government more inclusive and equitable (Wu, 2015).

2.5 Summary: Justification for the Research

The governance of shantytown redevelopment is a complex process involving the interests of multiple parties, reflecting deep-seated contradictions and changes in China's urban governance system. China's shantytown redevelopment is still evolving. From the past "drastic" forced demolition to the more recent focus on "deliberative democracy" governance (Liu & Xu, 2019), this shift not only reflects the progress of governance concepts but also changes in social pressures and the policy environment.

First, the core challenge in shantytown redevelopment governance lies in balancing the interests of the government, the market and the community. As the leading party in governance, the core motivation of municipal governments is to release the value of land through shantytown redevelopment to promote economic development and increase fiscal revenue. In this process, the government often adopts the "land finance" model to obtain financial support through land expropriation, auction and development. However, the economic orientation of this model tends to ignore the actual needs of residents, focusing on improving the city's image and economic indicators rather than the quality of life of the original residents.

Second, market intervention has made shantytown redevelopment more of a capital-driven urban transformation process. The dominant role of developers ensures renovation projects' financial flow and profitability but also exacerbates social inequality (Shin, 2009). Market-oriented renovation methods often lead to rising housing prices and rents, and Indigenous people and low-income groups are forced to move out of shantytowns, losing their original social networks and living conveniences. This tendency towards "elitisation", while effective in improving the city's appearance, has a

significant impact on social equity that cannot be ignored. Informal practices in the original shantytowns are gradually being eliminated and replaced with a landscape that is more in line with the logic of the middle class. In the process of shantytown redevelopment, the "redevelopment" and "governance" of shantytown redevelopment are the transformation of the physical urban space and the embodiment of the reshaping of social order. This means that under the dominance of capital and formal power, the platform for development provided for the migrant population and low-income groups is gradually shrinking. While implementing resettlement policies, municipal governments are also focusing on shaping an urban landscape and economic and industrial structure that is more in line with the logic of modernization and the middle class.

Moreover, while the early redevelopment of shantytowns in China can be interpreted as a process of "demolition, relocation and sale" (Xiang, 2017), the redevelopment of shantytowns today incorporates more social and human considerations. The government has created more room for "negotiation" with residents during the transformation process, and the concept of "negotiated governance" in shantytown governance has gradually been promoted in recent years. This governance model emphasizes seeking the legitimacy and social acceptance of the transformation plan through dialogue and negotiation with residents. For example, the government tries to reduce social conflicts by providing more flexible compensation plans and diversified resettlement methods. However, the power imbalance often limits the effectiveness of the negotiation mechanism. Residents have limited channels to voice their opinions, while developers and the government's strong position means that the outcome of negotiations often favours the needs of capital and policy. In addition, shantytown governance also needs to face the contradiction between policy goals and practical results. On the one hand, national policies emphasize a "people-oriented" approach, trying to improve the living conditions of low-income groups through shantytown redevelopment. However, the implementation of policies is often accompanied by the "task-oriented" execution of municipal governments, resulting in the phenomenon of seeking quick success and short-term benefits in some areas. Especially

under the logic of urban competition, shantytown redevelopment has been given the mission of enhancing the city's image, further weakening residents' interests.

Overall, the practice of shantytown redevelopment governance reflects the dynamic game between top-down and bottom-up approaches in Chinese urban governance. On the one hand, the central government's policy guidance provides a direction for redevelopment in the top-level design; on the other hand, the implementation methods of municipal governments, the penetration of market forces, and residents' resistance together shape the diversity of shantytown governance. The following Chapter 3 will explore the theoretical and analytical framework of urban governance in depth, focusing on the interpretation of the power interaction between the central and municipal governments, the government and the market, and non-governmental actors in the Chinese context. Through the case study of the 18T shantytown redevelopment in Chongqing, chapter 3 will analyze the unique logic of the Chinese governance model and how this logic has shaped the specific process of urban redevelopment practices. This will provide theoretical support and empirical evidence better to understand the complex dynamics of Chinese-style shantytown governance.

Chapter III: Urban Governance Theories and Analytical

Framework

3.1 Introduction

Governance is exemplified by a government shifting from an "active state" to an "enabling state" (da Cruz et al., 2019), which employs new policy tools and rules to incorporate, steer, and guide collective efforts made by actors outside the government sector (McCann, 2016, da Cruz et al., 2019). Urban governance examines the roles and interactions of various actors, including government officials, private sector leaders, civil society organisations, and community groups (Hauset al., 2004; Boudreau, 2016). Harvey (1989) proposed the shift from "managerialism to entrepreneurialism" in late capitalist urban governance. Early studies of urban governance focused on the governance of urban development in the context of entrepreneurship and now extend to a broader study of urbanisation and the governance of social life, including citizenship, political representation, identity, and living space (McCann, 2017). These experiences have inspired urban governance research in China. Research on urban governance in China highlights complex central and local interactions (Li & Jonas, 2019; Shen et al., 2020; Wu et al., 2016). The state is organised geographically but also transcends geographical space (Agnew & Muscarà, 2012; Jonas, 2020; Robinson et al., 2021). Central and local relationships are complex, with different governments and intense local competition (Brenner, 2004; Chung & Lam, 2009; Zhang & Wu, 2006). In this context, this study aims to provide further empirical evidence to the debate about central, municipal governments and their interactions with private and other public actors. In particular, it addresses a research question: What is governance in urban redevelopment in China, especially in shantytown redevelopment, and how are power dynamics affected by governance?

This study selected the Chongqing 18T redevelopment project to gain a deeper understanding of the governance of the redevelopment process in Chongqing shantytowns. The earliest record of Chongqing's 18T dates back

to around the 3rd century CE (during the Three Kingdoms period in China). By 1189, during the Song Dynasty, the area served as the headquarters of the town and a garrison barracks nestled in the mountains of Chongqing. It was during this time that the iconic stone ladder was constructed, laying the foundation for what would become the historic 18T. After Chongqing's port opened in 1891, the city's population grew, and the 18T region became a vital link between the higher and lower portions of the city. By the 1990s, labor markets nearby drew numerous people, including many from outside the region, making the area a hub for migrant workers. As one of Chongqing's major shantytowns, 18T, has been protected and redeveloped since 2010. After renovations began in 2017, the project opened on September 30, 2021. 18T was added to the Chongqing First Batch of Historical Place Names Protection List in January 2021. The instance of 18T illuminates urban spatial reconfiguration in modern Chinese cities.

Examining the institutional framework is essential for a thorough comprehension of urban governing structures. Urban political decision-making is impacted by economic and social players, yet the only effective way for the public to communicate with elected officials is through political institutions (Pierre, 2011). Compared to liberal democracies, China's institutional setting, political culture, and urban government structure are very different. An institutional model of urban governance based on the interaction between public and private governance was established by DiGaetano and Strom (2003) to evaluate and apply urban governance across diverse situations. A number of institutional "foundations" and types of governance interact to produce this outline. An integrated approach to urban government offers a helpful framework for studying its features and evaluating power relations among important actors. In order to provide a systematic examination of China's municipal administration, this study incorporates an analytical governance framework into its guiding research questions. Following the urban governance model of DiGaetano and Strom (2003), this paper first describes which external influences or policy influences constitute the structural background of the redevelopment of 18T shantytowns in Chongqing. Second, it analyzes the political culture, with a special focus on China's

"entrenched unitary system and bureaucracy" (Zhou & Lian, 2012). Then, it discusses the related institutions that create the institutional environment and their interactions.

3.2 An Integrated Approach of Urban Governance as Theoretical Framework

3.2.1 Introduction

There has been a rapid evolution of urban governance theory over the last few decades. This is due to practitioners and scholars alike implementing various initiatives to develop this political science theory into an approach to urban governance and management (Pierre, 2000; Sørensen and Torfing, 2015; Stoker, 1998). This study considers an Integrated Approach of urban governance as an analytical framework, examining governmental institutions and "regulating, coordinating, and controlling processes" in urban governance (Rhodes, 1996) while discussing the limitations of the rational actor model and institutional theory in explaining the complexity of urban governance. According to DiGaetano and Strom (2003), urban governance consists of four dimensions: The structural dimension (broader urban political economy), the cultural dimension (the influence of historically and socially embedded value systems), the agent dimension (the impact of self-interest on collective actions), and the institutional dimension (the interplay between agents and cultural frameworks). It integrates intermediate theories into the analysis of urban decision-making. Participation and inclusion are emphasized (Pierre and Peters, 2000; Benz et al., 2007) alongside the importance of urban governance systems and the necessity of establishing such systems (Burris et al., 2007; Pierre, 1999). Governance is characterised by a complex and dynamic network of relationships between actors (Kooiman, 1993; Pierre and Peters, 2000) reflecting society's particular interests and power relations (Stoker, 1998). Moreover, a multi-level analysis of institutional change is crucial to understanding the evolution of urban governance structures. Some scholars have highlighted that the transition from government to governance represents a shift from top-down state decision-making to a more inclusive process that incorporates non-state actors in policymaking (Pierre & Peters,

2000; Baud & de Wit, 2009). The urban governance approach analyzes the various levels that influence urban decision-making, including the upper-level governments (central and provincial) and subordinate regional governments (DiGaetano and Strom, 2003). In China, particular attention has been paid to the party-state role in urban governance (Sheih and Friedmann, 2008; Dong and Kübler, 2021).

It is critical to conceptualize how power is dispersed in multilevel governance arrangements (Swyngedouw, 1997; Hendriks et. al., 2007; Pierre, 2012). The views of dominant actors may prevail along with the knowledge of marginalized weaker actors (Allen, 2011). The wide range of participants often leads to conflicting discussions about urban problems and solutions, with each participant trying to maximise their own interests in the urban decision-making process (Lund, 2006; Goodfellow, 2014, 2017; Ahlborg et. al., 2018). Each city, due to its unique political, economic, social, and historical background, exhibits different institutional arrangements and actor interactions in the field of decision-making. Within this context, this section seeks to provide further empirical evidence, expanding the discussion from central government dynamics to the role of municipal governments and their interactions with private and other public actors. Specifically, it explores the research question: "What is the decision-making process in urban governance, particularly in the context of urban (shantytown) redevelopment projects?"

In Chongqing, new policies and institutions have promoted structural adjustment and have facilitated shantytown redevelopment projects with public-private interaction. Overall, these policies indicate a shift in Chongqing's urban regeneration towards an approach that incorporates local culture and strategic linkages that position the city in the international arena and market (Liouris & Deffiner, 2005). The analytical framework employed in this study reveals the symbiotic coexistence of multiple governance logics. Yet, empirical findings from the 18T project depict a reality that is far more intricate than theoretical assumptions would suggest: vertical power inertia continues to dominate the decision-making process, frequently manifesting rigid operational characteristics. Meanwhile, certain communication channels

may uphold a semblance of interaction, yet in practice create a dialogue mechanism characterized by one-way information flow. This tension has given rise to a distinctive hybrid governance form—one that displays a generalized “mobilizational” tendency while retaining a bureaucratic administrative core. Its inherent flexibility reflects the incremental reform tendencies observed in transitional China, where a dynamic balancing mechanism accommodates both path dependency and innovative breakthroughs.

This research integrates the DiGaetano-Strom (2003) model of urban governance to construct a multidimensional analytical approach. First, it deconstructs the macro-level institutional context of Chongqing’s urban renewal, focusing on the interplay between the reconfiguration of central-local relations and evolving regional development patterns. Next, it examines the dimension of political culture, elucidating the historical convergence of traditional bureaucratic rationality with local “practical wisdom.” Moving beyond the conventional institutionalist paradigm, the study adopts a “structure–agent” interaction perspective to reveal the dynamic bargaining processes between formal institutional frameworks and informal relational networks in policy formation. Finally, by using the 18T project as an empirical lens, it systematically traces the evolution of governance tools in specific spatiotemporal contexts and evaluates their policy effectiveness.

3.2.2 Concept of Urban Governance: An Integrated Approach

Urban governance represents an analytical tool in this study, offering a perspective that extends beyond governmental institutions and embraces fresh ways of conceptualizing governmental processes and urban politics (Raco, 2020). Here, governance primarily addresses the “processes of regulating, coordination, and control” (Rhodes, 1996; Schröder & Waibel, 2012) and the interaction of state institutions with an expanding array of civil society actors—citizens, communities, and the private sector (Healey, 1997; Pierre & Peters, 2000). By examining various factors that influence decision-making—ranging from higher-level central government authorities to subordinate regional administrations—the urban governance approach sheds light on how decisions are made (DiGaetano & Strom, 2003). Focusing on

governance highlights which interest groups hold decision-making power in urban policy and how the decision-making process unfolds. In other words, governance here spans government, the state, and bureaucratic organizations, as well as the structures through which broader relations of power, dominance, and authority are formed.

A comprehensive approach is used in DiGaetano and Strom's research that allows the complexity of decision-making to be unpacked through a range of structures and related categories. Analyzing governance frameworks to understand decision-making in urban governance includes a comprehensive three-tiered analysis that considers the structural context, cultural traditions and norms, and political actors that determine the pattern of institutional development in urban governance. Institutions shape rationality in the eyes of rational actors and make certain types of alliances more likely to form and succeed (Battilana & Boxenbaum, 2009). This observation is also true of urban redevelopment projects. Compared to ordinary urban redevelopment, the process of shantytown redevelopment is quite complex, involving more powerful and complex players, and these players are often due to different levels. The dynamic power relationship in the redevelopment of shantytown is complex and multifaceted, with various stakeholders competing for influence and control. The framework established by DiGaetano and Strom helps to reduce these complexities, allowing for a very structured approach to the analysis of the three areas of research structural context, political culture, and institutional context.

If Chinese governance is analyzed using an exclusive structural approach, it is clear that China is deeply influenced by its long-standing traditional culture and the party and its leaders. In China, leadership often has a symbolic and ideological dimension, as exemplified by concepts such as Mao's Thought and Deng Xiaoping Theory. Their ideas transcend mere governance and shape collective identity and social values. There are obvious flaws if governance issues are explained using only such a single-layered analysis. It fails to capture the complexity and multifaceted nature of Chinese governance. In practice, the structural context of urban governance in China has been

influenced by a number of interdependent forces such as marketisation, globalisation, decentralisation, pressures for economic restructuring, and the re-centralisation of decision-making power. Since the economic reforms and open door policy in 1978, the reorganisation of China's city-centred administrative space has involved more than just a change in the administrative hierarchies of the different geographic units' administrative levels: it also involved a reshuffling of power and a shift in economic decision-making and production from a vertical authority based on central ministries to a horizontal authority based on local administrative or spatial units (Ma, 2002; Yeh et al., 2015). Ma (2005) also points out that the regional administrative level is one of the most important factors affecting the local spatial economy in China. Since the beginning of the 21st century, with the development of tertiary industries, the introduction of old industrial plants, the introduction of shantytowns, and urban villages renovation policies, the institutional environment of urban governance in China has undergone significant changes.

China's urban governance system is undergoing structural changes, and municipal governments have gradually developed significant autonomy from higher-level governments in actual operations. This entrepreneurial governance model is essentially a product of the combined effects of institutional rigidity and the need for social transformation. With the dissolution of the material rationing system during the planned economy era and the advancement of market-oriented reforms, the commodity trading network and the private economic ecology have gained institutional room for growth. The central government has implemented systematic administrative streamlining policies, which have not only optimized the governance hierarchy, but also reserved flexible implementation space for local institutions. The analytical framework constructed in this study not only deepens the theoretical interpretation of the dual nature of urban governance in China—the coexistence of bureaucratic control and local initiative—but also provides a key entry point for deconstructing the policy implementation logic of Chongqing's 18T shantytown renovation project. It is of methodological

significance for understanding the interaction between the central government and local governments in the process of urban renewal in contemporary China.

In the model established by DiGaetano and Strom (2003), urban governance is described as a series of intermediaries between the urban structural background, political culture, institutional environment, and the roles of political actors. According to their description, political actors include all stakeholders in policymaking, such as state governments, bureaucratic organisations, or private enterprises.

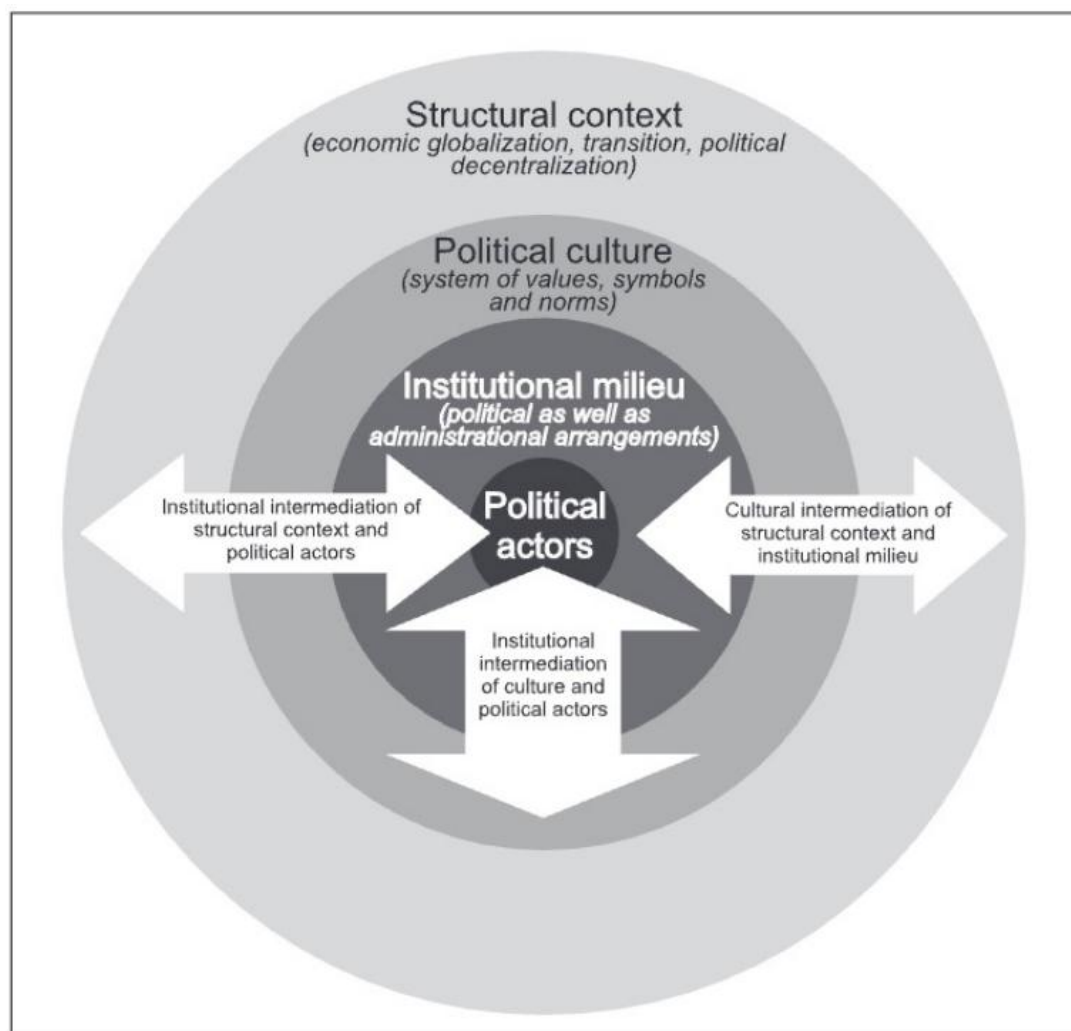


Figure 3.1: An integrated approach to urban governance.

(Source: DiGaetano and Strom, 2003)

3.2.3 Rationale for the Analytical Governance Framework

The Formal ‘Institutional Foundation’

The formal "institutional foundation" refers to the provision of a formal set of rules, norms, and procedures for urban governance that govern the behavior and relationships among individuals, organizations, and groups in a particular social environment or system. These rules and norms are often established through legal frameworks, government policies, organizational policies, and cultural practices (Pierre, 2011). Researchers examine these relationships by studying specific projects and policies, revealing how the city itself serves both as a reflection of and a mechanism for solidifying the “political settlement” within a particular regime. Urban politics encompasses both formal and informal elements. The former involves elections, political parties, and representative institutions, while the latter revolves around social relations and networks among various groups, actors, and interests (Raco, 2020). DiGaetano and Strom (2003) depict the intricate mix of formal “institutional foundations” and informal frameworks as the “integument” that links different spheres (see Figure 3.2). The formal arrangements, which form the institutional base, include public institutions, political parties, interest groups, and partnerships that devise, enact, and enforce policies, laws, and regulations—this constitutes the visible aspect of urban governance.

In addition to formal arrangements, informal institutional arrangements (i.e., governance models) also play a crucial role in urban governance. The decision-making or political system is not just the sum of its formal institutional structures, but a mixture of formal and informal institutions (DiGaetano & Strom, 2003). In urban and economic development, informality can be observed in the complex interrelationships between participants, rules and decision-making methods (Altrock et al., 2008), and these interactions accompany the formulation and implementation of plans. However, these dynamic interactions are challenging to track. They may not be recorded in official records or governance frameworks, but their existence can be inferred from relevant forms of interaction. Compared with formal systems (such as laws, policies, and regulations), informal systems rely more heavily on the

structural context, political culture, political actors, and institutional foundations (Schröder & Waibel, 2012). The interplay between these two categories of variables (e.g. institutional foundations and political actors) is frequently moderated by additional variables (e.g. political culture). The modes of governance play as important a role as the formal institutional arrangements in shaping urban governance. The informal institutional arrangements are more flexible and adaptive to the local context, allowing for greater responsiveness to changing needs and conditions. Additionally, modes of governance are often characterized by networks of actors that cut across formal institutional boundaries, allowing for greater coordination and collaboration. The informal nature of modes of governance allows for experimentation and innovation, which can be crucial in addressing emerging urban challenges. The complexity of urban governance necessitates a comprehensive understanding of both formal and informal institutional arrangements and their interrelationships to promote effective governance. Different combinations of these variables lead to different modes of governance, which are discussed in detail in the next two subsections of this chapter.

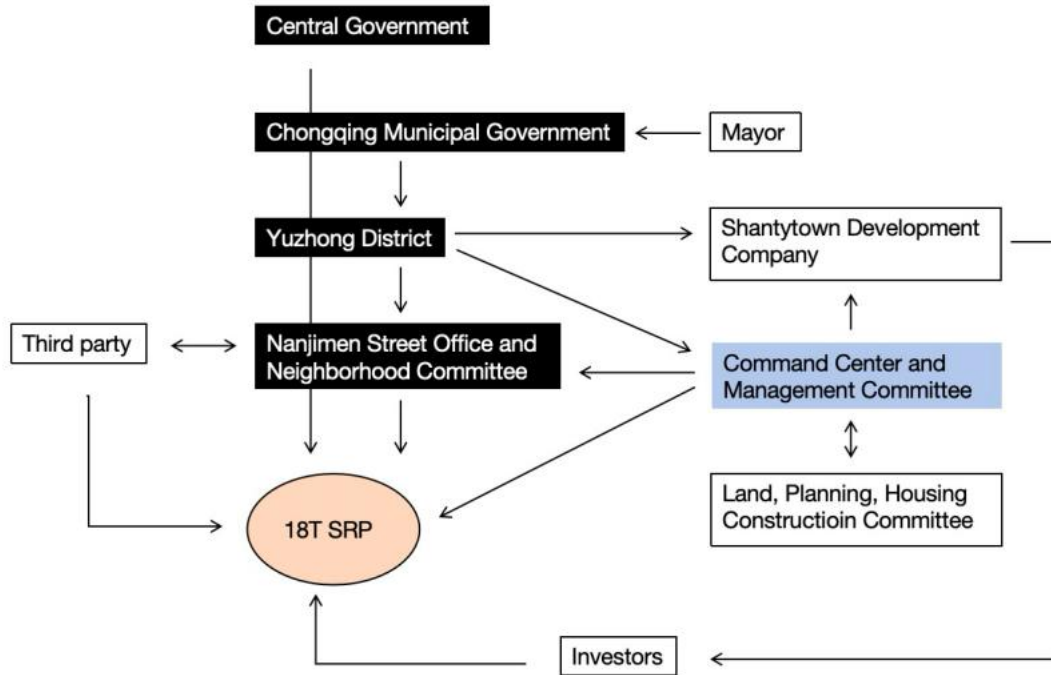


Figure 3.2: The analytical framework.

(Source: adapted from DiGaetano and Strom, 2003)

It is important to understand governance institutions as they provide the structural foundation for decision-making, resource allocation, and stakeholder coordination. Analyzing these systems allows us to identify how institutional arrangements evolve to address multifaceted social, economic, and political challenges. Drawing on this understanding, a review of governance practices in Western countries provides valuable insights into how institutional foundations shape urban management and policy implementation. In the British context, local councils, political parties and professional officials are the main institutional basis of post-war urban governance, which has the characteristics of managerial governance (Saunders, 1984; Pickvance, 1990). From the late 1970s to the early 1990s, extensive deindustrialization and economic contraction drove significant state restructuring, marked by a reorganization of the relationship between central and municipal governments (DiGaetano & Klemanski, 1993). While local authorities were given increased responsibilities, their discretionary power

was diminished through planning restrictions, spending caps, and the introduction of market-like mechanisms (Byrne, 1990). Semi-governmental organizations such as urban development corporations emerged, shifting governance toward public-private partnerships and corporatist models, prioritising economic efficiency and development over direct municipal government control. In contrast, the United States employs a highly decentralized and diverse local governance system, encompassing mayor-councils, city managers, and boards of commissioners. Power is shared between councillors and officials, with local councils serving as the primary administrative units. To enhance service delivery, the federal government introduced quasi-governmental organizations (quangos) to manage specific functions, reflecting a hybrid governance model that balances local autonomy with targeted central oversight (Smith & Flinders, 1999; Van Thiel, 2001). The French governance system is similarly decentralized but structured hierarchically and multi-layered, with the commune serving as the basic unit. Municipal governments operate under a mayoral council system, granting mayors significant authority to dominate local politics and decision-making (DiGaetano & Strom, 2003). These differences illustrate a broader trend in urban governance: the need to combine formal institutional structures with adaptive, environmentally sensitive approaches to address local challenges effectively.

Formal "institutional foundations" can be used to understand how power is distributed and exercised, how decisions are made and implemented, and how resources are distributed within a particular society or institution. It also helps to explain the roles and responsibilities of the different institutions and actors within the system as well as the relationships between them. DiGaetano and Strom outline urban governance models that describe desirable characteristics of a particular city's decision-making style. In order to effectively differentiate amongst various patterns, it is incumbent upon researchers to initially possess a comprehensive understanding of the following inquiries:

- *Who are the principal decision-makers?*

- *What precise political objectives are they striving to pursue?*
- *How can the decision-making processes themselves be understood and controlled?*

In Clientelism, the mode of governance is characterised by 'individualised and idiosyncratic quid pro quo relationships between politicians and favoured interests or clients.' DiGaetano and Strom (2003) describe political patronage in the Northern United States as clientelistic because of the presence of patronage networks in the party apparatus. In the early 1990s, corporatism emerged amidst a questioning of pluralism (Chan, 1993; White, 1996), and some scholars have argued that the structural context of Western cities favours an associationalist model of governance (Howwell, 2003; Clark, 2005). Managing the coalition typically pursues explicit political objectives that promote a growth agenda (DiGaetano and Strom, 2003). The first model of urban governance introduced by Pierre (1999) was Managerial Governance. Managerial governance is based on a formal, bureaucratic, or contractual connection between government officials and private sector interests and focuses on its output-orientated guidance (DiGaetano and Strom, 2003; Plüss, 2014). In the managerial model, decisions are made authoritatively under formal contracts. DiGaetano and Strom cite the management model of French cities that save money by contracting out government services as an example. In pluralism, "individuals are free to form diverse and competing groups" (Wu, 2012), reaching a state of political market equilibrium in free competition. But in practice, the pluralist vision is difficult to realise, such as in places where free competition leads to the end of monopoly. Populism is more often described as a "temporary phenomenon," and political authority needs to be constructed and consolidated after the wave of populism (Zhao, 2008).

There is no denying that China's institutional logic is different from that of liberal democracy. However, the application of this type of governance is very helpful in understanding the complexity of urban redevelopment systems and shantytown redevelopment projects in China and further helps to structure and guide research. The table below draws on DiGaetano and Strom's urban

governance framework. These different governance models adapted for China are: clientelistic, corporatist, managerial, pluralist, populist.

	Clientelistic	Corporatist	Managerial	Pluralist	Populist
Governing relations	Particularistic, personalised, exchange	Exclusionary negotiation	Formal, bureaucratic/contractual	Brokering or mediating among competing interests	Inclusionary negotiation
Governing logic	Reciprocity	Interest representation system	Authoritative Decision Making	Conflict management	Mobilising the population
Key decision makers	Local government and clients	Local state and economic elites	The Party State and Government	Party State and organisational interests	Politicians
Political objectives	Material	Purposive	Material	Purposive	Symbolic

Table 3.1: Modes of governance

(Source: DiGaetano and Strom, 2003)

Western urban governance typologies have frequently been applied to examine evolving governance structures in contemporary Chinese cities (He & Wu, 2009; Wu, 2016). Scholars note that this usage stems from certain structural parallels between Chinese and Western urban contexts (Shen, 2007). Employing these conceptual frameworks offers valuable insights into the complexity of China's urban systems, providing a coherent basis for both theoretical and empirical research (Pierre & Peters, 2000; Raco, 2020). Nonetheless, one distinguishing feature of urban governance in China is the multifaceted role of the party-state, which exerts extensive influence over both policy-making processes and institutional configurations. With the expansion and complexity of the organizational scale, the characteristics of its governance mode, power distribution, and organizational structure are amplified (Crozier, 1964; Wilson, 1989). In China, these main institutional foundations are embodied in the actual governing process and in various governance documents, usually summarised in terms of "the Party and the State," "cadres at all levels," and "grass-roots cadres" (Central Documentation Research Office of the People's Republic of China, 1996). In China's policy model, the state (the central government) plays a role as a power monopoly with a huge advantage in institutional change. In Mao's era, governments at all levels mainly presided over local economic activities, and their main task

was to "execute and implement" the tasks under the centrally planned economic layout, and their space for development needed to be sought upwards in order to be gained and was, therefore, subject to a top-down mechanism for redistributing resources. The Chinese Party-state maintains vertical control and cadre appointment and removal, and the government maintains governance through the Chinese Party-state political system with administrative levels of officials within the hierarchy of jurisdiction, each of which is reflected by its own party organ. Most decision-makers hold dual positions in municipal government and the party (Edin, 2003). The particularity of urban governance in China lies in the multi-layered nature of its institutional background and in the frequent transfer of state power, especially the autonomy or discretion of lower-level municipal governments, which are composed of districts and subdistricts, in implementing policies. These policies often leave enough room for practical experimentation at the local level (Heilmann, 2008).

The synthesis of the aforementioned information ultimately leads to the deduction that the governance system of Chinese cities is an assemblage of institutions and organizations that possess a certain degree of flexibility to adapt to one another, as posited by Wu (2021). The entities at the core of this network consist primarily of governmental units, while other pertinent stakeholders remain on the periphery. Unlike typical urban sprawl, the redevelopment of shantytowns within urban centres presents a significantly intricate scenario due to the involvement of more influential and diverse actors, who frequently possess opposing interests. The framework devised by DiGaetano and Strom serves to mitigate these complications by targeting the forces that determine urban policy.

3.2.4 Conclusion

This section introduces and explains DiGaetano and Strom's (2003) integrated approach to urban governance, which serves as the foundation for the theoretical framework proposed in this study. The framework emphasizes the necessity of multi-level governance, the complex dynamics among diverse stakeholders, and the significance of both formal and informal institutions. The

case study of the 18T project exemplifies this evolving governance structure, where the coexistence of managerialism and populism demonstrates the adaptability of governance practices.

Building on the analytical governance framework, this study examines the structural context, political culture, and institutional environment to analyze how these factors shape the behavior of political decision-makers. This approach establishes a foundation for further analysis of Chongqing's urban governance. In the context of urban redevelopment projects, the study seeks to uncover the deeper mechanisms of interaction among various departments and their impact on governance processes.

3.3 The Logic of Chinese Governance and Chinese Bureaucratic System

3.3.1 Overview of the Logic of Chinese Governance System

What is governance? Foucault (1978) explains a series of reflections on the state and governance through the lens of a technology of power: a new technology based on 'governing' that reshapes the relationship between the state and the individual. The relationship between the state and the individual also extends beyond external rights, as the state governs and interferes more deeply with individuals' life processes. In this basic sense, governance is the sum of the many ways individuals and institutions, public or private, manage their common affairs (Hamilton et al., 2013). Savitch (2000) describes governance as the production of public goods through a series of contracts and agreements with other governmental, non-profit, or private organizations that undertake production. In order to articulate the idea of national governance, it is first necessary to distinguish between management and governance, both of which refer to purposeful actions, goal-oriented activities, and a system of rules. The two are distinguished by their emphasis on the forms of organization and decision-making in which management, or rules, are in a vertical form, advocating activities that rely on formal authorization; governance is a horizontal form, more dependent on bottom-up cooperation and dependence and more inclusive (inclusive) than management or rules (Savitch and Vogel, 2000). It is a common trend of human political

development to move from domination based on control (hierarchical rule) to governance (Donald, 2002; Gu, 2003; Laurence, 2004).

Although China remains an authoritarian regime, it has adopted a wide-ranging, multi-layered, and collaborative urban governance approach. Before exploring the governance model for shantytown redevelopment, it is important to highlight that China's party-state retains "top-down" hierarchical features: state institutions at all levels operate within the same institutional framework and are subject to vertical oversight by higher authorities (Kooiman, 2003). Chung (2007) points out the reformatting of urban space as a result of the changing role of the Chinese state. The close and tense relationship between state power and bureaucracy contains the deep logic of state governance. Although the relationship in practice is intertwined and overlapping, the governance system is gradually multi-level and dispersed under different governance dimensions, revealing vague boundaries and behavioral characteristics. Zhou (2017) describes the logic of China's national governance:

"The operation process of a country, the ability and way to solve problems, the choice to deal with crises, the relationship between the central and municipal governments, and the relationship between the state and society are all built on a series of institutional facilities. These stable institutional arrangements shape the ways and means of solving problems and induce corresponding micro-behaviors, thus defining the trajectory, choices and consequences of national governance to a large extent."

Here, I understand the "institutional logic of state governance" to mean the dynamic mechanisms behind the political process and the causal relationships they lead to. A unique combination of centralization, pragmatism and adaptability characterizes the logic of governance in China. The Chinese government's model is often called "socialism with Chinese characteristics," which includes elements such as state control, market-oriented reforms and strong party leadership. The Chinese government maintains a strong centralization of power, with power concentrated in the hands of the Chinese Communist Party and its top leaders. In other words, the central government has the highest and final decision-making power over its vast territory and

residents, fields and aspects. Under such circumstances, there is more friction between the unified system and local governance, which is mainly reflected in the tense relationship between central and local powers. However, this institutional logic is not without its drawbacks and contradictions. In a centralized system, there is a high degree of reliance on a "top-down" decision-making model, and policies are often distorted or alienated when implemented at the grassroots level. Nevertheless, the contradictions of this system have not undermined its effectiveness. On the contrary, in many cases, economic development and people's livelihoods have been ensured through policy regulation and the concentration of resources.

The model of national governance is not arbitrarily chosen. In different countries and different historical periods, due to differences in society, geography, economy, culture, and other aspects, different countries will adopt different governance models, which have obvious channel dependence (North, 1992; Schmidt and Spindler, 2002). In most studies, the concept of "state" is basically used in the sense of "state power" (Zhou, 2017).

The basic characteristic of state power in Chinese history is monarchy. During the feudal dynasties³, the imperial power was supreme and its bureaucratic system was very strict and tight, but the local autonomy was insufficient. This is described in the Book of Odes (Shijing) as follows:

"普天之下,莫非王土;率土之滨,莫非王臣。"

"There is no place in the vast expanse of the heavens that is not the fiefdom of the king, and at the end of the heavens in every fiefdom, there is no one who is not the slave of the king."

The Zhou Dynasty institutionalized a strict patriarchal and hierarchical political order, with officials and vassals divided into strict ranks—ministers (qing), high officials (dafu), and scholars (shi)—each with clearly defined distinctions in status. This institutional arrangement reflected a fundamental emphasis on centralization and bureaucratic norms, laying the foundation for the

³ Feudal dynasties ruled China for nearly two thousand years in its history.

governance logic of feudal dynasties. In addition to the supremacy of imperial power, Qin Shi Huang⁴ proposed the imperial succession system of "Jia Tian Xia" (Family and world: the emperors made the state the private property of one family and passed it on from generation to generation), which was another embodiment of the centralized power of the monarch. Weber (2004) described it as follows: "When a monarch extends his political authority beyond the boundaries of his patrimonial domain to other regions and peoples through personal coercion rather than feudal domination, yet the exercise of his power still follows the patterns of patrimonial power, we refer to this as a patrimonial state." This is what contemporary scholars refer to as the "monarchical bureaucracy" (Huang, 2006).

The institutional transformation of the "monarchical bureaucracy" emerged during the late Qing Dynasty (i.e., modern China). Following the Hundred Days' Reform and the Xinhai Revolution, China transitioned from an imperial system to a republican system, with the traditional imperial authority gradually disintegrating. However, this transition did not completely eliminate the deep-rooted inertia of the traditional power structure. After the founding of the People's Republic of China in 1949, state power was further institutionalized into a "Party-State" system, with the Communist Party of China as the highest political authority and the government system as the specific governance and executive mechanism. The integration of party and state became the core logic of national governance, with official discourse frequently using terms such as "the Party and the state," "cadres at all levels," and "grassroots organizations" (Central Party Literature Research Office, 1996). This institutional arrangement retained the traditional bureaucratic system's penetrative capacity into grassroots society (Shue, 1988), but its legitimacy base shifted from imperial authority to party leadership. Zhou (2017) noted that while contemporary China has introduced political participation mechanisms and grassroots autonomy elements in certain areas, the advancement of democratic politics remains constrained by highly institutionalized state-led mechanisms. Democracy is characterized by the devolution of political power downward, but the state also links individuals to

⁴ Qin Shi Huang was the founder of the Qin dynasty and the first emperor of a unified China.

the state-led system in the name of "peace," "liberation," and "social justice," which is another way of consolidating the state's more direct control over the individual (Wang, 2008).

The logic of governance in modern China is guided by the principles of Marxism-Leninism as interpreted and adapted by the Chinese Communist Party (CCP). The Party's ideological framework provides the basis for policymaking and the pursuit of social and economic development. China has experienced a wave of urban redevelopment that has inevitably reshaped the country's political and economic landscape (Yeh et al., 2021). The Chinese government promotes the construction and governance of shantytowns (Chen and Cheng, 2019; Wu, 2018) and sees it as a "state-led, market-driven urban transformation" (Wu, 2019) as a strategy to deal with the challenges and uncertainties of globalization, market transformation, and to address issues such as inadequate housing, environmental degradation, and social inequality. Previous studies have discussed various governance methods of urban redevelopment, but there are few studies on governance logic and the implementation of "bureaucratic machinery" at the national level. This study provides an important entry point for understanding the logic of China's national governance system.

3.3.2 Analysis of Chinese Bureaucracy

The Role of Bureaucracy in Governance

China, the world's most populous nation with over 1.4 billion people and a geographic area of 3.7 million square miles, has implemented gradual decentralization in its economic and public administration systems since the 1978 reform and opening-up period. However, this process has retained distinct characteristics of "political authoritarianism" (Landry, 2008; Xu, 2011). China's governance operates under a five-tiered system, including central, provincial, municipal, county, and township governments. The fourth version of the Constitution of the People's Republic of China, promulgated in 1982, formally established this multi-layered governance structure, providing a legal

basis for the division of powers and responsibilities across various levels of government.

Under the Constitution, national institutions are divided into three main domains—legislative, executive, and judicial. These are represented respectively by the National People's Congress (NPC) and its Standing Committee, the State Council and its ministries, and judicial bodies such as the Supreme People's Court and the Supreme People's Procuratorate. The NPC, representing the people, functions as the highest legislative authority, while municipal governments, aligned with the central framework, implement governance through a hierarchical system to ensure the execution of policies and delivery of public services.

China's tiered governance framework defines clear boundaries for the roles of each government level in administrative management. As the central government has strengthened its oversight, municipal governments have seen their responsibilities for implementing policies and ensuring public services increase. This governance framework presents a complex hierarchical structure, which is often described using the terms "tiao" and "kuai" of the Chinese administrative system (O'Brien & Han, 2009; Zhang et al., 2019; Liu et al., 2022). The vertical lines of "tiao" refer to the functional institutions from the central to the township level. At the same time, the horizontal unit "kuai" corresponds to the administrative regions led by the local party committee. The horizontal structure focuses on regional unity and coordination, while the vertical structure gains power with the strengthening of central authority and reduces the intervention of the local party committee.

The core of decision-making power in China remains with the Politburo of the Chinese Communist Party (CCP) Central Committee, with government departments controlled predominantly by CCP members (Barnett, 1957). The CCP-state integration is a defining feature of China's administrative system, wherein the Party holds leadership over state institutions (Shi, 1999). The central government, that is, the Central Committee of the Communist Party, "is the sole representative of the national will" (Wang & Hu, 1993). The Politburo and its Standing Committee, composed of seven top leaders,

exercise central power through collective decision-making. As the central command chain, the CCP Central Committee oversees a range of functional and coordinating committees responsible for economic reform, organization, propaganda, and national security (Constitution of the PRC).

The connection between the CCP and the government can be understood through a principal-agent framework, in which the Party, serving as the principal, defines strategic objectives and overarching guidance, while the state bureaucracy, acting as the agent, designs and executes specific policies (Zhou, 2013). Central authorities, as the principal, outline policy frameworks and strategic goals, delegating implementation tasks to municipal governments as agents. This arrangement ensures national policy consistency while allowing for local flexibility in implementation (Lieberthal & Oksenberg, 1988; Liu et al., 2022). A notable characteristic of this bureaucratic structure is its reliance on institutionalized, rule-based operations and adherence to formal procedures (Zhou, 2013).

Through mechanisms such as performance evaluations and resource allocation, the central government incentivizes and constrains municipal governments. However, municipal governments are not mere passive implementers. They exhibit a degree of agency, translating central policies into localized practices and coordinating local resources to achieve policy objectives (Finer, 1997; O'Brien & Li, 2006).

China's bureaucratic system operates as part of the broader national institutional framework. The CCP retains a clear hierarchical relationship with the state bureaucracy, legitimized by a top-down authorization logic. This system is reinforced through institutional arrangements emphasizing accountability to higher authorities (Zhou, 2013). By directly overseeing national affairs, the CCP translates political goals into actionable administrative tasks for government bodies. Through personnel management and appointments, the Party ensures policy consistency across levels (Lieberthal & Oksenberg, 1988).

The downward delegation of authority to local bureaucracies has led to an outcome where government officials gain a degree of "authoritarian autonomy" in implementing national intentions. This autonomy equips the bureaucracy with the flexibility to adapt to complex policy environments, providing institutional support for efficient organization and execution at all levels (Landry, 2008). According to Zhou (2017), this organizational efficiency is achieved through specific institutional mechanisms, such as vertical management systems and performance evaluation metrics. These mechanisms enable municipal governments to effectively control resources and implement policies, positioning them as key actors in mediating interests and maintaining social stability.

Despite emphasizing accountability to higher authorities, local bureaucracies demonstrate strong organizational resilience and adaptability in practice. Given China's vast size and population, the central government must rely on hierarchical principal-agent relationships to disseminate policy objectives to local levels. Although decentralization has expanded, this delegation of authority is not unchecked. The central government employs sophisticated governance techniques, such as performance evaluations and incentive systems, to regulate local officials. Scholars have pointed out the limitations of these constraints, as the governance model heavily depends on direct supervision by higher authorities. The linkage between performance assessments and career advancement for officials fosters a system of "upward accountability" rather than true "downward accountability." Consequently, local officials' career prospects are deeply tied to hierarchical relationships within the bureaucratic system, reinforcing a strong institutional dependence (Landry, 2008).

3.3.3 Conclusion

This analysis delves into the deep institutional logic underpinning governance in China, particularly the relationships between the central government, municipal governments, and the broader bureaucratic apparatus. The hierarchical structure of China's bureaucracy remains highly centralized, with power concentrated in the hands of the Chinese Communist Party (CCP).

This centralization is reinforced through a series of institutional arrangements that ensure the central government maintains control over decision-making. Despite the strong central authority, municipal governments are not merely passive agents. They exhibit a degree of flexibility and autonomy in implementing policies, playing a critical role in balancing national objectives with local realities. The governance system in China represents a complex blend of centralization and decentralized execution. Operating within a framework that prioritizes control, efficiency, and adaptability, this system ensures that policy objectives are effectively translated into local practices. Its strength lies in its hierarchical design, which allows for consistent top-down decision-making while enabling municipal governments to adapt and respond flexibly to specific circumstances.

3.4 The Mode of Governance in China

A country operates on the basis of a set of institutions that shape its capacity and approach to problem-solving, options for crisis response, and relationships between central, local, and non-state institutional partners. Tilly (1995) describes these institutional processes as "many recurrent themes that interact in a combination of different situations and sequences, leading to widely divergent but traceable outcomes," reflecting the dynamic and complex view of governance processes. An important aspect of this thinking is the recognition that power is not a static or single concept but rather a dynamic and evolving process involving multiple actors and mechanisms. In other words, the dynamics behind the process of national governance are the factors and processes that influence policy formulation and implementation at the national level. The interaction between different actors such as government agencies, political parties, civil society organizations, and private sector entities shapes these mechanisms.

One of the key mechanisms in the national governance process is policymaking, which involves developing policies that address specific problems or challenges. Another important mechanism is policy implementation, which involves the practical implementation of policies and programs at the national level. This process requires the mobilization of

resources and coordination of efforts among different actors, including government agencies, civil society organizations, and private sector entities.

3.4.1 The Mode of Governance in China: "One Control Rights"

China is a vast country, and over the course of its long history, the organizational structure of the state has maintained its inherent shape and stability in the midst of change (Jin & Liu, 1992). This can be traced back to the "Great Unity" structure of feudal China, which refers not only to the notion of territorial unity but also to the realization of unity through the bureaucracy of classes (Jin & Liu, 1992), and this has also been described as the formation of the "absolutist state" (Yin, 2017). To describe such a concept, scholars also incorporate a social organization perspective, noting that it is the integration of political structures and ideological institutions referred to as "integration" (Jin, 1984). In the course of history, the state system has evolved in response to the centralized system, but in contemporary China, centralization has been greatly strengthened (Zhou, 2013).

This paper proposes a closer interpretation of "control" as "integration," in which the basis of a "control" in contemporary China comes from the existence of a strong social class that performs a linking function. The basis of a "locus of control" in contemporary China is the existence of a strong social class that can perform a linking function. The class must have unified beliefs and a positive national doctrine. And the state bureaucracy is formed by utilizing a unified class of believers. This can be linked to the party state and one bureaucratic system discussed earlier which keeps the state apparatus functioning and the state unified. In this huge bureaucracy, officials at all levels are accountable upwards and are guided by a centralized unified ideology, which also keeps the mega-system coordinated. This is similar to what Chinese Confucianism describes as "Strengthening the trunk and weakening the branches, the base of the tree and the end of the tree" (Shiji); centralization is achieved by weakening the localities to strengthen the central authority, which is very much in line with the principles of control and organization. In contemporary China, the state not only implements a nationwide planned economy, but also organizes the people in "communes"

for collective ownership. During the period of reform and opening up, market-oriented reforms developed rapidly, and the state shifted to a socialist market economy. All of these structures were macro-regulated by the state, and the strong intervention of the state came to the fore. Along with this huge organizational scale came huge organizational costs. This makes a “right to control” challenged, and the paradox of one finger and effective governance comes to the fore. Against this background, an exploration of the governance model of Chinese governmental organizations can help to understand the logic of national governance and its changes.

In contemporary China, a “right to control” has another dimension, especially in some major policies or governance processes, where the state emphasizes “focusing on doing big things” (Liao, 2021). That is, when the central government proposes a major reform or policy, municipal governments at all levels respond quickly and implement it fully. This centralized governance model reflects China's hierarchical economic governance system, where all levels of government form a response mechanism from the central to the local level. First, the core of this system is to respond quickly to the call of the central government to ensure that policies are implemented quickly. Second, policies are implemented to meet the needs of the majority of the population and to promote overall social and economic development. In this process, the state guides the actions of all levels of government and all segments of society through a high degree of centralized control to ensure unity of purpose and efficiency. This has also been described as a manifestation of the “power of control” and “power of coercion.” The most prominent feature of the socialist system with Chinese characteristics is the unified leadership of the CCP, and coercive power strongly supports the leadership of the CCP, safeguards the party's governing base, and is the core force for the CCP to play the role of coordinating all parties and overseeing the whole situation (Ma et al., 2024). Tracing the practice behind these slogans and why it is necessary to “focus on doing big things” reflects an important achievement in China's governance practice, which is the resolution of many long-standing problems such as through the improvement of living conditions in cities and the enhancement of people's livelihoods.

This mode of governance embodies the “shape of the state under institutional governance.” The reflections of some planners, especially on the deeper implications of governance linking the state - “internal and external causation” - are insightful, as demonstrated by the following quote from an interview.

“China's urban redevelopment stages of urban development is the logic behind the system, the demand relationship. [Firstly], from the founding of the country to the present, [China] experienced the storm, then the political development, reform, and opening up since [there was a need to] stimulate the redevelopment of the city; secondly, in the external environment of the extreme blockade and encirclement, ‘political campaigns’ [were needed] to promote ‘internal circulation’; and thirdly, to alleviate the conflicts between classes through these rectification campaigns” (Interview C-4).

In this mode of governance, the governance of “one controlling power” is not only to gather the power of the state to deal with the affairs of the state but also to further consolidate the authority of the one power in dealing with the political system, internal and external environments, and class conflicts.

3.4.2 Distribution of Control Rights: Multi-level Governance and Principal-Agent Modeling

The previous section discussed the role of bureaucracy in the decentralization and implementation of institutions and policies. A top-down, cascading political command from the central to the local levels of government drives all levels of government and ministries to achieve the goals of governance in a “pressure system” approach to governance. This system combines directive goal-setting, contractual task allocation, mobilized implementation, performance-based incentives, and integrated party-government leadership to form a modular “local state” (Yang & Hu, 2024) which is tightly nested within the contemporary Chinese institutional system. In analyzing the governance system of Chinese officials, Huang (2002) found that the central and higher levels of government exercise both explicit and implicit governance over the lower levels of government, the former through the measurement of economic development indicators and the latter through part-time promotions, relocation,

and tenure management. This stems from the fact that the governance of local officials in China is characterized by the Party managing cadres, the Party leading the government, and the central and higher governments having absolute authority over the selection, appointment, and dismissal of subordinate officials. Zhou (2004, 2008) cuts off the behaviors of local officials from the perspective of local officials' governance in the context of China's special characteristics and economic performance and further puts forward the "bidding race for promotion," pointing out that the central government adopts a "bidding race for economic development" and that the central government adopts a "bidding race for economic development." Zhou (2004, 2008) further proposed a "bidding race for promotion," pointing out that the central government adopts a more aggressive tournament mechanism to incentivize municipal governments to pursue economic growth and GDP performance is regarded as the "score of the race," and the ability of officials to promote local economic growth during their tenure becomes the core criterion for evaluating their governance performance (Bertrand & Schoarer, 2003). The ability of officials to promote local economic growth during their tenure becomes the central criterion for assessing their governance performance (Bertrand & Schoar, 2003, Jones & Olken, 2005). However, this mechanism is not all-encompassing in the day-to-day work of grassroots officials, who do not derive from the mechanism of the bidding race but are influenced more by other governmental logics and internal processes. Grassroots officials not only perform economic development tasks but are also involved in social management, livelihood protection, policy advocacy, and other "stabilization" tasks. These tasks are often not directly reflected in economic indicators, and Zhou (2013) proposes a "locus of control" perspective to analyze government power and governance.

The principal-agent model is derived from theories in economics and management, and is used to analyze the information asymmetry and conflict of interest between principals and agents (Jensen & Meckling, 1976). The key to organizational design is the arrangement of incentives, so that the agent's interests are aligned with those of the principal and the agent takes actions with the same goals (Fama & Jensen, 1983). This model provides a

theoretical framework for understanding the relationship between the central and local levels, and between municipal government and grassroots officials. The principal-agent theory has had a profound impact on studies about government in China, unfolding from fiscal decentralization, municipal government behavioral patterns to officials' incentive mechanisms, revealing the unique logic of the Chinese government's behavior. Shirk (1993) analyzed the mechanism of fiscal decentralization between the central government and municipal governments in the early period of China's Reform and Opening up, pointed out that the central government signed "implicit contracts" with municipal governments through financial incentives, and took economic growth and fiscal revenues as the main assessment indexes to motivate municipal governments to actively promote economic development. Walder (1995) put forward the concept of "municipal government corporatism," pointing out that municipal governments play an important role in economic growth, their behaviors are similar to those of enterprises, and municipal governments are both policy implementers and profit getters, so they have more incentives to regulate and improve the performance of enterprises in the district (Zhou, 2012). Government leaders are driven by promotion incentives and the central government's behavior of pursuing GDP growth by setting performance appraisal targets. These studies reveal the mechanistic features of the central government's transmission of policy goals through fiscal incentives and promotion appraisals to strengthen municipal government execution while also exposing the potential risks of myopic and homogenized municipal government behavior. At the same time, they also reveal the potential risk of myopic and homogenized municipal government behavior. Moreover, most of these theoretical perspectives remain at the general level, which is not sufficient to respond to the diverse behaviors of municipal governments and the driving mechanisms behind them in complex real-world situations.

The simplicity of the principal-agent model is also its Achilles' heel, with critics arguing that it focuses too much on goal congruence and ignores the complex organizational relationships and the dynamic balance between multiple interests (Perrow, 1986; Eisenhardt, 1989). Critics contend that beginning with

a presumption of trust, regarding agents as organizational "stewards," and motivating them to perform responsibly may provide more favorable results for both sides (Davis et al., 1997). In China's complex governance hierarchy, principal-agent modeling alone is not sufficient to explain the diversity of authority relationships and their operating mechanisms. To address China's special governance environment, it is necessary to clarify the status of the formal sector within the organization and how that context affects the interests of the principal and the agent as well as the mechanisms for coordinating the interests, and to propose an improved three-level model based on the original principal-agent model (Zhou, 2008; Zhou, 2013). This model is derived from Zhou's (2008) observation of the Chinese government's "administrative contracting system" in which the central government "contracts out" administrative tasks and responsibilities to municipal governments, which are responsible for specific policy implementation and goal achievement. This model plays an important role in the decentralized structure between the central and municipal governments and is characterized by both incentives and constraints. By focusing on the interaction and control between the principal, the manager, and the agent, the three-level model further enriches the idea of control in the principal-agent model and better explains the power and governance relationships between the central government and municipal governments as well as between municipal governments and grass-roots officials.

3.4.3 Multiple Modes of Governance

Having analyzed the logic of multilevel governance and the principal-agent model from the central to the local level in China, we need to further understand the diversity of models in governance practice. This diversity is not only reflected in the power distribution and implementation mechanisms within the state system but also in the specific ways the state interacts with multiple subjects of interest in different governance scenarios. In a complex scenario such as shantytown governance, the range of stakeholders is significantly expanded, and the active participation of residents becomes a key variable that directly affects the choice and practice of governance modes.

For this reason, the state not only precisely controls the policy objectives through technical and institutionalized “managerialism” but also adopts a more mobilizing “populism” strategy, which promotes the implementation of policies and the achievement of objectives by mobilizing the collective consciousness and the sense of identity of residents. Exploring the combination of managerialism and populism can shed more light on the performance of China's authoritarian governance model in different social contexts and the logic behind it.

In the national governance project, the central government's capacity cannot accomplish all tasks alone, especially in controlling and mobilizing the grassroots society, and needs to rely on the assistance of local grassroots governments, which play a key role in policy implementation. However, decentralization may also lead to a weakening of the central control capacity, prompting the central government to strengthen local regulation through centralization measures (Zheng & Shan, 2009). Managerialism and populism are two distinct but intertwined modes of governance, especially in policy programs involving multiple interests. Managerialism focuses on centralized government intervention, directly intervening in the market and society through executive power to maintain order and efficiency while prioritizing the satisfaction of key objectives set by the state (Wang, 2014). Populism, on the other hand, tends to view the public as the core of governance and strengthens the “bottom-up” power by mobilizing the masses to participate in decision-making and monitoring in order to respond to the needs and demands of the grassroots. This dual model of governance is intended to respond to an important theory of governance in China in the 21st century: “institutionalized arrangements that weaken the role of government by empowering individuals, thus constituting the ‘troika’ of liberal political thought: political democratization, economic liberalization, and the socialization of government. (Yang, 2020) Relying only on the unilateral progression of state authority in governance may undermine social rights and perhaps incite social conflicts; relying solely on populism, although emphasizing the direct participation of the people, may pose a challenge to government authority and weaken the efficiency and consistency of policy implementation.

In China's movement-based governance practices, emphasis is often placed on the “de-righting” of social power by the state: i.e., achieving policy goals through coercive mobilization and repressive management (Wang & Hu, 2019). Although this approach has significant mobilization effects in the short term, it may lead to further deterioration of governance relations in complex local governance contexts. In response to these dilemmas, the development of populism, by encouraging residents to participate directly in the governance process, has become a priority agenda for many urban redevelopment projects (Zhou & Lian, 2012). The reality of populism is grounded in the reality of intense societal transformations, where social discontent is strong and governments fail to respond effectively, and thus there are widespread opposition movements in the society (Wang, 2018) or these transformations are exploited and amplified by a handful of politicians to transform public discontent into support for their agendas (Eatwell & Goodwin, 2018). Typically, populist claims call for governments to gather governing power and to play a greater role in prioritizing the economic and welfare aspirations of specific segments of society.

Among the objections to the “consolidation of public opinion influencing public policy” is the argument that policy is actually determined by interest groups, political parties, and elites (Domhoff, 1998). Despite the high correlation between public opinion and policy, public influence is often more superficial than substantive. The public may be effectively persuaded that the policies they receive are precisely the outcomes they expect (Burstein, 2003). This phenomenon reveals that in a complex political ecology, public opinion may hide deeper interests and political maneuvering, and that what the public perceives as “policy choices” may in fact be carefully designed and manipulated appearances. This phenomenon is especially prominent in the game between political elites and interest groups who, by shaping public opinion and regulating the flow of information, ensure that policies are oriented in line with their own interests. In China, this mechanism is particularly pronounced. The state emphasizes the need for popular participation, especially when it comes to social stability and policy implementation, and the government often encourages people to express

their views through “symbolic” participation, but in practice this participation is often controlled and designed to enhance the legitimacy of policies through the apparent mobilization of public opinion. Through the establishment of consultation platforms and the collection of opinions, the government makes the public feel that they have a say in policy decisions, thus creating the symbolism of “people's participation” and reinforcing the public's sense of identity with government policies.

However, the deeper goal behind such popular participation is social stability. In China, maintaining social stability has always been one of the core objectives of national governance. Through this kind of “symbolic participation,” the government can effectively mobilize people's emotions while ensuring that there is not too much resistance or dissatisfaction in the process of policy implementation. In fact, the voice of the people often does not significantly influence the fundamental direction of policy; instead, through the guidance and control of the State, the people feel that their voices are taken seriously. In this way, the state not only consolidates the legitimacy of the regime, but also prevents social stability from being affected by the accumulation of social conflict and discontent. Zhu (2011) also points out that by regulating the public opinion environment, the government makes the implementation of policies more legitimized and supportive, and thus contributes to the maintenance of the country's political stability. This mechanism emphasizes how to create an atmosphere of popular participation on the surface, while in essence achieving effective governance of society through the guidance and control of public opinion.

3.4.4 Conclusion

This section discusses China's national governance model, particularly the impact of centralization and “locus of control” mechanisms on policy formulation and implementation. Through an analysis of the Chinese bureaucracy, it describes the hierarchical governance structure from “central to local” and how policy objectives are achieved through centralized power and directive management. The application of principal-agent modeling to local governance in China is further explored, revealing the power interactions

between the central and municipal governments and their potential conflicts of interest. In addition, it analyzes how a combination of managerialist and populist governance models can be applied in the context of governance from the “center to the grassroots” in order to cope with complex social demands and political environments. Overall, the practical operation of existing governance models in China still requires more in-depth analysis in order to clarify the characteristics and limitations of governance models.

3.5 Conclusion

The first section of this chapter explains the importance of understanding urban governance within an institutional framework, emphasizing the key role of structural and institutional factors in urban governance. Subsequent chapters combine the internationalization perspective and national strategies in the governance debate, focusing on the transformation of the industrial structure in China's urban regeneration and the development path from “incremental expansion” to “stock optimization.” This shift not only reflects the inherent logic of urban development but also leads to richer and more locally adapted regeneration models through the integration of local culture into strategic planning. This approach reveals how urban regeneration in a given context can be analyzed through structural regimes.

The chapter then introduces the integrated approach to urban governance proposed by DiGaetano and Strom (2003), a model originally used to compare differences in urban governance across countries. This study expands on this by applying it to a specific case study of urban governance in China, demonstrating the usefulness of this analytical framework in exploring how structural contexts, political cultures, and institutional environments work together to shape the behavior of political decision-makers and the actual impact of governance. The chapter then discusses the formal 'institutional foundations' of urban governance structures, including legal frameworks, organizational policies, and cultural norms that regulate the relationships of actors in the social system. DiGaetano and Strom's (2003) theory emphasizes the interaction between formal institutions (e.g., government agencies, political parties, public-private partnerships) and informal modes of

governance (e.g., social networks and local adaptation). Together, these elements shape urban governance to be flexible and innovative in responding to changing challenges. China's unique “party-state” structure is highlighted by comparing Western governance models (e.g., delegated, corporate, managerial, pluralistic, and populist) with China's governance system. In China, governance is deeply rooted in the centralized power of the Communist Party, where decision-making is vertically controlled but local experimentation is allowed. Municipal governments, consisting of districts and counties, enjoy a degree of autonomy in implementing policies, which often creates space for innovation and practical adjustments (Heilmann, 2008). Through this framework, this study analyzes the deep-rooted mechanisms of the governance process, revealing how factors such as context, political culture, and institutional environment shape governance behavior and highlighting the balanced nature of China's urban governance system between central control and local discretion. This combination of flexibility and hierarchy allows governance strategies to be adapted to specific urban challenges.

The chapter also delves into the logic of China's governance system, analyzing its highly centralized but flexible and adaptive structural characteristics. This structure ensures the consistency of centralized decision-making through strong party-state control and a hierarchical bureaucracy, while granting municipal governments a degree of flexibility in implementation. The application of the principal-agent model further reveals the dynamics of central-local power interactions and provides important insights into the strengths and challenges of China's governance model.

Finally, this chapter examines how diverse modes of urban governance, including managerialism, populism, and other governance trends, have come together in China's urban governance process. Due to its distinct positioning and empowerment, each sector adopts diverse capital resources, methods, and technology in governance and plays both upward and downward roles. Together, these multidimensional interactions build a context-specific model of urban governance, revealing how urban governance is deeply intertwined

with social space and influences governance pathways in specific practices such as shantytown redevelopment (e.g., the 18T case).

In the next chapters, Chapter 5 synthesizes the structural context (e.g., administrative status) and historical trajectory of the 18T shantytown redevelopment project, and Chapter 6 looks at urban governance under the state-government logic, exploring the application of the principal-agent model in intra-governmental organizations and the interaction between interest networks and actors. In addition, these two chapters analyze the innovative mechanisms and decision-making processes of policy interventions, providing insights into understanding the logic and practice of state-government. Focusing on a specific 18T shantytown redevelopment project, Chapter 7 further dissects how governance models and mechanisms work and reveals the practical implications of governance actions at different levels.

Chapter IV: Design, Methods, and Approaches

4.1 Research Objectives and Questions

This study adopts a mixed research methodology, combining field research and historical analysis. The historical analysis section focuses on the far-reaching impacts of political and economic transformations (e.g., municipality status vs. market-oriented transformations) on shantytown governance; the major urban reforms and (dilapidated) shantytown redevelopment initiatives in Chongqing Municipality during 2013 – 2020, corresponding to the national (dilapidated) shantytown redevelopment policies and regulations during 2007 – 2020; and the early history of the case area 18T in the context of regional development in relation to the correlation between current changes in the renewed natural landscape. By exploring these historical – realistic connections, the long-term structural logic and dynamic mechanisms behind shantytown redevelopment are revealed. The study systematically explores the changes in power and governance in China's shantytown redevelopment from the governance structure and institutional level as well as from a micro perspective. This approach aims to reveal the mechanisms of institutional

change, socio–spatial dynamics and interactions between stakeholders, and to illuminate the complex social and power systems in shantytown redevelopment.

This study aims to examine the governance of shantytown redevelopment in China, focusing on the introduction of complex power relations or contradictions in a multi-level, multi-subjective governance environment to understand the redevelopment of shantytown and how government policies shape the process. This study is a discussion of the impacts of urban redevelopment on urban practices and governance, as well as a *reductio ad absurdum* of the 16-year-long (2008–2024) redevelopment of the shantytown in Chongqing.

Through a multi-level and multi-perspective analysis, this study explores the institutional context of shantytown governance and its mechanisms of action in policy implementation and socio-spatial reconfiguration. Centered on this main theme, the study will answer the following core questions:

- *Who are the stakeholders and participants involved in shantytown redevelopment projects (SRPs)?*
- *What are the core policy objectives of shantytown redevelopment? How are national and local policies concretized in practice?*
- *How is the governance structure of shantytown redevelopment constructed? How are power interactions and governance relations among stakeholders manifested?*

Through this multi-level and multi-subject research framework, this study seeks to reveal the complex dynamics between policy implementation and social interactions in shantytown redevelopment, providing empirical evidence and theoretical insights for the study of urban governance and spatial politics.

4.2 Research Design

This study is theoretically grounded in critical realism (CR) and its methodological choices are closely centered on the research objectives and

core questions. CR, as a philosophical framework for science, first emerged in the 1970s and 1980s through the work of Bhaskar, aiming to explore the nature of things and causal mechanisms (Bhaskar, 1998; Sayer, 1999). At its core lies ontological realism, which emphasizes the existence and functioning of reality independent of human perception and knowledge. CR rejects the view of social phenomena as mere objects of empirical observation, and instead advocates transcending the limitations of empirical research and hermeneutic methodology to reveal the deeper structures and mechanisms underlying empirical phenomena (Archer, 1995; Bhaskar, 1998). CR divides reality into three levels: the realm of the real, the realm of the empirical, and the realm of the actual, which corresponds to the underlying causal mechanisms and actual events and their empirical manifestations (Hay, 2002; Næss & Jensen, 2002; Danermark et al., 2002). This framework is particularly important in urban planning research due to its emphasis on the interplay between social structure and individual behavior. According to Næss (2015), the structure–subject relationship can be explored at two levels: firstly, the physical spatial structures and the actual contact and interaction of residents with these spaces in their daily lives. The second entails the “non-material” social structures, such as legislation, land ownership, and economic systems, which influence the construction and transformation of urban space through policy and decision-making processes. Understanding the relationship between structures and subjects is therefore a prerequisite for urban planning research.

To apply the aforementioned theory to empirical analysis, this study employs a qualitative case study method, drawing on the theoretical guidance of Yin (2009) and Flyvbjerg (2001). Yin emphasizes that case studies are particularly suited to addressing “how” and “why” questions in complex real-world contexts. The case study design is centered around the research question, which facilitates an in-depth investigation of shantytown redevelopment as a governance practice. This approach not only captures formal institutional arrangements but also encompasses informal power dynamics, actor interactions, and the policy implementation process. Flyvbjerg notes that the “key” case study provides the richness and depth of context necessary to

enhance the explanatory power and theoretical significance of the research. In terms of data collection, this study combines policy documents, interview records, planning materials, and media discourse to ensure data triangulation, thereby enhancing the validity of research conclusions (Yin, 2009). The selected case studies represent the empirical domain of the research, while the deeper governance logic, institutional practices, and actor relationships reflect the real-world domain emphasized by CR. Critical realists typically begin with problem-oriented inquiry, guided by theory but not confined by it. As Bhaskar (1979) noted, researchers should “avoid committing to the content of any particular theory and recognize the conditional nature of all their findings.” Theory is employed instrumentally as a tool for refining and questioning empirical observations. In this study, the theoretical framework is not prescriptive but evolves iteratively through interaction with field data and urban governance literature.

The complex power relations between subjects and the causal relationships in the structure of shantytown redevelopment represent the field of practice (Research Question 1). In the previous introduction to China's land titling system in Chapter 2, it can be observed that the shantytown redevelopment program relies on systematic policy arrangements for large-scale urban redevelopment (Wu, 2006). In addition, managerialism as a form of governance and ideology (Clerke & Newman, 1997; Pierre, 1999) provides an important perspective for understanding the role of the state and the logic of the municipal government in shantytown redevelopment (Research Question 2). In the context of the strategic deployment of middle-class oriented urban redevelopment, the impact of urban redevelopment is not only reflected in the spatial and economic restructuring, but also profoundly reshapes social composition and power relations. This process is reflected in the squeezing of space for certain groups and the redistribution of social classes, while reinforcing the dominant position of certain interest groups. In the case of shantytown redevelopment, for example, municipal governments have promoted spatial redevelopment and redistribution of interests in the process of policy formulation and decision-making by adjusting laws and regulations, land ownership, and economic systems. At the same time, the power

interactions and governance relationships among municipal governments, developers, and residents are also emerging in this process, with cooperation, conflict, and games. The balance of power dynamics and the adjustment of governance modes not only reflect the negotiation and contradiction of the goals of multiple parties, but also reveal the implicit social power structure and institutional logic behind the urban redevelopment strategy (Research Question 3).

Following CR's guidance, I adopted a qualitative approach and used multiple sources to inform my case study, which is organized into two parts. The first section presents a literature review that synthesizes key concepts in urban governance and shantytown redevelopment, alongside relevant practices in Chinese shantytown projects and associated power dynamics. These theoretical underpinnings will guide the subsequent field study and serve as the analytical framework for the 18T case. The second section turns to qualitative data, drawing on both primary and secondary sources that form the empirical foundation of this research. Qualitative methods provide a holistic understanding of the “why” and “how” behind urban dynamics, providing a holistic understanding of the complex dimensions of events. Such inquiries are used to find the motivations and intentions that drive shantytown regeneration projects. Qualitative methods bring out narratives that reveal the hidden factors that orchestrate the choreography of urban change.

In accordance with CR's guidance, I adopted an integrated qualitative research methodology based on case study research, combining documentary and narrative analysis and utilizing multiple sources to support the research. The case study approach, as a qualitative research method for in-depth exploration of complex social phenomena, is particularly suitable for researching issues with complex contexts, multiple intertwined factors, and the need for careful analysis. In my study, shantytown redevelopment involves multiple dynamics, as well as power interactions and governance relationships among stakeholders. The case study approach provides a clear and systematic framework for understanding these complex processes. The first part of the study is a literature review that systematically summarizes core

concepts in the field of urban governance and shantytown redevelopment, while focusing on the practice of shantytown redevelopment and the dynamics of power structures in China. These theoretical frameworks will serve as an important foundation for the field study and provide theoretical support for the analysis of the 18T case. In the second part of the study, I adopt a narrative analysis approach to focus in depth on the experiences, feelings, and perspectives of stakeholders (e.g., residents, government officials, and developers) in the process of shantytown redevelopment. These narratives reflect the diverse dynamics in specific social contexts, cultural values, and power relations.

By analyzing these narratives, the study reveals the key factors hidden behind urban transformation, including the motivations in the decision-making process, the game of interests, and the operating logic of power relations. Narrative analysis emphasizes the exploration of the “why” and “how” of redevelopment from the perspective of the subject, especially in the conflict and cooperation between social classes and stakeholders, revealing the multiple facets of governance practices. For example, the personal narratives of the residents not only present the impact of renovation on their lives, but also reveal how government policies and market forces have shaped their life trajectories. Meanwhile, municipal government policy texts and developers' reports provide official narratives of policy and market orientation, and a comparative analysis of these materials allows for a more comprehensive understanding of the social dynamics and institutional logic of shantytown redevelopment.

The case study methodology allows for the integration of multiple data sources, including both first-hand data (e.g., interviews) and second-hand data (e.g., policy texts and relevant literature). Through cross-validation between data sources, the study was able to reveal deep dynamics of redevelopment and governance logics. For example, residents' narratives reveal marginalization experiences, while government documents reflect the implementation framework of policy goals and laws and regulations. Developer reports and media narratives provide market-oriented perspectives.

The case studies provide a clear framework for integrating and analyzing these data, enabling the study to answer the research questions from multiple perspectives.

A comprehensive set of methods was used to answer the three core questions of this study. Despite the differences in the research steps for each question, a single method cannot adequately answer complex research questions. Therefore, this study utilizes a mixed-methods strategy that combines multiple research tools to ensure breadth and depth of information.

It is important to emphasize that the various methods do not contribute equally to the research questions. Instead, each research question is based on one primary research method, supported and complemented by others. The following section describes each of the main research methods by research question and describes their specific application in the study. At the same time, in order to clarify the methodology related to the third research question, we will explain how “observation,” as a complementary research method, is included in the overall analytical framework. The differentiation and description of the research methods will be based on the type of methodology rather than on the order of the research questions, ensuring that the methodology matches and is consistent with the data sources.

Table 4.1: Framework for Research Design and Methods

Research Objectives	Research Questions	Methodological Steps	Research Methods
Identify the key stakeholders and participants in shantytown redevelopment projects (SRPs) and analyze their identities and roles in the project.	<i>1. Who are the stakeholders and participants involved in shantytown redevelopment projects (SRPs)?</i>	1. Define SRPs in China's context. 2. Identify and categorize stakeholders. Define the scope and categorization criteria of stakeholders, and identify their specific roles in the shantytown redevelopment process. 3. Explain the power interests of stakeholders; systematically analyze the relationship, conflict, and negotiation process among stakeholders, and reveal the power interaction and governance dynamics.	Literature analysis. Stakeholder interviews.

Explain the implementation of SRPs in response to market transformation and emerging policies. Capture strategies in SRPs. Reveal the logic behind the SRPs' governance.	<i>2. What are the core policy objectives of shantytown redevelopment? How are national and local policies concretized in practice?</i>	1. Analyze the developmental framework around SRPs via thematic literature analysis. 2. Spatial and temporal examination of governance policy documents to assess the influence of policy planning on SRPs.	Policy compilation and analysis. Secondary data analysis. Stakeholder interviews.

Analyze the governance framework for shantytown redevelopment, focusing on the structure of policies, decision-making processes, and institutional arrangements. Analyze the impacts of SRPs on power relations.	<i>3. How is the governance structure of shantytown redevelopment constructed? How are power interactions and governance relations among stakeholders manifested?</i>	1. Construct an analytical framework that links governance theory, stakeholder dynamics, and urban redevelopment policy to ensure clarity of the research object and its interactions. 2. Analyze in depth the pathways involved in the policy formulation and decision-making process, exploring governments' promotion of shantytown redevelopment through formal mechanisms such as policies, regulations, and financial incentives. At the same time, we focus on the role of informal practices (e.g., consultation and lobbying), and assess the specific performance and effectiveness of these practices in balancing interests and coordinating conflicts. 3. Combine semi-structured, in-depth interviews and case studies to conduct micro-level research on governance relationships in specific	Literature review. Policy analysis. Semi-structured Interviews. Observations. Secondary data analysis.

(Source: Author's own)

The PhD study was officially started in October 2020. The project and fieldwork program received ethical approval in February 2022 and began in April 2022. Primary data sources included fieldwork, in-depth, semi-structured interviews, and observation transcripts between April 3 and September 5, 2022, as well as relevant official policy documents, policy analyses, news reports, and commentary. In 2020, I attended the public preview of the 18T exhibition, which marked the beginning of my efforts to collect and analyze secondary literature. This initial work laid the theoretical and contextual groundwork for my research, which I supplemented with additional data during fieldwork in 2022, further enriching the contextual analysis and supporting the early drafting of relevant sections of the dissertation.

During the five months of fieldwork (2022), although the interview schedule covered 50 individuals (Appendix 1), the actual interview process encountered a number of practical challenges that led to a reduction in the final number of interviews. For example, some government officials declined to be interviewed, citing "busy schedules." In addition, although initial contacts were made with developer representatives as early as 2020, the representatives initially contacted were unable to continue participating in interviews during the 2022 survey phase due to job transfers to other projects. As for the resident interviews, since they were scheduled for the final stage of the investigation in August 2022, the local COVID-19 situation was quite severe at that time, and certain areas of Chongqing were under lockdown. I had to undergo daily nucleic acid testing to enter "medium-risk areas" for the research. However, under such circumstances, most residents chose to stay indoors, significantly reducing the likelihood of successful interviews. Even more challenging, some resettlement sites located in "high-risk areas" were inaccessible due to strict controls, resulting in some planned tasks being unable to proceed as scheduled. Meanwhile, some interviews were eliminated due to duplication of content and insufficient information. Despite the reduction in the number of

interviews, through rigorous screening, I ultimately obtained 34 high-quality, in-depth interviews covering a variety of perspectives.

The selection of the interviewees was based on their first-hand knowledge of the development and decision-making process of the shantytown redevelopment projects under study. Participants included government officials (district government, Command Centre, management committee, street offices, etc.), planners, and developers (who are directly involved in the process), and will be channeled through a network of “guanxi” (social relation) such as companies and personal referrals. As part of my extensive research on the 18T SRP, I also interviewed residents who had been relocated from 18T to Huayu YiJingYuan, JuFuLi, YunHu LvDao, and Tongxin Jiayuan, which were the target relocation areas for the 18T redevelopment project. I recruited these local residents using snowball sampling and random questioning within the community.

4.3 Case Selection

The Chongqing 18T shantytown redevelopment project was selected as the case study for this research for several reasons. Located in the Yuzhong District — the historic core of Chongqing — 18T project occupies a unique geographic position, linking the Jiefangbei CBD and Binjiang Road areas. It is one of the largest and most significant shantytown redevelopment projects in the city. As a city built on a mountain, the 18T area serves as a vital corridor connecting the upper and lower parts of the city. This location encapsulates the city's historical evolution while carrying the dual responsibilities of modernization and redevelopment. The project encompasses multiple policy goals, including economic development, cultural heritage preservation, and urban regeneration, offering an ideal platform to examine policy implementation mechanisms and spatial restructuring.

The project covers an area of about 380,000 square meters, involving more than 7,000 households and about 30,000 residents, which is huge in scale. Such a large-scale project provides rich empirical data for studying multi-level governance and social interactions. At the same time, the diverse

stakeholders provide valuable research perspectives for in-depth discussions on group interactions, power dynamics, and interest coordination in policy implementation. More importantly, the 18T project has introduced innovative governance institutions such as the Command Centre and the Historical and Cultural District Management Committee. These institutions promote governance by integrating resources and mediating conflicts of interest through cross-departmental coordination, centralized decision-making and project supervision. In addition, in such a complex social context, the implementation and execution of the government are of great significance for understanding the governance mechanisms in a complex policy environment.

In addition, since the turn of the century, the city of Chongqing's once-glorious economic legacy has gradually faded, overshadowed by the rapid development of other regions in recent years. In 2008, the Chongqing municipal government launched a series of large-scale third industrialization projects to reshape Chongqing into a world-class city by re-developing existing urban spaces. This strategy is no longer limited to expanding urban edges but has shifted to the organic redevelopment of existing spaces. The 18T project is a typical example of this "secondary development" strategy. The redevelopment of the Yuzhong mother city not only carries the strategic goal of local development but also provides an important sample for studying the governance logic in urban regeneration.

More importantly, the 18T project has lasted for more than ten years, involving complex policy implementation processes, social change and spatial reshaping. Existing case studies have focused on evaluating planning strategies and cultural heritage protection while paying less attention to the interaction between power and stakeholders in the project and the in-depth exploration of using the protection of historic districts as a regeneration strategy. Therefore, this study attempts to fill this academic gap by focusing on the operation of power, the negotiation and conflict between stakeholders, and revealing the multi-dimensional governance mechanism and social structural changes behind the project.

In summary, as a typical case of shantytown redevelopment in Chongqing, the 18T project provides a comprehensive research perspective for revealing the governance process of shantytowns. This study aims to reveal the underlying social and governance logic by analyzing its governance process and the interaction of multiple actors and provide in-depth insights into the core research question of "revealing the governance of the shantytown redevelopment project in Chongqing's 18T.

4.4 Data Collection: Background Research and Literature Analysis

First of all, this study aims to answer Research Questions 1 and 2 by taking background research of the case study with literature analysis as the first step of data collection and research. This session constructs the historical and institutional framework of the project's development by systematically combing through policy documents, historical archives, academic literature, and media reports related to Chongqing's 18T shantytown redevelopment. This methodological design is oriented to a clear objective and closely integrates the construction of the theoretical background with the development of empirical research, laying a solid foundation for the study. The historical review and literature analysis as the starting point of the study not only provide background support for the study in time and space dimensions, but also clarify the key nodes of the program and the core policy vein.

Second, the study followed the logical sequence from macro to micro and from history to the current situation. By sorting out the historical and institutional background of Chongqing's 18T shantytown redevelopment, the project-related policy dynamics, governance framework, and its evolutionary process are all clarified. As a Chongqing researcher, I have deep personal experience with the Mother City's demolition and the 18T shantytown redevelopment. This background enables me to gain a more comprehensive understanding of the changing spatial patterns and stakeholder dynamics of the 18T shantytown redevelopment, and to systematically analyze the evolutionary process of the phases of the 18T shantytown redevelopment in the light of the existing academic literature and the design of the

redevelopment program, to reveal its relationship with the overall urban development strategy of Chongqing Municipality. The literature analysis is not limited to policy documents and research reports; it also includes historical descriptions of the 18T area, local histories, and oral histories of residents. By critically analyzing these sources, this study reveals the hidden social logic and cultural symbols behind the implementation of the policy and demonstrates the dual role of the project in local economic restructuring and social change.

The secondary data used in this study are not limited to specific sources or categories, rather they synthesize multiple elements to present a complete picture of the case. In doing so, I have maintained a critical perspective throughout in order to avoid any single viewpoint dominating the research output. These sources are wide ranging, and I have categorized the secondary literature into the following categories: First, officially published books serve as important sources, including *Memories of Old Chongqing*, *Memories of Yuzhong*, *Literary and Historical Materials of Yuzhong District of Chongqing*, and *Archives of 18T*. These are on display in the 18T Mountain City Memory Museum, and some of the books and other non-government content can be accessed in the Yuzhong District Library.

Second, academic papers and journals are obtained from the China Knowledge Network (CNKI), of which the number of master's theses and doctoral dissertations is limited, accounting for 1/10 of the proportion of relevant literature.

Third, the Bureau of Construction and Planning provides access to policy documents and official reports—encompassing national shantytown regeneration since 2008 as a “livelihood project” and the integration of the regeneration model with historical and cultural preservation. These materials include official announcements, plans, books, maps, and collections of relevant regulations. Planning Department data are available to the public on these websites. However, some of these online data are only retained up to a specific time, and I supplemented the relevant content with webpage snapshots and news reports.

Fourth, basic data collection and updating techniques related to shantytown governance guided me through internal operation manuals obtained during my internship work in the relevant departments, which detailed the categories, procedures, and policy formulation considerations of SRPs and provided the study with an in-depth understanding at the practical level.

Finally, non-academic materials, including the 18T Memory Museum, commercial brochures, and online information (news and websites) were also important sources of information, particularly the section on street-to-resident interactions, which is available online at the Nanjimen Street Office of the Chongqing Municipal People's Government of Yuzhong District, as well as online and offline on the Party Committee's bulletin board.

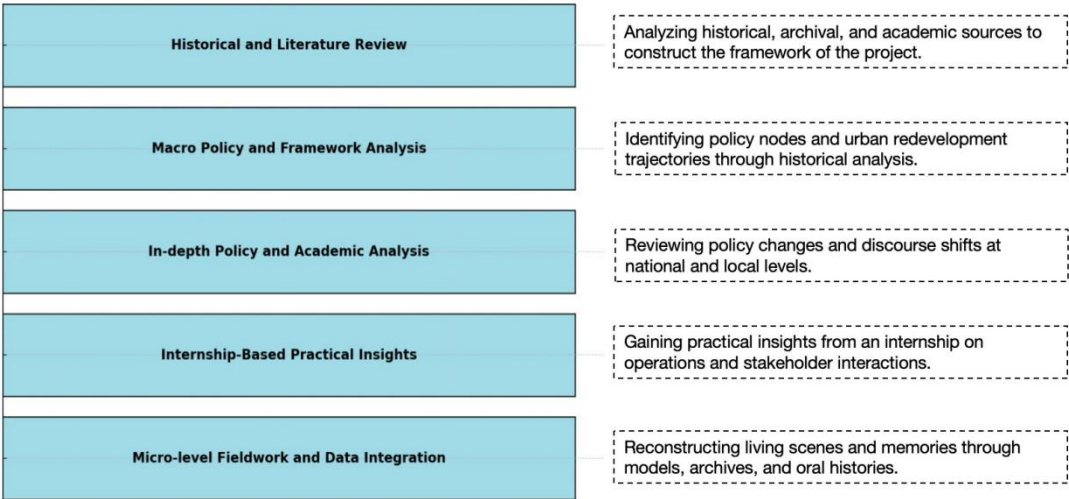


Figure 4.1: Key Phases of Research in the 18T Shantytown

Redevelopment Study.

(Source: Author’s own)

The above secondary information provides information from several periods of time. I categorized it according to its origin and content: policy documents, historical archives, and media reports, and then archived it according to time using favorites (web favorites and physical document favorites). The methods used to organize and analyze this information include extracting key events

and decision-making nodes from historical archives and policy documents, as well as creating a timeline to match the key stages of the project with relevant policies and historical contexts. The initial phase of the research focused on the first and second types of materials to get a macro view of the project in its entirety and its evolution over the past decade. These sources helped me outline the overall framework of the 18T redevelopment and identify key nodes and evolutionary trajectories in the implementation of the policy. In the in-depth analysis phase, I studied academic papers and policy discourses related to shantytown redevelopment and shantytowns redevelopment. They are critically transformed into important intellectual and textual elements. These documents not only provide innovative academic perspectives and critical insights, but also complement the institutional logic of the program's policy and implementation process. Moreover, the history of 18T redevelopment does not just remain in the official narrative.

Since my father and several familiar aunts and uncles had lived and worked in the area, I had been exposed to the area from a young age and accumulated some memories and experiences about it. These personal experiences provide a unique perspective on the early stages of the research and are used throughout the first two chapters of the thesis. The third type of information is mainly used to explore the process of shantytown redevelopment policy making. By systematically combing national and local (Chongqing municipal level) policy documents, I combine the timeline of policy development with the major stages of shantytown redevelopment in Chongqing. The rationale and political mandate for shantytown redevelopment is understood from the perspective of higher levels of government, and how municipal governments and their related institutions relate to local contexts and knowledge to implement policies and orders from higher levels. The policy objectives, the use of terms and their changes, especially the descriptions of “livelihood”, “economic benefits” or “cultural preservation” at each stage, are also analyzed to capture changes in policy priorities.

The fourth type of information comes from my internship experience at CCTEG (Chongqing Engineering (Group) Co.) LTD.). This four-month

internship provided a comprehensive understanding of the actual operations and decision-making processes of municipal governments and planning departments in SRPs. Through daily workflow and meeting discussions, the dynamics of interaction between the government, developers and other stakeholders, and the actual operation of their negotiation mechanism were clearly presented. At the same time, the in-depth dialogues with senior planners provided me with valuable professional insights into the identification of possible gaps between planning and implementation, and an understanding of the way local factors (such as economic conditions and social contexts) can affect the actual outcomes of shantytown redevelopment projects.

The fifth type of data comes from my first visit and my fieldwork on 18T (2020,2022), in which I visited the archives and collected a variety of materials including architectural models, digital photo archives, and residents' oral histories. These data provide crucial micro-views in reconstructing local residents' living scenes and historical memories, further supporting the analysis of social structure and historical and cultural ecology. Each type of data integrates information from numerous viewpoints and levels to provide a complete picture rather than addressing a single question. This integrated technique broadens and deepens the study and shows the richness and diversity of institutional, geographical, and social connections in urban reconstruction.

4.5 Data Collection: Stakeholder Interviews

Qualitative interviews were conducted in order to understand the experiences and thoughts of individuals in the shantytown redevelopment mechanism. Discussions with a variety of stakeholders helped to investigate associations and connections that could not be directly observed (Weiss, 1995). In this study, qualitative interviews were used to collect data to describe in detail the redevelopment and participation process. Qualitative interviews can provide answers to the question “[W]hat is the process by which an event occurs?” (Waiss, 1995). Before conducting the main field interviews, I carried out an extensive round of pilot interviews via telephone and microphone in early 2022 to assess my interview guide. These exploratory interviews served as an

initial trial to determine whether the themes I intended to explore were effectively addressed through the proposed interview structure and questions. Feedback from these pilot interviews helped refine and enhance the final interview questions. Next, formal interviews were conducted primarily face-to-face, while some were also conducted via WeChat calls and phone calls due to the regional closures during the epidemic. I chose a predominantly semi-structured interview format that ensured the flexibility to explore and update existing literature on shantytowns, while still allowing new ideas to emerge. All interviews (in which the interviewee allowed it) were audio-recorded and transcribed verbatim. Those that were not allowed to be audio-recorded I refined through note-taking as well as post-session review.

The interviews varied depending on the type of interviewee. The design of the interview questions followed a differentiation strategy, tailored to the type, role, background, and experience of each interviewee in order to maximize the capture of information relevant to the research objectives. Interviews with government officials focused on policy formulation and regulation, aiming to reveal the logic behind policies, decision-making processes, and power dynamics, and to provide key information for understanding the governance structure. Interviews with planners focused on technical details and the interface between policy and planning in practice, and unearthed the challenges of the planning process. Interviews with developers, as direct stakeholders, focused on the impacts of policies on projects and profitability models. Interviews with academic experts focused on the theoretical aspects of policy formulation and regulation. Scholars and experts critically discuss policy and practice from theoretical and macro perspectives. Combining the backgrounds and experiences of these subjects, questions for government officials, planners, developers, and academics were:

- *What was your role in the redevelopment project? What did you do? What was the whole process like?*
- *What institutional arrangements guided the project's implementation, and in what ways did the 18T SRP address financial matters, land acquisition, and governance structures?*

- *What is the role of the government in the reconstruction process?*
- *What are the interrelationships between stakeholders?*

Residents are directly impacted by shantytown redevelopment, and their question set is centered around personal life experiences, relocation impacts, and policy feedback. Changes in the residents' interview questions are mainly reflected in several aspects. Initially, the questions were designed to be more macroscopic, attempting to explore their perceptions of the policy as a whole. However, after the pilot interviews, it was found that there were limitations in the understanding of the policy, and that this question format might not be able to guide residents to clearly express their specific experiences. For this reason, the questions were adapted to focus more on practical changes in daily life, for example, asking about their role (what do they do?) and perceptions of the SRP: How did you get involved? Topics covered included demolition and changes within the neighborhood, residents' relocation history, their willingness to relocate, their satisfaction with living in the area, and both the direct and indirect effects of the SRP on their lives. Moreover, the interview questions were crafted with consideration for emotional and expressive nuances. For example, the question was adjusted from "What is your general opinion about the relocation policy?" to "What were the things that particularly affected you during the relocation process?" in order to avoid the resistance that overly direct questions can cause, and to encourage residents to share their personal experiences more naturally. At the same time, the questions were designed to avoid overly academic or technical terminology, instead using simple, easy-to-understand language to ensure that the interviews went smoothly.

4.5.1 Stakeholders Recruitment

Participants included planners, government officials, residents, and developers, with the most interviews (12) being with residents. In comparison, interviews with planning experts were typically much longer, due to their extensive experience and expertise in the field, which allowed them to discuss broader and more complex topics in depth. I interviewed a total of six planning experts, including professionals who were directly involved in this case and

some who were not directly involved in the project but had relevant experience.

The design is intended to capture a plurality of perspectives from individuals with similar professional backgrounds, while covering several positions and perspectives. Longer interviews with planning experts do not imply that their knowledge is more valuable than that of other interviewees, rather that their professional status and experience in the field allowed them to provide more information as well as discuss more complex content, including technical details, challenges in policy implementation, and evaluation of updates. Planning experts could provide both subjective perspectives due to their direct involvement in the project, as well as share more objective observations based on their broader experience. This does not diminish the importance of other interview data.

Table 4.2: List of Interviewed Stakeholders

No.	Date	Type	Age
B1-1	1/9	Government Official	55 – 60
B1-2	1/9	Government Official	about 55
B2-1	2/9	Government Official	about 60
B3-1	31/8	Government Official	about 50
B4-1	2/9	Government Official	29
B4-2	2/9	Government Official	about 50
B4-3	2/9	Government Official	47
B5-1	22/7	Government Official	about 50

B5-2	22/7	Government Official	about 50
C-1	13/5	Planner/ Specialist	45
C-2	19/5	Planner	27
C-3	19/5	Planner	33
C-4	19/8	Planner/ Specialist	51
C-5	4/9	Specialist	about 40
C-6	4/9	Planner	58
D1-1	4/6	Developer	25
D2-1	29/7	Developer	about 35
E1-1	25/5	Public Service Organization - School	52
E2-1	4/6	Public Service Organization	about 40
E2-2	4/6	Special Visitor	45 – 50
E2-3	4/6	Special Visitor	45 – 50
E2-4	4/6	Special Visitor	45 – 50

(Source: Author's own)

As noted above, key informants were selected through a snowballing method, starting with senior government officials, who introduced the researchers to subordinate department heads responsible for—or minimally involved in—the case. In particular, this helped gain access to the Command Centre, the management committee, and the subdistrict. On the other hand, during the study period, I conducted interviews with some planners alongside my internship work, and through their introductions, I was able to connect with planners involved in the project. Since the field research was five months long, in addition to direct contact with the government and planning sections, direct contact with the public was made on weekends and a month after the end of the internship, including face-to-face interviews with the older residents of 18T who had relocated to a number of new neighborhoods. In addition, in order to obtain the developer's perspective, the researcher not only interviewed the

developer's representative through a formal introduction, but also designed an original “situational interview.” Three aunts and uncles (elders) were invited to play the role of potential investors and interact with the developer in order to gain a deeper understanding of the developer's position and actual operation. Details of the interviewees and interviews are given in Table 4.2. To protect the anonymity of interviewees, resident quotes are presented alongside their gender, age group, a pseudonym, and the interview date. Academics, governors, planners, and developers will be lettered (to distinguish between interviewee roles).

Table 4.3: List of Interviewed Residents at Huayu YiJingYuan and JuFiLi

No.	Date	Location	Age	Sex
A-1	28/8	Park	about 60	F
A-2	29/8	Plaza	70–80	M
A-3	29/8	Plaza	70–80	F
A-4	30/8	Park	about 80	F
A-5	30/8	Park	60 – 70	F
A-6	30/8	Park	50–60	F
A-7	30/8	Park	70–80	F
A-8	1/9	Online	about 60	M
A-9	1/9	Online	about 55	F
A-10	14/5	Plaza	70–80	F
A-11	16/5	Plaza	70–80	F
A-12	16/5	Plaza	70–80	M

(Source: Author's own)

4.5.2 Stakeholders Interviews and Observations

In addition to interviews, “observation” as a research method was deeply integrated into my practice. Through repeated visits and in-depth research, I gradually drew closer to the research projects and subjects, and observed the projects in detail while maintaining an academic distance. This approach enabled me to “immerse” myself fully in the situations and contexts I was

observing, so as to understand their dynamics and complexity in a more comprehensive way. Observations were made throughout the fieldwork process, not only supplementing the interview data, but also providing a richer and more three-dimensional context for exploring the governance of shantytown regeneration.

In the interviews with senior government officials (which included an introductory acquaintance layer that may have aided the interviews), there was a degree of candor and professional discretion in the exchanges. In describing the functions of government agencies, the ways in which market players participate, and institutional arrangements, confidence in the transparency of public affairs and policy implementation mechanisms was demonstrated. In addition, senior government officials took the initiative to discuss technical and managerial challenges in project implementation, such as underground space development and rail transit construction, demonstrating familiarity with practical operational details and a willingness to share. However, their answers were mainly focused on open issues such as policy implementation, project planning and technical operations, while they showed a strong avoidance of potentially controversial issues such as compensation for demolition and project evaluation, avoiding areas that might trigger sensitive discussions.

In contrast, grassroots government officials (e.g., those in charge of street offices and neighborhood committees) showed greater willingness to communicate, and more practical experience. They showed a high degree of openness when describing the policy process and implementation details, but were cautious and evasive when it came to sensitive issues such as compensation amounts and residents' conflicts. For example, when talking about the compensation policy, they repeatedly stated "[O]nly the district and municipal Government know the exact amount," and they even showed obvious concern about the issue of "rehashing old scores 翻旧帐" (a term used to describe holding on to someone's past, and often bringing up some controversial matters over and over again). In addition, in explaining the conflicts and contradictions in compensation, officials emphasized the fairness

of the policy and the implementation of the rule of law, and downplayed the controversial nature of the government's decision-making.

Resident interviews were an important part of my research. First, I traveled to Huayu YiJingYuan in Yubei District to conduct initial interviews, and then, through residents' suggestions, I traveled to JuFuLi in Banan District, the residential area with the highest concentration of 18T relocated residents. Observations were carried out at various times throughout the different days in locations where residents frequently gather and engage with one another, such as seating areas in the neighborhood's central fitness and recreation spaces, as well as along pedestrian walkways. These places had become key spaces for residents to socialize and interact with each other, especially for older residents to walk after dinner. During the fieldwork, the attitudes of local residents were ambivalent and complex. They were often wary and defensive, especially when confronted with unfamiliar visitors, asking questions such as "Are you from the government? Are you from the Demolition Office?" When I identified myself as a student and explained the purpose of the study, their skepticism was alleviated, but they still showed expectations about whether the study would change the compensation outcome, asking questions such as, "Will the study help or change our situation? Will it increase compensation?" However, once the interviews were underway, residents often showed a strong desire to express themselves, not only talking positively about relocation and compensation, but also about their family situation and community life. In particular, in conversations with older residents in the community, other residents often came forward to ask if they needed help, out of concern for the elderly and suspicion of my identity. This interactive pattern of both defensiveness and solidarity not only reflects the residents' collective identity and internal support network during the relocation process, but also reveals their social status and interests in the project. Through participatory observation and interaction, I was able to understand the residents' positions and social roles through their words, actions, and emotional expressions. This approach enabled me not only to capture their multiple perceptions of the relocation project, but also to gain a deeper understanding of the complex

social dynamics of the project's implementation, which in turn provided more in-depth field data to support the study.

4.6 Data Analysis

SRPs involve multiple dimensions and levels of structure, including institutions, culture, and individual behavior. Due to the complex intertwining and dynamic interactions between these levels, social phenomena often show irregular patterns at the empirical level, usually in the form of rough trends or broken patterns in the data. This phenomenon is what is referred to as “demi-regularities” in the framework of critical realism, and the data analysis in this study begins with the identification of “demi-regularities” at the empirical level. CR is looking for trends, not patterns (Danermark et al., 2002). By coding and analyzing the qualitative data, these “demi-regularities” were systematically identified, providing key clues to the underlying social mechanisms. Yeung (1997), for example, describes this process as “the intensive grounding process of conceptual emergence,” emphasizing the importance of looking for inherent patterns and dynamic structures in empirical data.

The purpose of this study is to reveal the dynamics of policy implementation and governance challenges in the multilevel governance mechanism of the 18T SRP in Chongqing through an in-depth analysis of the project. It focuses on exploring the role interactions and power distribution of stakeholders in the urban redevelopment process and their deeper impacts on the transformation of social structure and cultural values.

The governance of shantytown redevelopment in China is a complex process. For this reason, the answers to the guiding research questions are embedded in the analytical governance framework. Following DiGaetano and Strom's (2003) analysis of the “power structures that shape political decision-making,” urban governance is described as a series of mediations between the structural context, political culture, institutional environment, and the roles of political actors. To this end, the examination should cover the connection of each area to this case and should analyze the various dimensions that influence urban decision-making.

Firstly, drawing on experiences related to typologies of urban governance (Wuttke, 2012; Altröck and Schoon, 2013) to characterize urban governance models in China, a model of project governance is identified through governance relationships, control logics, key decision makers, and political goals, and the context in which this model was selected is presented. Secondly, a structured analysis of the three domains of structural context, political culture, and institutional environment is used to paint a detailed picture of decision-making. At the same time, interviews with several subjects of interest from specific empirical fieldwork are used to assess the power dynamics of each subject in the development of the project. Having presented here what the study was supposed to analyze, the following discussion will turn to the coding practice component.

4.6.1 Coding practices

In this study, I primarily used the “deductive approach” as a coding method to ensure that the codes matched my research questions. The deductive analysis of the 18T shantytown regeneration project using the governance approach presented in Chapter 3 was based on the theme of a pattern found in the threads of the overall development of the event, through which the observed phenomenon can be described, or specific aspects of the phenomenon can be explained.

The initial code list was derived from the literature review and theoretical frameworks. However, during the data analysis process, these codes were dynamically adapted, including modifications, deletions, and additions of new codes, and the deductive codes were not only used as a tool for interpreting the data, but were also seen as a way of reconfiguring and expanding on existing models and theories (Gilgun, 2011). For example, a head of a planning component stated, “It [the state] has the ability to mobilize resources to target the needs of social development, the aggregation of social groups, for overall event creation, and there is also the purpose of social governance at the top, at the bottom of event creation.” (C-4) This description is categorized as “Resource Mobilization and State Capability,” which demonstrates the roles and objectives of the state in overall social

governance, and constitutes the original "State Roles and Objectives" code. With the addition of more interview data from officials, street leaders, and residents, this code was further expanded to cover such things as "easing class conflict," "enhancing national competitiveness," "redevelopment of people and events," and so on. The scope of the initial code is no longer limited to direct descriptions of policy implementation and resource mobilization, but encompasses a broader range of governance objectives and social functions.

During the analysis process, through repeated reading and organizing of interview transcripts, policy documents, and field observation notes, I split, rearranged and condensed the texts based on the similarities and differences in the data to better fit the research objectives. This process is also known as decontextualization, or condensation (Friberg et al., 2000; Graneheim et al., 2017). Elements like national policy, municipal government, and market, all under the theme of forces driving Governance, were grouped together into the category "Force." Similarly, residents revealed their limited understanding of the project's background, with much of their information derived from small-group "gossip" and unofficial sources, while official channels possessed a significant amount of detailed information. This observation led to the abstraction of the concept label "Information Access and Dissemination," which was further coded into the broader category of "Implementation and Interaction."

Building on these insights, the research objectives and core questions guided the identification of five key categories from the multiple themes: "Forces," "Governance," "Participation," "Challenges," and "Needs." These categories captured commonalities and differences across the data, providing a structured framework to explore the deeper mechanisms underlying policy implementation and social interaction. Detailed analysis of the related codes brought forward critical concepts such as the "vertical structure of governance" and the "weak connections between residents and other stakeholders." This process effectively contributes to the theoretical analysis

of the governance structure and the power relations of the stakeholders, and lays the foundation for the construction of the research framework.

4.6.2 Data Analysis

There were other challenges faced during the data analysis process, including the long governance cycle of the project and the potential for breaks in the time span covered by the data, resulting in an incomplete picture of key decision-making processes. In order to restore the governance process as much as possible, the researcher integrated multiple interpretations from a variety of sources and time periods. In addition, with regard to the data in the section on China's media, most news reports, especially in the official media, may have a tendency towards policy propaganda and positive narratives in their “power and discourse,” neglecting the perspectives of grassroots residents and independent observers. This places higher demands on the completeness and credibility of the information.

To this end, I further supplemented the data needed for the study by reading relevant literature extensively and conducting information searches, and combined the previously mentioned interviews with planning experts, scholars, residents, and other project participants in order to reconcile information conflicts and develop a more comprehensive understanding. When dealing with the first category of questions, I relied on accessible relevant information, urban redevelopment operation manuals, and interview data to ensure the accuracy and depth of the answers. Although I tried to base my research on existing literature on linked projects, most of the literature mainly focuses on the planning and design before project initiation (Lu & Chen, 2012; Wang , 2015) and the demolition and resettlement after initiation (Zeng et. al., 2018), failing to present the whole governance process in its entirety. During the implementation phase of the project, particularly in key stages such as relocation execution and the 18T SRP while the process outwardly adheres to legal and regulatory frameworks, numerous details remain unpublished or systematically disclosed in practice. These details encompass methodological approaches to policy implementation, negotiation strategies among diverse stakeholders, adjustments to power dynamics, and critical decision-making

nodes. Such information often lies beyond formal documentation, constituting the “gray areas” and core battlegrounds of interest dynamics within the governance process. The limited disclosure of intermediate processes is partly due to the fact that public reports focus more on outcomes, while the actual implementation process involves complex coordination among multiple stakeholders, resulting in dispersed and sensitive information. Therefore, this study addresses the gaps in the literature through in-depth interviews with officials, developers, residents, and experts directly involved in the SRP. Specific interview details and analysis will be elaborated in subsequent chapters.

As the project involves historical and cultural preservation, the temporal and spatial attributes of the data and the translation of related information require further explanation. I created diagrams showing the key governance stages of the project, the interaction patterns of the stakeholders, and the spatio-temporal evolution. These illustrations will be used later in the paper to assist in explaining the complex governance structure and policy implementation process, helping to fully restore the project's development history and its multidimensional social impacts. In addition, I generated a map about the demolition and resettlement, which plotted the residents' relocation routes by searching and analyzing the geographic locations of the relocated residential areas. This map visualizes the geographic changes during the relocation process and provides an important visualization support for discussing the impact of the project implementation on the community structure.

4.7 Ethics, Integrity and Methodological Challenges

In conducting interviews with Chinese government personnel, the researcher faced significant challenges. This stems primarily from the hierarchical system that is deeply entrenched in the culture of Chinese public administration. Under this system, the positional roles of government officials are usually highly stable, and they rarely communicate directly with the outside world while performing their official duties. As a result, it is often difficult to obtain permission for interviews through traditional formal communication channels,

such as writing letters to their departments or making appointments for face-to-face interviews over the phone. To overcome this obstacle, the researcher adopted several strategies to establish contact and gain trust. First, indirect referrals through existing social networks — “Guanxi” — were an important breakthrough into the government system. Referrals from senior government officials were particularly critical, as they were able to make direct introductions to subordinate department heads responsible for related matters. Even when successful in establishing a base for interviews through “connections,” government officials remain cautious in interviews. They were often concerned that any communication with the researcher might be seen as a potential risk to their career stability. As a result, vague or boilerplate answers to questions were more common in telephone communications. However, in face-to-face interview situations, the chances of success were significantly higher. Even if stakeholders had reservations about certain issues, they were usually compelled to respond to some degree in the face of the researcher's formal presence in their office.

All interviews were conducted with the explicit consent of the stakeholders, which was obtained in advance for face-to-face, microphone, and telephone interviews. The interview consent form contained basic information about the project (title, purpose, research organization with contact details) and data management and storage plans, also included the stakeholder's right to withdraw any provided information within a specified timeframe. To minimize physical and psychological discomfort or risks to stakeholders, the research process strictly adhered to the University's Preventing Harm in Research & Innovation (Safeguarding) Policy, which was approved by the University's Research Ethics Committee. Additionally, the study complied with the Student Overseas Travel Risk Assessment and Safeguarding Program, supported in February 2022.

In my fieldwork, data was collected through audio recordings, images, and transcripts. While it was not entirely possible to avoid collecting personal data and sensitive observational information during interviews, several measures were implemented to safeguard participants' privacy and rights. Audio files

were transcribed to anonymized text, and all personally identifiable details, including names and locations, were altered to ensure confidentiality. During the filming process, the researcher only observed nearby neighborhoods and facilities, and the content of the images was limited to public and open spaces to ensure that the data collection process complied with ethical and privacy protection standards.

4.8 Conclusion

This chapter details the design and methodology of the study, from the construction of the theoretical framework to the data collection and analysis, integrating a critical realist perspective and multi-level analysis. Through field research, policy analysis, and integration of historical data, the researcher attempted to reveal the complex governance mechanisms and power structure transformation in the 18T SRP in Chongqing. Combining macro-level policy frameworks and micro-level social practices, this study explores the interaction and coordination of interests among multiple subjects, and emphasizes the dynamic power relations and multiple structures intertwined in the process of policy implementation. Through deductive coding and data analysis, the study not only builds a comprehensive picture of project development, but also provides an empirical basis for understanding the dynamic power relations in China's shantytown redevelopment.

Chapter V: The Introduction 18T Cases: Social and Political

Background

5.1 Locating the research

This chapter begins with an in-depth examination of the 18T shantytown redevelopment in Chongqing. Given the significant regional variations in policy contexts across China's urban redevelopment projects, it's essential to first establish the specific institutional milieu of this case. Understanding the political and social contexts is crucial for interpreting the policies that shaped the 18T redevelopment. Section 5.2 employs a retrospective analysis to reveal the historical factors influencing the conceptualization and development of the 18T area, including the evolution of its political and administrative background. This analysis addresses the following questions: How do state and local policies operate at different scales during the initiation and planning phases of slum redevelopment projects? How have local policies and regulations been applied to facilitate and support the progression of the 18T project? Section 5.3 outlines the general history of the 18T redevelopment and details its recent implementation process, with a focus on the strategic requirements, policy objectives, and social factors guiding decisions at each stage. By tracing key milestones and challenges, this chapter seeks to reconstruct the complete process of the 18T redevelopment project, illuminating its developmental trajectory and primary driving forces.

5.2 Context of 18T Redevelopment

5.2.1 Institutional Context of Chongqing

The structural framework and the prevailing political ethos have greatly shaped the institutional landscape of urban governance in China (Philipp and Michael, 2016). The institutional environment of Chongqing has experienced dynamic changes in the whole modern development history of China, such as

the Opening of Commercial Ports⁵, its role as a Provisional Capital of the Government⁶, elevation to a Municipality⁷ directly under the central government. Chongqing's institutional environment has been further optimised with the implementation of national strategies such as the Western Development⁸ and the National Comprehensive Reform Pilot Zone for the Coordination of Urban and Rural Areas⁹. These national strategies have provided Chongqing with policy and resource support and promoted a profound transformation of the institutional environment.

In 1997, Chongqing was separated from Sichuan Province and elevated to the status of a municipality directly under the central government, further altering its institutional standing. As the fourth municipality after Beijing, Tianjin, and Shanghai, and the only one in western China, this change granted Chongqing administrative powers equivalent to those of a provincial government, including substantial authority over administrative, personnel, and financial affairs. This new administrative autonomy not only enhanced Chongqing's political and governance capacities but also reshaped the trajectory and dynamics of its regional development (Wang & Wang, 2020; Jia et. al., 2021). The elevation of its urban status effectively positioned Chongqing as a pivotal player in the development of Western China and a national-level city capable of driving regional progress. Chongqing became a focal point of national development strategies, particularly benefiting from the Western Development Strategy, which directed resources and policy support to underdeveloped western regions.

⁵ In 1890, the "Yantai Treaty Amendment" added a special clause to Chongqing as a port of commerce. The establishment of Chongqing Customs in 1891 marked the official opening of Chongqing.

⁶ The Chongqing *Provisional Capital of a Country* period refers to the period between 1937-1946, when the Republic of China moved its capital to Chongqing during "the Second Chinese-Japanese War".

⁷ On 18 June 1997, the Municipality of Chongqing was officially established. Chongqing became the fourth municipality directly under the central government after Beijing, Tianjin and Shanghai, and the only one in the western region. Municipalities directly under the central government have a unique status among China's provincial administrative units.

⁸ The China Western Development (西部大开发)(1999) is an economic initiative to reduce regional disparities by promoting growth in Western China, covering six provinces, five autonomous regions, and Chongqing municipality.

⁹ The establishment of the National Comprehensive Reform Pilot Zone is a new initiative to promote local economic and social progress in China at a new stage of economic and social progress and under the guidance of the scientific concept of progress.

In 2007, Chongqing and Chengdu were designated as urban and rural comprehensive reform pilot areas, becoming national testing grounds for promoting urban-rural coordination and development. Both cities are representative of regions characterized by “big cities surrounded by vast rural areas” (Xinhua News, 2008), with significant disparities in regional development and prominent tensions arising from the urban-rural dual structure. This dual structure institutionally divides urban and rural residents into two distinct social groups, with public resources skewed toward urban areas (Xinhua News Agency, 2013). Additionally, urban and rural land is owned by different entities, and the disparity in land ownership influences the allocation of land resources (Ho and Lin, 2003; Po, 2011). The establishment of this pilot zone aimed to address the urban-rural dichotomy in these areas and provide momentum for integrated urban-rural development.

The National Development and Reform Commission's Circular on the Approval of Chongqing and Chengdu Municipalities to Establish National Comprehensive Complementary Reform Pilot Zones for Integrating Urban and Rural Areas (National Development and Reform Commission, 2007) states that the goal of the pilot zones is to ‘push forward the reform of land, the construction of social security in urban and rural areas, and endeavour to form a system of integrated urban and rural development in 2020.’ The core strategy lies in ‘exploring a development model suitable for the central and western regions of China, improving resource allocation and coordination mechanisms’ (China Economic 50 Forum, 2007), and ‘accelerating economic and social development through reform’ (Xinhua News Agency, 2007). On this platform of ‘innovative mechanisms and institutions’ given by the central government, Chongqing has enjoyed more policy autonomy and explored a series of innovative initiatives to promote integrated urban-rural development (Chongqing Development and Reform Commission, 2007). The reform of the household registration system, as one of the key measures, has further facilitated the free movement of urban and rural populations and the allocation of resources. It also promotes the urbanization of Chongqing's agricultural migrant population, with the plan being to reach an urban population rate of 70% by 2020 (Forum of China's Economy 50, 2007). This institutional reform

and policy adjustment has also laid the foundation for urban redevelopment and shantytown redevelopment projects.

5.2.2 Policy and Institutional Context of Shantytown Redevelopment

Against the backdrop of China's socio-economic transformation and accelerated urbanisation, urban development has shifted from incremental land development to strategic urban redevelopment (Liu and Lyu, 2017). As a state-led urban redevelopment policy, shantytown redevelopment does not only aim to improve housing conditions, but is also an urban redevelopment strategy that combines multiple objectives - it combines political demands, modernisation of infrastructure, and the enhancement of investment attractiveness, and it is a key means of promoting urbanisation in China.

In 2008, the Chinese central government launched the first nationwide shantytown redevelopment initiative, prioritizing the transformation of shantytowns (dilapidated housing) in state-owned forest areas, state-owned reclamation areas, and coal mining areas previously managed by central authorities and transferred to municipal governments (Ministry of Housing and Urban-Rural Development, 2013), and advanced this implementation on a large scale. In December 2009, the Ministry of Housing and Construction, the Development and Reform Commission, the Ministry of Finance, the Ministry of Land and Resources, and the People's Bank of China jointly issued the 'Guiding Opinions on Promoting the Renovation of Shantytowns in Cities and State-owned Industrial and Mining Areas' (Ministry of Housing and Construction et. al., 2009), which required provinces and cities basically complete the redevelopment of shantytowns in contiguous urban areas and state-owned industrial and mining areas within five years. This was the prelude to the national shantytown redevelopment policy. Since 2010, the main work of shantytown redevelopment has shifted to urban areas, with the aim of addressing the stagnation of urban redevelopment and the reduction of investment in city centres caused by escalating social discontent with large-scale redevelopment (Li et, al., 2018). On 4 July 2013, the State Council issued the Opinions of the State Council on Accelerating Shantytown Renovation (State Council (PRC), 2013) (hereinafter referred to as the

"Opinions"). The transformation of shantytowns (including dilapidated buildings) has become a critical component of urban affordable housing projects. The scope of these initiatives has been expanded to encompass not only shantytowns and dilapidated structures but also old residential areas in towns and villages. Additionally, policy efforts to support and facilitate these transformations have been significantly strengthened.

In the context of Chinese policy, "shantytown" primarily refers to "clusters of simple housing structures, areas of unsafe housing, regions with weak environmental infrastructure, and old residential areas in mining, forestry, and agricultural reclamation zones" (State Council (PRC), 2013). Additionally, according to the State Council's Directive on Accelerating Shantytown Redevelopment (2013), shantytowns are typically characterized as "areas predominantly consisting of simple housing structures, with incomplete functionality, insufficient infrastructure, poor environments, and significant safety risks."

In Chongqing, the criteria for shantytown (dilapidated buildings) redevelopment have been further refined to specifically target the following two types of housing:

1. Unsafe Housing: Housing deemed unsafe by professional appraisal agencies before December 31, 2013.
2. Old Housing: Housing built before December 31, 1969, with safety hazards or incomplete functionality.

(Implementation Opinions on Promoting Urban Shantytown Redevelopment in the Main Urban Areas of Chongqing, Chongqing Municipal Government Document No. 65 [2013])

The concept of "shantytown (dilapidated buildings)" incorporates both unsafe and old housing that meet the above criteria into the framework of shantytown redevelopment policies. The Opinion also states that 'shantytown renovation will be incorporated into the urban security housing project, and the implementation will be promoted on a large scale.' As the scope and scale of

redevelopment have expanded, the beneficiary groups have extended beyond the originally targeted low- and middle-income households in shantytowns to include other families facing housing difficulties due to natural constraints or insufficient infrastructure. The core objective remains to comprehensively improve the living conditions of these groups. On the basis of the shantytown renovation from 2008 to 2012, 'the renovation efforts will be increased, and at the same time, effectively stimulate investment and consumption demand, drive the development of related industries, promote the construction of a new type of urbanisation centred on human beings, and play a positive role in boosting the sustained and healthy development of the economy and events, and the continuous improvement of people's livelihoods' (Opinions, 2013). To this end, the overall requirement was put forward: 'From 2013 to 2017 (nationwide), 10 million shantytowns of all types will be renovated, and 8 million urban shantytowns will be renovated in five years (Opinions, 2013).

The shantytown redevelopment has added an additional requirement for economic development to the original goal of "improving people's livelihood". The country's support for the policy includes:

- Multi-channel financing (including: Increasing financial support from governments at all levels; Increasing credit support; Encouraging private investment capital to participate in transformation; Regulating the use of corporate bond financing; and Increasing capital investment in enterprise transformation).
- Ensure the supply of construction land.
- Implement tax and fee reduction and exemption policies.
- Improving resettlement and compensation policies

(‘Guiding Opinions on Promoting the Renovation of Shantytowns in Cities and State-owned Industrial and Mining Areas, Jianbao, No.295 [2009])

Through these forms of support, the central government not only reduces local financial and logistical barriers, but also ensures consistency with broader national development strategies. The combination of financial resources ("giving money") and supporting policies ("giving policy") has

created a synergistic framework that can accelerate the progress of the project. The central government has set medium- and long-term redevelopment targets and set a clear goal of redeveloping 10 million households within five years (nationwide), while emphasizing the “people's livelihood” nature of shantytown redevelopment. As a public policy and action plan with improving people's quality of life at its core, the emphasis on “people's livelihood” here highlights the government's core philosophy of “serving the people,” which is also a key cornerstone of its governance legitimacy. Using the number of redevelopments as the evaluation standard for improving people's lives while also promoting new urbanization has pointed the way forward for redevelopment work in various regions. However, achieving this goal has also put enormous pressure on municipal governments. Although the Opinions call for “proceeding according to one's abilities and in a gradual manner,” However, municipal governments are under pressure to complete the task of shantytown redevelopment and promote the local economy at the same time.

According to the Opinions, although the ‘four major support measures’ advocate the flexibility of multi-channel financing, which emphasises the role of the market, the pressure to introduce private investment capital (including real estate developers, financial institutions, private equity funds, etc.) is still on municipal governments. In other words, the key to the smooth progress of the shanty reform project is to solve the problem of funding. The field research interviews also confirmed this point: ensuring a sustainable flow of funds is an important condition for projects to be implemented or completed on schedule. As will be further elaborated later, municipal governments are also relying on private investment capital for shanty redevelopment projects.

On the basis of the national document Opinions (NDRC, 2013), the Chongqing Municipal Government introduced new policies and instruments: the institutional environment changed fundamentally, and large-scale shanty reforms began in Chongqing in 2013. In the Implementing Opinions of the Chongqing Municipal People's Government on Promoting Urban Shantytown Renovation in the Main Urban Area (General Office of the Chongqing

Municipal People's Government, 2013), the local target plan is detailed: 'From 2013 onwards, it will take five years to complete the task of renovating urban shantytowns in the main urban area of about 5.67 million square metres involving 72,100 households. Among them, the area of shantytowns to be demolished is about 5.22 million square metres involving 63,200 households; about 450,000 square metres of shantytowns need to be repaired, strengthened, and expanded, involving 0.89 million households.'

For the shantytown redevelopment, the Implementation Opinions on Promoting Urban Shantytown Redevelopment in the Main Urban Areas of Chongqing (Chongqing Government Document No. 65, 2013) proposed the principle of "advancing in phases: completing one area, initiating another, and implementing step by step." Meanwhile, to ensure the smooth progress of redevelopment, the following supporting policies were introduced: '1. The land premiums and urban construction support fees for the design of the renovation projects are all arranged for the people's governments of the districts where the projects are located to be used for urban shantytown renovation. 2. If the renovation projects are implemented with in-situ physical resettlement, the resettlement standard is to demolish one and return one to one and two respectively, and the renovation projects can appropriately increase the plot ratio. 3. Increase the support for the raising of land by including the land used for the renovation of shantytowns into the local land supply plan. Resettlement housing land into the local land supply plan priority arrangements. 4. Enterprises for shantytown reform funds are allowed to pay income tax deductions. 5. Financial institutions to increase shantytown reform credit support (Levy Office, 2019).

These supporting policies not only provide comprehensive support for Chongqing's shantytown redevelopment but also serve as a response to the vertical diffusion of central government policies. Based on China's intergovernmental relations (as mentioned earlier in Chapter 3, under China's political system, local officials make policy choices under the constraints of incentives for political promotion and legitimacy of performance), localities still need to formulate local policies under the central government's unified

guidance. Through detailed implementation measures, initiatives such as "priority allocation" and "flexible resettlement models" were proposed to respond to the central government's guidelines.

In addition, Chongqing Municipality launched the Opinions on Promoting Monetised Resettlement for Urban Shantytown Renovation (2015) to accelerate the resettlement process through centralised government procurement and organised purchases:

'Monetised resettlement includes 1. The municipal government purchases existing commercial housing from the market to absorb surplus inventory and use it as affordable housing. 2. The Municipal Urban and Rural Construction Commission (Municipal Development Office) is responsible for guiding the governments of the districts in the main city to collect and collate information on the housing stock of real estate development enterprises and to build an agreed information platform on housing stock, with the governments of the districts in the main city guiding the residents of the urban shantytowns to make their own choices for purchase.'

This policy utilizes Chongqing's existing housing resources to accelerate the resettlement process while addressing the supply and demand issues in the housing market. Combining the redevelopment of shantytowns with market mechanisms has created new development opportunities for the real estate industry. However, at the same time, the reliance on market mechanisms has led to rising housing prices in Chongqing, exacerbating housing affordability. Shantytown redevelopment in Chongqing has transformed from a livelihood need to a tool for stimulating the real estate market and driving economic growth, which has also changed the focus of Shantytown's redevelopment. This is an opportunity that municipal governments cannot pass up. Motivated by the need to maintain growth and land-related financial incentives, municipal governments have accelerated land release and actively responded to shantytown renovation tasks.

Facing the various problems that have accumulated over the past ten years of shantytown redevelopment, the government has adjusted its policies. In

October 2018, Premier Li Keqiang said that the deployment and promotion of shantytown redevelopment work requires adjusting and improving the policy of monetary resettlement for shantytown redevelopment according to local conditions. Municipalities and counties with insufficient commercial housing inventory and high pressure of rising housing prices should cancel the preferential policy of monetary resettlement as soon as possible. The 2019 shantytown redevelopment plan clearly proposes that the government's service model of purchasing shantytown Redevelopment will be cancelled, that no specific national-level construction plans will be formulated, and that the physical resettlement model will be reinstated. The market size of shantytown redevelopment continues to decline in all regions.

From the national to the local level, shantytown redevelopment policies have demonstrated functional differences at different levels of governance. At the national level, macro policy guidance is the main focus. By formulating framework policies and providing financial support, the overall direction of urban redevelopment is clarified, while specific principles and goals for redevelopment are proposed, and the implementation of policies by municipal governments is monitored. Some scholars have described the development of China's shantytown policy as “incrementalism” (Meng, et al., 2018) , arguing that China's early shantytown redevelopment policy choices have created a certain degree of “path dependence” on subsequent policies. Government decision-making departments have introduced policies in a gradual manner, maintaining the core content of previous policies while gradually adding new policy content based on actual needs (Chen, 2003). The central government's financial support for shantytown redevelopment, as well as co-financing with financial institutions, has created an incentive for municipal governments to respond positively to national policies. This support is both “providing funds and policies” and is also seen by the municipal government as a clear signal and action directive to promote urban development.

At the local level, policy focuses more on practical implementation, especially how to effectively solve the housing problems of shantytown residents and accelerate the implementation of shantytown redevelopment projects. The

municipal government not only needs to balance the dual goals of housing demand and urban development, but also combine it with local economic development plans to ensure that redevelopment projects can take into account both people's livelihoods and economic benefits. At the same time, municipal policies also include more detailed specific measures, such as clarifying division of labor, strengthening supervision and management, etc., and also respond to localized problems through a series of policy innovations. This multi-level policy interaction between the national and local levels highlights the division of labor and collaboration between macro-guidance and micro-implementation, and also reflects the flexibility and gradual nature of urban governance in China. Specific local innovation measures will be discussed in detail in the follow-up section 6.2.

5.3 18T Redevelopment Project Overview: Development History and Timeline

The previous section discussed the functional differences between national and local shantytown redevelopment policies, with the reconstruction of Chongqing's 18T project serving as a clear illustration. This project not only reflects the national emphasis on urban redevelopment and housing security but also demonstrates how municipal governments adapt these policies to address specific regional challenges and align them with local economic and social development goals. This section focuses on the 18T redevelopment project as a local case study, detailing its geographical scope, administrative structure, and the profound transformations it has brought about.

18T is a community under the jurisdiction of Nanjimen Street, Yuzhong District. East to Jiefang West Road community, south to Jiefang West Road community and Houci Street community, west to Liangtingzi community, north to Jiefangbei Street. Covering approximately 18.88 hectares, the 18T district is managed by the municipal government under the jurisdiction of the 18T (18T) Community Neighborhood Committee of Nanjimen Street, Yuzhong District. This jurisdiction also extends to several other communities, including Jiefang West Road, Liangtingzi, Kaixuan Road, Houci Street, 18T, and Post Office Lane. The redevelopment project involves significant physical changes

across five key plots—18T, Yuetaiba, Ganzibao, Jiefang West Road, and Pangxiejing—encompassing an area of around 380,000 square meters and affecting approximately 7,000 households and 30,000 residents.

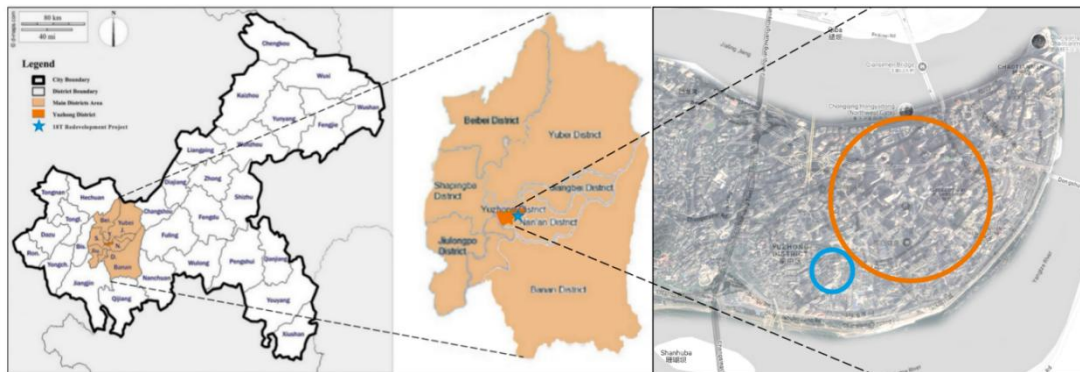


Figure 5.1: Map of Municipality of Chongqing, Main Districts Area, Jiefangbei CBD (orange circle) and 18T site (blue circle).

(Source: Author's own)

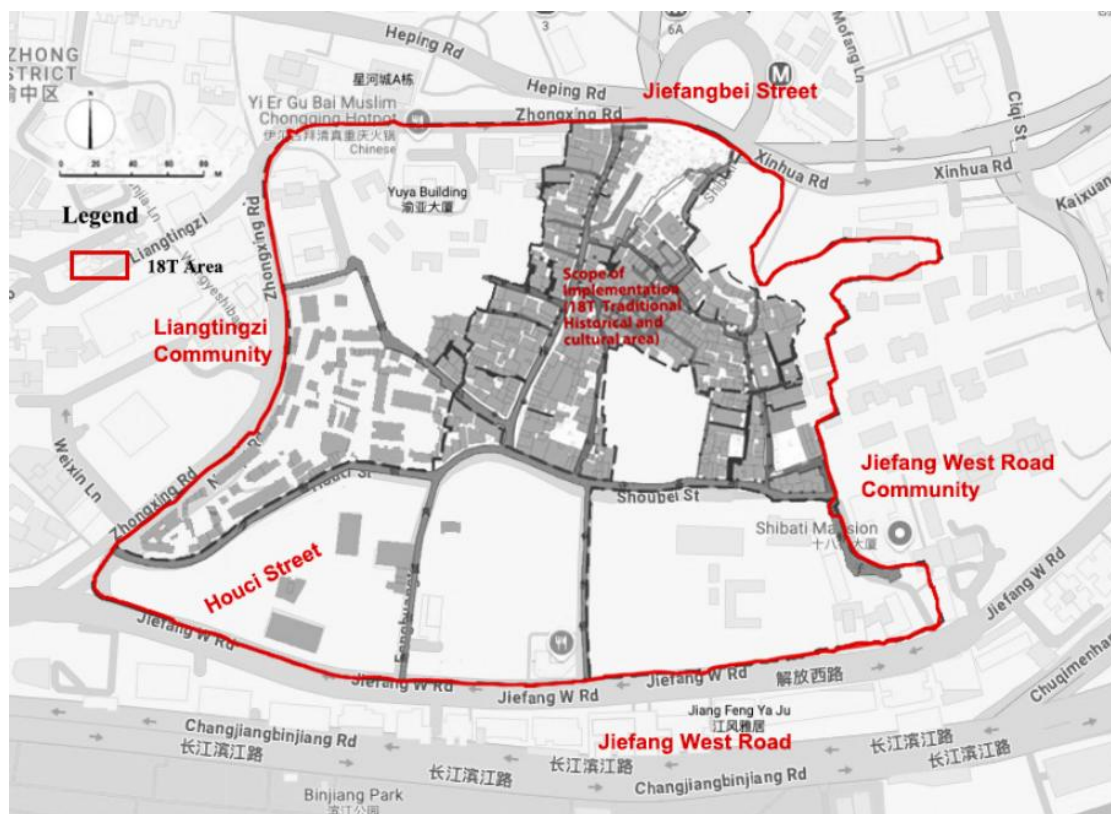


Figure 5.2: 18T Area.

(Source: Author's own)

Past life of 18T

18T is located in the center of Yuzhong District of Chongqing and is one of the largest shantytowns in Chongqing. Close to the bustling CBD business district, it is an important channel connecting the upper and lower half of the city. Dating back to the Southern Song Dynasty (1127-1279), 18T has been an important mountain street connecting the upper and lower halves of Chongqing's urban area, and it is also one of the best-preserved passages in the city, deeply rooted in the historical fabric of Chongqing. With its strategic geographical location, 18T initially served as the central hub for water and land transportation in Yuzhong District, playing an important role in connecting various parts of the city. However, as urban transport networks expanded and modernized, its functional significance gradually diminished. Over time, 18T has evolved from an important transportation corridor into a distinctive pedestrian pathway, now primarily serving the needs of residents and tourists.

On one side lies the "hanging jungle" of brick houses and shantytowns, while on the other stands the towering skyline of Jiefangbei CBD, a forest of skyscrapers. The 18T appears to be lying low in the heart of the busy area, its physical space is rich with metaphorical significance. Chongqing is often described as rapidly transforming into a high-rise metropolis, with advertisements for business district developments proclaiming ambitions to create "Hong Kong in Mainland." These efforts align with the standardized vision of modern prosperous cities. In stark contrast, the historical buildings of 18T remain modest yet vibrant, offering a glimpse into the city's rich and enduring character.



Figure 5.3: Shantytown and the Skyline.

(Source: Hello_Scao, 2015)

Before the area's redevelopment, 18T was notable not only for its historical roots as part of Chongqing's mother city but also for its thriving "informal" economy. The area was filled with self-built markets and small shops that, while not officially sanctioned, these businesses play a key role in improving the convenience of daily life for residents in 18T and its surrounding areas. These businesses improved convenience for residents, generate income, and created employment opportunities. This vibrant economic activity underscores the dual nature of shantytowns—they were not just residential areas but also hubs of livelihood, preserving a unique and self-sustaining way of life.

“High and low, the black-tiled roofs are staggered, while the dense shade of yellow joggle trees cast cool shadows. The timeless sounds of mahjong tiles clattering and hot pot diners chatting fill the air, all set against a landscape faded like an old photograph. In the middle of the street, a thin, steep, winding stone staircase stretches endlessly, like skewers holding the city together. Over the years, countless footsteps have worn the stone steps into smooth hollows... On either side of the road, hot pot shops, hair salons, grocery stores, tailor shops, and skewer stalls line the street, packed tightly together. Shoeshiners, carpenters, and the iconic Bang-bang men—porters of the mountain city—are scattered along the way.”

This prose captures the charm of 18T, a community that resembled a living museum of Chongqing's history and traditional lifestyle. It was more than just a residential area — a repository of the city's collective memory and cultural heritage. The community was home to a diverse population, including retirees, workers, small traders, white-collar employees, and migrant laborers. Despite its old, dirty, and dilapidated appearance, 18T was full of life. Its name transcended its role as a physical location, becoming a powerful symbol of shared history for many Chongqing residents.

Despite 18T's prime location and vibrant cultural life, it was often perceived as a rundown, overcrowded, and chaotic area. The infrastructure was visibly outdated, with exposed electrical wires and pipelines, inadequate facilities leading to stagnant wastewater, and garbage scattered everywhere. The residential buildings were narrow and rudimentary, with over 80% of the housing stock constructed before 1979. According to data from the Yuzhong District Housing Authority (2008), "most buildings in the 18T area were poorly constructed, lacking beams and columns, with walls made of bamboo, mud, or concrete, many of which had fallen into disrepair." Safety issues were also a significant concern. High population density, an influx of migrant workers, and insufficient street lighting at night led to frequent incidents of theft and altercations, further exacerbating the sense of insecurity in the area. These deteriorated and impoverished communities severely impacted the overall image of Yuzhong District. The government fully recognizes the potential and problems of the area, but due to the huge scale and complex structure of the 18T area and its location in the heart of Yuzhong District, the renovation faces many difficulties. For a long time, efforts to initiate redevelopment in this area were delayed and struggled to move forward amidst various controversies.

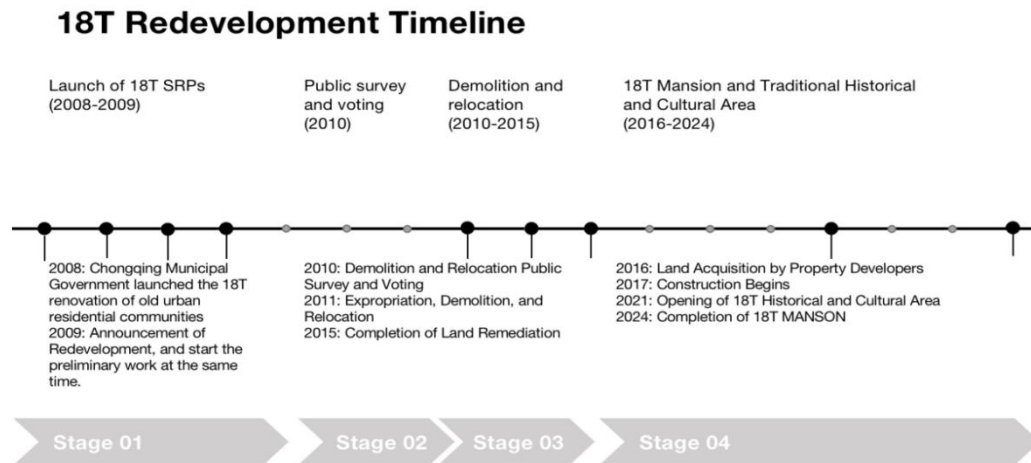


Figure 5.4: Timeline of 18T redevelopment.

(Source: Author's own)

1) 2008-2009: Pre-demolition work

In 2008, Chongqing Municipal government put forward the development slogan of “Five Chongqings,” including “Livable Chongqing,” “Smooth Chongqing,” “Forest Chongqing,” “Safe Chongqing,” and “Healthy Chongqing.” These goals aim to improve the quality of life of citizens and the overall development of the city by improving the environment, transportation, ecology, safety, and health (Chongqing Business News, 2009). In the same year, the government initiated the groundwork for the 18T redevelopment project, aiming to utilise the area's potential for urban development and to enhance Chongqing's image. At the time, the municipal government was planning to demolish the area. Due to the large population and complex organisation of people in the area, more preparation was needed before demolition could be pursued - including the issue of resettling people after demolition. In addition to this, the municipal government needs to gain the support of the people and residents, on the one hand, there is already a lot of negative public opinion about the operation and resettlement of shantytown projects in the context of large-scale demolition and redevelopment that attracts attention. On the other hand, the government needs to recover housing property rights from residents in order to integrate land resources.

As a key redevelopment area located in the heart of the city, the 18T project has garnered significant attention from all sectors of society since its launch. However, the advancement of the redevelopment work has been far from smooth. The announcement of the renovation immediately sparked strong public reactions, with “to renovate or not to renovate” becoming a trending topic, amplifying the public opinion pressure on the project’s progress (Yuzhong District Archives, 2021).

In the face of such challenges, the 18T project was not merely a physical reconstruction of space. At the same time, the complexity and potential of the project attracted the active participation of numerous professionals. Experts from across the country used the renovation of the old houses in the 18T area as an example to explore urban design strategies such as “preserving old streets, safeguarding and passing down lifestyles, cultural atmosphere, and the spirit of place.” The historical and cultural characteristics of the 18T area were highly recognized (Chongqing Business News, 2009).

At that time, the concept of “urban redevelopment” had not yet been explicitly proposed in China. Traditional governance approaches were primarily focused on “old city renovation” and “cultural heritage protection.” “Old city renovation” often treated the redevelopment area as a blank slate for replanning and reconstruction, with limited attention given to the cultural heritage and social structures of the original community. Therefore, from the outset, the 18T project was imbued with a unique vision: to prioritize the preservation and transmission of the area’s distinctive cultural and historical features during the redevelopment process.

One interviewee (C-4) described the 18T redevelopment as “a complex system, not only on the surface of the project, but also involving issues of livelihood, culture, regulation, and the market.” As the interviewee said, “In China, urban redevelopment is not only the reconstruction of physical space but also the comprehensive redevelopment of ‘people’ and ‘events.’” This approach requires consideration not only of bricks and mortar but also of the overall reconstruction of the community and its way of life. Planners must

skillfully navigate competing priorities such as modernization, cultural preservation, and social equity.

2) 2010 Demolition and relocation public survey, voting

Since 2008, there had been intermittent news about the demolition of 18T, but the government had not taken any concrete actions on this land. It was not until 2010 that 18T residents took part in a landmark public vote on the redevelopment plan (residents participate in voting). This vote marked a significant turning point, signifying the public and residents' initial acceptance of the demolition and redevelopment. The government widely promoted the outcome and framed the redevelopment as aligned with the public will. This strategy helped create a more favorable public opinion environment, significantly reducing social resistance to the subsequent phases of the redevelopment process.

Against the backdrop of the 2010 Yuzhong District Old City Demolition and Renovation Programme, the 18T area launched a public opinion poll on the renovation of dilapidated buildings in June, attracting more than 7,000 residents to vote on whether to renovate the dilapidated buildings or not. This was the first time that Chongqing had ever conducted a public poll on demolition and relocation issues, and it created an unprecedented atmosphere of public participation with the core concept of 'whether to demolish the old 18T site or not, let the old residents have the final say' (Chongqing Times, 2010). Residents were very concerned about the voting and actively co-operated with preparing for the vote. Previously, the Street offices and residents' committee of the area had been mobilising residents to vote, creating an atmosphere for the official election by hanging banners and posting polling notices.

On 19-20 June 2010, the voting for the 18T renovation project was held in the presence of a notary public. While these procedures appeared to empower residents to choose, they were in fact more symbolic - these steps were mainly to consolidate the direction of decision-making that had long been set by the municipal government. In this vote, while residents showed a high level

of enthusiasm for participation, it was largely driven by a pressing need to improve their living environment, rather than any real control over the process. In the end, 96.1 percent of residents were in favour of the complete demolition of the old site. However, this result reflects to some extent their limited room for choice before the government's set decision. When the results were announced, most of the 18T residents expressed satisfaction with the outcome of the vote, as it largely aligned with their expectations for the redevelopment.

Interviews with residents further revealed the dynamics of the voting process during the 18T redevelopment. Many residents expressed that their willingness to relocate stemmed primarily from poor living conditions and aging housing infrastructure. One resident stated: *"Of course, when we heard the news, we were willing to move. Our house was built with red bricks in the 1960s, and it's been over 40 years."* (Interview A-3) Another resident added: *"Our house was bombed during the Chongqing Bombing in World War II. The house is leaning, and we propped up the walls ourselves. Some areas were just patched up."* (Interview A-6) Residents commonly believed that relocation could significantly improve their quality of life.

The result was also undoubtedly a success for 18T Command Centre, as the vote was seen as a victory for 'people's choice,' giving the project the appearance of legitimacy. However, the symbolic participation of the residents, as opposed to the much-criticised forced evictions in the past, gave the project an appearance of legitimacy but did not fundamentally change the lack of a substantive voice for the residents. At the same time, during the public opinion survey, the government had already formulated the relevant expropriation policy, actively publicised the expropriation policy, and answered the residents' questions - the renovation of 18T had been "inevitable" from the very beginning of the policy planning, and this had not changed. The symbolic participation of the residents was more to provide support for the established direction than to influence the decision-making itself.

Many participatory mechanisms exist in the form of 'symbolic participation', where participation is more cosmetic (legitimizing a pre-determined agenda) than genuine power-sharing (Arnstein, 1969; Fung, 2006). As Healey (1997) points out, by shaping decision-making into a 'public consensus', this approach effectively defuses potential dissent while ostensibly maintaining the legitimacy of the process. In Project 18T, the 'symbolic participation' approach in fact reinforces the government's established policy positions, packaging the decision-making and implementation process as well as its legitimacy. Packaging the decision-making and implementation process as a 'people's choice' in order to achieve the apparent goal of 'social stability'.

3) 2010-2015 Demolition and relocation

On July 27, 2010, Chongqing Municipal Government officially launched the 18T demolition project. By March 2015, more than 95% of the residents had signed resettlement and compensation agreements, and by June of the same year, only about 100 out of more than 7,700 households had not signed agreements (Liu, 2010). During these five years, the Government had to deal with a large number of complicated compensation and rehousing negotiations, and the difficulty in co-ordination was evident in the face of multiple interests and different responses from residents. As a large-scale livelihood project, the organisation and management of the project required a lot of manpower and time, and it still faced multiple pressures in operation. As the local officials said, the residents' different interests, especially the disagreement on the amount of compensation and the location of resettlement, have become the most difficult part of the project. These conflicts not only delayed the project process but also tested the government's ability to balance 'social stability' with 'policy implementation.'

In order to promote the demolition work, the demolition office convened several meetings with residents, usually in the Red Star Middle School (also known as 54 Middle School, now incorporated into Xinglin Middle School) in Shoubei Street. One resident recalled: "At that time, it seemed that we were organized to look at the demolition policy, the relocation of housing, and set a

time to go by ourselves." (Interview A-8) Another resident also mentioned: "They told us that if we were willing to accept the relocation, this would be the compensation; if we didn't want to move, they wouldn't force us to relocate." (Interview A-3) Although most residents had accepted the reality of relocation, tensions still existed between the demolition office and residents, and frictions often broke out. According to the memories of residents, there were even fires, theft (similar to the wire, and optical cable theft), and other events in the later stage of demolition and resettlement, and residents suspected that this was done by the demolition office staff: "It was them (street office) who did it!" (Interview A-10) These contrasting narratives—organized meetings to facilitate participation and allegations of misconduct—highlight the complexity of the 18T demolition process. These interviews shed light on the tension-filled interactions between residents and authorities. On the one hand, the demolition office strives to project an image of fairness and cooperation, emphasizing voluntary participation and transparency in compensation. On the other hand, unresolved tensions and accusations of misconduct reveal underlying mistrust and conflict. In large-scale urban redevelopment projects, even those framed as cooperative, deep-rooted tensions and power imbalances can be perpetuated.

In such an environment, compensation negotiations repeatedly stalled, despite the willingness of many residents to move. The compensation amount varies greatly in different regions. The compensation price of houses near the Jiaochangkou gate (close to CBD) is higher, while the price of houses near the sidewalk leading to the Yangtze River is relatively lower. Similarly, households with more members receive higher compensation amounts, while households with fewer members receive lower compensation amounts. As one resident explained: "If a family has a large population, they add many relatives to the household book through their connections with the municipal government or the police. In this way, they increase the amount of compensation based on the number of people." (Interview A-3) "The more people registered on the Hukou, the bigger the house."

Uneven compensation has exacerbated residents' discontent. Some people complain that demolition office staff imposed harsh conditions relating to relocation, and even infer that the demolition office has undercollected part of the compensation. One resident said: "Many residents were angry and complained that the demolition office was too harsh. Later, some people learned how much money the government had actually paid, and deduced that the demolition office had obviously missed a large sum of money. Those who were smarter got two houses on equal terms, and we just got one." (Interview A-6)

From my observation, the negotiation process is often ambiguous. Most residents were not fully aware of the details of the resettlement and compensation terms. In such a huge demolition project, the working group had to reduce the flexibility of the negotiations in order to speed up the process and recover the land as soon as possible, and in essence, many residents could only accept the official proposal. Even if there was nominally room for negotiation, the negotiations were mostly conducted on a one-on-one basis between the demolition and relocation office and individual residents, and the lack of a transparent collective bargaining mechanism made the residents appear isolated and unsupported in the negotiations, making it difficult for them to effectively express their collective demands.

For the small number of residents who persisted in refusing to move, the demolition office often exerted stronger pressure after repeated unsuccessful negotiations, adopting tactics including asking neighbours to persuade them, door-to-door persuasion, and frequent visits. Interviewed residents mentioned that the staff of the demolition office would even hint in their communication that "you would have to move sooner or later, so it would be better to move sooner" (Interview A-11), in order to increase the psychological burden of the residents. These tactics were used both to reduce the risk of project delays and to avoid chain effects caused by a few cases. Eventually, for residents who refused to move, the demolition office would apply to the court for an enforcement order to enforce the eviction through legal means.



Figure 5.6: Photo of Jufuli.

(Source: Author's own)

After five years of gradual progress and co-ordination, the government succeeded in convincing the majority of residents to accept the redevelopment plan for 18T. By August 2015, 99 percent of the demolition and relocation work of the 18T Area had been completed, and about 7,000 residents had been relocated. Except for a few protected heritage buildings, all other buildings and residences had been demolished, and the overall expropriation work was expected to be fully completed by the end of 2015. (China News, 2015)

4) 2015: 18T Mansion and Traditional Historical and Cultural Area

As early as 2009, one year before the referendum, the District Government started the preliminary work for the redevelopment of 18T. The design scheme has been revised and improved several times. The government's goal is to create a plan that balances development and preservation to write a new chapter for this historic district. Under the new principle of "Priority for

Cultural Heritage Conservation" (Hualong Network, 2009), the objective is to reach a public consensus on the redevelopment of the city centre while enhancing the urban image of Chongqing.

In order to realize this ambitious plan, the 18T project needed more policy and financial support. On May 17, 2015, Chongqing Planning Commission held its fourth meeting, and 18T was officially listed as one of the 28 traditional cultural blocks in Chongqing. Subsequently, on December 8, the Municipal government issued the Plan for the Protection and Utilization of Traditional Cultural Features in the Main urban area of Chongqing and the Detailed Construction Plan for the 18T Traditional Cultural Area Project, emphasizing the protection of historical features and making planning adjustments to 18T and the surrounding roads. During this period, the relevant departments of Yuzhong District frequently consulted cultural relics experts, scholars, and residents to ensure the rationality and operability of the planning scheme. By 2016, the implementation plan and traffic organization plan of 18T passed the expert review, and in May 2017, the project of 18T traditional historical and cultural area was officially launched, marking the full start of the reconstruction work.

The district government is not omnipotent in the redevelopment process. On the one hand, the development of the 18Ts requires a large amount of capital investment, which is beyond the ability of the government to undertake alone; on the other hand, achieving a balance between economic benefits and historical features in the development and preservation of the site is not the expertise of the government, but rather the advantage of the development companies. Therefore, with the redevelopment mission clearly defined, the government began to actively seek investors to provide financial support for the city centre renovation project. The Build-Operate-Transfer (BOT) model adopted in 18T is a institutionalized manifestation of this logic. This model is more common in the Asia-Pacific region and is often regarded as a variant of Public-Private Partnership (PPP) (Adams et al., 2006; Wang & Ke, 2008). However, in China's urban renewal practices, it was not until around 2012, when relevant policies gradually opened up, that conditional exploration and

application of this model began. First introduced to China in the 1980s, the BOT model was primarily used to attract foreign investment for infrastructure projects such as highways, power plants, and ports (Feng & Luo, 1999; Chen et al., 2009). Its typical mechanism involves capital parties participating in operations through sole ownership or joint ventures, with contract terms generally set at 20 to 30 years, subject to adjustments based on project characteristics and policy changes. The 18T project is an experiment in the application of the BOT mechanism to shantytown redevelopment. In practice, the district government is responsible for policy formulation, area redevelopment planning, and oversight of the project, and then grants land parcels, ceding the right to develop the parcels to a company that builds them, while the selected developer assumes the role of 'owner' and is responsible for investing in and operating the residential project held by the district government. Under this model, the district government remains the owner of the land, and the developer can only operate the landed property on a contractual basis for a certain number of years. The district government also holds the right to supervise and manage the project and retains ownership of the project.

The restart of 18T mainly involved two property developers - Hangzhou Xintiandi and Malaysia Hong Leong Group, which obtained the core and coordination plots of 18T, respectively, with a total land transfer fee of more than 4.2 billion yuan (about 468 million pounds). The management board of Chongqing 18T formed a partnership with the two developers and jointly developed the business plan, with Guoco also contributing part of the investment. (Interview, B3-1)



Figure 5.7: Map of 18T land parcels offered for sale.

(Source: Author's own)

1, 2, and 3 are the 18T core area land parcels won by Hangzhou Xintiandi Group, 4, 5, 6, and 7 are the 18T coordination area land parcels transferred by Guoco Group.

Coordination Zone developed by Guoco Group.

On 28 November 2016, Guoco China successfully bid for the Coordination Zone site of the 18T project for RMB 3.6 billion (approximately £400 million), with an area of more than 48,000 square metres and a gross floor area of approximately 341,000 square metres, covering a mix of residential, office, commercial, kindergarten and other facilities. The coordination zone is home to several commercial and residential sites, which is less restrictive for property companies and offers greater development flexibility. In addition, the plot ratio of the 18T Core Area is strictly controlled at 2.0 and below, while the Co-ordination Area enjoys the advantage of a higher plot ratio and building height.

Long before the planning scheme for the core area was announced, Guoco Group released the first version of the planning scheme in June 2017, which was designed to include six tall buildings with a total height of nearly 300 metres, with each building connected to the other by a sky corridor. However, after the release of this plan, the Chongqing Municipal Government launched the ‘Two Rivers and Four Banks’ regional plan¹⁰ for the Yangtze and Jialing rivers, incorporating the Guoco 18T project into the planning coverage. Subsequently, the development and construction of the ‘Two Rivers and Four Banks’ area was temporarily halted.



Figure 5.8: Rendering of Guoco-18T.

(Source: Guoco Group)

In 2018, the General Office of the Chongqing Municipal People's Government issued the ‘Implementation Programme for the Governance and Enhancement of the Four Banks of the Two Rivers in the Main District of Chongqing Municipality,’ which provided new policy guidelines for the project. After adjusting the plan, Guoco Group optimized the plot ratio and building

¹⁰ The planning of ‘Two Rivers and Four Banks’ points out that ‘you can see the mountains and the water’, strengthens the visual connection between the mountains and the water, and strictly controls the building heights, building densities and building layouts along the riverfront of the ‘Two Rivers and Four Banks’ (Upstream News - Chongqing Morning Post, 2019).

height of the 18T project accordingly - reducing the plot ratio and height, and ultimately the '18T Mansion' plan was passed (China News, 2019).

The first phase of the project, consisting of four supertall residential towers and associated commercial facilities, is designed to provide more than 1,000 modern residential units. This development is not only a significant qualitative improvement of the living environment but also a redevelopment of "people". The result is a quieter and better cityscape, a more attractive cityscape, and rising real estate prices.

The Core Area Developed by Hangzhou Xintiandi

At the same time, Hangzhou Xintiandi Group is also involved in the development of another part of the 18T project. On October 20, 2016, Chongqing Land Resources and Housing Administration (an agency of the municipal government) publicly listed for sale Yuzhong Group H area 3-4/03, 3-9-1/03, 3-6/03 plots, the nature of "park green space, commercial, business, social parking lot" (Huangjioashu Finance, 2016), covers an area of 58,634 square meters, construction area of 80,000 square meters. The high location value of 18T and the many additional development restrictions imposed on the historical (conservation) buildings (18T was included in the Historic and Cultural City Protection Plan of Chongqing Urban and Rural Master Plan (2007-2020) in 2014) make the site a mainstay of the 18T project. Only two companies took part in the auction, with Hangzhou Xintiandi Group acquiring the land for 570 million yuan (about £64 million). As an integrated operator of urban industries, Hangzhou Xintiandi Group focuses on driving development through three core product lines: "City Central Vitality District," "City Cultural Landmark," and "Wellness Resort." With the integration of culture, commerce, and tourism as a coordinated development strategy, Hangzhou Xintiandi is actively involved in the development and management of urban complexes and resort projects in six cities in China. 18T project is a perfect fit with the company's strategic direction and is an exemplary case study of the company's core mission. According to the plan, Hangzhou Xintiandi developed the 18T project into a comprehensive commercial, cultural, and

(Source: Data collected during fieldwork)



Figure 5.9 (b): Rendering of Xintiandi Group-18T.

(Source: Hangzhou Xintiandi Group)

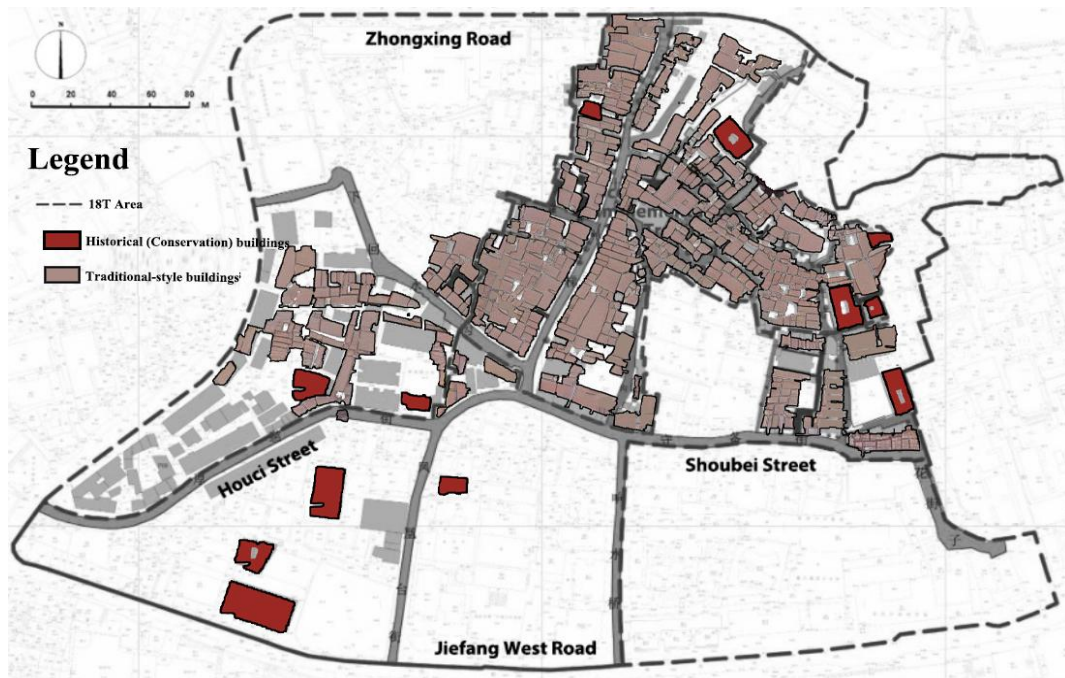


Figure 5.10: Historic (protected) buildings and traditional-style buildings in the 18T area.

(Adapted from Historic Buildings Preserved in the 18T Traditional Landscape Area.
(Chongqing 18T Cultural Development Co., LTD.)



Figure 5.11: Land use/area map of 18T after renovation.

(Source: Author's own)



Figure 5.12: Zone B - Area for retail.

(Source: Author's own)

Encouraging the conversion of old residential buildings to commercial use, renovated homes were repurposed for dining, retail, and museum spaces, fostering the creation of new commercial areas. Some historical landmarks, including the site of the Chongqing bombing, were transformed into compact museums. Small public squares were also created to provide leisure spaces for visitors and consumers. Former private residences were converted into shops for tenant use. After nearly a decade of renovation, the 18T area officially opened to the public on September 30, 2021, almost nine months later than originally planned.

The demolition of the old 18T and the implementation of the new plan seemed to promise “a bright future for the area,” and the future of the city seemed to spread out along these stone steps. However, with the removal of the original residents, the question of whether 18T can truly retain its cultural heritage and unique historical value remains an open question. Similar transformation models have also been applied in other cities. Chengdu's Broad and Narrow Alley has adopted a ‘protective transformation,’ realising an economic transformation through the combination of culture and commerce, and

becoming a cultural landmark that blends tradition and modernity; while Guangzhou's Yongqingfang has proposed a 'micro-restoration' approach to regeneration. "After the demolition of 18T, how can the city's cultural lineage be continued? How can the original street texture be preserved as much as possible, the traditional style showcased, and people's memories of 18T evoked? Achieving these goals will serve as the criteria for judging the 18T project."



Figure 5.13: Original appearance VS new appearance.
(Source: Chongqing 18T Cultural Development Co., LTD.)

5.4 Conclusion

This chapter presents the case of 18T in the Chongqing Shantytown redevelopment program and explores how the national shantytown redevelopment program works at the macro level to implement local projects. Given the significant regional differences in the policy context and practice of urban redevelopment programs in China, the analysis begins by identifying the unique institutional context of 18T renovation, parsing its political and social context and how these factors influenced the initiation, planning, and implementation of the program.

In the practice of governance, as a municipality directly under the central government and an experimental zone for urban-rural integration, Chongqing's special institutional environment has made the 18T project a nexus of national strategy and local practice. Against the backdrop of national policy support and resources, the 18T renovation was categorized as a shantytown redevelopment “people's livelihood project” aimed at improving the living conditions of residents, modernizing infrastructure, and stimulating local economic growth. However, in the course of project governance, contradictions and tensions between different priorities emerged.

This chapter discusses these contradictions in detail: on the one hand, the project achieved the material transformation of informal settlements through the construction of modern housing and commercial facilities; on the other hand, historic communities were demolished and rebuilt, and the topic of cultural preservation was reinforced and protected. In addition, the public participation mechanisms introduced during the demolition phase, such as voting and consultation meetings, although advertised as measures to empower residents, actually served more to build project legitimacy than to achieve substantive power sharing. This imbalance is particularly evident in the compensation negotiation and relocation process, and subsequent chapters will discuss in detail how these mechanisms affect actual policy implementation and social outcomes.

Against this backdrop, Chapter 6 will provide insights into the governance model surrounding the 18T Shantytown redevelopment project. Through DiGaetano and Strom's (2003) framework for analyzing governance models, which examines the governance process at both the meso- and micro-levels, Chapter 6 will focus on the concrete implementation of governance models at the local level to reveal the logic of local governance and its practical manifestations in urban redevelopment in China. This analysis will provide a more in-depth perspective for understanding the governance complexity and power dynamics of urban redevelopment projects.

Chapter VI: Micro Governance in Shantytown Redevelopment

6.1 Introduction

This chapter analyses the institutional milieu and political actors of the 18T Shantytown redevelopment project in Chongqing. By applying the theoretical framework and conceptual tools presented in Chapter 3, as well as the research questions outlined in Chapter 4, this chapter aims to analyse the context of Shantytown redevelopment and the implementation process of governance practices. The analytical framework of this chapter relies on DiGaetano and Strom's (2003) model of governance frameworks, which progressively develops from the macro meso to the micro level, focusing on the actual governance phenomena observed at the local level. The previous sections have discussed the macro-level aspects of the analytical framework, in particular the role of 'formal institutions' - such as law and policy - in Institutional Milieu. - and the role of formal institutions. According to DiGaetano and Strom's (2003) theory, political institutions are 'the organisational means by which collective decisions are achieved and put into practice.' These include political parties, interest groups, administrative and formal institutions, and partnership arrangements. However, these political organisations do not function as standalone institutional foundations but are nested within a complex set of relationships that, taken together, are referred to as the 'institutional milieu.' This integrative concept aims to track the longevity and change of institutions on the premise that they exist in a dynamic context. In contrast to the dynamic nature of the institutional environment emphasised by DiGaetano and Strom's model, China's institutional milieu exhibits a high degree of stability and structure, largely due to its deep bureaucratic system. This chapter further focuses on the parts of the institutional milieu related to organisational structure (e.g. government departments and Command Centres) and analyses their role in the governance process. This section will focus on the meso to micro-level; that is, from the Institutional Milieu (administrational arrangement and organisation) to the political actors. Attention will also be paid to the role of the institutional milieu as a link between the culture and the political actor. The focus will also

be on the Institutional milieu as a veneer of connectivity between culture and political actors, in this case, a strategy for bridging the gap between policy making at the central government level and policy implementation at the municipal government level.

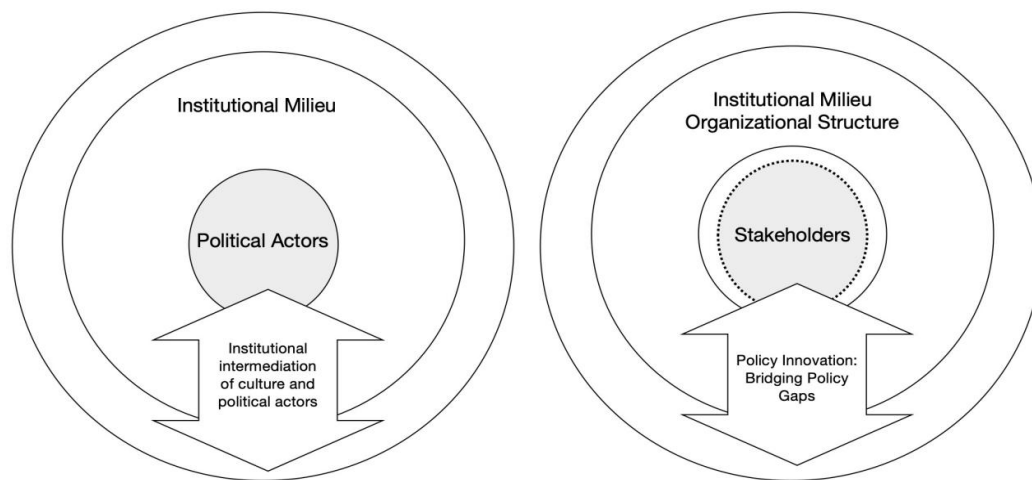


Figure 6.1: Adapted from DiGaetano and Storm's integrated model.

(Source: Author's own)

Section 6.2 focuses on the hierarchical governance structure of Shantytown regeneration, which is characterised by “principal-agent.” In addition, individual motivations within the government are a key factor influencing policy implementation. By linking individual incentives (e.g., career advancement) to collective policy goals, the system creates a competitive environment that prioritises performance and results. The interplay between structural design and individual agency highlights the subtle dynamics of urban governance in China, especially in large-scale initiatives such as Shantytown redevelopment. Section 6.3 turns to different stakeholders, and in the governance of shantytown redevelopment there are more than just Political Actors (decision-makers and policy implementers), who are primarily responsible for the distribution and functioning of power, and in actual studies of Shantytown redevelopment you will find that it is common to use the term “stakeholders” (stakeholder). “The term 'stakeholders' is commonly used in the actual study of Shantytown reform, and it broadens the scope of the

original discussion of political actors. From focusing on formal decision-making to encompassing economic, social and other factors. Shantytown redevelopment projects involve the participation and collaboration of multiple actors, including the government, developers, and residents, who play different roles in the project and have their own interests. At the same time, the interests and motivations of individuals also play a subtle role in governance practices. Section 6.4 analyzes the “bridging” of the institutional intermediation of culture and political actors in a complex institutional milieu. - The “Command Centres” are constructed through policy innovations. The ‘Command Centre,’ an ad hoc body that serves as a platform for policy implementation, is responsible for key decisions on evictions, compensation and resource allocation. This section also analyzes the important role played by the Command Centre in coordinating cooperation between different governance actors. Structured as more than just a linear vertical relationship, it is simultaneously used to organise departments at the level of the hierarchy and is supported by subordinate departments. This chapter aims to clarify the governance mechanisms in the 18T Shantytown redevelopment case and is organised around the following research questions:

- 1) *Who are the stakeholders in the governance of 18T and how are the governance relationships between them characterised?*
- 2) *How is the governance structure of Shantytown redevelopment constructed? How are power interactions and governance relations among different stakeholders manifested?*

The discussion in this chapter not only provides key perspectives for understanding local governance mechanisms, but also lays the theoretical groundwork for subsequent chapters to delve deeper into the actual effects of governance mechanisms and the potential impact of policy innovations on governance patterns.

6.2 The Institutional Milieu: Administrative Arrangements

6.2.1 Organisational Structure of Governance in the Principal-Agent Model

As mentioned in the previous discussion, during China's urban development process, the state has provided municipal governments with more space for self-governance through administrative reconfiguration and decentralisation. This decentralisation not only simplified the administrative hierarchy and expanded local autonomy, but also required ensuring that this distribution of power could be safeguarded through top-down policy implementation. However, in the administrative restructuring in the context of market transformation, the relationship between the central and local levels is not one of complete decentralisation and devolution but is managed through a complex system of hierarchies and organisational mechanisms of the state. Under this system, municipal governments are given a degree of autonomy while still relying on top-down policy guidance and resource allocation.

The basic form of Chinese state organisation has typical bureaucratic characteristics (Zhou, 2013) (See 3.3 for details). At the macro level, many studies have viewed state power and bureaucracy as integrated organisations (Feng, 2011; Zhou, 2011). This bureaucracy is not simply a hierarchical system, but rather a unique organisational structure in which power is highly concentrated within the central government, while municipal governments and institutions usually comply with the central government's instructions. As is the case in China, top-down policies in Chongqing have been implemented through civil servants and formal regulations. The implementation of this centralised organisation is characterised by a “principal-agent” relationship - which can be viewed as a principal-agent relationship within a bureaucratic organisation.

Based on DiGaetano and Strom's (D&S) governance framework, the analysis spans the macro, meso and micro levels, emphasising the interplay between institutional arrangements, participant interactions and governance outcomes. It also points to the dynamic transfer of power between different levels. Its framework is essentially one of delegation of authority and responsibility; for example, 'managerialism' in the analytical framework usually involves the

government (the principal) delegating executive authority to professional managers or private entities (the agents), emphasising efficiency and expertise (Klikauer, 2015). This is very similar to the principal-agent model. However, the former theoretical perspective is more focused on the macro level and lacks direct empirical significance in explaining municipal government behaviour. Therefore other theories are needed to decipher the microfoundations (Zhou et al., 2013). In response to this limitation, the principal-agent model provides a complementary perspective for understanding the hierarchical dynamics in the Chinese governance system. For example, in the case of Shantytown redevelopment, the central government acts as the 'principal,' setting the overall strategic objectives and adapting policies locally through municipal governments. Municipal governments, as “administrators,” not only need to implement the central government's policies but also need to assign tasks to the grassroots governments and ensure the effective implementation of the policies. This multilevel logic of delegation and implementation is the micro-level manifestation of the D&S model's “power transfer” mechanism. The model emphasises the consistency of objectives between central and lower levels of government (Gibbons, 1998), and limits agent bias through incentives and monitoring costs, especially in principal-agent models where agents prioritise short-term, self-interested behaviour (Stein, 1989; Bushee, 1998). Therefore, the principal-agent model not only deepens the understanding of the hierarchical dynamics of China's governance system but also provides a more nuanced analytical framework for the power relations and behavioural patterns among different levels of government in Shantytown governance. Drawing on the principal-agent model (Jensen & Meckling, 1976), a three-tiered organisational model of principal- administration -agent is used to simulate the governmental hierarchy in Chongqing urban governance.

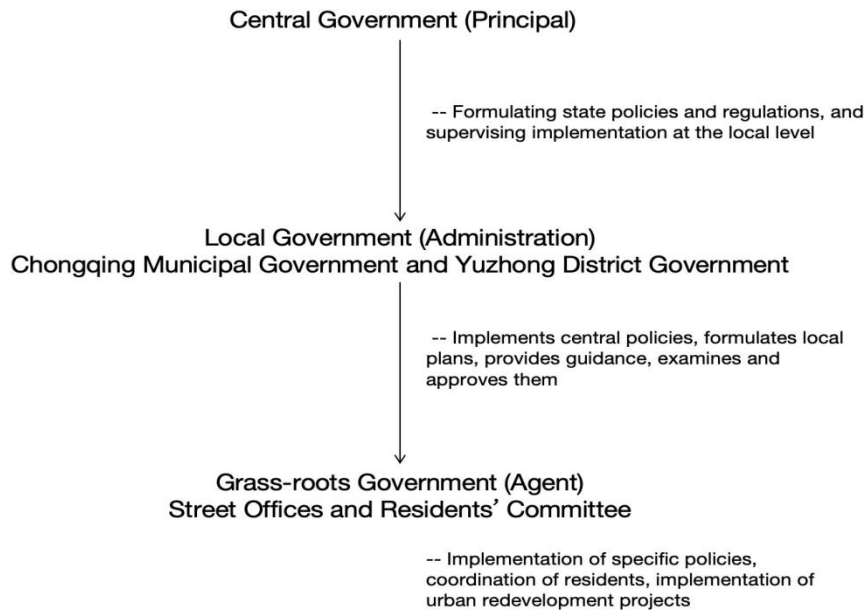


Figure 6.2: Three-tier structure diagram of ‘Principal–Administration–Agent’.

(Source: Author’s own)

This governance model is structured into three levels: the central government, the municipal government, and the grassroots government. Within this hierarchical framework, a clear principal-agent relationship is established. The central government, acting as the principal, holds ultimate authority over policy formulation and organizational design, including setting incentives and evaluating performance. Meanwhile, the grassroots government, functioning as the agent—comprising entities such as street offices and neighborhood committees—is responsible for implementing and executing top-down directives. This structure ensures that policies formulated at the central level are carried out at the local level through a structured chain of command. The central government delegates some of its authority to municipal governments (intermediate governments) (administrative parties), such as the Chongqing municipal government and district governments, so that they can assume their supervisory responsibilities and urge the lower levels of government to implement the central government's policies effectively. A key element of this hierarchical system is the use of performance evaluation metrics, particularly the completion rate of demolition tasks, which serve as benchmarks for assessing the

effectiveness of municipal governments in achieving the central government's policy objectives. These performance metrics are closely linked to the broader promotion competition mechanism (Zhou, 2004), wherein local officials are evaluated based on their ability to meet policy targets, such as economic development, social stability, or urban redevelopment, including shantytown redevelopment projects. This system incentivizes local officials to prioritize and effectively implement central policies, as their career advancement often hinges on their performance in this "competition."

The central government, as the principal, has the ultimate authority to design policies and allocate resources. It requires municipal governments to implement policies by setting goals, allocating resources, and specifying tasks. The origin of Shantytown redevelopment can be traced back to the "Ten Measures for Expanding Domestic Demand" launched by the central government in 2008, the core of which is to accelerate the construction of guaranteed housing projects, of which Shantytown redevelopment is the most important one. Subsequently, in 2013, the State Council issued Document No. 25, which required that 10 million shantytowns be redeveloped (including 8 million urban shantytowns) between 2013 and 2017. These targets were broken down level by level from top to bottom, with the State Ministry of Housing and Construction setting specific Shantytown redevelopment targets for each province and city based on the central government's five-year plan. On this basis, at the provincial/municipality level (municipality directly under the central government), Urban and Rural Construction Commissions (MOHURD) were tasked with further dividing these targets for each district within their jurisdiction. These commissions also provided guidance and oversight for district-level housing and urban-rural construction work (Chongqing Housing and Urban-Rural Construction Commission, 2019). Chongqing Municipality, as a provincial-level agent, was assigned a five-year target of 12.3359 million square meters of affordable housing, covering 140,000 households (China Economic Weekly, 2015). Driven by the incentive of the political tournament (Li & Zhou, 2005; Zhou, 2007), municipal governments often overachieve central mandates. As of mid-2017, Chongqing Municipality reported a completed area of 18.16 million square meters (Li & Guo, 2017), 154% of the original target.

According to the Policy and Regulation Document (District Housing and Urban Development Committee, 2020), the Yuzhong District Housing and Urban Construction Commission and its subordinate departments were not involved in the target-setting process. The target-setting power in the field of Shantytown redevelopment is entirely in the hands of the central government and the municipal (Chongqing) government, i.e., the commissioner and the administrator. At the same time, in order to enhance the efficiency of policy implementation and to adapt to local realities, the central government delegated part of its authority to the intermediate-level Chongqing municipal government, giving it the responsibility of supervision and coordination (see the Figure 6.3).

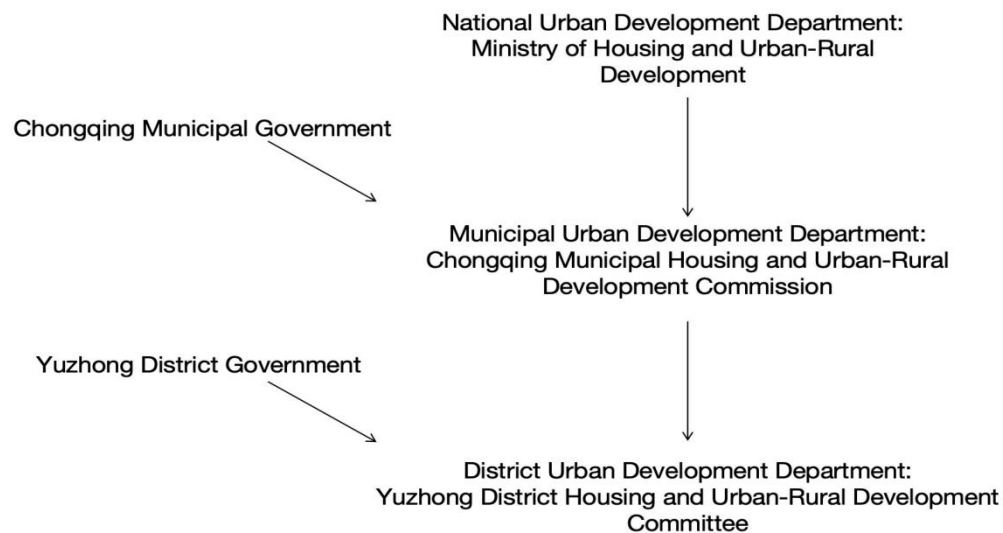


Figure 6.3: Institutional position of the Housing and Urban-Rural Development in the governmental organisational structure.

(Source: Author's own)

Chongqing's municipal government plays the role of both an administration and an intermediate agent in this framework. On the one hand, it is an agent of the central government, responsible for breaking down central policies into actionable regional tasks. On the other, it also assumes the role of a delegator,

further decentralizing specific tasks to grassroots departments. As the fieldwork was conducted in the second half of the Shantytown program, relevant information was obtained retrospectively. The municipal government of Chongqing is faced with multiple tasks, but the central task is still the central government's 2009 request for national Shantytown redevelopment and ensuring the completion of the five-year plan (Chongqing's five-year Shantytown redevelopment target¹¹) sets out the numbers and targets. Such target setting is a top-down mandatory process. The State Ministry of Housing and Construction (MOHURD) is the one that reviews the data submitted by localities every year in order to urge the lower levels to fulfill the targets according to the expected progress. From 2013 to the first half of 2017, the data on shantytown redevelopment shows that Chongqing has completed the redevelopment of 18.16 million square meters of shantytowns, involving 132,500 households (Li & Guo, 2017). The area of redevelopment has been over-completed, and the number of households involved is very close as well. However, there is some uncertainty about the acceptability of these data. The central government's acceptance of local targets, while emphasising "strictness," is more of a deterrent strategy to ensure that municipal governments do not slacken off.

In terms of specific urban redevelopment decisions, the Chongqing municipal government is not directly responsible for initiating projects but rather influences the work of district governments through guidance and supervision. The municipal government plays a guiding role and has less influence on urban redevelopment decisions than the district governments. The district government, as the primary decision-making body, assumes the core responsibility in urban redevelopment projects. It not only leads the planning and implementation of the project but also coordinates the collaboration of all relevant departments. Decision-making and implementation of urban redevelopment usually involves more than ten functional departments within the district government, including planning, construction, land, housing

¹¹ In a five-year period from 2013-2017, 5.67 million square meters of urban Shantytown redevelopment will be completed in Chongqing's main urban areas to improve residents' living conditions.

management, development and finance departments. These departments are organised according to their respective functions within a collaborative framework, forming an efficient operating mechanism to jointly promote urban redevelopment projects.

At the bottom of the governance structure is the grass-roots government, which includes street offices and residents' committees (same as neighbourhood committees). According to the Organic Law of the People's Congresses and Local People's Governments at All Levels of the People's Republic of China, a street office is defined as "an organ dispatched by the government. The administrative level of a street office belongs to a township-level administrative district, and it is mainly responsible for the administration and public services within its jurisdiction." The tasks of the street office are assigned by the higher level, the funds and salaries are allocated by the higher level, and the personnel relationship is subordinate to the district government, which has formed an obvious entrustment-agent relationship between the district government and the street office. While the street office, as an intermediary administrative unit between the district government and the neighbourhood committee, has certain administrative functions, the neighbourhood committee does not have formal governmental functions, but the status and role of the neighbourhood committee still deserve attention. According to the Chinese Constitution, neighbourhood committees are grassroots mass self-governance organisations in urban areas, and their leadership (usually held by party branch secretaries) is democratically elected (Figure 6.4(a) and (b)). However, in order to ensure Party leadership, higher-level Party organisations retain the right to manage and dismiss neighbourhood committee branches, which makes neighbourhood committees deeply embedded in the bureaucracy under a framework of so-called "autonomy." This institutional arrangement puts the neighbourhood committee in a dual role: on the one hand, it has the most direct contact with the residents and is the "first responder" to community affairs; on the other hand, its functions and objectives tend to be more oriented towards representing the government and implementing higher-level policies. Neighborhood committees can neither be completely detached from the

residents nor can they get rid of their dependence on the higher levels of government, so that they end up as a kind of unstable intermediary and more of an “end nerve” in the chain of policy implementation. As the “last mile” of policy implementation, grassroots governments (including street offices and neighbourhood committees) have taken on heavy tasks in Shantytown redevelopment. Their responsibilities include resident surveys, coordination, policy advocacy, and the groundwork needed to support urban redevelopment decisions (Figure 6.5). Grassroots governments are tasked with ensuring that policy objectives are achieved at the micro level, and are therefore under pressure to assess performance. Their objectives are closely linked to those of higher levels of government, thus creating a cascading alignment of interests across governance levels. Taken as a whole, the successful completion of the Shantytown redevelopment task is beneficial to all parties.



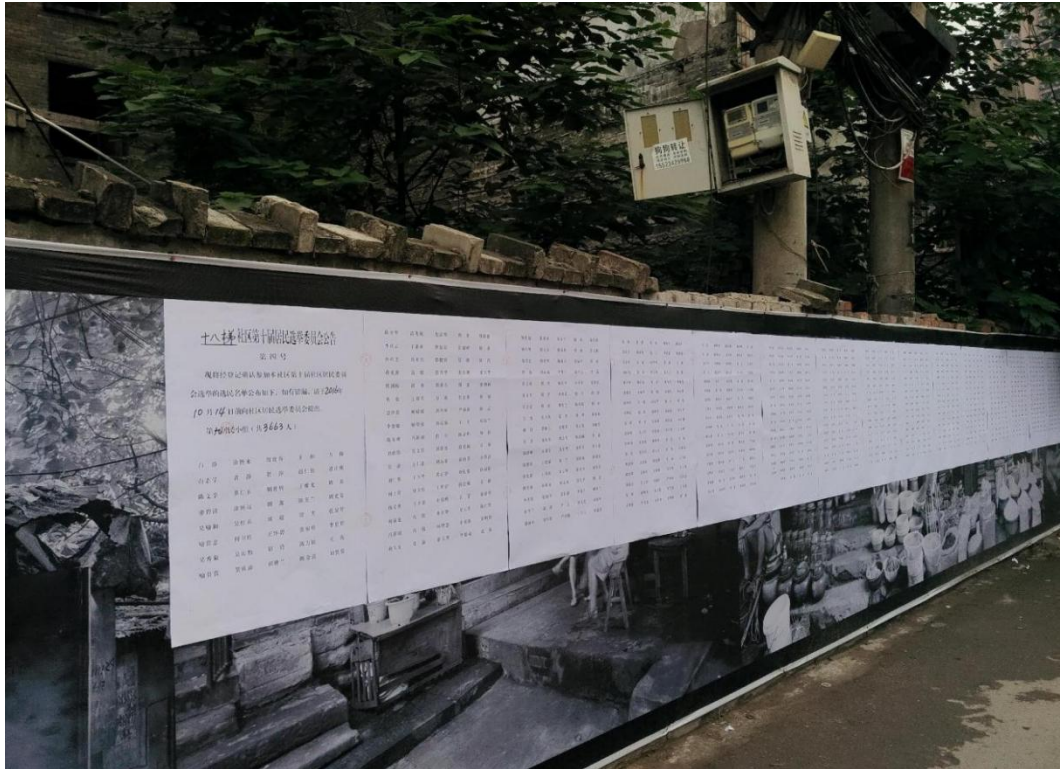


Figure 6.4 (a) and (b): 18T Community 10th Resident Election Committee

Announcement.

(Source: Nanjimen Street Office)



简报

第 34 期

十八梯社区居委会 2013 年 5 月 17 日

拆迁仍是社区人 永远都是好邻居

“瞿阿姨，今天我们社区几位还没有搬迁的老邻居到您家团圆来哟！”5月17日，在第二届“邻居节”来临之际，为增进社区居民的情感交流，十八梯社区积极开展“搬出十八梯，还是好邻居”邻里乐活动，组织十位将要拆迁的居民来到同心佳园安置小区瞿美霞阿姨家，与几位已经入住的居民一起团员包饺子。

在瞿阿姨家，她不停的向还没有拆迁的邻居们介绍新家情况，一





个劲地说“做梦都没有想到能住进新房，通风好、采光好、空气好、绿化好。托政府的福、托拆迁的福，让我在 78 岁的时候能住进有飘窗的新房！我在十八梯住了三十多年，感情太深了，现在虽然搬了，社区也没有忘了我们，还来看我们，给我们送礼物，我们一家人永远都是十八梯的人！”

同样，入住新房的社区党员李建，居民邓朝明、谭宁也等带着大家伙一起看他们的新家，同样表达了乔迁新居的喜悦和满足！



在亲眼见证邻居的乔迁喜悦和满足后，社区党员杜泽生感慨地说“看来拆迁后带来的变化确实太大了，不仅居住环境改变了，就连大家的精神状态都变了，而且社区还是把大家看成自己的居民，没有把大家忘了！回家后和老婆仔细商量，也争取早点搬过来，大家一起还做好邻居！”中午时分，大家在瞿阿姨家一起包饺子，一起吃团圆餐。

十八梯社区通过开展这类“邻里情”活动，旨在加强对拆迁居民的服务联系，促进邻里情感交流，也让还未搬迁的居民亲身感受拆迁带来的巨大变化和喜悦，助推和谐拆迁的局面。

十八梯社区

报送：党工办/文明办/工会/社建科

Figure 6.5: 18T Neighborhood Council Demolition Advocacy Brief.

(Source: Nanjimen Street Office, 2013)

Within this multi-level governance framework, there is also an important principal-agent relationship between the government organisation and its individual officials. This relationship is further expanded on the basis of the traditional principal-agent model, through the strengthening of incentives and performance assessment, so that officials will be highly tied to their own performance and policy objectives, forming a “common goal” power mechanism. District governments and grassroots departments are not only the main implementers of policies, but their internal cadres and staff are also entrusted with specific tasks as agents.

Through the observation of the project, in this principal-agent model, the contractual goals are negotiated between the principal and the administration, and are therefore possible and binding. As commented by Yang & Gao (2023):

This is a principal-agent relationship centered on national strategic goals, in which the central government sets overall strategic goals and delegates responsibility for their implementation, and entrusts municipal governments with locally adapted governance practices around national goals.

As I explained in Chapter 2, municipal governments do their best to exert more pressure on subordinates during the policy implementation process, forcing subordinate officials to take “measures” to ensure the fulfillment of their superiors’ tasks (Wang & Wang, 2009; Zhang & Li, 2012). This “pressure-based system” and the “tiered approach” have become common phenomena in China’s urban governance practices.

6.2.2 Individual Motivation in Governance - Incentive Mechanisms

With the Chinese government at the hub and center of economic and social governance, the importance of incentives for its officials is self-evident. The significance of focusing on incentives is that it touches the core of government governance - how to effectively constrain discretion through incentive design while promoting the realisation of the public interest, while retaining control over subordinates by assigning incentives of varying degrees of intensity to

different tasks. In the principal-agent relationship, incentives become the key link between government goals and individual behaviour (Zhou, 2008).

Government governance is characterised by the discretionary power of officials and the specificity of the public duties performed by the government (Wang, 2021): on the one hand, the executive power is enormous, and all aspects of the economy and society are under the supervision and control of the executive; on the other hand, the constraints on the full power are limited. For example, departmental “heads 一把手” often have absolute decision-making power in their areas of jurisdiction. This long-standing hierarchical model of governance relies on higher levels of government to monitor and constrain lower levels, but the vertical model of regulation also faces many challenges, such as the incidence of abuse of power or bribery by local officials. Therefore, the core of governance lies in the design of an effective incentive mechanism that both constrains discretionary power and transforms the prioritisation of officials' personal interests into the prioritisation of public interests (Zhou, 2008). The essence of this incentive mechanism is to achieve compatibility between officials' personal and political goals.

As mentioned earlier, in the Chinese government system, officials are first and foremost political agents whose behaviour is strongly driven by factors such as position, power, and promotion (Blanchard & Shleifer, 2001; Zhou et al., 2005). While financial and tax incentives for municipal governments are important drivers of their behaviour, as individual officials in the administrative structure, they are also highly concerned with personal career development opportunities. One of the characteristics of governance in China is the mechanism of “political championships” (Zhou, 2004, 2005), in which the promotion of officials is linked to the performance of local economic development. This mechanism encourages officials to compete for political promotion through economic growth and urban development.

In the process of urban redevelopment, cadres need to strike a balance between multiple goals such as economic development, livelihood improvement, and social stability, reflecting the principal-agent model at the

individual level. For example, in government reports related to Shantytown redevelopment, it is common for a series of data to be used to describe the completion of the redevelopment area and rehousing population within the past year, while listing the digitised goals for the future. These quantitative indicators not only reflect the government's performance but also become an important basis for officials' appraisal.

The 18T Shantytown redevelopment project is one of the largest in Chongqing, covering more than 7,000 families, and nearly 400,000 square metres area. These remarkable “number of achievements” are closely related to the promotion of officials. District government officials are entrusted with leading urban redevelopment projects, and the effectiveness of their work not only affects the overall success or failure of the projects but also has a direct bearing on their career development and promotion prospects. I observed in my interviews that these officials transitioned from their roles during the Shantytown redevelopment project to more senior positions (I anonymised these data to ensure the anonymity of the unit of investigation).

6.3 Stakeholder Interests and Roles: Social Interactions

Analysis of the Main Subjects of Interest

In DiGaetano and Strom's (2003) framework, political actors are central to understanding the decision-making process, focusing on the mechanisms and goals of those in formal decision-making roles. However, for Shantytown redevelopment research, this decision-centered perspective is inherently limiting. political actors typically refer to entities directly involved in the operations of power, such as government officials, political parties, and institutional leaders. This definition narrows the focus to formal political decision-making and the distribution of power and tends to overlook the role of non-political but equally influential players, such as residents, non-governmental organisations (NGOs), and private businesses. In the context of urban regeneration, these non-political actors often have significant influence (Rădulescu et al., 2016), while tensions often arise due to differences in interests and conflicts between stakeholders (Wang et al., 2021). Expanding

the focus from political actors to stakeholders is therefore important for a more comprehensive governance analysis.

This section provides background on the main subjects involved in Shantytown redevelopment, including central government, municipal governments, enterprises commissioned by municipal governments, developers and residents. The guiding principle of Shantytown redevelopment is mainly reflected in the combined roles of government-led or guided, market-led, state-owned enterprise implementation and public participation. Each subject exhibits different preferences, resources and capabilities and can be influenced by the conceptual systems they deal with (Zhang, 2014). The subsequent chapters will explore, in detail, how these differences impact the parties' goals, strategic paths and outcomes.

From the perspective of interest structure, I categorise the various stakeholders in Shantytown redevelopment projects. Shantytown redevelopment (urban redevelopment) is essentially a restructuring of the social interest structure (Li, 2019), a change that inevitably leads to more benefits for some groups, while others may be adversely affected or even suffer losses.

In this case study, the interests of the involved parties can be broadly categorised into the following groups: the central government, municipal government, companies contracted by municipal governments, developers, and residents.

6.3.1 Central Government

The starting point of this study's observation of the subject of interest comes from the norm of the state's role in urban redevelopment projects, namely through policymaking for the introduction of campaign-style Shantytown redevelopment governance (Li et al., 2018), resolving the urban-rural dichotomy-household registration issue, the formalisation of property rights for shantytowns (Liu & Wong, 2018), and the development of a comprehensive urban planning policy (Wu, 2015), among others. In addition, as described in

previous chapters, the state has actively intervened in Shantytown redevelopment by setting strategic goals and developing detailed redevelopment plans.

In China, the rapid advancement of Shantytown redevelopment is closely related to its socialist system and one-party political system. Under the state system, the institutional advantage of “centralizing power to do big things” has enabled Shantytown redevelopment projects to be carried out in an efficient and uniform manner. This “clean slate” model of campaign governance allowed the central government to mobilise resources from all levels of government and society and to develop a strong top-down implementation mechanism. As one interviewee put it, “Under our socialist system, the first thing is to ‘centralise power to do big things’ and the second is to ‘rectify the problems of the people.’” (Interview C-4) This reflects the fact that state-led Shantytown redevelopment is not only a development project, but also an important “political action and national strategy” (Wu et al., 2021).

The core feature of campaign-style governance is the concentration of resources, power and policy support in a short period of time to promote high-intensity action. Since the launch of the large-scale Shantytown redevelopment campaign in 2008, the central government has clarified the objectives and tasks by issuing several policy documents, while mobilizing the participation of all levels of government in all regions. The strong policy push and financial investment have ensured the rapid advancement of Shantytown redevelopment projects. By 2020, the number of national policies involving Shantytown redevelopment has reached 15 (see Figure 6.6 for details).

The central government attaches great importance to Shantytown redevelopment and provides strong policy support, demonstrating its firm determination to promote this national strategy. This impetus has been further transmitted to municipal governments through a “pressure-based system,” which has strengthened local attitudes towards Shantytown redevelopment. Many municipal governments have incorporated Shantytown redevelopment into their performance appraisal systems to ensure that targets are met. Since the nationwide launch of large-scale Shantytown redevelopment in 2008,

more than 100 million people have been resettled in urban Shantytowns. This huge volume of projects is something that the state has been able to achieve only by pooling its efforts and resources. Chongqing's urban planning is also clearly influenced by political imperatives at the highest levels of the Chinese state. Municipal governments have responded positively to the demands of central government policy and have developed specific plans for renovation and implementation.

2007	<i>Several Opinions of The State Council on Solving the Housing Difficulties of Low-income Urban Families</i> <i>《国务院关于解决城市低收入家庭住房困难的若干意见》</i>	
2008		<i>Guidelines on Compensation and Rehousing for Demolition and Relocation of Old and Dangerous Buildings in All Urban Areas</i> <i>《关于全城区危旧房拆迁补偿安置工作的指导意见》</i>
2009	<i>Guiding Opinions on Promoting the Renovation of Urban and State-owned Industrial and Mining Shantytown Areas</i> <i>《关于推进城市和国有工矿棚户区改造工作的指导意见》</i>	
2012	<i>Notice on Accelerating the Transformation of Shantytown Areas (Dilapidated Houses)</i> <i>《关于加快推进棚户区（危旧房）改造的通知》</i>	
2013	<i>Opinions of the State Council on Accelerating the Work of Transforming Shantytowns</i> <i>《国务院关于加快棚户区改造工作的意见》</i>	<i>Chongqing 2013-2017 Urban Shantytown Redevelopment Special Plan</i> <i>《重庆市 2013—2017 年城市棚户区改造专项规划》</i>
2013		<i>Implementation Opinions of the Chongqing Municipal People's Government on Promoting the Transformation of Urban Shantytowns in the Main City</i> <i>《重庆市人民政府关于推进主城区城市棚户区改造的实施意见》</i>
2014	<i>Notice of The General Office of the State Council on Further Strengthening the Redevelopment of Shantytown Areas</i>	<i>Chongqing Urban Real Estate Development and Management Regulations</i>

	《国务院办公厅关于进一步加强棚户区改造工作的通知》	《重庆市城市房地产开发经营管理条例》
2014	Notice of the General Office of the National Development and Reform Commission on Issues related to Innovative Enterprise Bond Financing Methods and Solid Promotion of Shantytown Redevelopment and Construction 《国家发展改革委办公厅关于创新企业债券融资方式扎实推进棚户区改造建设有关问题的通知》	Chongqing Urban and Rural Master Plan (2007-2020) (revised in 2014) 《重庆市城乡总体规划（2007-2020 年）》（2014 年修订）
2014	Notice of the General Office of the Ministry of Housing and Urban-Rural Development on Issues related to the Definition of Shantytown Areas 《住房和城乡建设部办公厅关于棚户区界定标准有关问题的通知》	
2015	Notice of the General Office of the Ministry of Housing and Urban-Rural Development on Completing the Redevelopment Plan of Urban Shantytown Areas and dilapidated urban Houses in 2016 《住房和城乡建设部办公厅关于做好 2016 年城镇棚户区和城市危房改造计划工作的通知》	Guiding Opinions of the General Office of the Chongqing Municipal People's Government on Promoting the Monetisation of Urban Shanty-town Redevelopment 《重庆市人民政府办公厅关于推进城市棚户区改造货币化安置的指导意见》
2015	Opinions of the State Council on Further Doing the Reconstruction of Shantytowns and Dilapidated Houses in Both Urban and Rural Areas, and the Construction of Supporting Infrastructure 《国务院关于进一步做好城镇棚户区和城乡危房改造及配套基础设施建设有关工作的意见》	Notice of the General Office of the Chongqing Municipal People's Government on Further Promoting the Transformation of Urban Shantytowns 《重庆市人民政府办公厅关于进一步推进城市棚户区改造工作的通知》

2015		<i>Chongqing Historical and Cultural City Protection Plan</i> 《重庆市历史文化名城保护规划》
2015		<i>Plan for the Protection and Utilisation of Traditional Features in the Main Urban Area of Chongqing</i> 《重庆市主城区传统风貌保护与利用规划》
2016	<i>Several Opinions on Deepening the Construction of New-Type Urbanisation</i> 《关于深入推进新型城镇化建设的若干意见》	<i>Notice of the General Office of the Chongqing Municipal People's Government on Further Accelerating the Reconstruction of State-owned Enterprises in Shantytown</i> 《重庆市人民政府办公厅关于进一步加快推进国有企业棚户区改造工作的通知》
2016	<i>Guiding Opinions on Further Promoting the Redevelopment of Inefficient Urban Land Uses (Trial)</i> 《关于深入推进城镇低效用地再开发的指导意见（试行）》	
2019	<i>Notice on Renovating Old Community in 2019</i> 《关于做好 2019 年老旧小区改造工作的通知》	<i>Opinions of the General Office of Chongqing Municipal People's Government on Strengthening the Planning and Implementation of Historical and Cultural Protection and Inheritance</i> 《重庆市人民政府办公厅关于加强历史文化保护传承规划和实施工作的意见》
2019	<i>Administrative Measures for the Special Funds of the Central Finance for Urban Affordable Housing Projects</i> 《中央财政城镇保障性安居工程专项资金管理办法》	

2020	<i>Guiding Opinions on Comprehensively Promoting the Redevelopment of Old Urban Districts</i> 《关于全面推进城镇老旧小区改造工作的指导意见》	
2020	<i>Notice of the General Office of the Ministry of Housing and Urban-Rural Development on Effectively Strengthening Historical and Cultural Protection and Resolutely Stopping Destructive Behaviors in Urban Redevelopment and Reconstruction</i> 《住房和城乡建设部办公厅关于在城市更新改造中切实加强历史文化保护坚决制止破坏行为的通知》	
2020		<i>Urban Redevelopment Work Plan</i> 《重庆市城市更新工作方案》

Table 6.1: List of National and Chongqing policies for Shantytown redevelopment from 2007–2020

(Source: Author's own)

6.3.2 Municipal Government

The 18T Shantytown redevelopment began in 2008, a late start, but its importance cannot be overstated. The Chongqing Municipal Government decided at that time to comprehensively promote the renovation of old and dilapidated houses in the main urban areas, and after an exhaustive survey, it was determined that the old houses built before the end of 1969 and the dilapidated houses identified before the end of 2007 totalled 7,860,000 square meters, involving 138,800 households. These areas are characterised by high housing density, poor functionality and significant fire safety hazards, which seriously affect the safety of the people living in the area, and also restrict the functioning of the city and the enhancement of its image. Therefore, the Chongqing Municipal Government decided to fully promote this renovation project.

In April 2009, Liu Qiang pointed out in “Realizing a New Leap Forward for Yuzhong on the Path of Scientific Development” that Yuzhong District, as the core area of Chongqing, must promote urban development at a higher standard, combine innovative concepts with global vision, promote the strategic positioning of “one district and one base,” and strive to build Chongqing into an “inland Hong Kong.” “Inland Hong Kong.” Bo Xilai, the then-mayor of Chongqing, also proposed that the renovation of old and dilapidated buildings should be fully promoted within three years. This project is not only to improve people's livelihood but also a comprehensive project for environmental and economic development. He pointed out, “If properly remodelled, it will not only expand the space for urban development and enhance the city's image but also attract more talents and resources, laying the foundation for Chongqing's long-term development.” (Chongqing Daily, 2010)

Huang Qifan (2013), then Standing Committee of the Chongqing Municipal Committee and Executive Vice Mayor, particularly emphasised at relevant meetings that renovating old and dilapidated buildings is a breakthrough in constructing livable Chongqing. During the implementation of the project, it is important to follow the requirements of “reducing the quantity, increasing the greenery, keeping the white space, and improving the appearance,” while ensuring the scientific protection of historical buildings and cultural relics in the areas where the old houses are being

renovated. This is not only a technical project but also involves inheriting the city's cultural heritage.

Under this framework, the policy push has led to rapid improvement of urban space. The central city was designated as a key area for developing tertiary industries, Shantytowns were demolished in large numbers, and residents moved from dilapidated city centres to modern suburban homes. The municipal government decisively guided this transformation process, acting as a catalyst, acting as an organiser, promoting overall demolition and introducing market investment. As a result, the Municipal Government of Chongqing Municipal Government selected 18T Shantytown redevelopment pilots for the conservation and transformation of "traditional landscape areas."

The policy emphasises government control over Shantytown redevelopment, and to meet these requirements, a government-led model of redevelopment, urban master planning, zoning implementation, and market operation was adopted. As mentioned earlier in the chapter, the government organisation is still based on the traditional bureaucratic system, and the background of the organisational structure is mainly in the framework of principal-agent, due to the asymmetry of information and different objectives between the principal and the agent, the key to such an organisational design is to regulate and improve the performance of the localities through more incentives (Sappington, 1991; Laffont & Martimort, 2009; Zhou et al., 2012). Therefore, in order to fulfill the tasks given by the central government, there is still a conflict between local development and land acquisition by residents when localities are tasked with Shantytown redevelopment. In addition, balancing the effective maintenance of social stability with improving government service performance remains a significant challenge. This complex and difficult task is primarily the responsibility of the Command Centre (see 6.4.1 for details).

The municipal government has established a fixed, transparent, and non-negotiable formula for determining home purchase compensation. To encourage residents to accept various development options, lower-level municipal governments act as mediators to help villagers reach demolition and relocation agreements, such as demolition offices and street offices. The street is not only the organiser of residents' lives, but also an assistant to the mechanism of residents' relocation, while the

demolition office is the implementer of this mechanism. They help the residents to reach an acceptable agreement with the Government.

Shantytown redevelopment is a challenging task, and the news of the 18T District redevelopment has triggered widespread concern in the community, with the public pressure on the renovation work multiplying and the difficulties in promoting it. The officer of the 18T Management Committee explained: "Inviting the market to intervene is empirically a more suitable mode of redevelopment, allowing the market to play its role and jointly promote the redevelopment project. In practice, the government decentralises implementation and management to developers, while municipal governments still retain responsibility for redevelopment, holding property rights and land ownership" (Interview B3-1).

If the Command Centre is the core organisation working together in the demolition phase, then the Management Committee is an important role in the construction and development phase. The full name of the committee is "Yuzhong District Historical and Cultural District Management Committee." As the management organisation of the 18T project, the committee takes over the project after the Command Centre completes the demolition and relocation work. According to the Chongqing Urban Redevelopment Special Plan, the committee is explicitly given the responsibility to "coordinate, harmonise and promote the project." Specifically, the committee not only coordinates all phases of the project, but is also responsible for solving specific problems faced by market players during the construction, investment and operation processes.

As the officer of the Management Committee said, "Our work is mainly to coordinate and solve the problems encountered in the implementation of the project. For example, we are responsible for coordinating the approval of programs or the handling of problems involved in the construction process of the project to ensure the smooth connection of all links." (Interview B3-1)

The Command Centre, as a new form of management to accelerate land storage in Shantytown, plays an efficient coordinating role; while the Management Committee, as an important intermediary between the government and the market, plays an indispensable role in integrating resources and promoting investment promotion.

6.3.3 Developers

After China abolished the welfare housing system, real estate developers have become an important and active subject in providing housing and building urban space (Wang & Murie, 1996). In a market economy, developers' development decisions are always value-oriented to maximise economic benefits. Similarly, developers' development decisions are also determined by the expected benefits of their decisions, which may also consider the “demonstration effect” (Cao et al., 2017) of the development project. Around 2015, the Chongqing Municipal People's Government completed the demolition of the plot of land in Area 18T. After the government successfully completed the land acquisition and demolition work, the developer was involved in the project, with minimal direct contact with the residents. On October 20, 2016, the Chongqing Municipal Administration of Land Resources and Housing publicly offered 18T plots of land. Media reports at the time emphasised that “Hangzhou Xintiandi Group defeated Chongqing Kangxiang Industrial Group to obtain the land parcel” (Hualong Net, 2016). However, during the auction process, the said land parcel was sold at a reserve price, suggesting that Chongqing Kangxiang Industrial Group only participated in the auction and did not bid and that Hangzhou Xintiandi Group may have been selected by the municipal government as the intended developer before the auction. Meanwhile, Guoco Group acquired another part of the land, and its international popularity made it a preferred partner for government cooperation (NetEase Real Estate, 2016). Guoco Group's development plans include restoring heritage buildings and constructing high-end commercial and residential spaces. Detailed plans for this have been discussed in detail in Section 5.3.

Hangzhou Xintiandi Group established Chongqing 18T (18T) Cultural Development Co. in the same year, which is fully owned and has a registered capital of RMB 100 million. Hangzhou Xintiandi has invested heavily in the project, with 578 million RMB invested in the 88 acres of land alone, and the land is unsaleable and will require up to 40 years of maintenance. This shows that the developer is not only optimistic about the cultural and tourism business potential of 18T, but has also established a solid partnership with the Yuzhong District Government. The Yuzhong District government is also actively promoting urban upgrading in the lower half of the city,

with plans to invest more than RMB 2 billion in upgrading the main roads and accelerating the construction of the surrounding infrastructure, especially the improvement of the auxiliary transportation system such as roads, parking garages, elevator links and other improvements to the area of 18T, as well as the construction of the rail transit line 18. The cooperation between the government and the developer advances in a balance of interests and coordination, reflecting the commitment of both parties to jointly promote the development of the area.

The master plan of the 18T project is based on the motto of “Old Chongqing, Real Mountain City, New Life,” and is committed to creating a traditional flavour area. Project management emphasised that the key to preserving the core values of the 18T Heritage District is to retain its unique urban fabric, such as the original “seven streets and six alleys” pattern and complex topographical differences. The design is not a simple restoration, but rather a continuation of historical memory through the preservation of historical artifacts, distinctive staircases and trees to create a space with cultural depth. This cultural attraction, linked by historical stories, not only upgrades the form, but also promotes the innovation of the operation mode, making 18T the epitome of Chongqing's mountain city culture.

Although the site has been sold to a developer, the planning and development of the entire area is still highly dependent on the support of the municipal government. One of the core reasons for preserving 18T's traditional flavor is the Municipal Government's long-term plan based on the “Ancient Capital of Bayu” strategy and the establishment of a “city's cultural card.” As the project manager put it, “Many tourists and planners see that Chengdu's Broad and Narrow Alley has successfully capitalised on the historical and cultural industries, but how can Chongqing's cultural characteristics be explored and presented? How can Chongqing's open port culture be fully utilised?” (Interview C-6). By supporting the 18T project, the Municipal Government aims to emulate Chengdu's success in further exploring and showcasing Chongqing's unique cultural values. This plan not only reflects the broader goal of cultivating Chongqing's cultural identity, but also explains why the government is so adamant in its support of the 18T Traditional Style District.

In April 2015, the Chongqing Municipal Government issued the 18T Traditional Style District Conservation Guidelines, which clearly delineated the core area, construction

control area and coordination area, and strictly defined the building volume, height and conservation principles for each neighbourhood. Based on the Municipal Government's design and planning, the operating rights of the 18T area were transferred to the Hangzhou Xintiandi Group, which is responsible for infrastructure development and area management. Although the developer played an important role in strategic decision-making, the government maintained its dominance over the master plan, and the developer had to follow the government's directives.

6.3.4 Companies commissioned by municipal governments

In the course of the Government's promotion of Shantytown redevelopment, it is not uncommon for other companies to be entrusted with demolition and relocation tasks. These tasks are usually assigned to specialised companies in the form of "outsourcing," such as the Yuzhong District Construction and Demolition Engineering Agency, Chongqing Municipal Construction and Development Corporation, and Chongqing Dewei Housing Demolition and Relocation Co., Ltd. observed in this case. In carrying out their tasks, these companies adopted a special organisational strategy to communicate with residents and complete demolition work more efficiently: they worked by joining the community trade union federation, which was managed by representatives elected by each company to serve as trade union team leaders. In this model, the representatives sent by each company are "incorporated" into the community union federation and become its members. Through this change of roles, these representatives are able to legally intervene in community affairs, participating in eviction coordination, advocating policies, and organising residents' meetings in the name of the union. Their tasks are not limited to the specific negotiation of relocation agreements, but also include mediating conflicts among residents, explaining demolition and compensation policies, and solving any problems that may arise. These tasks are to some extent similar to the duties of street and neighbourhood committees and can be seen as an extension of the functions of the grassroots sector.

Union team leaders act as a bridge between the companies and the community, managing and coordinating the overall process of demolition and relocation. They are in direct contact with the head of the street to ensure consistency of information transfer and action. This format combines the grass-roots network of the trade

unions with the professional resources of the outsourced companies, effectively enhancing the organisation and efficiency of the demolition work.

重庆市渝中区城市建设拆迁工程处
关于申请加入响水桥社区工会联合会
第一联合工会的请示

南纪门街道工会联合会：

我们重庆市渝中区城市建设拆迁工程处，为了适应企业发展的需要，进一步健全企业管理体制，维护职工的合法权利，特申请加入响水桥社区工会联合会第一联合工会，建立重庆市渝中区城市建设拆迁工程处工会小组。经企业研究并征求职工意见，推荐__同志为工会小组组长。

以上请示当否，请批示。

重庆市渝中区城市建设拆迁
工程处

年 月 日

Urban Construction and Demolition Project Office, Yuzhong District, Chongqing Request for instructions on applying to join the First United Trade Union of the Shuiqiao Community Trade Union Federation Nanjimen Street Trade Union Federation: In order to meet the needs of enterprise development, further improve the enterprise management system, and safeguard the legitimate rights of employees, we, the Urban Construction and Demolition Engineering Office of Yuzhong District, Chongqing City, hereby apply to join the First United Trade Union of Xiangshuiqiao Community Trade Union Federation and establish Chongqing Trade Union Group of Urban Construction and Demolition Project in Yuzhong District. After the research of the enterprise and the opinions of the job seekers, Comrade _ is recommended as the leader of the trade union group. Please instort the above. Urban Construction and Demolition Project Office, Yuzhong District, Chongqing Year, month, day

Figure 6.6: 18T Demolition of Agency Request.

(Source: Nanjimen Street Office)

Although in theoretical terms this arrangement may seem to make evictions more 'localised,' with the presence of trade unions providing familiar channels of communication and the professional background of the 'outsourcing' company providing technical guarantees for project implementation, the model also reveals many potential challenges. However, this model also reveals several potential challenges. For example, the new membership of the labour union may lead to distrust of external forces, making it difficult for residents' demands to be accurately and adequately represented by the outsourcing company. In addition, some outsourcing companies may resort to over-aggressive means or even violent

demolition and eviction in their actions that prioritise efficiency as a goal. As Jia (2011) points out, such arrangements may lead to “intensified political pressure.”

6.3.5 Residents

As one of the participants in the Shantytown redevelopment project, the degree of participation of Shantytown residents is affected by a number of factors, including their understanding of the policy, the transparency of the decision-making process, and their common feelings as long-time residents of the Mother City. My research revealed that for the majority of Shantytown residents, their primary concerns revolve around basic survival needs, including housing, safety, and overall living conditions. Many residents lack in-depth knowledge of Shantytown redevelopment policies and know even less about the decision-making process. Under these circumstances, residents are more likely to be influenced by the behaviour of others and show a certain “herd” mentality. The majority of residents are usually over 70 years old and have limited education. As one older respondent put it:

“(I don't know the policy.) I don't need to worry about that. Anyway, when they say we need to move, we just move. They tell us to relocate (for demolition) because it's the policy, so we have to comply. If they need to redevelop the area, we have to move. How can redevelopment happen if we don't move?” (Interview A-4)

From the interviews, almost all of the residents interviewed did not know much about the relevant policies, and their perceptions were mainly centered on the policy of demolition and resettlement, especially the specific content of the compensation cost. However, there were a few relatively young residents who had a clearer understanding of the policy. They not only understood the background of the initiation of the demolition and relocation but familiarised themselves with the various preferential policies related to the demolition and relocation, and showed a more active participation attitude:

“I know a bit about it, and we are considered among the more proactive ones. The government said there would be rewards for relocating before a certain date, and as part of the first group to move, we did receive the rewards!” (Interview No. A-9)

This variability makes the role of shantytown residents in redevelopment projects controversial and makes it difficult to characterise them as a unified group. Older residents are more oriented towards conformity to policy and are concerned with the adequacy of compensation to meet basic needs, whereas younger residents tend to be proactive in understanding policy and exploring possible opportunities and benefits. As discussed in Chapter 2, social stratification in shantytown redevelopment leads to significant differences in residents' perceptions of and access to information about the redevelopment project across different classes. These differences are further reflected in different strategies and attitudes in the "project game."

In this transformation process, residents' participation was reflected in a collective vote on whether to agree to the redevelopment or not. The government believes that the implementation of policies will be smoother when residents truly understand and agree with the policies on people's livelihood. In the end, 96.1% of the residents were in favor of the redevelopment of 18T, which is regarded as a key point for the success of the redevelopment. As the government pointed out, "the strong will of the residents has opened a new chapter for this redevelopment." (Chongqing Times, 2010) However, by implementing a vague and superficial mechanism of "public participation," the government effectively restricted residents' options to a binary choice: either agree to demolition or oppose it. This approach failed to explore or offer alternative solutions, such as gradual rehabilitation or upgrading of the existing infrastructure, which might have better addressed residents' needs and preserved the community's social fabric. This one-size-fits-all approach raises the concern that it seems to represent democratic participation on the surface, but in essence cuts off the local community from their native land. For the government, gradual restoration is not only time-consuming and labour-intensive, it is also difficult to see results in a short period of time, while full-scale demolition and rebuilding make it easier to demonstrate political achievements.

Once the demolition work started, the participation of the residents was mainly characterised by their ability to express their opinions through the streets and the demolition office. However, actual participation remained limited, and many residents were concerned about the project but had low awareness of it. The lack of specific public participation guidelines and effective community communication channels

made it difficult for residents to gain access to dialogue with influential stakeholders. This structural deficiency resulted in residents' inability to bypass barriers at multiple levels of design, planning, and construction, further exacerbating the disenfranchisement of their citizens. Limited opportunities to engage in political dialogue, coupled with the fact that such participation can take time away from labour, make it difficult for residents to effectively voice their demands. Such groups have gradually become apathetic in the face of prolonged political friction, and their behaviour of political participation has tended to be marginalised, preventing them from truly participating in the formulation of policies for the allocation of social resources.

In the municipal government's strategy, maintaining stability and rapid relocation are regarded as top priorities. To avoid "protests" or "forced demolition," the government emphasises "democracy" and "resident participation in voting" procedures. To this end, frequent "communication" mechanisms were established between the municipal government and residents, with leading groups and Command Centres going into Shantytowns, and staff going door-to-door to collect public opinion, resulting in a rhetoric known as the "mass line" (is a fundamental principle of governance in China, emphasising close ties between the Party and the people).

6.4 The Command Centre as a Governance Innovation

6.4.1 Roles and Functions of the Command Centre

The "Command Centre" is an important innovation in urban governance programs. It is established by the district government to deal with the complex coordination and implementation issues of urban shantytown redevelopment, and serves as a temporary headquarters for personnel involved in demolition, compensation, and resettlement. The term "Command Centre" originated in the military field. Here, the management model of a military command is borrowed and applied to urban governance, and a "Command Centre" is established as a special working body. According to the hierarchy of governance structures introduced earlier, the Command Centre is a "temporary" structure that does not change the power structure within the formal administrative framework but rather enhances the efficiency of policy implementation through a flexible coordinating body. It serves as

a coordinating mechanism to optimise the distribution of tasks and the efficiency of implementation between the municipal government (administration) and the grass-roots government (agent). It can be seen as a way for municipal/district governments to further “re-task” their agents to a more targeted implementation body.

The “Command Centre” model is based on the structure of the original Housing Authority (relevant departments at the district level), but its membership goes beyond the scope of the Housing Authority, with the Yuzhong district government leading the formation of the Command Centre, which includes representatives from relevant departments of the district government, the street-level government, and experts in the fields of planning and land policy. For example, the Director of the Urban Redevelopment Academic Committee of the Chongqing Urban Planning Society joined the Command Centre as its Commander, providing professional support for project planning and policy implementation.

The participation of district-level National People's Congress (NPC) deputies in the urban redevelopment process is a unique dimension of Chongqing's governance (according to the Constitution, the legal status of the People's Congresses is higher than that of the executive and the judiciary, and the position of power is similar to a system of parliamentary supremacy). According to the Yuzhong District People's Congress Standing Committee's Work Plan for “Representatives' Action” in the second half of 2010 (This action was already present as early as 2008), a specific mechanism was introduced for representatives to participate in the promotion of demolition and relocation in designated areas. The plan clearly assigns supervisory responsibilities to the representatives, including conducting inspections, monitoring the progress of demolition and ensuring adherence to the timetable. Representatives are also encouraged to communicate and explain the demolition policy to residents, attend public hearings, handle petitions and help mediate conflicts arising from the demolition process. These measures are seen as important contributions to the goal of building a “livable Chongqing” (Chongqing People's Congress website, 2010).

The “Command Centre” model has a clear hierarchical structure, with the district government taking the lead, the overall Command Centre responsible for coordinating the overall situation, and sub-Command Centres implementing designated areas tasks. For example, in larger projects such as 18T, the Sub-

Command Centre is usually dedicated to the entire size of the case area. In other contiguous Shantytown redevelopment projects, the scope of management of a Sub-Command Centre may cover more than one Shantytown redevelopment project to ensure the efficiency and consistency of the overall progress. Interviews further verified the efficiency of this structure: “The Command Centre for Demolition and Relocation belongs to the original Housing Authority, and several Command Centres have been set up under the leadership of each district government. A sub-command is set up in each district, and four to five sub-commands are under the management of one overall Command Centre. For example, one sub-command (the fourth sub-command of the Command Centre for Dangerous and Dilapidated Housing Rehabilitation Work in Yuzhong District) is specifically responsible for the demolition and relocation of the 18T area.” (Interview B1-1) This model ensures smooth collaboration between different levels and departments, and by focusing on specific projects through the sub-Command Centres, not only can the resources and strength be concentrated, but also significantly improves the “last kilometer” of the policy implementation process – a direct communication and policy implementation channels from the district government to residents. This concept emphasises the efficiency and effectiveness of the last link in the policy implementation chain, i.e., how to effectively communicate the policy intent, planning and resources of the district government to the community and residents, and realise the real implementation).

Compared with the traditional bureaucratic system, the Command Centre breaks through the rigidity of the traditional bureaucratic system through the “normalization of temporary institutions” and achieves a breakthrough in the organizational structure. This institutional innovation is essentially a response to the “paradox of rigidity” (Weber, 1978) of bureaucracy. The traditional bureaucratic system is often inefficient when dealing with complex issues such as shantytown redevelopment due to long decision-making chains, fixed departmental functions, and the silo effect. The Command Centre restructures governance effectiveness through its mechanisms, including horizontal collaboration and the construction of a problem-oriented temporary matrix organization. As the interviewee described: “We (the Command Centre) play a coordinating role in the middle, for example, convening planning, construction, municipal affairs, urban management, and the cultural relics

department, etc., anyway, we convene everyone involved to coordinate and solve these problems together.” (Interview B3-1). This collaboration significantly improved the flexibility and efficiency of governance. In addition, because the headquarters included personnel from various departments, the vertical process of shantytown redevelopment implementation was able to compress process authorization and parallel approval (Implementation Plan for Redevelopment of Dangerous and Old Housing in the Main Urban Area of Chongqing (Chongqing Municipal Government Document [2008] No. 78), Notice on the Establishment of the Headquarters for Redevelopment of Dangerous and Old Housing in the Main Urban Area (Chongqing Municipal Government Document [2008] No. 123)). Compared to the “leading group” and “special class” as informal governance tools with Chinese characteristics, the headquarters represents the “formal embedding of informal power”—transforming unconventional coordination methods into sustainable institutional practices through supervision and authorization by the National People's Congress and a performance appraisal mechanism. Not only does it retain the high pertinence and efficiency under certain circumstances, but it also avoids short-term effects.

Field research found that the municipal government “contracted out” shantytown renovation projects like 18T (the target) to the Command Centre, which was given control during project implementation. According to the principal-agent model, the Command Centre, as an agent of the district government, is responsible for conveying information between the government and residents, coordinating interests, and ensuring the effective implementation of policies. The district government is mainly concerned with the outcome of the contract, that is, the effectiveness of policy implementation, while the specific operation and management is undertaken by the Command Centre. The “Command Centre” not only undertakes the task of resource integration and management, but also acts as a bridge for policy implementation, transmitting the vertical power of administrative requirements to the specific implementation level (see the Figure 6.7). Interviewees repeatedly emphasized that their core responsibilities are “coordination” and “consultation.” “Coordination” refers to liaising between departments to ensure effective cooperation between different agencies in project implementation. It also includes coordinating the interests of residents to ensure that their needs are matched under the resettlement policy. ‘Consulting’, on the other hand, focuses on communication and supervision with

shantytown residents, which helps to establish a trusting relationship between the government and residents. Such trust and care is not only beneficial in alleviating residents' doubts and dissatisfaction, but also in improving the social acceptance of Redevelopment.

Since land acquisition is one of the most important tasks in shantytown redevelopment projects, it often leads to conflicts between various parties. Take Project 18T as an example. The project involved the demolition of an area of more than 270 mu (about 180,000 square meters), directly affecting tens of thousands of residents. Against this high-pressure background, an “agency” such as the Command Centre was shaped as a “coordination” platform, which not only promoted collaboration between various departments, but also worked to reconcile the conflicting interests between residents and the government.

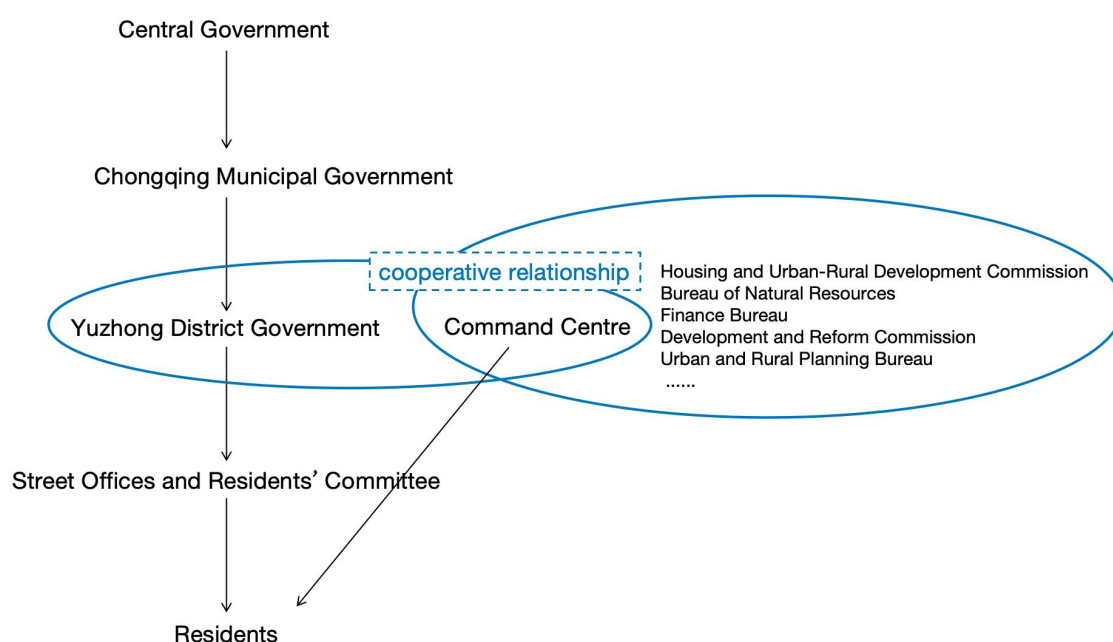


Figure 6.7: Structure of the ‘Command Centre’ in SRPs.

(Source: Author’s own)

In the decision-making process of Shantytown redevelopment, residents need to fully understand the relevant policies, while the municipal government also needs to grasp the residents' demands and interests. needs to grasp the residents' demands and interests. In this process, the Command Centre plays a key role as a bridge. This bridge is designed to bridge the gap between top-down policy implementation

and bottom-up community participation. The presence of the Command Centre in 18T (the office is located in the 18T area) not only conveys the message that the Shantytown redevelopment policy is already in place, but it also demonstrates to the residents that the government's redevelopment of the area is a must. At the same time, the Command Centre is physically closer to the residents, collecting feedback and observing the real reaction of the community, which is seen as a way to "better meet the needs of the residents." Through in-depth guidance and communication on the ground, the Command Centre gradually builds trust with residents and creates an atmosphere of cooperation. The premise of this cooperation is that the community and the government are in agreement on the goals of the renovation.

6.4.2 Agency Practice

Building consensus

Due to the complexity and highly challenging nature of the project, the initial official statements on the 18T shantytown redevelopment were cautious. The earliest relevant information can be traced back to a 2007 report in Chongqing Morning News, which described: "Redevelopment of the historic district of Huguang Huiguan, extending to the redevelopment of the lower half of Yuzhong District...The 18T and Baixiang Street in the lower half of the city will also undergo restoration and redevelopment." In this report, the news supplemented the specific requirements of the plan, stating: "The plan prohibits large-scale demolition and construction in historical districts and old cities. In the protection and redevelopment of old cities, the population density in old cities will be reduced, and living facilities such as toilets and garbage disposal stations will be gradually improved." In its initial statement, the government emphasized the prohibition of large-scale demolition and construction in order to protect historical and cultural heritage. At the same time, it mentioned improving infrastructure and supporting facilities. There is a certain ambiguity between these two concepts, which makes it difficult for residents to clearly understand whether they will be demolished or whether they can continue to live while the environment is improved. This caution stemmed from the uncertainty of the project and concerns about possible social reactions. Rumours of the 18T redevelopment had been around for a long time:

“At that time, people would come by every now and then saying that the place was going to be demolished, but nothing ever happened. Some even said it’s a feng shui treasure land. I’ve lived here for over 30 years, and it’s never changed.”

(Interview A-12)

Many residents mentioned that someone came to take pictures and said they were going to demolish the house, but there was no follow-up. For residents, this uncertainty of information easily leads to psychological anxiety and speculation, and may even influence their choice of demolition. At the same time, this prolonged period of “policy uncertainty” may also lead to residents’ scepticism about the government’s ability to implement the policy, which thus affects the social basis for the policy’s implementation. The district governments realised that they must communicate with residents carefully to avoid potential unrest. At the same time, they also realised the need for substantive communication.

In June 2008, the Command Centre went deep into 18T to actively conduct public opinion surveys. Through house-to-house visits and holding symposiums for residents affected by demolition, it strived to understand and respond to the needs of the residents. They want to find out why the residents do not accept the demolition and if they do, what interests they are unwilling to compromise and what interests they are willing to compromise. (Interview B4-1)

“Although it is a temporary organisation, from the leaders to the ordinary cadres, they are all very united and are bent on planning and contributing to the bright future of 18T. We not only have to talk to the residents but also listen to their real voices and understand their demands.”

(Interview B2-1)

Before making a decision, residents need to understand the decision to be made regarding the 18T renovation, and the municipal government also needs to understand residents’ requirements and interests. The Command Centre played the role of providing a communication platform for stakeholders, allowing residents and the government to understand each other’s implementation, logic, and concerns. During the period 2008-2010, the Command Centre organized a number of meetings

with the streets and neighborhood committees to hear their opinions. This is because the neighborhood committee plays a dual role in urban redevelopment (see 6.2.1). First, it functions as an extension of the municipal government, serving as a grassroots political entity that bridges the state and society. Second, as an elected representative of the residents, it is responsible for advocating for and safeguarding their interests. In practice, many residents face varying degrees of challenges and needs due to family circumstances, financial situations, or other special reasons. In response to these special circumstances, the headquarters has developed targeted work programs and visited these residents one by one to gain an in-depth understanding of their specific difficulties and expectations.

Through several visits, the Command Centre gradually understood that the attitude of the residents had eased. On the one hand, the Command Centre saw the predicament of the residents of 18T and their urgent need to improve their current living environment; on the other hand, it had to face controversy and pressure from different opinions. However, the shantytown redevelopment project was already a done deal. However, it is difficult for the government to promote the smooth implementation of the redevelopment simply by its own will. The media is an important channel for reflecting public sentiment and opinions. In order to gain more public understanding and support, the Command Centre took the initiative to cooperate with the local media, to launch a column called “18 Dreams of the 18T People” (Chongqing Times, 2010). This series of reports highlighted the residents’ longing for “change,” capturing their simple yet profound desire: “Residents just want a decent home.” As one resident mentioned in the report: “I agree with the redevelopment and relocation, the sooner, the better! When it rains, the house leaks; when it’s sunny, the house burns (on April 14, 2009, a severe fire broke out in Qujiagou, an area within 18T). I just can’t live here anymore...” (Chongqing Times, 2010). By emphasising the residents’ expectations for improved living conditions, the media helped align the residents’ aspirations with the government’s redevelopment goals, laying the necessary social foundation for the subsequent implementation of the project. Once the news was released, it caused a huge social response. Through media publicity, it showed the residents of 18T’s desire to urgently relocate, so that the community recognized such an 18T. Although some residents were still reluctant to accept the relocation, they also began to understand their situation and the

government's attitude, and almost slowly accepted the shantytown renovation plan. Based on the social mobilization window period, the headquarters strategically introduced a participatory decision-making mechanism (referendum) to obtain procedural legitimacy.

“(This is) a crazy decision: to let more than 7,000 relocated indigenous households hold a referendum and let society hear their voices.”

(Chongqing Political Consultative Conference News, 2021)

This series of initiatives contributed to the successful passage of the vote on the 18T area, which was supported by 96.1% of the households. These persuasive stories and data also enabled the 18T urban redevelopment work to gain more public support. 18T was labeled as “public polling” and “listening to public” project. In the specific process of demolition and resettlement, the Command Centre solved the special problems of different areas through targeted policy adjustments. For example, in areas where residents' opinions were concentrated and conflicts were prominent, the Command Centre specially formulated a detailed compensation and resettlement plan, and sent commissioners to communicate with residents at their homes to ensure that conflicts were resolved in a timely manner at the “grassroots” level. With such actions, the implementation of updates is as natural as if the Command Centre had predicted.

Supervise and guide demolition

The “Command Centre” in this thesis refers to the district-level Command Centre that plays a key role in the entire Shantytown redevelopment process. Its relationship with members of the Yuzhong district government is more one of cooperation than affiliation. According to the Chongqing Shantytown redevelopment technical guidance document (technical version), the Municipal Command Centre is located in the Municipal Housing and Urban-Rural Development Department, and is mainly responsible for the overall guidance and supervision of Shantytown redevelopment work throughout the city. The district-level Command Centre, on the other hand, specifically undertakes the functions of planning, project implementation and problem solving, and is responsible for overseeing the entire process of demolition, resettlement and construction. The Command Centre is composed of professionals

from the Housing Authority, Land Bureau and other departments, and is a key coordination platform for integrating resources within the district to facilitate the implementation of large-scale demolition and relocation projects. Under this structure, various departments collaborate to advance their work under the leadership of the commander-in-chief from the district government. In addition to their peers, there are a number of subordinate cooperating units, "All the water, electricity, gas departments, the sub-district offices, and other relevant departments must carry out the demolition work under the coordination of the Command Centre." (Interview B4-2)

Although the "Command Centre" model has achieved remarkable results in resource integration and policy implementation, there are still some problems in its operation. Although Command Centre personnel are deeply involved in the front line of the project, the specific communication and persuasion work with residents is still mainly undertaken by street offices and neighbourhood committees. Street in the Command Centre and residents of the relationship between the formation of a "report up" and "downward communication" relationship. In this regard, the street manager described the pressure of the demolition work as, "Demolition is laborious and time-consuming, and there are too many meetings a day, big and small." (Interview B4-2). These "big and small meetings" were mainly regular daily meetings between Command Centre staff and the heads of grassroots departments. In these meetings, the relevant people could collectively discuss various problems encountered during the demolition process, especially conflicts and demands related to residents. Street staff describe such meetings and on-site participation by the Command Centre as "sitting supervision," whose presence enhances the efficiency of grass-roots work to a certain extent, but at the same time further aggravates the pressure on grass-roots staff. Grass-roots governments communicate frequently, but their voice in decision-making is weak. This imbalance in the distribution of power makes it difficult for the grassroots government to have a substantial impact on the policy itself, even though it faces greater pressure to implement the policy. Street offices and neighbourhood committees often bear the brunt of the responsibility and consequences of residents' dissatisfaction or protests against policies. In fact, these grassroots organisations spend a great deal of time "communicating" with residents. They are asked to play the role of intermediaries between policy implementation and residents, but in fact

mediate between residents and higher-level policies, which further highlights the passive situation of grass-roots organisations in the “sandwich class.”

From this we can see that in the three-tier government model proposed earlier, there is a vast administrative scope and a long spatial distance between the central government (principal), the intermediate government (administration), and the grassroots government (agent). This allocation of control is also a last resort under the state-led shantytown redevelopment project. For example, in 2013, China set a target of “Redeveloping 10 million shantytowns of various types within five years” (The State Council of the People's Republic of China. (2013, July 4). Opinions of the State Council on accelerating the renovation of shantytowns (Guo Fa [2013] No. 25)). Each provincial administrative region needs to complete the shantytown redevelopment task of about 294,000 households. Extrapolating from this ratio, each prefecture-level administrative region has a target of around 30,000 shantytown renovations, while each county needs to complete 3,500 shantytown renovations. If the central government and the Ministry of Housing and Urban-Rural Development (MOHURD) directly control all the processes, the implementation process will inevitably be overloaded. At the same time, the scope and strength of the central government's inspection and acceptance authority are also limited. Although the central government sends a leading group to specific shantytowns for guidance, it would be extremely costly and time-consuming to conduct comprehensive and in-depth inspections and acceptance checks on all projects. In this case, the principal-agent model provides an effective governance mechanism. According to this model, the central government, as the principal, delegates the specific implementation tasks of shantytown redevelopment to intermediate and grassroots governments as agents. This principal-agent relationship not only shares the management burden of the central government, but also improves the efficiency and flexibility of policy implementation through localized implementation. In its role as administration, the intermediate government is responsible for coordinating resources from various departments, formulating specific implementation plans, and supervising the implementation of these plans by the grassroots government. The grassroots government, as an agent, interacts directly with residents to implement specific tasks such as demolition, compensation, and resettlement, ensuring the effective implementation of policies at the grassroots level. This principal-agent mechanism is

linked through the “goal-setting power” of the higher-level department's hard indicators. The central government is able to maintain macro control of the overall project without directly intervening in the details of implementation.

Among the management's institutional innovations, the transfer of control to the headquarters is an important transformation of the governance model, which is significant for understanding the national governance mechanism. Urban governance and shantytown governance in China is a very stable structure, but there can be intentional or forced changes in power between different levels. Different governance forms often match the characteristics of specific projects and the operating mechanisms behind them, reflecting the dynamic adaptability and flexibility of the governance structure. At the same time, this governance model also reflects the characteristics of a “pressure system”. In the process of top-down policy implementation, pressure is passed down layer by layer, and ultimately concentrates on the grassroots government, which becomes the main body that is most directly confronted with complex problems and public expectations. The grassroots government not only needs to achieve the goals set by higher authorities, but also needs to deal with the difficulties and challenges in actual implementation with limited resources and decision-making power.

6.5 Conclusion

China's Shantytown redevelopment initiatives have been guided and planned under the leadership of the central government from the very beginning. In other words, the governance of Shantytowns in China has relied on a government-led governance mechanism, a framework determined by the institutional environment. This state-led mechanism has several undeniable advantages: large-scale, campaign-style Shantytown redevelopment projects require overall planning and significant investment, which cannot be achieved by other organisations. However, while the centralised model has demonstrated its strengths in ensuring consistency, its shortcomings have also become apparent. “Who carries out this work?”

This chapter examines the structure in which the central government acts as the principal, tasks are progressively delegated through municipal governments, and grassroots entities ultimately serve as agents. It highlights how governmental

organisations leverage their strengths to address these challenges. This governance model emphasises performance-oriented mechanisms, aligning officials' personal career aspirations with the policy goals of Shantytown redevelopment. Top-down target-setting, performance evaluations, and quantitative indicators ensure that individual motivations are consistent with organisational objectives. The establishment of "Command Centres" further enables direct communication of policies to local communities. In this context, grassroots organisations familiar with local conditions and closely connected to the population have significant potential to contribute. However, whether within the principal-agent model or in the practical operation of Command Centres, grassroots governments often bear disproportionate pressure. This burden arises from the imbalance between administrative power and the scale of assigned tasks, leaving grassroots organisations struggling to fulfill their roles effectively due to limited resources and overwhelming responsibilities.

Shantytown governance also encompasses issues related to the distribution of resources and benefits. Examining the interactions, decision-making, and resource allocation among various stakeholders reveals the power dynamics constructed in the governance process. Whether considering government organisations or other stakeholders, the core focus remains on enhancing the governance capacity of grassroots governments and addressing the marginalised position of residents in Shantytown governance.

The 18T project reflects the duality of China's governance framework: the ability to mobilise resources and implement large-scale projects effectively coexists with challenges related to inclusivity and equitable stakeholder participation. This analysis offers valuable insights into the strengths and limitations of governance practices in urban redevelopment, laying the foundation for exploring their broader implications in subsequent chapters.

Chapter VII: Governance models, mechanisms and influences of 18T

The previous chapter discussed the Chinese government's governance model, which provides a theoretical basis for studying government behaviour and governance systems. In the governance of the 18T shantytown redevelopment project (SRP), despite being influenced by different interests, its nature is still a governance model embedded within the existing government organization framework. This section aims to enhance the understanding of the governance model and mechanism of SRPs. I link the five typical governance models (paternalism, corporatism, managerialism, pluralism and populism) and their characteristics exemplified by DiGaetano & Strom (2003) to the governance model of Chongqing SRPs and respond to the second and third research questions:

What are the core policy objectives of Shantytown redevelopment? How are national and local policies concretized in practice?

How is the governance structure of shantytown redevelopment constructed? How are power interactions and governance relations among different stakeholders manifested?

I understand the specific governance model through a discussion of the governance logic and to understand the specific governance model. I also emphasize that the governance mechanism of shantytowns is affected by locally driven policies and plans as well as uncontrollable factors. For further analysis, I will summarize the role of intermediary structures represented by the command centre discussed in the previous article in policy transmission and resource allocation and explain the operating mechanism of the hierarchical system. At the same time, I analyze how mobilization and negotiation are embedded in the governance structure. I also discuss in-depth finance as the resource base that supports the governance mechanism. And the profound impact of project implementation details on spatial transformation and residents.

In analyzing governance models and mechanisms, the "strategic-relational theory of governance" proposed by Jessop (2002) provides an important theoretical framework. This theory emphasizes that governance is not simply a reflection of

power relations but rather the result of the strategic interactions of different actors in institutional contexts and social structures. Jessop points out that the essence of governance lies in the reorganization of resources and power through institutionalized strategic networks to address specific social and economic challenges. In the SRPs in Chongqing, this theoretical framework helps to understand how the power dynamics between different stakeholders shape governance with Chinese characteristics. Specifically, the municipal government has realized the hierarchical transmission of policies through intermediary structures such as the command centre. It has embedded a "top-down" managerialism logic through its ability to integrate and mobilize resources. At the same time, populist mobilization as a supplementary strategy has enhanced the policy's social legitimacy and broad sense of identity. The unique feature of this governance approach is that it forms a cross-level policy implementation network by combining policy goals (shantytown redevelopment) with ideological goals (social welfare). This process demonstrates the flexibility and nesting characteristics of governance networks and reveals the complexity of benefit distribution and power negotiation in governance. This chapter will introduce how SRPs respond to complex socioeconomic environments regarding governance logic and goal setting and how these mechanisms serve the dual needs of institutional legitimacy and social stability.

This chapter is divided into three parts. The first part discusses governance models, and the second and third parts introduce the details of various governance mechanisms and the impact of redevelopment implementation on physical and social space, respectively.

7.1 Governance models: Managerial and populist approaches

In exploring "how cities are governed," DiGaetano and Lawless' (1999) theoretical framework emphasizes that governance is the product of complex interactions between structural contexts, political cultures, institutional environments, and political actors. These dimensions influence urban policies and governance models (DiGaetano & Strom, 2003). This section aims to enhance the understanding of the governance model of SRPs. The framework of DiGaetano & Strom (2003) provides an analytical perspective for understanding governance relationships, governance logic, the role of key decision-makers, and the path to achieving political goals.

Based on these criteria, five typical governance models are identified: paternalism, corporatism, managerialism, pluralism, and populism, and the characteristics of these five governance models are systematically discussed (see table3.1).

However, these governance models rarely exist in pure form. In actual governance, some models may dominate at certain stages, while others may appear as hybrid models (DiGaetano & Lawless, 1999). The governance model of a country is not chosen arbitrarily and is path-dependent (Finer, 1997; Jin & Liu, 2011). China's governance model has two clues: the relationship between central authority and local power, and the relationship between the state and the people (Zhou, 2013). The relationship between the central and municipal governments is rooted in a deep-rooted bureaucracy and its power arrangements. In contrast, the relationship between the state and the people is connected through a "people-oriented" approach, which organizes people's rights and interests into the state system and strengthens the state's control over individuals by asserting people's interests. In this section, I will argue that the governance model of China's shantytowns is characterized by a dual logic: a combination of "top-down management methods" and "top-down populist mobilization" (Top-down populist mobilization is not a traditional form of political mobilization aimed at countering elites; instead, it is a government-led strategy designed to guide public participation in a controlled manner. Through the technique of selective empowerment, the government incorporates the public into a predetermined policy framework, giving the appearance of decision-making power and participation. However, in reality, this empowerment is limited and tightly controlled). This model is particularly evident in the 18T shantytown renovation project. The management approach ensures that policy formulation and implementation have a strong top-down character through a hierarchical decision-making system. At the same time, populist mobilization strengthens the social acceptance and legitimacy of policies by mobilizing popular support. In the 18T shantytown renovation project, media reports presented policy planning and implementation as "uncontroversial facts" to emphasize their scientific nature and impartiality (McKenna & Graham, 2000). In the corpus of governance control strategies, populist discourse is used to integrate social forces further (Bergmann, 2020; Rauch, 2021). This governance model does not simply continue the traditional centralized decision-making. However, a strategic combination of control and

mobilization achieves the dual goals of institutional legitimacy and social support in a complex policy implementation environment.

7.1.1 Dual logic of control: The need for political stability and the legality

State policy: the symbol and practice of legitimacy

The governance framework in China always has a "top-down" characteristic, which reflects the control logic that lies at the heart of a highly centralized and hierarchical power system. This ensures the unity and consistency of policies from formulation to implementation. China's traditional bureaucratic system deeply influences this governance model. From the central government to various municipal governments and then to the basic governance units (streets and residential committees), a huge and stable administrative network has been formed, emphasizing efficiency and the top-down transmission of directives (Zhou, 2013). In this system, the central authority is the policy maker and the core driving force for implementation. Policy objectives can be implemented through a strict administrative integration mechanism (Zang & Zhang, 2019).

Under this national policy transmission system, the governance of shantytown redevelopment is carried out. The central government sets the general policy direction for shantytown redevelopment, while the municipal government assumes primary responsibility for implementation within the policy framework. Further, power is transmitted to grassroots governance institutions through the "principal-agent" model. In this process, the municipal government is not only the implementer of policy, but also the subject of policy interpretation and adaptation. By refining policy implementation strategies, governance practices are formed that meet local development needs. For example, in the 18T project, the establishment of an innovative institution called the "command headquarters" is not only a concrete manifestation of the extension of state power to the grassroots level, but also reflects the active adaptation of the municipal government in the implementation process, which promotes the implementation of policies more flexibly. Since shantytown renovation directly affects residents and is closely linked to their lives and personal interests, when implementing national policies, the municipal government needs to rely on administrative means and convey the legitimacy and justification of national

policies to residents through discourse shaping and social mobilization. It is also for this reason that the state consciously linked up with and used the discourse of "class" in the process of "decentralizing" its own power, supporting the "low-income groups with difficulties" (which are also marginalized groups in society) and "making economic and social efforts to change the current situation of shantytowns". So much so that in the 18T, the "marginalized groups" that 18T lived through were the focus of mention in various policy and publicity work. Many of these were low-income groups who had always lived in the area, people with physical disabilities, and residents who had lost their homes in fires. This narrative not only reinforced the social objectives of shantytown renovation but also constructed a "binding of interests" between the state and the residents during the implementation of the policy so that while the residents passively accepted the policy, they also more easily formed an identity with the legitimacy of the national policy.

The practice of shantytown renovation ended up clearly communicating the national attributes of shantytown renovation to the residents through multi-level discourse dissemination so that it was understood as a necessary policy that served the overall national development situation rather than just an individual act of the municipal government. The statement of one resident reflects this process:

"Of course we are reluctant to leave here. I grew up here, and these streets and neighbors are all part of my memories. However, then the government officials came to our door again and again, and they made it very clear that this was for the good of the country's development...because of national planning. You cannot disagree, because the country needs this place." (Interview A-2)

This expression shows that the relationship between personal emotions, living space and national development has been reconstructed under the discourse of national policy legitimacy. When residents understand the policy, they more readily accept the logic that "national development needs to take priority over individual interests." This perception does not simply come from administrative pressure, but is closely related to the social governance framework that the state has long cultivated. The residents of the 18T demolition are generally older (aged 70 and above), and they experienced the era of "collectivism" and "working class" in China in the 1950s, which had a profound impact (Sorace et al., 2019). During this period, the needs of

the state and the individual were shaped by the idea that "the interests of the individual must be subordinated to the interests of the state" (Communist Party of China, 2015). This idea has been passed down among these older residents and is reflected in the shantytown redevelopment. The perception of national policy among this group of residents tends to make them understand their situation from the perspective of the country's overall interests when facing demolition.

On this social and psychological basis, the grassroots government has adopted a strategic response that matches the residents' perception in the policy implementation process. On the one hand, the government has continuously emphasized the national goal of shantytown renovation in its publicity, so that residents regard relocation as a "national responsibility" rather than a loss of personal rights. On the other hand, grassroots cadres also use more specific strategies to compensate for the benefits, using economic benefits and housing improvements as the main incentives to enable residents to obtain real rewards at the personal level. For example, in an interview, a resident expressed his attitude towards relocation:

"(Moving home is) not ideal, but we don't say things like that. I support the Communist Party, and I never thought that I would still be living in a new flat when I am old. I often say that I have to thank the Communist Party; otherwise, could (we) workers afford to buy a flat?" (Interview A-3)

Most residents believe in the "legitimacy" of the national project and that its purpose is indeed to "improve people's lives." In this narrative, the state is portrayed as the guarantor of the "people's interests," and party policies are the primary way to achieve its goals. Many residents did not complain much about the distribution results during the interviews. However, all the support from the residents is for the policies of the state and the party, not for the grassroots administration. There is an important difference in attitude towards the "headquarters" (the spokesperson for national interests) and grassroots cadres. The residents show a higher degree of trust in the "headquarters" because it represents the macroscopic national will. However, they have more questions about the grassroots administration's actual placement and allocation process, mainly focusing on possible corruption and

favoritism. This is also the reason for the clear distinction between national policy and local (lower level) governance in the governance of shantytowns.

"Stability first": governance logic and social mobilization in demolition

Despite the apparent concentration of power in China's governance framework, policy implementation is not a one-way control process. In order to deal with potential social conflicts and instability, the government has shaped public participation into a source of policy legitimacy through populist mobilization strategies (Canovan, 1999). The central government's key discourse emphasises that publicity work at the central and local levels "should establish a people-centred work orientation" (Wu, 2023). This strategy links policy goals with the people's fundamental interests by mobilizing public sentiment and publicizing the importance of improving people's livelihoods, thereby building broader social consensus. This constitutes a form of "top-down populist mobilization" whose core feature is government-led mobilization of public sentiment and publicizing of policy goals to emphasise policy legitimacy and social acceptance while still maintaining a high degree of control over the governance process. This form of mobilization differs from traditional populism in that it is more of a top-down initiative driven by the state.

Local "centralized" shantytown governance has encountered its own paradox. Formally, "centralized power" is very strong in implementing policies (Zhao, 1983), but there are significant contradictions between these policies and the interests of residents. This legitimacy needs to be constructed and maintained through the rationality of policies, fairness of outcomes, and broad social acceptance. At the same time, China's governance framework is highly dependent on political stability, especially during complex social transformation periods, when stability is considered a prerequisite for all governance work (Qu, Zhou & Ying, 2009). Social protests and instability are seen as significant risks that threaten the legitimacy of governance. Municipal governments are strongly interested in ensuring social stability when dealing with projects involving extensive realignment of interests, such as shantytown redevelopment.

The strong emphasis on "stability" stems from a major event in the field of demolition in Chongqing at that time – the dispute over the "most bullheaded nail household in history" triggered by the forced expropriation of land in 2007 (Xinhua, 2007). In this

incident, the developer dug a foundation pit, which resulted in the residents' homes becoming an "island". The incident was spread online in 2007 and became the focus of public opinion, with the legitimacy of demolition, property owners' rights and government intervention entering national discussions. This incident not only brought huge public pressure on the Chongqing municipal government but also attracted the attention of higher levels. Against this background, promoting the 18T shantytown renovation project, which is of a huge scale, undoubtedly posed even greater governance challenges and social stability pressures on the government.

In China's governance framework, "stability overrides everything" is an important principle of governance, especially considering the government's performance-oriented governance model. As Canovan (1999) puts it, "In governance, populist strategies are often employed to legitimize controversial policies by framing them as serving the true interests of the people, thus bypassing institutional checks and balances." Populism is a mechanism that consolidates social consensus through policy advocacy and public sentiment mobilization (Jansen, 2011). This mechanism is intended to weaken grassroots confrontation and increase the legitimacy of policy implementation.

7.1.2 Embedding populist mobilization

Mobilization of residents

To mitigate the risk of grassroots resistance and social unrest, China's populist governance is implemented through a government-led approach under the slogan of the "mass line." The so-called "mass line" is not simply democratic mobilization, but rather an institutional governance strategy. Its logic is to mobilize a small number of "key masses" to achieve the acceptability and enforceability of policies at the social level (Guo & Guo, 2019). This governance approach relies heavily on penetrating interaction between the grassroots state and the masses, simplifying decision-making and strengthening enforcement, forming a practical combination of "street bureaucracy and mass participation" (Lv, 2018).

The "mass line" is the cornerstone of the Chinese Communist Party's political tradition. Mao (1943) proposed and repeatedly emphasized the basic principle of

“from the masses, to the masses,” which profoundly influenced policy mobilization methods in mainland China. This principle does not emphasize checks and balances between institutions, but rather the government's ability to “absorb” and reorganize public opinion, that is, to shape public opinion during the mobilization process rather than simply responding to it. This also provides ideas for the Chongqing municipal government to achieve policy implementation through populist mobilization. Through populist mobilization, the government effectively attached a layer of meaning to such projects as being necessary for improving public welfare. When populism entered the shantytown renovation project, its form changed again, taking the practical logic of “listening to the people” and “democratic decision-making.” In practice, “stability of residents” became the core goal pursued by the government—that is, minimizing opposition, and “residents’ positive intention to relocate” facilitated the implementation of the project. Public sentiment was further amplified through media campaigns, creating a broad narrative framework for shantytown redevelopment that “improves people's lives” and significantly enhances the government's legitimacy. “Opinion Survey on the Redevelopment of Dangerous and Old Housing in the 18T Area” This was the first public opinion survey on demolition in Chongqing. Although the result was “expected” by the government, it was mainly portrayed as incorporating public opinion into decision-making, which reinforced the consistency between shantytown redevelopment and public welfare.

“At that time, demolition and relocation did not have to wait until a certain percentage of residents agreed before it could begin. The city government led redevelopment projects like (18T), and as long as it was determined that there would be redevelopment, theoretically, it could be negotiated and promoted.” (Interview B1-2)

In the shantytown renovation project at the time, the municipal government still had strong authority and could be forced to advance through administrative means. However, the government was also aware that forced implementation could lead to social conflicts, especially on issues directly related to residents' interests, such as compensation for demolition and resettlement conditions. Therefore, the Chongqing municipal government had to adopt flexible measures in addition to forced implementation.

In order to alleviate the contradictions and unstable factors in the demolition process, the Chongqing municipal government has also introduced a petition stability risk assessment mechanism, in an attempt to resolve various contradictions and unstable factors in the demolition process. The so-called risk assessment is a comprehensive publicity and coordination strategy: the government clarifies the benefits of demolition to the households through in-depth and meticulous publicity, explains the specific content of the policy, and clearly plans and implements the relocation steps. If more than 95% of the households are willing to be demolished, the basic risk is eliminated, and the remaining 5% will continue to be “worked on” (Chongqing Daily, 2012).

In practice, this process is reflected in intensive interaction between grassroots cadres and residents, through constant door-to-door communication, policy advocacy and case handling to reduce opposition. Grassroots personnel need to visit each household and record in detail the core demands of each resident to solve problems in a targeted manner. A grassroots worker recalled:

“Some residents were very emotional at first and refused to move. However, we didn't get anywhere with them after the first time. We often had to go to their homes four, five, or even ten times to talk about their concerns, such as moving and resettlement housing.” (Interview B4-1)

Regarding the issue of resettlement housing, which was of the utmost concern to the residents, the grassroots staff highlighted the benefits of the relocation. Many residents were initially skeptical about the conditions of the resettlement housing: “At first, we were not at ease about moving to resettlement housing, thinking that it would definitely not be as good as the current location. However, they explained that the subway would be connected, there would be elevators in the building, and the area would be much larger than before. Later, there was no reason to object.” (Interview A-2)

Through earlier grassroots surveys, the government was confident in the voting results and, in fact, had already gained the support of 90% of the residents before the vote. Under these circumstances, organizing the residents to conduct a formal “democratic vote” again was to obtain a declaration for implementing the project. These political powers have not only not regressed in the advancement of

democracy, but have instead partially penetrated deeply into local political practices. “Democracy” here is not centred on “broad resident participation” in the general sense but is intended to control political stability and downplay the coercive nature of the project.

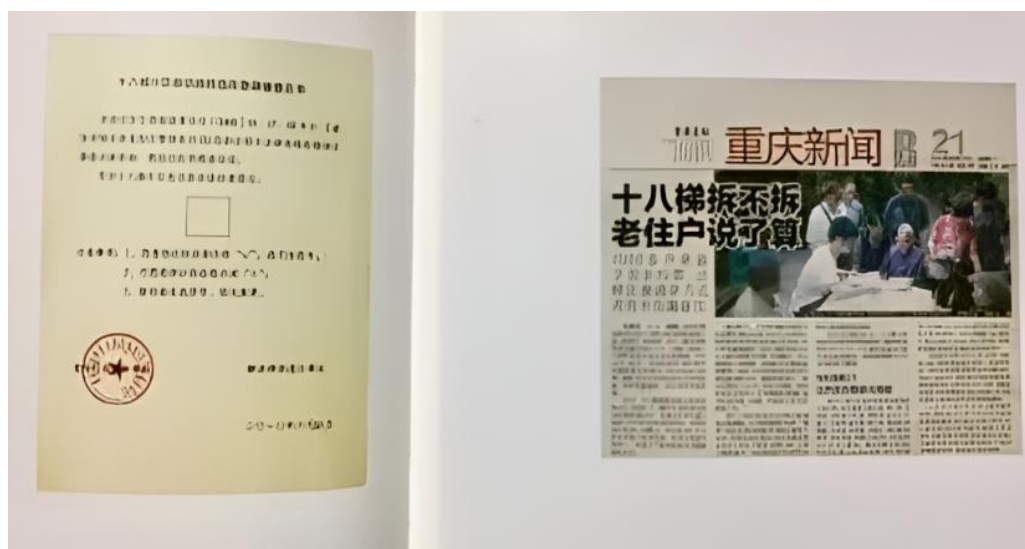


Figure 7.1: Chongqing Morning News reports on the voting process

(Source: Chongqing Morning News)

Relevant media that actively participate in reporting related news, such as Chongqing Morning News, are supervised by the Chongqing Municipal Publicity Department of the Communist Party of China and are one of the local mainstream media organizations. Chongqing Morning News is supervised by a department at the same level as the Chongqing Municipal Government, so it is inevitably subject to government interference in public opinion monitoring and policy advocacy.

Symbolic policies and visual mobilization

In China's shantytown renovation projects, the government has used "symbolism" (symbolic policies and visual representations) as a tool to coordinate the project. By incorporating symbols into the narrative of reconstruction, the shantytown renovation process has been given deeper meaning. In the initial stage, the symbolic representation of demolition work mainly consisted of direct symbolic expressions, such as painting the word “demolition” in huge letters on the walls of the demolition area, clearly conveying the inevitability of change and urban redevelopment. This visual strategy is commonly used in many demolition projects in China. However,

this form of expression lacks the nuance needed to cultivate a sense of inclusiveness and community support.

D&S (2003) proposed an understanding of the role of political culture in governance, and here I need to add a few key themes, which include the role of symbols, the formation of collective memory and historical narratives. Through these discussions, we can gain a clearer understanding of how political culture in the Chinese context can help achieve governance goals, especially in the process of promoting large-scale urban redevelopment projects.

Symbols have a profound influence on Chinese political culture. Xue (2020) points out that symbols are an important way to shape public identity and consolidate the legitimacy of political power—the political functions of the symbol system range from control to governance and from domination to mobilization. In China's governance process, symbols and symbolic policies, such as selecting “National civilized cities” and controlling environmental pollution, play an important role in the government's propaganda and daily governance (Lu, Zhao and Su, 2020). These symbols are a tool for the government to convey policy intentions and an important means to gather social consensus. Symbols have successfully mobilized public identity through the connection between the expression of political values and social psychology. As Xue (2020) puts it: “When social conflicts are intense, the higher the degree of political mobilization and political participants, the stronger people's demand for symbols.”.

The expression of this symbol is particularly obvious in the 18T shantytown redevelopment project. After the project was ready for demolition, fencing and walls were built along the road, and the buildings were to be demolished in the 18T area. The walls were firmly blocked, with a large “demolition” written prominently on the walls. Such “demolition” marks are common in China's shantytown redevelopment projects, suggesting that the 18T will soon disappear from view and the shantytown will gradually be replaced by modern urban processes. However, this direct and blunt expression lacks a certain human touch and even has a sense of “coercion”.

As the project progressed, in early 2011, with the support of the district government and the street office, professional photographers were invited to photograph and record the daily lives of the residents of 18T. The photography team photographed the old houses door-to-door, using these photos as an important carrier of historical

memory. During demolition, these images were displayed on the hoarding area around 18T for visitors to enjoy. This transformation has shifted the symbolic expression from the initial straightforward “demolition” to a more “humanistic” record of community memories and history. In this way, the meaning of “demolition” and “reconstruction” has gradually become more nuanced.





Figure 7.2 (a),(b): these portraits and photos were posted on the wall around the 18T, showing the daily life scenes of the residents and the living environment.

(Source: Chenchao, Chinanews, 2016)

On the one hand, this visual symbol shows the residents' lifestyle and humble living environment, evoking the nostalgic emotion of the old times. On the other hand, through visual display, the residents' participation and acceptance of the relocation results are constantly repeated and reinforced. The old photos on the wall starkly contrast the old Chongqing building structure that has been partially demolished and the tall modern buildings around it. The redevelopment is aimed at resettling low-income workers and long-term residents and reshaping the area to align with middle-class preferences and attract investors.

During the construction phase of the 18T project, symbols enhanced local character and identity by redefining regional identity and combining traditional and modern elements. City brands created by municipal governments are widely regarded as the modern version of government communication (de Jong & Lu, 2022). Municipal governments communicate appealing features of their identity to existing and

potential stakeholders in the cities in which they are located. The historical identity symbol of the 18T is fully reflected in the public sphere after construction, and even has been developed. Traditional symbols are still obvious, such as the traditional architectural style of Bayu, the old stilted buildings and the blue brick-tiled houses, and many tourist offices and shops are set up in these "traditional buildings". Moreover, as a new landscape is established in a region, these symbols are redefined. These regional identities must conform to "national requirements." The retro architectural style, as well as the 18T Memory Hall on the history of the city, the 18T Grand Tunnel site Memorial Hall, and the modernist architecture are integrated with these ancient traditions, making the character of the area multi-layered. These scenarios in which the government promotes construction and preservation make identity "thicker" (de Jong & Lu, 2022).

7.1.3 Governance models and modernization

The integration of populism and China's modernization development

China's governance system relies on the unified control of ideology, through which the party and government consolidate social consensus and strengthen legitimacy (Holbig, 2009; North, 1990). In a performance-oriented governance model, the government emphasizes "stability" and "development" as core governance objectives to reduce potential social conflicts and political risks (Qu, Zhou, and Ying, 2009).

In China's modernization narrative, "the happiness of the people" is clearly seen as the ultimate goal of development, and shantytown redevelopment projects are described as an important part of improving people's lives and achieving common prosperity. Through populist mobilization, the government promotes redevelopment projects as a necessary measure to improve residents' quality of life. It incorporates them into the framework of national development strategies, thereby enhancing the legitimacy of policies and a sense of social identity. This narrative logic is also particularly evident in the 18T shantytown redevelopment project.

The goal of shantytown redevelopment is described as improving people's lives and the quality of life for residents, while also promoting economic growth and cultural branding through land consolidation and urban redevelopment. For example, the State Council's "Opinions on Accelerating the Work of Shantytown Redevelopment"

proposed the redevelopment of 10 million shantytowns of various types from 2013 to 2017 to improve residents' housing conditions and upgrade infrastructure significantly. Chongqing Municipality has also proposed a governance model of “scientific planning, implementation by category, intensive land use, and self-balancing of funds” in the specific implementation process. It plans to “carry out urban shantytown redevelopment in 35 districts and counties and 323 communities around 2017, with a total area of 12.34 million square meters and a total of 143,000 households” (Chongqing Municipal People's Government, 2013). The mayor of Chongqing further emphasized the significance of shantytown redevelopment for people's livelihood: “Shantytown redevelopment will improve the living environment and quality of residents” (Ceweekly, 2015).

In addition to improving people's livelihoods, in the 18T shantytown case, after the shantytown is demolished, 3.89 hectares are planned as the core protected area, which is the focus of landscape restoration. These measures are used to illustrate how the government uses concepts such as “historical culture,” “historical style,” and “protection” to guide social behaviour and shape public acceptance of 18T governance. A planner involved in the shantytown redevelopment project said: “During the redevelopment process, the government-led planning department had some requirements for the overall building form, which meant that we had to do some protection, protecting the texture, pattern, and form. Special attention was paid to preserving the city's historical memory and cultural characteristics, enhancing residents' sense of belonging and identity.” (Interview B3-1) This symbolic policy, which emphasizes cultural identity, helps to integrate social forces and thus strengthen administrative effectiveness.

At the practical level, the implementation of shantytown redevelopment projects relied on a value orientation that emphasized collective interests and social harmony. By promoting the public ownership of land and future urban blueprints for urban development, the government portrayed relocation and land clearance as important to achieving modernization and development. In the field survey, residents' feedback reflected the profound influence of this narrative. Many expressed their acceptance and obedience to the policy: “(Demolition) is national policy. It's of course good that I'm familiar with the area because I live here, but everyone (nearby) has left, so what am I going to do if I don't go?” (Interview A-4); “We move anyway. Calling us to move

is policy, and we all have to obey the policy. If you want redevelopment, you have to move; if you don't move, how can there be redevelopment?" (Interview A-10). These remarks show that, shaped by state authority and the narrative of modernization, the residents' compliance with the shantytown renovation policy is not only due to legal constraints, but also a kind of psychosocial identification, that is, accepting that personal interests need to be subordinated to the greater goal of national development. At the same time, in the process, some residents are not clear about the boundaries between the concepts of "national policy," "local development," and "local requirements." In the interviews, most residents responded without fully understanding whether the central government or a product of implementation by the municipal government actually led the demolition policy. It is also unclear for whose benefit the demolition is being carried out. As one resident said, "The government says it's going to be demolished, so we have to move. But whether it's a decision made by the municipal government or higher up, we do not know. We do not need to understand it." (Interview A-10).

Although most residents ultimately chose to comply with the policy direction, this does not mean they did not experience a process of hesitation or resistance. Residents also hesitate between the choice of collective and individual interests, and this hesitation is a risk factor that the governing party does not want to see in the promotion of shantytown redevelopment. For this reason, the grassroots government will "work on" the residents in various ways. Some residents chose to accept, and residents who originally did not accept also chose to compromise (the strategy for handling such situations will be introduced later). In the end, populist mobilization and the national goal of modernization intertwined in the process, forming a governance closed loop of "people support – government promotion – social stability". Within this framework, residents' acceptance of shantytown redevelopment stems from their approval of the policy and is also the result of passive adaptation. In the end, "populism" is pushed forward by the development of modernization, eventually absorbed by the goal of modernization, and transformed into a tool to promote governance practices.

Shantytown redevelopment and urban development

In the current context of reform towards a “servant government” (“for the people”), the central government requires municipal governments at all levels to improve people's livelihoods, raise the living standards of people experiencing poverty, and promote equal access to public services. However, municipal governments often adopt a strategy of deep integration with economic development when implementing these policy objectives. Although nominally, these policies aim to improve people's livelihoods, many studies have shown that their implementation logic is still driven by the core goal of maximizing economic development.

As mentioned earlier, when implementing national policies, municipal governments often combine “people's livelihood tasks” with “economic development” to respond to national policy goals while also gaining more room for their own development. This alternative logic is particularly evident in the 18T shantytown redevelopment project. On the surface, the city government is using “improving people's livelihoods” and “protecting historical culture” as the main points of its propaganda, trying to win popular support and policy legitimacy through such public projects. However, in essence, the deeper goal of this project is to achieve the re-integration of land resources through large-scale demolition and reconstruction so as to obtain financial revenue to support industrial transformation and urban economic development.

According to interviews with government personnel, the Yuzhong District Government's initial decision to package and promote the historic landscape area of Shibaoti was mainly to “achieve some results” (i.e., “political achievements”).

“When it comes to (18T) conservation, because there are so many things involved, it was decided to create a scenic area. The model for creating the scenic area is: after carrying out (land) remediation and reserve, then attract market players, and carry out development and construction according to the government's protection plan for this place. This is the model that 18T adopted, and finally the scenic area was built.” (Interview B3-1)

The relevant departments emphasized that 18T has a very solid material foundation for tourism development, and as long as investment promotion efforts are increased, successful development is expected. The district government requires departments such as the management committee to highlight the “advantages” of 18T development when attracting investment and dealing with the outside world. In

addition to the historical advantages, this “advantage” is the important location of 18T—in the Jiefangbei business district of Yuzhong District, Chongqing. The 18T Scenic Area is valuable because it is located in the very “centre” of the city. If these “advantages” are transformed into real tourism resources, then “Chongqing’s urban image and overall status will reach new heights” (Winshang.com, 2019).

The Yuzhong District Government has positioned 18T as a flagship destination for tourism and commercial development. This approach has transformed “cultural heritage protection” from a simple livelihood project into an important tool for serving economic development and urban marketing. This also includes multiple considerations of the district government. Success or failure will also solve the shantytown renovation problem in the 18T area at once and gain a good reputation for protecting historical buildings. With this positioning, there is political achievement on both sides. Fortunately, both the journalists and the cultural experts who visited the area before the project began were able to “discover” three heritage sites, seven outstanding historical buildings, and 50 traditional-style buildings for the project. They even gave it titles like “Mother City Memories” and “Museum without Walls” (Chongqing Daily, 2023; Chongqing Business Opportunities, 2021). The aim is to generate tourism and consumption in the name of history and culture, which is also necessary to attract investment.

After proposing the plan to develop 18T as a cultural and tourism economy, the Yuzhong District Government also invited reporters from Chongqing Daily, China News Service Chongqing, and other media to cover the project’s commencement. The reporters published a series of articles reporting on the commencement of the 18T redevelopment project in Chongqing and how the city’s historical memory will be “activated” with details such as cultural relics, stilt houses, slings, teahouses, etc. The veil has been lifted for readers on what “symbolizes the real old Chongqing in the mountains.” In addition to introducing the architecture and stairs of 18T, the report also added an introduction to ancient and modern historical stories to create the highlights of “urban memory,” “inherited cultural context,” and “cultural charm” that district leaders hope to achieve (Chinanews, 2017).

Soon after these historical and cultural excavations, 18T was designed as a collection of “Old Chongqing,” “Real Mountain City,” and “New Experience”: “Old

Chongqing” combines Chongqing's traditional folk customs and city life with live performances to reflect the traditional and classic “Chongqing lifestyle”; “Real Mountain City” is the restoration of street texture and architectural features, trying to maintain the original street scale and building height; “Real Experience” is also the most important, which is to combine urban sightseeing and historical culture to form a panoramic experience of “culture + tourism,” “culture + creativity” and ‘culture + industry’ (Chongqing 18T Bayu Traditional Scenic Area Investment Brochure). The district and municipal governments have highly recognized this planning proposal. The official propaganda has adopted the slogan ‘Old Chongqing, Authentic Mountain City, New Experience’ to position the area as a demonstration landmark for integrating culture and the economy.



Figure 7.3: Chongqing Daily's full-page promotional report on the Shibawei Traditional Scenic Area as a representative of "Memory of the Mother City" fully demonstrates its unique significance as a historical and cultural symbol.

(Source: Chongqing Daily)

In order to attract investment, the Chongqing district government also used special funds, such as those for shantytown redevelopment, to carry out comprehensive traffic planning and infrastructure upgrades in the 18T and surrounding areas. “From the government's perspective, a more in-depth construction of the 18T's transportation network has been carried out, including, for example, the connection of underground spaces, the connection of upper and lower roads, the construction of rail tracks, and the connection of rail stations.” (Interview, B3-1) These plans aim to improve the accessibility of 18T by optimizing transportation conditions, further enhancing its attractiveness to investors and tourists.

On May 17, 2015, at the fourth meeting of the Chongqing Municipal Planning Commission and the first meeting of the Municipal Historical and Cultural City Protection Committee, the 18T traditional style area was designated as one of the 28 traditional style areas in Chongqing. This recognition not only strengthens the cultural status of 18T but also provides the district government with an important “game card” that can leverage development resources by positioning a “traditional style area.” Indeed, the 18T traditional style area plan successfully attracted the interest of capital. This shows the potential and possibility of the municipal government in creatively creating governance space. After all, the core strategy of 18T shantytown redevelopment on the road of “development” relies on the in-depth excavation of urban resources—especially by “excavating history” to highlight unique value.

7.2 Governance mechanism

7.2.1 Compensation negotiations: flexibility and boundaries of governance mechanisms

The previous chapter (Chapter 6) explained the agency of governance entities in policy implementation based on the principal-agent model. This section further reveals that in the core field of interest game of demolition compensation, the realization of governance effectiveness not only depends on the agency of the entities but also requires constructing a dynamic balance mechanism through the coupling of institutional flexibility and informal power technology. The essence of this mechanism design is to create a strategic space through rule ambiguity, which not

only maintains the symbolic unity of policy authority, but also resolves implementation resistance through differentiated operations, ultimately achieving a delicate balance between governance goals and social stability.

Politically, shantytown governance is inherently a stressful task. The primary responsibility of the grassroots government is to ensure social stability before it can promote the demolition process. Persuasion and coordination become the main means when facing resistance from residents, but in extreme cases, coercive measures may be implemented through judicial channels. “(If the residents) insist on not leaving. Then of course the government can carry out judicial (coercive) demolition from the perspective of laws and regulations. Of course, there have also been many cases of judicial (coercive) demolition at the end of 18T.” (Interview B4-3) Even so, the grassroots government still tends to solve problems through active communication and negotiation. This is not only due to the need for policy implementation but also reflects political ethics in governance practices. Grassroots officials (especially community committee staff) are not abstract bureaucratic figures but are deeply embedded in localized networks of interpersonal relationships and obligations. Their status often occupies a marginal position: they operate within the “semi-familiar society” (Fei, 1992, 1998), where interactions are contextual and mediated by familiarity within specific contexts, even if these relationships are not based on long-term personal bonds. In this environment, governance is not achieved through anonymous bureaucratic directives but through relational operations within a social structure shaped by the “differential hierarchy” (chaxugeju). Here, individuals' understanding of obligations and responsibilities is not based on universal rules but unfolds through concentric layers of familiarity and moral affinity (Fei, 1992). For grassroots staff, this means balancing institutional responsibilities with the embedded semi-familiar environment. On one hand, it enables more flexible face-to-face negotiations, avoiding open confrontation. On the other hand, it requires grassroots officials to simultaneously “serve the state” and “manage community affairs.”

In China's tradition of rural governance, local power and social relations are often highly intertwined. (Zhang, 2003) In this governance network, locality still plays an important role. This locality encourages grassroots governance to use more flexible

informal means to achieve internal order coordination when resolving conflicts and disputes. As the lowest level of state power, the grassroots departments, the street offices and neighbourhood committees deal directly with the lives of the residents within their jurisdiction, and they are the ultimate implementers of the state's shantytown renovation policy. In contrast, the power of the grassroots government is more concentrated on being responsible for social order and coordinating stability within the jurisdiction. In particular, when working on the demolition part of shantytown redevelopment, there will be more prominent conflicts and disputes that need to be resolved through coordination by grassroots personnel. As discussed earlier, grassroots organizations and powers are at the end of the state's power. When faced with solving social affairs, they may feel “overwhelmed”. It has also been observed in interviews that their powers are not commensurate with their responsibilities.

For ordinary grassroots staff, the 18T demolition is a land acquisition process in which they are involuntarily involved in a kind of “battle”. They need to work “overtime” and spend a lot of time and energy not only convincing residents to accept the demolition but also agreeing to the compensation deal set by the government. However, the compensation deal is bound by the government's resettlement plan, the Chongqing Municipal Regulations on the Administration of Urban House Demolition. One interviewee mentioned: “If the compensation is 10 yuan, then for every 10 square meters of the house, only 10 yuan in compensation is given in cash. However, you are demolishing the house and it is only 10 square meters. (As an analogy) He wants a house that is 50 square meters in size. Normally, the difference in price between the new and old homes is settled between the two. However, due to the complex demographic structure, some residents do not have enough money to make up for the price difference, but they still make such compensation demands. This is the difficulty in the work. Their demands exceed the scope of the policy resettlement methods.” (Interview, B4-2)

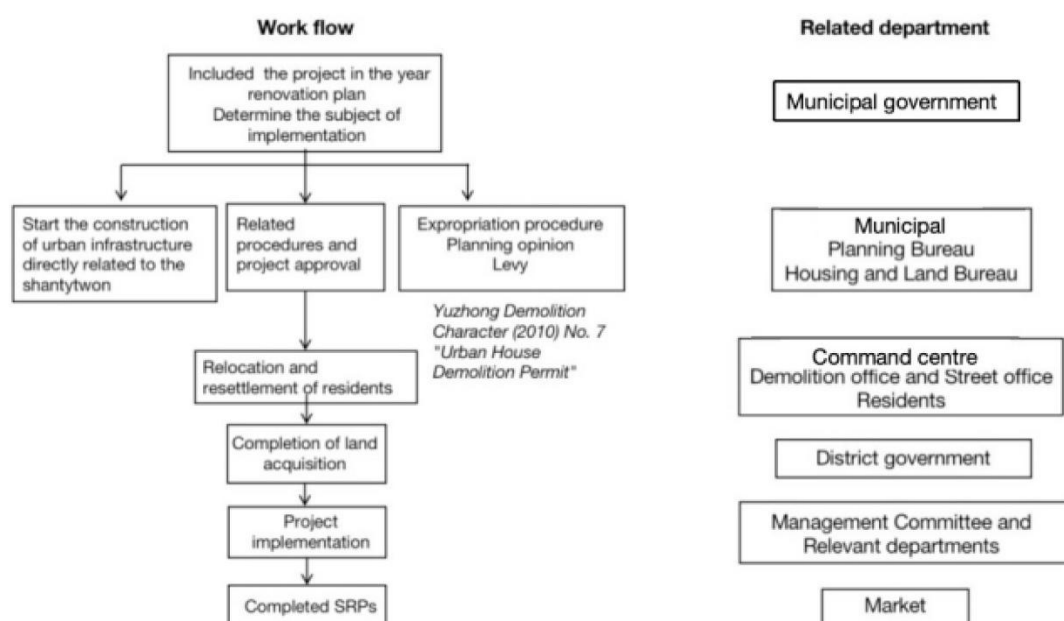


**Table 7.1: Chongqing 18T Redevelopment House Expropriation Project
(Workflow Chart) (Drawn by Author)**

Note: In the actual process of expropriating houses, we can see that the land grant procedure was completed, the demolition permit was issued at the end of July 2010, and the demolition vote was held the previous month, highlighting how quickly the demolition process was officially initiated. Although residents were included in the shantytown redevelopment process during the land approval stage, their participation was largely passive. They entered the project as the “subject of policy implementation” and had little time to react to changes affecting their land and property. The short time frame limited their ability to participate effectively or react to the situation.

General compensation

In the 18T project, the official basic compensation standard was 4,000-4,300 yuan/m², with the specific amount varying depending on the structure of the house (Sohu Focus, 2010). This compensation standard was relatively high for the main urban area of Chongqing at the time, but for the location of 18T, residents still generally felt that the price was low and that it was difficult to support them in

purchasing a suitable new house. In order to speed up the demolition process, the demolition office additionally formulated a guarantee policy aimed at providing additional compensation to low-income families and households with smaller living spaces:

“For low-income families actually living in 18T and having no other housing elsewhere: for public housing, the per capita living area is less than 8 square meters and 8 square meters will be added; for private housing, the per capita floor area is less than 10 square meters, and 10 square meters will be added. For public housing, the average living area is less than 35 square meters, and 35 square meters will be added; for private housing, the average floor area is less than 45 square meters, and 45 square meters will be added.” (Sohu Focus, 2010)

This compensation mechanism increases the bargaining power of residents in terms of housing size and reduces the relocation costs for some disadvantaged groups. In addition, the demolition plan also includes housing resettlement options provided in the surrounding areas of Chongqing's central city (Yuzhong District, Nan'an District, and Jiulongpo District). The pricing of these resettlement housing options is approximately 3,300-3,700 yuan/square meter, which is much lower than the market price of over 6,000 yuan for surrounding commercial housing. In addition, if residents choose to be relocated to a new property, they will receive a monthly transitional allowance of 700–800 yuan until the new property is handed over. The government also provides two moving allowances further to reduce relocation costs (Sohu Focus, 2010).

The demolition office also provided welfare benefits in the two housing compensation plans to encourage residents to relocate early. To attract more households to sign the contract to vacate the house as soon as possible, they can also get a special bonus and early relocation fee if they move within the two-month announcement period.

However, despite the economic advantages of the demolition compensation plan, many residents are still dissatisfied with the level of compensation. Some interviewees pointed out that the demolition compensation payment can only cover part of the purchase price of the new house, and they still need to raise funds themselves in order to achieve the government's advocacy of “moving into a bigger

and better home.” In response, the demolition office made further concessions in the choice of resettlement housing and offered some residents a housing compensation plan that was closer to their original location than other housing options. This adjustment was very attractive to many long-term residents, as the area had convenient amenities and a hospital nearby, which met the residents' needs for medical care and convenience. One resident recalled:

“I looked at many other places but was not satisfied with any of them, so I finally decided to live here (Huayu Yijingyuan). But at that time, I had to pay a supplement to live here. (After deducting the demolition compensation from the cost of the new house), I had to pay more than 90,000 yuan, close to 100,000 yuan.” (Interview, A-3)

Although some residents had to pay extra for their new homes, the size of the new homes generally increased after the relocation, with some even being nearly twice the size of the original homes. Thanks to the government's financial concessions and optimized resettlement plans, the housing conditions of the residents have improved significantly, and there were no major conflicts during the entire demolition process. However, compensation negotiations were not always smooth. These strategies were effective in the early stages, but compensation negotiations became more complicated after the incentive mechanism stopped.

Special compensation

At the same time, the demolition office also understood that the concessions and welfare concessions and benefits could not meet the needs of all families, especially those with a superior socioeconomic background and demanding more compensation. These families have many resources to support their firm attitude and continued resistance. For example, some families own multiple properties and do not live on-site, so the redevelopment does not affect their living conditions. In contrast, some families have strong connections within the government, so they are confident that they can get what they want. As some residents will recall:

“When compensation negotiations don't go well, why do they drag on? Because the house is rented out and the tenants are still living there, the landlord is in no hurry and is taking his time. As long as someone is there, the government dares not demolish the house.” (Interview, A-1)

For these residents, the biggest dilemma facing the demolition office is the cost of time. If the demolition schedule is delayed, it will affect the progress of the entire project. Therefore, giving these families certain “invisible concessions” has become the only way to resolve the issue quickly.

According to the demolition compensation and resettlement plan, compensation can be paid in kind or in cash. Those affected by the demolition can choose an alternative unit within a few kilometres of their current residence, and the compensation is roughly 1:1. However, as these replacement apartments are mostly under construction, some residents are unwilling to accept them and instead demand larger units and want to purchase additional housing at a discounted price. In fact, many residents use their bargaining power to demand two or even three housing units whose total floor area far exceeds that of the original housing, but they do not pay the full difference at market price. Some interviewees recalled:

“Our classmates got two apartments. It seems they wanted Coke Town, didn't they? Some places (were compensated) differently because they didn't ask much.” (Interview A-9)

“People who knew the inside story were cursing, and those who were a bit smarter, like us, knew that we needed two apartments... Some people who were even smarter got two or even three apartments.” (Interview A-6)

Many interviewees told me that the so-called “smart people” were actually people who knew the inside story of the demolition or had closer relationships with the demolition office. “These families include those influential government officials, whether current or retired, who have close relationships with influential government officials and demolition staff, such as relatives and friends.” For these residents, there is always flexibility in the compensation method, which means that the final compensation amount will greatly exceed the prescribed upper limit, depending on the individual judgment of the demolition office.

“Room for manoeuvre” in compensation strategies

During demolition, some residents used their administrative resources to obtain higher compensation. For example, some residents whose housing area did not meet the compensation standard had close ties with the local police station (the

administrative household registration authority) and added the names of multiple relatives to their household registration in order to increase the base for calculating compensation.

In private conversations, I learned that some residents manipulated household registration information to increase the registered population and thus raise the compensation amount. According to the compensation regulations, one of the stipulations is: “If the per capita living area of the house is less than 10 square meters, it will be compensated up to 10 square meters.” (Sohu Focus, 2010) Under this rule, the compensation amount becomes calculated based on the registered population. Each additional registered resident is estimated to be compensated with an additional 8 square meters, which amounts to a compensation of about 32,000–34,400 RMB. In this way, by adjusting the household registration, the compensation obtained far exceeds the compensation for the original living area.

In the negotiation of demolition compensation, the compensation is not based entirely on uniform standards, but there is still some flexibility outside of the formal policy. The government achieves its policy goals through economic concessions, negotiated compromises, and the mediation of relationship networks in the governance of demolition and relocation. However, this flexibility is not infinitely expandable, and its boundaries are constrained by factors such as policy norms and social justice. Once the flexibility of the compensation strategy exceeds the controllable scope of the system, it will lead to serious consequences. For this part of the content, the demolition office hardly responded during the interview, and they were obviously highly sensitive to discussions involving “economic issues” in order to avoid potential disputes and regulatory risks.

7.2.2 The discourse of space

The transfer of spatial power

Initially, the motivation for redevelopment in Chongqing was to improve the living conditions of residents, especially those in shantytowns and dilapidated residential areas. Following the reform of the market economic system, shantytown redevelopment aims to improve living conditions and achieve economic growth goals and enhance the city's image. However, in the pursuit of these goals, the interests of

the middle and low-income classes are often ignored, and preferential policies are more inclined to favour investors and developers than low-income residents. As a result, they have been marginalized from participating in shantytown redevelopment. This development has led to their marginalization in physical and social spaces: low-income community residents generally feel that they have lost their say in the space.

With the entry of the private sector into the 18T space, the original residents of the 18T area were relocated to the city's outskirts. Those places have resettlement housing provided by the government, and usually the new apartments are more spacious and have better environmental conditions. For some residents, especially older adults with mobility issues, the new housing with elevators is a welcome improvement. However, despite these improvements in hardware facilities, relocation also poses significant challenges – especially in terms of poor transport links and inadequate facilities.

According to the interviews, elderly residents are the group most affected, especially regarding access to medical services. Many have to spend more than two hours each way on public transport to get to the community of 18T, where the community hospital is located, from their current homes. Although the new community does have some medical and public facilities, many residents would still prefer to return to 18T. This is not only because of habit and familiarity, but also because they are more reliant on the social security benefits of Yuzhong District:

“If you live in Yuzhong District (Yuzhongqu), things are better in every way, including some resident policies. For example, Yuzhong District has compensation for only children, which these places don't have.” (Interview A-3)

“When you're sick, you still have to go to the community hospital in the old neighbourhood (18T) because you know it better. Our household registration is still there; we haven't moved it here, and the house is gone, but the registration hasn't been updated. Because the treatment there is still better compared to here.” (Interview A-6)

For residents who rely on these welfare benefits, relocation not only means a spatial shift, but also the potential loss of some of the social security benefits they previously enjoyed. Therefore, regardless of the transportation costs, they still insist on going to

Yuzhong District. In addition to medical resources, many residents who have been forcibly relocated find that it is becoming increasingly difficult to maintain contact with their original social circles, which affects their sense of belonging and community support networks. One resident described how the relocation process had dispersed the residents of 18T to multiple areas:

“We’ve basically all been scattered. There are only two families from 18T in our community (this building/neighbourhood). All the others have gone to Lijiatao, Cola Town, Yangrenjie, and Jufuli in Banan District. Jufuli has the most. Before, there were nine families on one floor, three times nine, 27 families. I’m the only one from my family here.” (Interview A-3)

Due to the spatial isolation of the old 18T shantytown from its surroundings, long-term residents have maintained strong social ties within a closed social network. Some residents told me that in 18T, their relationships with their neighbours were like family because they grew up in the same community and worked in the same place. At the same time, they kept their doors open to their neighbours, and they maintained frequent interactions with each other. The interviewee said that all one had to do was mention where someone worked to find out who they were and what they did. Everyone knew how many people lived in each household and which households were on welfare (financially struggling).

“We certainly don’t want to leave here (18T). I grew up here, and these streets and neighbours are all part of my memories. At first, we couldn’t understand why we had to move after living here for so long.” (Interview A-2)

Although some residents still maintain contact, the close-knit neighbourhood ties have been significantly weakened due to being scattered to different areas. Some residents recall sporadic contact with old neighbours, but no longer interact as frequently as they used to:

“Now (18T) the ‘san chang’ area is still empty, and the one below us (the old house) hasn’t moved yet (under construction). Yesterday, our old neighbours chatted together, and they (used to) live over there.” (Interview A-3)

As these testimonies now show, the sense of belonging and mutual support that once defined the fabric of the 18T community has gradually weakened.

Emotional displacement and alienation

For many, 18T was not just a physical location but a way of life, community, and personal memories. While some of the displaced residents were curious about the progress of redevelopment, practical challenges such as transportation costs, scheduling difficulties, and the shifting of daily activities meant that most could only follow the latest developments through news reports or second-hand information.

Even for those who did try to visit, the redeveloped landscape no longer looked like the 18T they once knew. This disconnect was particularly evident among the older residents, many of whom struggled to adapt to their new living environment:

“When I first moved here, I was completely out of my element. I was young then, only 66 years old. I'd get up in the morning, take the bus to the city centre, and hang out at Jiefangbei. I went to Lime City and other places, Carrefour, Yonghui, and other supermarkets, and then returned. I can just take the bus if (18T) is repaired. The bus stop is just across the road from Shibaidi, and the last bus leaves at 9 pm, so I can still make it back. Very convenient.” (Interview A-3)

“It now takes over an hour to get to the city centre, and you have to change buses. I just cross the road to go back to 18T. There used to be a lot of big trees there, but now they have been turned into a median. I still feel very emotional about it.” (Interview A-6)

Many people are also unfamiliar with the new developments in 18T. The familiar street vendors, old shantytowns and close-knit community interactions have disappeared, replaced by modern commercial spaces catering to different demographics. This transformation has made many former residents feel like outsiders in a place they once called home.

Who can afford to return?

Among the options for relocation, some residents chose monetary compensation over compensation in kind. 18T The evaluation standard for demolition compensation is based on the Chongqing Municipal Regulations on the Administration of Urban Housing Demolition, which stipulates that “the amount of compensation for housing demolition shall not be less than 70% of the average

transaction price of newly built commercial housing of the same use in the same area as the demolished housing.” However, according to data from CQNews (2009), “the average price per square meter of residential housing in Yuzhong District, Chongqing, in November 2009 was 6,967 yuan/square meter.”

In contrast, the monetary compensation standard for the demolition of 18T was only 4,000-4,300 yuan/square meter, which was lower than the minimum compensation standard stipulated in the policy. Under the real estate market environment at that time, residents who chose monetary compensation could hardly afford to buy a new home in Yuzhong District. This meant that returning to the original location was almost impossible for households that chose cash compensation.

By the time the 18T site was redeveloped commercially in 2019, property prices in the surrounding area had risen significantly. For example, the average price per square meter of Guoke 18T, a high-end residential project located in the newly developed area, reached about 39,200 yuan, with total property prices ranging from 3 million yuan to 52.29 million yuan (Chongqing Home Purchase Network, 2021).

“Now the residents are saying, ‘We gave up this great place for the country to develop tourism. We had to pay the difference in price when we moved, and it was a bad deal.’” (Interview A-3)

Another interviewee pointed out that the compensation policy had effectively driven people out of the area:

“If you take the cash, you can’t buy anything in Yuzhong District. Housing prices here are so high that most of us had no choice but to move elsewhere.” (Interview A-2)

The redevelopment results in old buildings in prime locations being demolished to make way for luxury housing, commercial space and tourist infrastructure. Low- and middle-income people who cannot afford to buy or rent a home are forced to move to high-rise resettlement apartments far from the city centre.

When I asked the developers who the target users of the new 18T were, their answer was revealing: “The new 18T is positioned as a must-visit place for tourists and a social space for Chongqing locals. Our target audience are mainly people who come here to spend money.” This description makes it difficult to identify a clear

socioeconomic classification. It could be a shared space for everyone. However, the promotional materials for the redevelopment and the updated picture from the 2022 inspection tell a different story—the refurbished 18T stone steps are flanked by high-end drink shops and cafes, as well as exquisite cultural and creative souvenir shops, while Chinese restaurants and Asian-style restaurants occupy the commercial spaces upstairs, and the consumption level of the entire space has been significantly upgraded. At the same time, for those interested in buying Guohao 18T luxury homes, the financial threshold further consolidates this exclusivity: “You must pass an asset verification to view the apartments.” (Interview D1-1)

This reality clearly shows that the redevelopment of the new 18T is not truly a “shared space” but a spatial reshaping of consumption upgrades, the beneficiaries of which are mainly high-end consumer groups rather than the original residents or ordinary citizens.

Some people have questioned this kind of transformation: “This kind of project pursues traffic and revenue, which runs counter to the original intention of urban planning. As a city with a blue-collar economy, Chongqing has a limited consumer capacity, and most people can only use their limited funds to meet their basic needs. But here, I’ll draw an analogy: it’s like dreaming of 100 yuan with only 10 yuan.”

The purchasing power of the 10 yuan group chasing 100 yuan consumption scenarios—this sentence is the most straightforward and most stinging evaluation of the redevelopment of the new 18T. It reveals the problem of value deviation in the current shantytown redevelopment: the current shantytown redevelopment is precisely plagued by this serious problem of value deviation. The original goal should be to improve people’s livelihoods and optimize space, but in reality, some projects are driven by the flow economy and serve development. The reality of the local blue-collar economy is ignored—residents have limited spending power, and most people’s income is just enough to maintain basic living needs (per capita disposable income of 35,600 yuan in 2022). The metaphor of “10 yuan, 100 yuan” reveals the disconnect between the project’s positioning and the masses’ actual purchasing power. As a result, public spaces that should belong to ordinary citizens are occupied by high-end consumption scenarios, creating a kind of hidden exclusion.

Essentially, it reflects the structural contradiction between the “logic of capital” and “people's livelihood needs” in the process of urbanization.

7.2.3 Reconstructing the financial framework: the resource base to support governance mechanisms

Composition and functions of the financial framework

In the practice of shantytown redevelopment, financial resources have always been a core element in driving the progress of projects. When land is acquired for redevelopment for development purposes, even in a highly developed area such as Chongqing, the government actually does not have enough capital to use as capital. Although the municipal government has strong financial regulation capabilities, the huge amount of capital required for redevelopment projects often exceeds the affordability of local finances. At the same time, shantytown redevelopment projects are a key measure for urban redevelopment and an important indicator for higher-level governments to assess the level of local economic development and the performance of officials. The dual superposition of financial “hard constraints” and the “hard tasks” required for political performance has made fund-raising the core challenge determining the project's success or failure.

Against this backdrop, municipal governments must rely on multi-level governance strategies, with the distribution of power and the integration of funds as the breakthrough. On the one hand, a basic guarantee is established through the combination of central special funds and local financial support to ensure the project's legitimacy and the policy's sustainability. On the other hand, the municipal government attracts social capital and private capital to participate in shantytown redevelopment projects by introducing market forces and injecting new momentum into the transformation of the local economy. This diversified financial model provides financial support for shantytown redevelopment and profoundly affects the structure and mechanism of urban governance.

Land Finance and Local Economic Transformation

The formation of China's land finance model originated from the reform of central-local power sharing and institutional innovation. The central government has granted

municipal governments the right to allocate land resources through policies such as tax reform (Zhou, 2006) and paid use of state-owned land, allowing them to break through the traditional framework of centralized power and obtain autonomous development space (see Section 2.2.2 for details). Policy tools such as the 2007 Administrative Measures for Land Transfer Fees and the 2008 Ten Policies for Expanding Domestic Demand have not only regulated the use of land revenue for infrastructure and affordable housing construction (Wu & Li, 2010) and provided institutional support for urban redevelopment such as shantytown renovation. Within the policy flexibility, municipal governments can promote industrial upgrading (e.g., cultivating modern service industries) and functional optimization (e.g., rebuilding existing space) through land replacement and development, forming a dual action logic of “policy implementation-economic innovation” (Zhou, 2014). This central-local interaction mechanism has not only accelerated the urbanisation process, but also shaped the role of municipal governments as the dominant players in spatial production. Their mode of operation, which obtains development momentum through land differential income, has become a key dimension in understanding China's urban economic transformation.

Sinking of funds and downward extension of power

The large-scale promotion of Shantytown redevelopment cannot be carried out without financial support, and adequate financing is a core element for its smooth implementation. To this end, the China Development Bank (CDB) has become an important source of funding. In 2015, the State Council authorized the CDB to provide up to 400 billion yuan of credit support to Shantytown redevelopment projects across the country for a period of four to five years (Sina.com, 2015). The injection of this huge amount of capital has provided a key guarantee for municipal governments to promote shantytown redevelopment.

However, these funds do not flow directly to the grassroots level; instead, they are decentralized along China's bureaucratic governance system, corresponding to the power hierarchy of governments at all levels. Under this mechanism, the central government is responsible for the overall planning and policy direction of funds, while provincial governments are responsible for the allocation and supervision of funds, and municipal and county governments are responsible for the specific

implementation of shantytown renovation projects. The direction of fund flows not only determines the pace of project implementation, but also affects the autonomy and incentives of municipal governments in policy implementation.

In Chongqing Municipality, for example, a total of 27.1 billion yuan of loans have been granted over the past few years (of 2015), covering six districts and counties, while another 11 districts and counties have completed the preliminary preparatory work, applying for loans totaling 28.6 billion yuan (21st Century Business Herald, 2015). This process shows that the decentralization of funds does not directly allocate funds to specific projects, but rather filters, approves, and allocates funds through different administrative levels:

- Central government: sets the total amount of funds and allocation rules to ensure that shantytown renovation is in line with national strategic goals
- Provincial government: allocates funds to prefecture-level cities based on local needs and monitors the use of funds.
- Municipal government: allocates funds to districts and counties based on its urban development plan and decides on shantytown renovation sites.
- District and county governments: Responsible for project approval, demolition compensation, infrastructure construction and other practical implementation, and report to higher levels of government on the use of funds.

This process is not just about decentralizing financial allocations but also corresponds to the decision-making power and implementation responsibilities of governments at all levels of shantytown renovation projects. In order to obtain more funds, municipal governments often need to demonstrate strong implementation capabilities during policy implementation and meet the assessment indicators set by the central government.

“Under China's bureaucratic system, the path of capital allocation is essentially the path of power allocation. Municipal governments need to fight for resources within the policy framework, while higher-level governments control the strength and direction of policy implementation through capital allocation.” (Qu, 2012)

The allocation of the special funds is based on a “factor method”(Oates, 1972), which weighs factors such as the number of households receiving rental subsidies,

the number of urban Shantytown redevelopment units, and the results of the performance evaluation, as well as the corresponding weights, in combination with the degree of financial difficulties, and determines the amount of special funds that will be available to each region.

In terms of the management and use of the special funds, the central government gives localities greater responsibility for implementation through allocation and supervision, while requiring localities to formulate detailed plans for the use of the funds and implement them. According to the Measures for the Management of Special Funds for Central Finance Urban Guaranteed Housing Projects (Caixuan [2017] No. 2) the use of the special funds is strictly limited and must be used for nationally-planned projects, including support for urban Shantytown redevelopment projects, including expenditures on expropriation costs, resettlement housing construction (or purchase), and related ancillary infrastructure construction in urban Shantytown redevelopment projects. Direct expenditure is currently the most important expenditure mode of the special funds, including monetized resettlement through the renovation projects, acquisition of guaranteed housing, and so on. Municipal governments are responsible for the effectiveness of the utilization of the special funds and are subject to supervision by their superiors through performance appraisals. This mechanism not only transmits the central government's policy objectives, but also details authority and responsibility down to the local level.

In the 18T shantytown redevelopment project, the municipal government is required to submit a detailed funding plan during the funding application process. It is also subject to performance appraisal by higher-level governments based on the progress of demolition, relocation, and resident resettlement. This means that funding is not only financial support but also an indicator for assessing the governance capabilities of municipal governments.

Financial Innovation and Social Private Capital Participation

In terms of planning for the use of specific funds for Shantytown redevelopment projects, Chongqing Municipality has developed a detailed deployment. Chongqing Mayor Huang Qifan calculated at the Chongqing Urban Shantytown redevelopment work promotion meeting that the total area of the Shantytown redevelopment is planned to be dismantled up to 12 million square meters, with the cost of renovation

exceeding 5,000 yuan per square meter, and a total investment of nearly 70 billion yuan. Funding sources include:

China Development Bank has granted credit of 27 billion yuan and plans to grant another 28 billion yuan.

Commercial bank loans and PPP mode supplement the remaining 15 billion yuan.

(CEWEEKLY, 2015)

It can be seen that the financial resources for the governance and development of shantytowns in Chongqing mainly come from bank loans with central government credit, which is also commonly referred to as special funds. Special funds account for nearly 80% of the above Redevelopment costs. The funding for a project of this scale has had a very extensive impact on its operation.

Through the PPP model, municipal government financing channels are more diversified, while also providing opportunities for social capital to enter. For example, the project “Construction of Tourism Facilities in the Traditional Landscape Area of 18T”, with a total investment of about 1.9 billion yuan, was introduced to social capital by Chongqing 18T Cultural Development Co. (100% owned by Xintiandi Group) (Chongqing Daily, 2020). The project is used to renovate the landscape and add new supporting facilities but also aims to present a new look at traditional culture and enhance the comprehensive value of land and resources through operational projects.

To ensure standardized and efficient fund management, Chongqing Municipality has established a set of systematic fund management mechanism in Shantytown redevelopment and formulated a detailed operation process. In 2013, Chongqing Municipality submitted its financing needs to the China Development Bank in accordance with the work plan of the Shantytown redevelopment, which was examined and deployed by the municipal authorities. By 2014, Chongqing Municipality had introduced specialized fund management methods and process specifications, clearly defining funds' allocation, use, and supervision. The first 51 projects were reviewed and approved for credit, totalling 27.19 billion yuan in November 2014 (21st Century Business Herald, 2015), providing a solid financial guarantee for the advancement of shantytown redevelopment projects.

The flexible use of funds has been demonstrated in specific operations, with Hu Wantai, the governor of Chongqing's Yuzhong district, reflecting the municipal government's strategy of "fine-tuning" the management of funds. Of the 27.1 billion yuan in loans provided by CDB, Yuzhong received 4.2 billion yuan, plus 800 million yuan raised by the district government, for a total of 5 billion yuan. The funds were strictly required to be used for the demolition and relocation of Shantytowns and dilapidated buildings in accordance with the principle of "earmarking", and could not be misappropriated (China Economic Weekly, 2014).

In terms of the dilemma of matching funds, only 800 million yuan of matching funds is far from enough to meet the project's needs, and Yuzhong District has adopted innovative strategies for the use of funds. For example, collectives were encouraged to purchase stock of commercial housing in lieu of newly built resettlement houses in order to utilize the limited funds more efficiently. At the same time, by "demolishing 1 million square meters of housing and potentially building another 2 million square meters of residential and office buildings," the Chongqing Municipal People's Government has sought to support infrastructure development through the proceeds of land leasing.

On a larger scale, the Municipal Government of Chongqing Municipal People's Government has adopted the slogan of "scientific planning, categorized implementation, land conservation, and self-balancing funds" for shantytown redevelopment funding, led by Mayor Huang Qifan. The core of this slogan is to balance the input and output of funds through scientific project planning and strict fund management, and to increase the value of land and real estate through market-oriented operations to enhance local financial revenue further. With this in mind, Chongqing Municipality has included shantytown redevelopment in its 2013-2017 urban shantytown redevelopment plan (Collection Division, 2019), which specifies the overall goal of the transformation.

Just as Chongqing shantytown redevelopment is regarded as a key livelihood project at the municipal level and an important project to boost domestic demand (Hualong, 2021), this model not only eases the pressure on local finances, but also promotes the optimization and upgrading of the city's economic structure. By revitalizing the stock of land resources, developing operational projects, and innovating financing

methods, municipal governments have demonstrated strong adaptability and execution within the framework of central policies. However, this model of shantytown redevelopment centered on land appreciation has also brought potential problems. Although scientific planning and strict management have improved the efficiency of capital utilization to a certain extent, municipal governments' dependence on land finance has also deepened. When the government describes the priorities of shantytown redevelopment project selection, it usually emphasizes “combining the conditions of renovation and the needs of socio-economic development” (Chongqing Urban and Rural Construction Commission, 2018). The subtext is that the efficiency of capital reproduction takes precedence over spatial justice – a logic that, as Harvey (2008) criticizes, alienates urban space as a tool for “dispossession-cum-accumulation”. In introducing social capital, the municipal government has prioritized support for commercial projects such as the “18T Traditional Scenic Area Tourism Facility Construction,” highlighting its spatial transformation strategy oriented towards economic growth and enhancing the city's image. Under this governance logic, investment and planning decisions are more inclined to serve projects that shape the city's brand and upgrade the economy. Therefore, commercial and tourist areas often receive more resources, while shantytowns in urgent need of improvement of living conditions may be given second priority. This development path clearly reveals why on-site redevelopment is difficult to become a policy priority.

7.3 18T Governance Impact

7.3.1 Heritage Protection and Spatial Reproduction: From Historical and Cultural Landmarks to Commercialized Landscapes

Many important protected cultural relics and buildings are distributed within the 18T area. For example, the former French Consulate, a national cultural relic, and the site of the “June 5th” bombing tragedy, a municipal cultural relic, all exist as tangible reminders of the relevant history, giving Chongqing's mother city a very high historical value. It is worth noting that these cultural relics that carry the collective memory of the city do not exist in isolation – there are also 81 large and ancient trees, 13 traditional streets and such characteristic landscapes as the “seven streets and six lanes” alleys within the redevelopment units delineated by the planning

department. These, in particular, reflect the daily lives of communities in modern society, which the locals call “old Chongqing” life. Through collating these historical relics and buildings and collecting residents' memories and oral histories, 18T has realized its important historical and social value. It is not only a specific reference to place names but also a condensation of cultural symbols and spiritual symbols, demonstrating the individual's pursuit of collective identity and the transcendental sublimation of the meaning of life.

A committee of experts and scholars determines the historical status of the buildings and cultural relics in the area or whether they are historical buildings. Suppose they meet the criteria for historical status. In that case, they will be included in the government's restoration budget, while historical buildings with distinctive features will be included in the list of buildings to be revitalized. In 2015, the coordinated restoration project that accompanied the launch of commercial development systematically integrated the protection plans for seven cultural preservation units, three historical buildings and 81 old trees. It is worth noting that the Chongqing municipal government has formulated new regulations and established specific traditional landscape areas. The institutional coupling of heritage protection and urban redevelopment is achieved through the “Protection and Utilization Plan for Traditional Landscape Areas in the Main Urban Area”—a way of transforming historical resources into a tool for spatial governance. This Plan presupposes a framework for subsequent commercial development's historical and cultural narrative.

During the iterative planning process from 2015 to 2018 (the fourth meeting of the Chongqing Municipal Planning Commission and the first meeting of the Municipal Historical and Cultural City Protection Committee, 2015; “Protection and Utilization Plan for Traditional Landscape Areas in the Main Urban Area”, 2015; “Constructive Detailed Planning for the 18T Traditional Landscape Area Project”, 2018), the government-led path of heritage protection gradually became clear. The “protective development” principle established through four municipal planning meetings has incorporated 18T into the city's system of 28 traditional-style districts. The planning text emphasises explicitly the area's positioning as “the historical and cultural heart of the city” and the principle of “limited cultural and heritage protection” in order to build public consensus on the development of the city centre's shantytowns as a way to protect history and culture, while also enhancing Chongqing's urban image.

Subject to the above regulations, developers are required to accept the constraints of heritage protection clauses at the land leasing stage. This “front-loaded control” mechanism ensures that commercial construction is always within the heritage red line designated by the government, so that historical buildings receive both maintenance funding and become cultural decorative elements in consumer spaces. As shown in the detailed construction plan approved in 2018, heritage protection inevitably becomes deeply bound with the city's marketing strategy when the “old Chongqing living landscape” is systematically transformed into a cultural tourism IP.

“(Our company bought the 18T Style District plot), we bought the land and built it ourselves (bought it from the state). Because the bidding for this place came with a design, Yuzhong District had already repaired and designed the land at that time, and we were not allowed to design it. The government had designed how to repair each house.” (Interview D1-1)

Therefore, in the process of space regeneration, we can see that buildings on the protection list are repaired at the heritage level, while old buildings not on the list are systematically demolished. This has ultimately created a building texture with a functional vacuum. According to data on business distribution, major new commercial formats such as catering and retail account for 40% and 33% respectively, constituting the main filling force. Officials claim that “these industries settled in because they fit the spatial characteristics of the building and the atmosphere of the traditional neighbourhood and contribute to the area's sustainable economic development.” (Interview D1-1), but the positioning of commercial tenants also reveals the deeper aspirations of planners—to reconstruct 18T into a historical and cultural experiential tourist destination through the implantation of standardized service modules.

Land area	88 acres		
Building area	170,000m ² (commercial building 80,000m ²)		

Business planning and scale share of each district	Area A/B 23,310 m ²	Industry: Non-legacy experience and display, speciality catering and cultural teahouse, boutique retail collection	Percentage of size Zone A: Restaurants (38%), retail (35%), cultural experiences (27%). Percentage of size Zone B: Dining (55%), retail (15%), cultural experiences (30%).
	Area C 15,320 m ²	Industry: Cultural creativity, national trend retail, online food and beverage, boutique B&Bs	Percentage of size Dining (27%), retail (40%), cultural experiences (13%), leisure and entertainment (20%)
	Area D 4,806m ²	Industry: Speciality dining, bar, coffee, cross-border retail city-only accompaniments	Percentage of size Dining (46%), retail (39%), cultural experiences (3%), leisure and entertainment (12%)
	Area E 15,977m ²	Industry: Speciality bars, cultural performances	Percentage of size Restaurants (51%), retail (37%), leisure and entertainment (12%)

Table 7.2: Investment Folders of Chongqing 18T Traditional Style Blocks

(Source: Author's own)

The project is operated through a build-operate-transfer (BOT) model, and the traditional style district is capitalized and operated through a public-private partnership (PPP) mechanism. This model is not the first time it has been used in Chongqing, as there has been cooperation with foreign capital in projects such as toll roads since the earliest days. Compared with the 20-30-year cooperation cycle of conventional PPP projects, the 40-year ultra-long operating rights obtained by Xintiandi Group have essentially restructured the power configuration of spatial

production – the district government retains its dominant position in governance through policy formulation and supervision, while the enterprise, as the “space owner”, has strategic autonomy in commercial operations. In this context, the traditional style area is a special field. BOT includes the responsibility of cultural protection and the right to commercial development, and there is bound to be a structural conflict between the value preferences of capital and heritage protection.

The reproduction of space under the BOT model presents an alienating characteristic: On the one hand, the physical form of the building entity is preserved through heritage restoration standards, while on the other hand, the residential function it carries is systematically replaced by a consumer space. The living memory of “Old Chongqing” is transformed into nostalgic commodities that can be mass-produced. Although the 40-year operating cycle provides capitalists with ample opportunities to recoup their investments, it also leads to the gradual dissolution of the spirit of the place. When historic buildings are redeveloped into restaurants and traditional courtyards are transformed into cultural and creative shops, the historical context has been reduced to a rhetorical device for commercial narratives. Local consumption also includes the consumption of history and culture.

“Area D is currently looking for investors and doing business with locals. We call it business with locals, for example, doing catering and entertainment that locals like. The area E is still under construction... The whole area E is for the night economy because the night economy on Bayi Road near Jiefangbei is already 'dead'.” (Interview D1-1)

This strategic adjustment from a tourist economy to a local economy reveals a structural conflict between the need for capital appreciation and the commitment to cultural protection. Although the government has implemented precise regulation through the right to approve investment and business, “for every brand we recruit, we have to report to the department” (Interview D1-1), the business content is not the focus of the government's attention.

Although the government has established a traditional style control area, the lack of management of the content of the business ultimately separates protection from operation. This institutional compromise is actually the inevitable product of the battle between managerialism and populism—technocrats trade the protection costs to be

borne by enterprises in exchange for longer concession periods, while the response to populist demands is reduced to the visual governance of “aesthetic harmony.” While tourists consume “culture and nostalgia” in the antique streets and lanes, the real historical memories are slipping into irreversible oblivion with the dispersal of the Indigenous population.

7.3.2 Social impact: The state integrates the individual

In the governance process of the 18T project, the municipal government made full use of the national policy discourse for advocacy, which strengthened the relationship between the state and the individual in policy implementation. In the governance of shantytowns, the government not only relies on the top-down vertical management system of the state (see 6.2) but also influences social cognition through the state's “ideology” when dealing with residents and the public (see 7.1.1). In this process, the state is not only the policymaker but also shapes discourse and mobilizes the administration to present itself as a mediator of conflicts and a guarantor of the redistribution of benefits. Shantytown redevelopment initially involved a conflict between shantytown residents and relevant entities (such as developers and municipal governments), and it was originally a dispute involving personal interests. However, under certain circumstances, “state policy” becomes the core force for resolving the problem and ultimately gives shantytown redevelopment a higher level of political legitimacy. The personal demands of residents are also gradually integrated into the national development narrative.

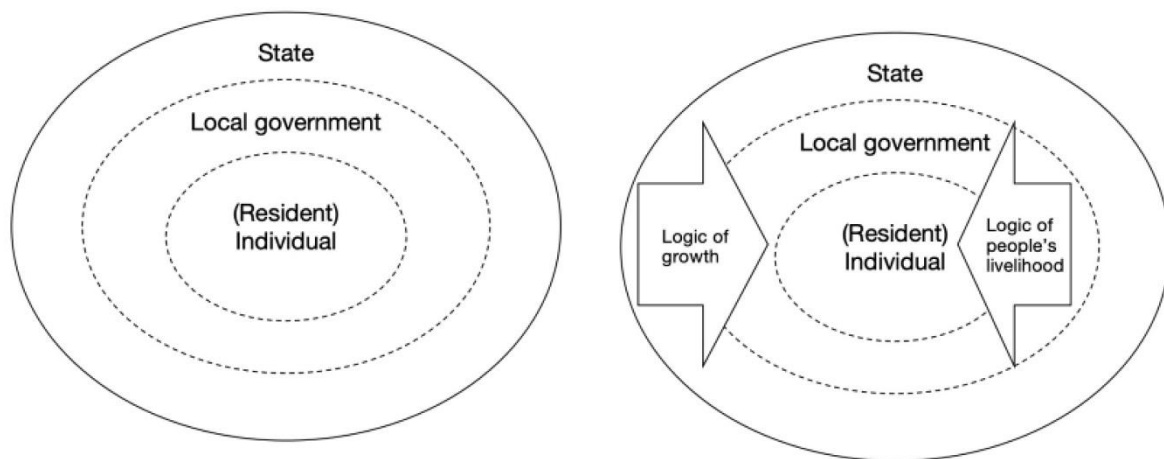


Figure 7.4: The integration of the individual into the state, and the governance logic and relationship between state-local-individual.

(Source: Author's own)

This process has some commonalities with the global trend of state integration of individuals. In the urban governance practices of many countries, the state strengthens its role in shaping social order through policy measures. It incorporates individuals into the larger national development framework through discourse construction and institutional arrangements. Through the state's shaping of urban space and residents' identities, urban redevelopment is not only a reconstruction of the economy and physical space but also a psychosocial transformation of individuals from independent property holders to “objects of implementation” of state planning, which further internalizes the awareness of obedience to state policies.

When discussing demolition and relocation, many interviewees first mentioned the irreversibility of national policies, emphasizing that they had to accept this reality, whether they wanted to or not.

“Of course, we are reluctant to leave here. I grew up here, and these streets and neighbours are all part of my memories. But then the government officials came to our door again and again, and they made it very clear that this was for the good of development.” (Interview A-2)

For most residents, demolition was not a personal choice, but a decision made by national policy. They may have initially resisted, but with the government's continued mobilization, they gradually accepted this reality.

“At first, we couldn't figure it out. We had lived here for so long, why did we have to move? But then everyone understood that whether they wanted to or not, if the country wanted this place, then they had to move.” (Interview A-2)

The government's propaganda further reinforced the unchallengeable nature of the national policy. After repeated persuasion by grassroots cadres at their doorsteps, the residents gradually accepted that “relocation is part of national development” and tended to recognize the government's legitimacy verbally.

“The state should fund it, so which developer will buy it (be responsible for it)? Basically, it is still a government action.” (Interview A-5)

Under this system, the logic of the state is given priority, and individuals are subordinated and dependent on the state, and they acquire new identities under the state's institutional arrangements. In the shantytown renovation process dominated by state power, the boundaries of the individual as an independent subject are blurred, and individual interests must be subordinated to the overall national plan. This spirit of “considering the overall situation” is imbued with moral significance and has become a spiritual benchmark for collective social action. At the same time, it coincides with the traditional cultural concept of emphasizing an inclusive self. Under this logic, the living space of shantytown residents is in a state of “being integrated”. They are clearly aware of the irreversibility of national policies and, at the same time, feel that their interests are being compressed multiple times in the process.

“My house is not private property, the property belongs to the state. At that time, we didn't know. I didn't know he was going to turn it into a tourist attraction. I always felt that the state wanted this land, this plot of land, and we still had to respond to the call. But we didn't know he was going to build a tourist attraction. Later, after we moved out, and it was built, we found out.” (Interview A-3)

“But it was [unavoidable] that the state wanted this place. But at that time, I still felt that I strongly supported the state's desire for this place. Since the state wanted this

place and our house was in very poor condition, having been built during the Cultural Revolution, it would be good for us to redevelop and move.” (Interview A-3)

The individual's submission to the overall arrangements of the state is seen as a duty and even a conscious requirement. The spirit of ‘considering the overall situation’ that this embodies has moral implications and has become a spiritual benchmark for society as a whole. Although the shantytown renovation project is promoted in official discourse as an initiative to “improve residents' living environment” and “care about the vital interests of the people,” in the specific implementation process, many residents are forced to move to remote resettlement communities where the infrastructure is not yet complete and the housing has not yet been fully built. They have to face new inconveniences in their lives, such as transportation, insufficient medical resources, and psychological pressure caused by the fragmentation of social networks. This is the “demolition paradox.”

In the practice of demolition, official discourse prioritizes the obligation of residents to obey rather than their individual rights. Since the land use rights of houses are defined as state-allocated land, municipal governments frame the issues of demolition and resettlement as simply “compensation and resettlement” issues, limiting residents' demands to the framework of economic compensation. Under this logic, residents' room for negotiation is compressed, and the channels for expressing demands are also strictly limited: residents' demands are usually directed to the demolition and resettlement offices or command centres rather than independent civil rights mechanisms, thus limiting the diversity of feedback channels. Regarding the scope of their demands, the government's response emphasizes “management according to the law,” which has caused residents' demands to focus mainly on the fine-tuning of compensation standards, making it difficult to touch upon the policy itself. At the same time, grassroots cadres rationalize the implementation of the policy through administrative discourse, leaving residents with no choice but to negotiate within the established framework, and making it difficult to question the rationality of the overall plan.

“They (the government) have made it very clear that this is a national plan and everyone must obey. The demolition office can only talk to us about compensation, and they can't handle anything else.” (Interview A-4)

When residents are prepared to go beyond the channels of appeal to defend their rights, petitioning and litigation are currently the only two institutional channels for appeal. However, petitioning will face the fact that the superior of the demolition office is the same as the organization personnel of the command department, while litigation will face the pressure of the judiciary and the executive. In the demolition conflict, the executive will resort to judicial means for final enforcement.

Although the residents support the national policy emotionally, they are powerless in the face of losing their real-life interests, which causes a complex tension in the relationship between the state and the individual in this process. On the one hand, the state integrates individuals through policy and strengthens its own social governance capabilities; on the other hand, the individual's subjectivity suffers from the limitations of the governance model in this process.

7.3.3 18T governance model legacy: blueprint or warning?

The 18T governance model, as a new and unique paradigm for shantytown redevelopment in Chongqing, is seen as an efficient tool for solving the urban redevelopment problem, with its core logic of “government-led, rapid mobilization, and centralized advancement”. Relying on top-down administrative integration, the model completes large-scale demolition and Redevelopment within a set period and reduces public resistance through populist discourse shaping. While improving the city's appearance, the government has given the mother city a new symbolic meaning through historical and cultural packaging and used this to promote economic growth. However, behind the successful implementation of this model also hides a deep-seated governance contradiction. The essence of this model lies in the fact that “shantytown renovation” separates people and land that were originally integrated into one area. The people are resettled to the city's edges, while the land serves urban conservation and development “development”.

The Yuzhong District Government is the central player in this model. When dealing with the public and foreign developers, it simultaneously assumes the roles of an “agency-type regime operator” and a “profit-seeking regime operator” (Yang Shanhua & Su Hong, 2004) in order to maximize its room for manoeuvre. Specifically, when dealing with the public, the municipal government emphasized the

public ownership of land, the alignment of the people's interests with the Redevelopment of dangerous and dilapidated housing. It portrayed urban development as a national dream. The municipal government highlighted its status as the nominal agent of the state in the process. The government exploited the social and psychological structure of the people to create various discourses of legitimacy, combined with administrative force – “campaign-style governance” relied on the efficient transmission of administrative hierarchies to quickly mobilize financial, land and human resources to ensure the implementation of policies and achieve the rapid relocation of residents and the vacating of land. When dealing with developers, however, the municipal government transforms itself into a “profit-seeking regime operator” and positions itself as an urban operator (Yang & Su, 2002). Using market economy discourse, it emphasizes the historical and cultural value of the 18T in project investment promotion and land transactions, attracts high-quality capital, promotes industrial upgrading, and thus increases the municipal government's fiscal revenue.

The beauty of this model lies in the fact that, while the two main interests of demolition and development remain in tension, the municipal government always retains a unified discourse system. This strategy not only strengthens governance consistency but also allows the municipal government to play the game between different subjects with ease. At the same time, the municipal government actively constructs a unified relationship between the state and the individual. As a result, the abstract concept of “the state” has become an ideological resource base for the municipal government to borrow in order to legitimize and justify demolition and reconstruction—it is particularly effective in influencing the residents of 18T, who can actively find their own connection with national development and regard obedience to policies as a contribution to national development. The use of such a “unified” national ideology to extend to the individual is that they are absorbed under the power and become passive recipients of urban redevelopment who obey orders. Thus, they have withdrawn from their position as a subject in a game with the developers. This is also the core advantage of the government's choice to directly engage with the residents rather than allowing them to become subjects in a market game.

The governance of shantytowns embodies the nested relationship between the pursuit of economic growth by the municipal government after the transition and the obedience of residents who have not fully experienced the transition to the authority of the state. In this process, shantytown redevelopment has been given legitimacy in terms of urban development, which has been reduced to economic growth. Growth, in turn, has been portrayed as a win-win situation for all, with the value of “the private” subordinating to “the public”. Personal interests have been integrated into the national narrative. At the same time, the municipal government has used the Redevelopment of cultural heritage as a means of appeasing the public and preserving “urban memory”. At the developer level, it has been packaged as “historical and cultural added value” and become an important asset for commercial development.

The other side of the coin of revitalizing central land, promoting industrial upgrading, and driving the growth of the tourism economy is the marginalization of the original 18T residents. After they were relocated, their original spatial benefits disappeared, their social relationship networks were broken, and their rights and interests in housing property rights were also unfairly treated. In the 18T model, the priority ranking profoundly reflects the logic of power games. The municipal government gives priority to satisfying the economic interests of developers, which are the same as its own, for short-term political achievements, while residents' rights and interests and cultural protection are reduced to secondary goals.

7.4 Conclusion

18T shantytown redevelopment projects demonstrate how Chinese municipal governments can achieve efficient urban redevelopment through a governance model of “government-led, rapid mobilization, and centralized promotion.” This model integrates administrative resources, policy tools, and ideological discourse to complete demolition, relocation, and land readjustment in a very short period of time. Through cultural packaging and industrial investment promotion, the parent city of Chongqing has gained new economic value. However, behind its “success,” the 18T model also reveals deep-seated governance contradictions: How does the priority of economic growth balance social fairness? How can the rights and interests of

residents be taken into account in the redevelopment of urban space? How does the integration of state power affect the subjectivity of individuals?

From the perspective of governance models, the 18T model combines managerialist hierarchical decision-making with populist social mobilization. When dealing with citizens, the government emphasizes the public ownership of land, national development goals, and improvements to people's livelihoods to shape the legitimacy of policies and make residents accept the inevitability of demolition. At the same time, when dealing with developers, the government transforms itself into an "urban operator" that uses historical and cultural advantages and urban marketing strategies to attract high-quality capital and promote industrial upgrading. This dual governance logic has achieved short-term economic growth and an improved image for the city, but the inherent tension has also placed residents in a conflicted position between the discourse and their actual interests.

In terms of governance mechanisms, the government relies on administrative integration, financial leverage, and symbolic policies to minimize resistance to demolition. Through "campaign-style governance," the government has shaped the shantytown renovation project into a part of national development, so that the individual demands of residents are integrated into the national narrative. At the same time, through financial innovation, the government has introduced the PPP model and land finance to ensure funding sources, and it relies on the BOT mechanism to promote cultural and tourism commercial development. Although these measures have promoted local industrial upgrading and revenue growth from an economic perspective, on a social level, residents' room for negotiation has been significantly reduced, their original social relationship networks have been dismantled, and the fairness of urban space has been challenged.

From a social impact perspective and the perspective of spatial reproduction, the Redevelopment of 18T is not just a physical space redevelopment but also a reshaping of the city's symbolic system. The government has given 18T new commercial value through historical and cultural packaging, turning it from a shantytown into a "cultural landmark" and "tourist card". However, this model of commercial Redevelopment has also erased the original inhabitants' historical memory and way of life. History and culture are consumed under market logic, and

tourists and investors have replaced the real subject of urban culture. For the indigenous residents, they lost not only their original living space but also their right to speak out in this space.

The 18T model reshapes the relationship between the state and the individual through state-led integration. The original identity of the residents has changed from property owners to executors of national development plans, and the demolition has transformed from an individual's pursuit of interests to a moral responsibility to “obey the overall national situation”. During this process, the government successfully reduced the residents' opposition through discourse shaping, grassroots mobilization, and symbolic policies, making shantytown redevelopment part of social governance. However, this “being integrated” process has also marginalised residents regarding social resources, quality of life, and economic security. The original residents were resettled at the city's edge after the demolition, losing their original spatial benefits and facing problems such as insufficient infrastructure and the disintegration of community support networks. This spatial injustice is precisely the negative effect of the “development first” logic in urban redevelopment.

The operating logic of the 18T model has made it both a successful urban redevelopment case and a controversial governance paradigm. It has revitalized core land resources quickly, upgraded the urban form, and successfully attracted capital to boost local financial growth. However, the success of this model has come at the cost of forced social integration and the redistribution of spatial benefits. The far-reaching impact of this model is that it has not only shaped the role of municipal governments in urban governance, but also changed the interaction model between the state and individuals. Residents are integrated into a “development community” within the framework of the state discourse, but in reality, their interests in the urbanization process are weakened, and they lose their subjective qualification to compete directly with capital.

The 18T model is successful for the government and has been shaped into a highly idealized blueprint for urban redevelopment, becoming the “modern urban landscape” imagined by some groups. However, the realization of this model comes at the expense of residents' interests. Its deep-seated governance logic and interest

distribution mechanism reveal the issue of fairness in urban redevelopment, which cannot be ignored.

Chapter VIII: Conclusion

8.1 Introduction

This study adopts the governance analysis framework of DiGaetano and Strom (2003), through which the complexity of governance in shantytown redevelopment is deconstructed into multiple interrelated categories. Changes in power and governance in China's shantytown redevelopment projects are systematically analysed at the macro level of structural context, political culture, and institutional environment, as well as at the micro level of actor interactions. The approach aims to reveal how institutional change shapes the social spatial structure and the interaction mechanism of stakeholders, and to elucidate the multidimensional aspects of the social and power networks embedded in the space during the shantytown redevelopment process.

This study focuses on the governance of shantytown redevelopment in China, and explores the complex power relations and potential conflicts in a multi-level and multi-actor governance environment, in order to gain an in-depth understanding of the shaping effect of government policies on the implementation process of the project. The research uses the 18T shantytown redevelopment project in Chongqing as a case study, and provides an in-depth analysis of its 16-year (2008-2024) redevelopment process, revealing the mechanisms and practical logic of shantytown redevelopment governance. This research raises the following research questions:

Question 1: Who are the stakeholders and participants involved in shantytown redevelopment projects (SRPs)?

How are the governance relationships between stakeholders represented?

How are projects implemented in practice?

Who are the key decision-makers?

Question 2: What are the core policy objectives of Shantytown redevelopment? How are national and local policies concretized in practice?

In shantytown redevelopment projects, how does the governance implementation process respond to policy requirements at the national and local levels?

How do municipal governments balance multiple objectives such as economic development, social stability and cultural protection when implementing policies?

Question 3: How is the governance structure of shantytown redevelopment constructed? How are power interactions and governance relations among different stakeholders manifested?

This study combines key literature on urban governance and managerialism to explore the dynamics of power and the policy implementation process in shantytown redevelopment. Rhodes (1996) proposed that governance is not only a process of policy implementation, but also a system of “regulation, coordination and control” in which governments at different levels, market forces and social organizations work together to shape policy practices. This view echoes Pierre's (1999) four models of urban governance (managerialism, corporatism, pluralism and neoliberalism), which emphasize the dynamic complexity of governance structures. The manifestation of managerialism theory in public policy further reveals the squeeze of the value of fairness by the logic of efficiency in policy implementation through the core principles of the “new public management” (NPM) proposed by Hood (1991), such as market-oriented, performance indicators and technocratic leadership (Pollitt and Bouckaert, 2011). In the field of shantytown redevelopment, the managerialist tendency to “depoliticize” often simplifies complex social contradictions into technical governance issues, obscuring the power games behind spatial restructuring (Zhang, 2021).

In terms of vertical power, Jessop's (2002) “strategic relations state theory” points out that urban governance is a field of mutual penetration between the central and local levels and between formal institutions and informal networks. This process is particularly evident in land development (Hsing, 2010). DiGaetano and Strom (2003) emphasize the interactive mechanisms of different levels in urban decision-making by comparing European and American cities, especially the “growth machine” formed by the alliance between municipal governments and capital (Logan and Molotch, 1987). D&S also provide five models for analyzing urban governance models (dependency, corporatist, managerialist, pluralist, populist). This framework provides insights into the redevelopment process and spatial restructuring. In the 18T shantytown redevelopment project, the social processes in policy implementation, spatial reshaping and residents' identity transformation demonstrate the multiple

logics of social space production and redistribution of power (Lefebvre, 1991; Harvey, 2012).

Clarke and Newman's (1997) critique of the "paradox of managerialism" – the emphasis on standardized processes that undermines the responsiveness of public services – is also evident in the residents' resistance to the compensation plan. In addition, some studies have also compared "managerial urbanism" with entrepreneurial urbanism (Peck and Tickell, 2002), revealing the bureaucratic means of improving administrative efficiency under managerialism. Some literature adds how urban regeneration transforms social space issues into market-calculable risk units through public-private partnerships (Ong, 2006). This trend of technologizing governance creates a tension with the "politics of survival" (Bayat, 2010) in residents' daily lives, further highlighting the dialectical relationship between local initiative and structural constraints in "multi-scale governance" as described by Brenner (2004).

This study adopts critical realism (CR) as its theoretical foundation and constructs an in-depth analytical framework for the governance of shantytowns in China through the integration of multiple methods, including policy document analysis, stakeholder interviews and spatial observation. The methodological design aims to explore how China's unique institutional environment and local entrepreneurship have shaped the policy implementation and social structural transformation process of urban redevelopment in the context of globalization and marketization. The ontology of critical realism emphasizes the dynamic relationship between social structure and subjective behavior, and is suitable for revealing the underlying power structures and institutional contradictions behind policy implementation. By focusing on the multi-agent interactions and social space reshaping processes in policy implementation, this study overcomes the single perspective of relying solely on government publications or policy documents. Instead, by integrating a wide range of stakeholder perspectives and field data, it reveals the institutional mechanisms and governance logic of multi-level policy implementation. This methodological choice responds to the core concerns about the role of the state, the logic of the market, and the contradictions in policy implementation in shantytown redevelopment. Considering China's unique land system and historical trajectory of urban development, the study starts from the dynamic perspective of social processes and spatial production,

revealing the dynamic relationship between the “entrepreneurial government” and market forces in urban governance. The study pays particular attention to capturing the social effects and spatial practices of policy implementation through residents' narratives and interviews with policy implementers. Residents' perspectives reflect changes in social power structures and avoid overlooking deep-seated conflicts and details. Through the comprehensive application of spatial observation and institutional analysis, the study reveals the social and spatial reconstruction, policy negotiation and conflict of interests in the shantytown redevelopment process.

The empirical chapters (Chapters 6 and 7) reveal the complex dynamics of governance objectives, policy implementation, power interactions and social structure reshaping in a multi-actor governance framework through a systematic analysis of the reconstruction project of the 18T shantytown in Chongqing. These chapters take the governance analysis framework proposed in Chapter 3 as the theoretical basis, and gradually analyze the different dimensions of shantytown governance from the institutional environment to local policy implementation.

Based on the discussion of the previous empirical chapters, this chapter will comprehensively summarize the research results, respond to the research questions one by one (questions 1, 2, and 3), and further explore the broader significance and implications of the research results. Through systematic sorting and reflection, the key mechanisms of the governance model for shantytown redevelopment will be revealed, the logic of interaction between policy and social structure will be clarified, and the profound impact of urban governance practices on the broader social, political, and economic systems will be illustrated. Section 8.3 extends the empirical findings through theoretical discussion, highlighting the inherent institutional tensions in shantytown governance. It explores the tensions between the state and the individual, between transformation and development, and between policy goals and market-driven practices, and highlights the complex interactions between multiple governance logics in the social environment. Section 8.4 discusses the practical significance of this research, linking the research results to the governance and policy environment in China, and clarifying the significance of these insights for improving governance practices. Finally, the paper will conclude with a summary of

the practical significance, the limitations of the research, and the scope for future research expansion, as well as suggestions for future research in related fields.

8.2 Empirical findings

Question 1: Who are the participants and stakeholders in the shantytown redevelopment project (SRP)?

How are the governance relationships between stakeholders represented?

How is the project implemented in practice?

Who are the key decision-makers?

Discussions of these issues are based on the identification and role definition of political participants in the 18T redevelopment project. The research starts from the perspective of stakeholders, focusing on the construction and operation of power structures, and then extends to the discussion of policy implementation, institutional analysis and decision-making mechanisms. By examining the project by “placing people in structures and relationships,” it is possible to “see both the structure and the people” (Fei, 1994). The identification of subjects provides the basis for interpretation and analysis to understand the structure. This interpretive approach is based on an empirical analysis of China's urbanization process. It uses the research logic of tracing the development process from case events, and combs through multiple clues to sort out the interactive relationships between the state, market, society and individuals (Shi, 2023). The subjects involved in redevelopment in this study include the central government, the municipal government, the enterprises commissioned by the municipal government, the developers and the residents. From the perspective of interest structure, I classify the various stakeholders in the shantytown renovation project. In this case study, the interests of the parties involved can be roughly divided into three categories: municipal governments, developers and residents.

Municipal governments

Municipal governments play an important role in the shantytown redevelopment process, and their power and governance logic have gradually changed with

economic system reform and decentralization (Yang & Su, 2002). The central government has continuously reinforced the importance of SRP as a key to economic growth and residents' welfare through a series of policy incentives and institutional designs, such as formulating clear plans for financial arrangements, land expropriation, and compensation plans for residents (Chinese Government Network, 2015). By promoting the release of market economic functions, it has given rise to the differentiation of multiple stakeholders and shaped a locally-led economic and social governance model. In this context, with the emergence of the “territorialization of state power” (Hsing, 2010), municipal governments have gradually evolved from administrative executors within the original national framework to independent stakeholders with the ability to adjust policies and integrate resources.

In this process, the role of the municipal government has gradually transformed from that of a traditional administrative manager to that of a managerialist model. Its governance logic no longer relies solely on central policy directives, but rather promotes the priority logic of efficiency in urban governance (Hood, 1991) through the coordination of administrative resources, the technical implementation of policies, and performance-oriented planning. Driven by the dual pressures of local financial constraints and economic growth targets, the governance strategies of governments are increasingly characterized by managerialism, i.e., policy implementation is promoted through technocratic systems, performance appraisal mechanisms, and project-based governance tools (Pollitt & Bouckaert, 2011). Municipal governments not only rely on administrative integration, but also combine market mechanisms, utilize flexible policy adjustments and innovative governance strategies (Oi, 1995), to strengthen their ownership of shantytown redevelopment and ensure that project progress meets local development goals. As the shantytown renovation project progresses, its core objective gradually shifts from improving the living environment of residents to optimizing land use and promoting economic growth. From the initial focus on the housing problem of “people”, it has gradually evolved into the reallocation and market-oriented operation of “land” resources. “Activating resources” (land and space), promoting industrial development and enhancing local competitiveness have become the priority options for shantytown renovation policies.

In the 18T shantytown redevelopment project (SRP) in Chongqing, the municipal government acted as the core leader and coordinator, responsible for policy formulation, fund raising and overall project planning. Since 2008, the Chongqing municipal government has launched a large-scale project to renovate dangerous and old buildings and shantytowns in the main urban area, striving to improve the living environment of residents and the city's image through concentrated demolition and comprehensive development. This plan was incorporated into the “Notice on Opinions Concerning the Construction of Resettlement Housing for the Renovation and Demolition of Dangerous and Old Buildings in the Main Urban Area” (Yufafa [2008] No. 38), which became an important work agenda for the municipal party committee and government from 2008 to 2010. “Chongqing Municipality will demolish more than 11 million square meters of dangerous and old buildings in the main urban area, and plans to complete all renovation tasks within five years” (Chongqing Municipality Main Urban Area Dangerous and Old Building Renovation Mobilization Conference, 2008). In this process, the municipal government has demonstrated a highly centralized planning and implementation model. Policy design and implementation strategies are concentrated at the municipal government level, with the municipal government leading the promotion and implementation of specific tasks. In 2009, Huang Qifan, then vice mayor of Chongqing, further emphasized the importance of shantytown renovation in urban development at the “Implementing Conference on the Construction of Livable Chongqing”, and proposed renovation standards such as “reduction, greening, leaving white space, and facelift”, clarifying the policy objectives of the project and the direction of environmental improvement in urban redevelopment. Strongly driven by the policy, a large number of dangerous and old buildings and shantytowns in the main urban area of Chongqing have been included in the demolition and reconstruction plan, forming a number of large-scale urban redevelopment projects.

Among them, the 18T shantytown renovation project has become a representative project under the policy framework. The launch of this project not only demonstrates the municipal government's policy implementation capabilities and resource integration capabilities, but also reflects the centralized trend of policy implementation. The municipal government has promoted the implementation of this comprehensive development project through means such as leading demolition,

planning approval, land acquisition and storage, and market operation. In the process of policy implementation, the government not only assumed the functions of land planning and expropriation, but also formed a project implementation mechanism of “government-led and market operation” by introducing developers and social capital. It also ensured the smooth progress of the project through flexible policy regulation. For example, the municipal government collaborated with other stakeholders by setting compensation standards and resource allocation plans. In order to improve the efficiency of project implementation, the government has set up special coordination bodies such as “commands” and “management committees” to coordinate the resources of various departments in stages and promote the implementation of different stages of the project. This highly centralized management system has strengthened the organizational and coordination capabilities for policy implementation, and achieved a deep integration of government policy goals with market development plans. This centralization trend is not only reflected in the project's start-up and policy planning, but also in key aspects such as land acquisition, resource integration, and development rights allocation.

Developers

In the 18T shantytown renovation project, developers play the dual role of market operator and policy implementation collaborator. The government introduced Hangzhou Xintiandi Group and Guoco Group through public bidding and policy incentives to promote the in-depth participation of market capital in project implementation.

The core position of the developer is to maximize economic returns. From the interviews, it can be seen that the developers' focus is on balancing the land transfer price and future sales profits. Since shantytown redevelopment projects often involve high-cost demolition compensation and infrastructure investment, developers need to weigh the relationship between upfront investment and later returns, which makes them more cautious in the project. The high uncertainty of shantytown redevelopment projects, especially due to frequent policy adjustments, market fluctuations, and the diversity of residents' demands, has led developers to prefer project models with lower risks. For example, it was mentioned in the interviews that some developers are more interested in secondary development and are waiting and

seeing about primary development, which involves higher upfront investment and more complex negotiation processes. In this case, the developers were “excluded” from the land acquisition process, and only the municipal government was responsible for compensating and resettling the residents. This shift diminishes the role of developers in SRPs, as they no longer directly initiate or finance these projects as they once did. Given that land acquisition is the most contentious aspect of the proposed adjustment plan, this reduced involvement may ultimately benefit developers, allowing them to acquire land directly from the municipal government. By actively overseeing the land acquisition process, the municipal government appears to be facilitating developers' participation in the redevelopment efforts. Acting as an intermediary, the municipal government provides convenience for developers, simplifying their path of participation and allowing them to focus on commercial development. This strategy not only effectively avoids conflicts between developers and residents, but also redefines developers as “economic agents” that promote commercial development and regional operations within the framework of pre-planned and managed government. At the same time, developers use the flexibility in policies to maximise their economic interests, demonstrating their role as policy implementation players. This dual positioning allows developers to become the executors of government projects on the one hand, and to operate flexibly within the policy framework to optimise their own interests on the other.

Hangzhou Xintiandi Group: Operator of culture and commerce in a traditional area

In 2016, Hangzhou Xintiandi Group took on the development and operation of the 18T core area, with a total investment of 570 million yuan (approximately £64 million). The long-term investment strategy of obtaining a franchise and 40 years of long-term operating rights shows the great importance it attaches to the local cultural revival, and also reflects its strong confidence in the potential of Chongqing's cultural tourism market. During the investigation, it was found that Hangzhou Xintiandi Group positions itself as an important promoter of local cultural revival. In the 18T project, the group has reinvented 18T as a cultural tourism destination with both historical depth and modern vitality by exploring traditional residential buildings, historical sites and cultural stories. By preserving the traditional street pattern and architectural style,

and combining it with modern live performances and interactive experiences, the group has given 18T a new cultural meaning. This effort not only polishes the historical symbol of “18T”, but also transforms it into a symbol of Chongqing's cultural soft power. In 2015, the government issued the “18T Traditional Style District Protection Guidelines”, which refined the control of developers' actions, clarified the protection standards for the architectural style, functional zoning and infrastructure construction requirements within the district. These strict policy regulations ensure that the 18T project retains its historical culture and urban fabric during commercial development, but they also significantly limit the developer's investment autonomy and ability to maximize profits. The protection of the architectural style, functional zoning and infrastructure construction in the core area must strictly comply with government standards. According to the publicity text of 18T: the planned capacity of the project is only 80,900 square meters, and the rental area (including parking garages) is 89,100 square meters, which directly limits the growth potential of commercial rental income. Although the occupancy rate of areas A, B and C of the project exceeded 90% after completion, there is still uncertainty about the actual operating profits of tenants. In order to improve economic efficiency, the developer plans to transform plots D and E, which have not yet been completed, into a night economy zone with bars and restaurants as the core business model (in 2022). However, this plan is clearly different from the recommendations given by the government at the time, and such changes also need to be approved by the government. The developer has limited autonomy in market operations and is still constrained by policy adaptability.

Hangzhou Xintiandi Group plays a subtle and complex role in the shantytown redevelopment project. It has chosen to develop in a way that preserves cultural heritage, rather than pursuing the highly profitable commercial real estate model. This strategy is in line with local policy preferences and has established its image as a company dedicated to cultural revival. However, this does not mean that the group can escape commercial pressures – promoting the development of the 18T style area and achieving a return on investment are still important goals.

Guoco Group: a high-density commercial and residential developer in the coordination area

In contrast, Guoco Group's role is mainly focused on the high-density commercial and residential development of the 18T coordination area. On November 28, 2016, Guoco Group successfully bid for the land for 3.6 billion yuan. The land covers an area of more than 48,000 square meters and has a total construction area of about 341,000 square meters, covering a variety of functions such as residential, office, commercial and educational facilities. The plot in the coordination zone has a relatively high plot ratio, with obvious advantages in building height and development flexibility, and is less directly constrained by historical protection and cultural restoration policies.

Initially, Guohao Group released the “18T Building” project plan in 2017, which designed six nearly 300-meter-high super high-rise buildings connected by sky bridges, demonstrating a clear goal of commercial and high-end residential development. However, with the Chongqing municipal government's release of the “Two Rivers and Four Coasts” plan, Guohao Group's development plan was completely adjusted by the government. According to the “Implementation Plan for the Management and Improvement of the Two Rivers and Four Banks of the Chongqing City Center” (2018), the project's plot ratio and building height were re-restricted. After the final plan was approved by the government, only four super high-rise residential buildings and related commercial facilities were retained. It is planned to build more than 1,000 modern high-end residences, aiming to attract high-income residents. Despite the reduced scale of the project, its development strategy of a high-end residential and commercial complex still has strong market appeal and profit potential.

However, the framework for commercial development in this area needs to be premised on the continuation of the cultural context, including the reconstruction of historical buildings such as the Match Factory and No. 95 Houcai Street, and the preservation of cultural sites such as the Old Chaomen Gate and the French Consulate. Through these initiatives, Guoco Group has continued the cultural context of Yuzhong District, seemingly contributing to historical preservation. However, is this “cultural deepening” motivated by the original intention of cultural preservation, or does it serve the needs of commercial development? Guoco's decision to make culture the core strategy of development in the 18T project may

seem to be in line with the government's cultural protection policy, but in reality, culture has largely been transformed into a tool for commercial packaging. Although the restoration and preservation of historical buildings continues some form of historical memory, cultural protection has been embedded in a consumer logic, turning cultural heritage from a public asset into part of a commercial project. This consumption of cultural symbols may lead to the “decontextualisation” of history.

Guoco's cultural preservation strategy in the project is closely integrated with its commercial development goals, but this integration is not without its costs. While the renovation and restoration of historic buildings has enhanced the market appeal of the project, this development model has significantly pushed up housing prices and the cost of living in the surrounding area. Data shows that the average selling price of Guohao's project is as high as 39,200 yuan per square meter, while the average price of second-hand housing in nearby areas (including the Jiefangbei CBD area) is only 11,511 yuan per square meter. This price gap further indicates that such urban redevelopment projects tend to serve high-income groups and, to a certain extent, exclude the original community residents.

Although Hangzhou Xintiandi Group and Guohao Group have different roles and development focuses in the 18T project, their market behaviors are always strictly bound by the municipal government's contract terms and policy objectives, and their main purpose is commercial pursuit. For Hangzhou Xintiandi Group, the strict cultural protection policies in the core area have imposed multiple restrictions on its development behaviors. The government requires commercial development to be carried out while maintaining the historical culture and urban fabric, which has put it in a complex game between the return on investment and the goal of cultural protection. Restrictions on plot ratio, requirements for rental space and strict cultural landscape protection standards have significantly reduced the project's direct profit margin. Nevertheless, Hangzhou Xintiandi Group has created greater potential for future development through long-term operation authorization and market brand building. The successful operation of its 18T project in Chongqing is not only expected to increase the return on investment, but also win the company great reputation and even gain bargaining chips for other development projects, becoming the “hidden capital” of enterprise development. In contrast, Guohao Group has a

more relaxed development environment in the coordination zone, and its development strategy focuses more on the market layout of high-density residential and commercial complexes in order to seek more strategic market returns. Through the advantages of plot ratio and development flexibility, Guohao Group is able to maximize the economic benefits of the project by taking advantage of regional advantages without being directly restricted by cultural protection policies. However, although its cultural protection and restoration measures have to some extent met policy requirements, they serve commercial objectives more, and cultural protection functions are more embedded as part of the project brand and market appeal.

Residents

Residents are the core stakeholders of shantytown redevelopment projects, and their housing conditions and economic interests are one of the key considerations in project implementation. Most residents support relocation out of a desire to improve their living conditions (Cui et al., 2020), especially considering the poor environment of their original place of residence (e.g., small size, outdated infrastructure). Their expectations for the new house and satisfaction with the compensation directly affected the smooth progress of the project. Under the call of the Chongqing government's efforts, the vast majority of residents supported the government's proposal to demolish and rebuild, but as a group directly affected by the policy, their role in policy implementation showed certain passivity and marginalization (7.5.1). This not only reflects the structural constraints reflected in policy design and implementation, but also reveals deep-seated problems in urban governance.

First, the decision-making motives and cognitive abilities of residents showed significant differences during the implementation of the project. As the direct influence of the project, their main demands focused on improving living conditions and maximizing economic compensation. However, due to limited access to information and insufficient transparency in the decision-making process, residents lacked an in-depth understanding of the specific details of the renovation policy, and this “policy perception gap” to some extent exacerbated their passive state. Residents generally showed a “herd mentality.” In the collective voting organized by the government, 96.1% of residents supported the renovation, and this high percentage was seen as a symbol of the success of the policy. However, the

residents' choice was strictly limited to “demolition or not,” and other possible alternatives (such as gradual restoration and preservation-oriented renovation) were not included in the agenda. This “pseudo-choice” not only deprived residents of their actual right to speak, but also reflected the singularity of the options set in policy implementation.

Second, the residents' participation mechanism during the implementation of the project is highly formalized, which I describe as “symbolic participation.” Although the government has established community organizations and demolition offices as channels for residents to express their opinions, these organizations more often than not play the role of a tool for information transmission and policy implementation, rather than actual advocates for residents' interests.

As a result, it is difficult for residents to obtain equal opportunities to engage in dialogue with developers and the government. Residents' opinions are limited to discussions on micro issues such as compensation amounts and the quality of resettlement housing, while structural issues related to planning and design and the overall goals of the project are completely outside the scope of residents' participation. This limitation is reflected in the “role of symbolism in implementation” (7.3.2) and “nominal participation and substantive exclusion” (Jones, 2003; Xu and Lin (2019)). As potential policy influencers, residents are unable to bypass structural barriers such as policy design and planning. Their participation is often limited to passive compensation negotiations and resettlement arrangements (6.2.3).

In addition, the government has adopted a dual path of “strategic consultation” and “governance control”. During the policy advocacy and social mobilization process, the government has developed a rhetoric known as the “mass line” through frequent home visits, group meetings, and interviews with resident representatives, aiming to create an image of grassroots democracy and government care. However, in essence, these “consultation” mechanisms focus more on information collection and policy implementation than on in-depth expression and negotiation of residents' interests. This mechanism has played a positive role in avoiding large-scale social protests and mass incidents.

The original residents have a deep emotional attachment to 18T, which is not only rooted in the accumulation of neighborhood relationships and living habits, but also in the identification with historical memories. During the relocation process, residents generally experienced an emotional disconnection and adaptation process. Although most residents followed government policy and completed the resettlement, some residents delayed the relocation or demanded higher compensation to gain benefits. This behavior also revealed the conflict of interests that is difficult to completely resolve during policy implementation.

Overall, the role of shantytown residents in the transformation project is both the target of policy implementation and a factor of social stability. The government has alleviated residents' dissatisfaction and social conflicts through the mobilization and coordination mechanisms of the headquarters and grassroots community organizations, enhancing social support for policy implementation. On the one hand, the government has ensured the smooth progress of the project through a politicized "people's participation" mechanism, while on the other hand, it has weakened residents' real decision-making power through highly centralized policy planning and decision-making implementation. This "symbolic" participation and consultation reveals the profound reality of structural power imbalances in the policy implementation process. The marginalized participation of residents not only restricts the social acceptance of policy effectiveness, but also reflects the logic of control in China's urban governance (6.3).

Question 2: What are the core policy objectives of Shantytown redevelopment? How are national and local policies concretized in practice?

How do municipal governments balance multiple objectives such as economic development, social stability and cultural protection when implementing policies?

What governance model has been adopted?

Discussion around this question is based on the social and economic complexity of shantytown redevelopment itself, as well as the governance approach under China's political and administrative system. This study not only explores the objectives and practices of shantytown redevelopment, but also focuses further on the

implementation of policies by municipal governments and the choice of governance models.

Since the economic reform and opening up of the country in the late 1970s, China has experienced rapid growth in its economy and urban population (Qian 2010). This period has not only witnessed a rapid expansion of new construction, but also triggered a wave of large-scale demolition and reconstruction in the name of urban redevelopment. Among them, shantytown renovation has become an effective way to achieve multiple socioeconomic goals (Zheng, Shen, & Wang 2014). In China, the shantytown concept refers to areas characterized by unhygienic, low-income, high-density informal housing, often described as areas with poor housing structures, high safety risks, and inadequate infrastructure (Li, 2000; Liu et al., 2010). The formation of shantytowns is the result of multiple factors, including historical, economic, and social structural transformations. In the 1950s and 1960s, individuals built their own homes on private land to meet their housing needs, and as the population grew, informal housing clusters were formed. Similarly, during the planned economy era, the collective dormitories and self-built houses provided by enterprises and institutions for their employees gradually deteriorated due to unmanaged institutional adjustments and urbanization, further contributing to the emergence of shantytowns (Li, 2000; Dong & Zhang, 2008).

Urbanization also played a key role in the proliferation of shantytowns, especially when rural populations on the outskirts of cities transitioned to urban residents, often losing their farmland and building informal housing. During China's real estate reform in the 1990s, the rapid expansion and uneven development of cities isolated some plots from modern areas, exacerbating the spatial segregation of shantytowns (Lin & Gaubatz, 2017; Chen & Chen, 2021; Ta et al., 2021). These areas have become havens for disadvantaged groups, including low-income urban residents who rely on affordable housing and temporary migrant workers. Despite the challenges of overcrowding, poverty, and substandard living conditions, shantytowns remain an integral part of urban life in China.

In order to improve the living conditions of residents and integrate these areas into the broader urban development framework, the Chinese government has launched a large-scale “national shantytown renovation action”. Shantytown renovation is an

important practical approach under China's new urbanization strategy. Shantytown renovation has been defined by the government as “both a major livelihood project and a major development project” (CCSA, 2013). The new urbanization strategy focuses on overcoming the problems in the traditional urbanization model, such as overreliance on land finance, waste of resources, environmental damage, and imbalanced urban-rural and regional development. It focuses more on the “people-centered” approach, emphasizing the improvement of the quality and sustainability of urban development, especially the development of “anti-poverty in Chinese cities” (Liu, 2024). Against this background, shantytown renovation has become an important measure to improve people's livelihood and promote social fairness. By addressing the poor living conditions of low-income groups, it demonstrates the government's “people-centered” development philosophy.

Shantytown redevelopment often uses policy statements such as “improving people's lives” and “eliminating urban slums” (World Bank, 2009), its essence is an instrumental practice of capitalizing on urban space. Against the backdrop of regional development imbalances, shantytown renovation has promoted the overall improvement of urban quality by integrating underdeveloped urban areas and optimizing the urban spatial layout. It has promoted the settlement of agricultural migrant populations in cities, thus accelerating the process of urbanization. Shantytown renovation has obtained land revenue through strict demolition and reconstruction projects and provided a modernized urban landscape—directly driving the rapid development of real estate, construction and related industries and becoming an important driving force for economic growth. Especially after the global financial crisis in 2008, by promoting investment in housing and infrastructure, the impact of the decline in external demand on the economy has been alleviated (literature). Under the institutional reform of the “Tax Sharing System” (1994), the state has adjusted the structure of local benefits, and the role of local development control has also changed at the same time. This is also an important turning point in China's urban governance from socialism to entrepreneurship (Wu, 2003). Shantytown renovation provides an important development opportunity for municipal governments. Under this arrangement, municipal governments can release the value of land through land transfer and renovation, which brings considerable financial revenue to municipal governments while attracting investment and promoting the adjustment and upgrading of the urban industrial structure. On the other hand, shantytown renovation has become an important means for municipal governments to enhance urban competitiveness, attract more population and capital inflows by renovating underdeveloped areas and improving the city's image. This model of “demolition and reconstruction” is not only a livelihood project, but also an important platform for cooperation between municipal governments and market capital. The

binding of land transfer income to officials' promotion incentives (Li and Zhou, 2005) has led to the transformation of shantytown renovation into a “tournament of spatial production”, causing local officials to pursue higher GDP growth rates. In addition, shantytown renovation is directly linked to the performance evaluation of municipal governments, and has become a key project for local officials to demonstrate their governance capabilities and promote their careers.

Shantytown redevelopment is therefore a strategy to obtain urban land to promote local economic development, and the various negative discussions about shantytown redevelopment also show how the process is being implemented “forcibly”. As previously discussed, the process of shantytown redevelopment takes the form of “demolition and development”. The basic process is as follows: the government or development unit negotiates with the residents to vacate the land through compensation or resettlement, demolishes the old buildings, and redevelops the target area according to a new plan. Redevelopment usually includes high-quality commercial housing, shopping malls, offices, and transportation facilities. Although this development model has promoted regional modernization and economic growth to a certain extent, its “bulldozer-style” process has triggered more and more controversy. The rapid and complete removal has also quickly severed various grassroots interests and made way for new development (Yang, 2017)—resulting in large-scale displacement, real estate bubbles, and gentrification, which have also exacerbated residents' sense of injustice. The root causes of these problems lie both in the complex power struggles during the recovery of land, housing and infrastructure before development, and in the fact that the benefits of post-renovation development mainly go to specific groups. In fact, every step of demolition and development constitutes a key part of municipal governments' efforts to promote shantytown governance.

While the practice of shantytown renovation has triggered controversy, policy adjustments have also been made. The 2015 Central Urban Work Conference proposed that “the intensity of urban development should be controlled, urban development boundaries should be scientifically delineated, and the transformation of urban development from external expansion to internal improvement should be promoted.” In the same year, the central government proposed the “Three-Year Shantytown Improvement Plan”, which specifically guides the improvement of shantytowns and promotes the improvement of shantytowns across the country

through top-level design. The main feature of this stage is monetized resettlement, which is the main way to improve shantytowns. In order to supplement the funding gap, the state encourages more social capital to participate in shantytown improvement, represented by the PPP model, and through in-depth cooperation between the government and enterprises, the support of bond financing for shantytown improvement is leveraged. At the same time, the central bank's innovative policy tool of PSL (collateralized supplementary lending) in 2014 partially solved the funding problem of monetized resettlement of shantytowns. 2015-2017 was a period of rapid development of shantytown renovation. These new economic policies have stimulated shantytown renovation plans across China. After the efforts from 2008 to 2016, 80 million people living in difficult housing conditions have moved from shanties to buildings (Executive Meeting of the State Council, 2017). Despite these impressive figures, the shantytown renovation process is not over yet. The next phase (2018-2020) is a challenging plan for shantytown renovation, with the focus shifting from extensive development to improving the quality of urban internal space. Although the government is changing its approach and shantytown renovation has become more standardized and precise, the intensity of shantytown renovation has not diminished. This shift is also a re-examination of the national model of urban redevelopment (shantytown redevelopment).

In terms of governance, shantytown renovation reveals a “principal-agent” relationship between the central government and municipal governments: the central government sets the goals and municipal governments are responsible for implementation. From the perspective of policy formulation, shantytown renovation is an important way for the state to promote economic development and social stability. For example, in 2013, the State Council issued Document No. 25, which clearly proposed the national goal of completing the shantytown renovation of 10 million households between 2013 and 2017. This goal was broken down through the central government's five-year plan, and governments at all levels carried out tasks according to the policy framework. In Chongqing, for example, the Urban-Rural Construction Committee is responsible for distributing tasks at the provincial level. It needs to complete the shantytown renovation of 12.3359 million square meters within five years, involving about 140,000 households. Field surveys show that local implementation has a certain degree of autonomy. For example, the Yuzhong District

Housing and Urban Construction Committee and its subordinate departments did not directly participate in setting the target, but rather partially delegated the implementation rights to contractors and municipal management through “contracting targets”.

Municipal governments adopted a two-track governance strategy in the implementation process. On the one hand, they used media publicity to create policy legitimacy, and on the other hand, they promoted demolition through compensation negotiations and administrative orders. After government approval, the demolition office became the main body responsible for negotiating directly with residents and determining compensation packages based on market prices and actual conditions. Due to the complex situation of shantytown residents, some residents negotiated with the demolition office as a strategy to fight for higher compensation. In order to compensate for the losses incurred by residents due to relocation, the government usually provides two compensation options: resettlement housing or monetary compensation. Generally, each household will receive at least one apartment in a high-density high-rise building with a larger area as compensation. The compensation standard for a larger area depends on the flexibility of the demolition office. This flexible arrangement is intended to appease the residents' dissatisfaction, speed up the demolition process, and allow some room for project advancement. In order to further enhance the legitimacy of governance, the case study also adopts the form of a resident vote to enhance public acceptance of relocation decisions.

The economic value of shantytown redevelopment lies in its superior location and market potential (Chung, 2009; Lai Fu, 2018). However, this realization of value often requires the transformation of historical heritage into consumable cultural symbols. In the case of 18T, so-called “historical and cultural protection” essentially constitutes a legitimate cover for commercial development—as Zukin (1989) criticizes the phenomenon of “cultural capitalization,” the authenticity of historical neighborhoods is replaced by a carefully designed “nostalgic aesthetic,” which ultimately serves the production of consumer space (Wang, 2019). Although the municipal government claims to control plot ratio and building height through the 18T Guidelines for the Protection of Traditional Scenery Areas, the clause “encouraging the integrated development of cultural tourism” (Article 12) in the policy text

essentially opens up an institutional channel for the commodification of cultural goods for market capital. This operation confirms Harvey's (2001) assertion that the production of space in post-industrial cities has shifted from the "built environment" to the "manufacture of symbolic environments," in which historical heritage is merely a cultural bargaining chip to increase real estate premiums (He, 2015).

The ostensible conservation mechanism reveals an inherent contradiction: the principle of "repairing the old as the old" (Article 5.2 of the Guidelines) for the restoration of the building facade contrasts sharply with the planned commercial complex covering about 73% of the land (planning drawings, 2020). The developer has retained part of the street and alley fabric through "micro-renovations," but in a functional replacement has transformed historic buildings into retail stores and shantytown housing into high-end cafes—a spatial practice of "museification" (Foster, 2019) that is essentially capital grafting of historical narratives through selective protection. As a municipal official revealed in an informal interview: "The protection standards must be compatible with the need to attract investment" (Interview D1-1), which reveals the essence of the so-called "balance strategy": 18T reconstruction for the purpose of historical and cultural experiential tourism destinations.

After the project was completed, the government continued to transform cultural protection into an urban brand and economic capital through multidimensional policies and publicity strategies. For example, historical and cultural resources are displayed in the form of "memory halls" to shape 18T into a historical and cultural landmark of Chongqing. It seems that the government is trying to alleviate local residents' emotional attachment to their historical memories, but in fact, 18T has long been positioned by the government as a city tourism business card. Its core goal is to enhance the city's image, attract tourist consumption, and further promote the development of Chongqing's cultural tourism industry.

In practice, the function of cultural protection is widely used in media publicity, urban marketing and real estate development. Through this strategy, the appearance of the area has become a key element in attracting tourists and investors, and its cultural value has been transformed into a unique selling point in commercial operations. In other words, cultural protection has played a dual role in policy implementation and commercial operations: it has eased social conflicts in the implementation of

shantytown renovation, while also enhancing market value and urban competitiveness. “Economic growth has always been the overriding priority of governments at all levels” (Li et al., 2018). Under the logic of local governance, government goal setting is not static, but multi-level and multi-dimensional. Municipal governments not only need to achieve the policy goals of higher-level authorities, but also achieve comprehensive performance in multiple areas such as economic growth, social stability, and cultural protection (Li, 2023).

In addition, shantytown renovation always faces the conflict between social stability and economic development. While pursuing the benefits of land finance, municipal governments must also deal with the social challenges that may be triggered by demolition. In the national policy documents on the renovation of shantytowns and dangerous buildings in cities and towns, words such as “harmony” and “stability” are frequently emphasized, reflecting the government’s high degree of sensitivity in promoting urban redevelopment. The so-called “difficulties of demolition” mentioned by officials refers to the dual pressure of maintaining social stability while promoting the demolition of shantytowns. Faced with the requirements of the established shantytown redevelopment targets, municipal governments have no choice but to face this contradiction head-on. To meet this challenge, the government has adopted a dual approach of “integration of the individual into the state” and “governance control”. Through the integration of the individual into the state, the relationship between the state and the individual has been reshaped. The original identity of the residents has changed from property owners to executors of national development plans, and the demolition has been transformed from an individual demand for benefits to a moral responsibility to “obey the overall situation of the country”. During this process, the government successfully reduced opposition from residents and made shantytown renovation part of social governance by using discourse shaping, grassroots mobilization and symbolic policies. Another form of “governance control” is embedded in the organizational structure of the national government, which uses formal and informal means, as well as principal-agent relationships and the setting up of command departments, to promote project implementation. In this case, the municipal government also displayed characteristics of “populism,” which is not political mobilization against the elite, but rather a technique of selective empowerment that incorporates the public into a predetermined policy framework.

On the one hand, it built policy legitimacy through media campaigns, collective voting, and other methods, creating the social appearance of “residents voluntarily relocating” in order to ease public dissatisfaction with the demolition. On the other hand, the government, through grassroots institutions such as the demolition office and the sub-district office, ensured the effective implementation of the policy and promoted the smooth relocation of residents by using administrative orders and compensation negotiation mechanisms in accordance with the principle of “administering according to the law”, thus avoiding the risk of large-scale protests and social unrest. It is in this process that the governance of shantytowns has completed the transition from “demolition” to “redevelopment”. Its core objective is to create a city card that not only contains the vitality of economic development but also carries the historical and cultural heritage through “harmony and stability”.

Macro-level discussions of the national governance process mainly focus on the central-local and centralized-decentralized relationships (Oi, 1995; Zhou, 2011). This type of perspective often views state power and the bureaucracy as one, and its discussions also focus on the general direction and policy orientation at the national level. However, by focusing on the rich behavior of grassroots governments from a micro perspective, various experiences and challenges of the operation of the Chinese government, especially at the grassroots level, are revealed, such as the pressure of the task environment, various coping strategies in policy implementation (Rong et.al., 1998), and some behavioral manifestations such as “harmony” and “task completion” (Ouyang, 2011; Zhou & Lian, 2011), to highlight the form of project operation. However, these scenarios have not escaped the framework of the traditional state bureaucracy.

A comprehensive analysis of the governance typology based on D&S (2003) can provide a more systematic understanding of the complex picture of governance in China. Through a comprehensive analysis that combines structural background, political culture, institutional environment, and political actors, China's governance system is depicted as a multi-layered and dynamic structure. In this system, authoritarianism and managerialism work together to become an important force driving the efficient implementation of state-led projects. The governance of shantytowns, as a manifestation of this system, is rooted in a hierarchical

governance network, with the core mechanism being the principal-agent relationship. Through top-down policy transmission, the government delegates implementation responsibilities to lower levels, making district governments the key implementers of policy. However, at the same time, municipal governments are not simply policy agents. They make strategic adjustments in the implementation process in line with their own interests, seeking to balance national policy objectives (such as social stability and policy legitimacy) with local development needs (such as land finance and economic growth).

The municipal government has adopted a “dual approach” in the governance of shantytowns: “the integration of the individual by the state” and “governance control”. It not only relies on administrative orders and technical governance, but also combines state discourse shaping with social mobilization measures to ensure the effectiveness of policy implementation and social stability. In the process of policy advocacy and implementation, the municipal government constructs legitimacy through state policy discourse, so that the shantytown renovation project is shaped as part of the national development strategy, and the personal demands of residents are gradually integrated into the national narrative. Demolition is no longer seen as an adjustment of individual interests, but is elevated to a necessary requirement of national interests, thereby reducing direct resistance to the policy.

At the same time, the municipal government has shaped the governance image of the “mass line” through home visits, group meetings, interviews with resident representatives, etc., creating an atmosphere of “consultation and co-governance” between the government and residents. However, the nature of these consultation mechanisms is more biased towards information collection and policy promotion than towards true interest coordination. Although residents' opinions are incorporated into the governance process, their room for negotiation is greatly reduced, and the direction of policy is still dominated by the government. This strategy of “soft control” has effectively reduced the risk of social protests and mass incidents, maintaining the stability of grassroots governance and enabling the rapid advancement of shantytown redevelopment. Although this model demonstrates high administrative efficiency, its core logic remains the dominance of administrative power.

This governance model not only improves the efficiency of policy implementation, but also strengthens the government's dominant position in the decision-making process, further weakening residents' autonomy and bargaining power. However, governance is not only about the implementation of policies, but also about the construction of governance structures and the power interactions between different stakeholders. Therefore, the core issue is not only how the government leads the shantytown redevelopment, but also how its governance structure is constructed and functions. How does this structure affect policy implementation through specific mechanisms? Under what conditions are the power relations between different stakeholders reflected and adjusted? This study will further explore these issues to reveal the operation logic and impact of the governance system in shantytown redevelopment.

Question 3: How is the governance structure of shantytown redevelopment constructed? How are power interactions and governance relations among different stakeholders manifested?

The core feature of governance is the formulation and implementation of policies through hierarchical government agencies. This structure decomposes tasks from the central to the local level, and implements policy goals through the specific actions of municipal governments. This governance structure is particularly evident in shantytown governance. Shantytown renovation relies on the original government hierarchy system, from the central government setting policy goals to the municipal government being responsible for implementation, and then to the specific implementation of multiple local departments involved (such as housing and urban-rural development, planning, finance, etc.). Establish a chain of “policy setting-decomposition-implementation-monitoring”. However, this model is more of an “ideal type” assumption. In reality, the various types of control and distribution rights regarding governance are often unclear and intertwined. Especially in the top-down campaign-style governance model, the principal (such as the central government) retains significant intervention rights despite assigning tasks to local implementing agencies. This intervention may either strengthen the achievement of goals through policy revisions and progress monitoring, or it may lead to restrictions on the flexibility of local governance (Zhou, 2012). As for the governance structure of shantytowns, it is jointly constructed by hierarchical frameworks, policy mechanisms

and stakeholders. China's governance structure can be understood as a multi-level, dynamic system.

Within this framework, the division of roles between different levels of government is as follows:

- **Central government:** as policy makers and financial grantors, they set the overall policy direction and monitor implementation by municipal governments through special funds and performance assessments;

- **Provincial government (Chongqing municipal government):** they refine the central task objectives, break down the indicators to municipal and county governments, and are responsible for policy adjustments and fund supervision;

- **Prefecture-level city government (Yuzhong District government):** they formulate the shantytown renovation implementation plan, including land planning, resettlement housing construction, and specific organization of demolition mobilization;

Neighborhood committees and community residents' committees: as grassroots governance units, they are responsible for mobilizing residents, coordinating demolitions and relocations, and reporting problems, directly promoting the implementation of policies.

The central government plays the role of policymaker and financial funder. Its core task is to set policy goals and supervise the implementation of municipal governments through special funds and performance appraisal mechanisms. In terms of the Chongqing municipal government level, project management stems from the generally accepted governance image of entrepreneurship. In project governance, the key is to break down complex and large tasks into specific operational steps, assign responsibilities layer by layer, and drive the regional reconstruction strategy through policy pressure. At the provincial government level (at the same level as the Chongqing municipality), based on the annual task targets issued by the central government, the indicators are refined and broken down to the city and county levels. The prefecture-level and municipal governments then

formulate their own shantytown renovation implementation plans based on the provincial task requirements, including land use planning and resettlement housing construction plans. County (district) governments undertake the more specific tasks of implementation at the grassroots level, and are responsible for organizing the street offices and community neighborhood committees to communicate with residents and gain support for demolition. As the lowest level of governance, the street offices and community neighborhood committees are directly involved in specific tasks such as mobilizing residents, coordinating demolition, and reporting problems. Each level of government enjoys a certain degree of autonomy to complete its tasks, but with that autonomy comes responsibility. This top-down power distribution structure is guaranteed by a strict supervision system, and the supervision standards are simplified to the measurement of task quantity and implementation efficiency.

Policy documents such as the Urban Redevelopment Strategy assign responsibility for local shantytown redevelopment to the Urban Redevelopment Authority (URAU), and the aforementioned personnel appointments, budget approval rights, and reporting requirements ensure that the URAU implements the government's vision. Driven by this, the URAU has launched a series of funding schemes such as the “tender, auction, and listing” plan to help carry out land circulation and promote the shantytown improvement process. As a form of land transfer, the “tendering, auctioning and listing” system aims to establish a connection between the government and market entities (such as developers) to provide funding and resource support for shantytown improvement projects. This plan not only optimizes the allocation of land resources, but also catalyzes in-depth cooperation between market entities and the government, injecting market-oriented momentum into the implementation of shantytown improvement projects. However, in this process, other stakeholders (such as shantytown residents) are often on the periphery of this relationship.

The implementation of shantytown redevelopment policies is not just a one-way administrative process, but also involves the setting of multiple policy objectives and the establishment of monitoring mechanisms. In terms of policy objectives, shantytown redevelopment is often assigned multiple functions such as economic

growth, social stability, and optimization of urban space. However, in the actual implementation process, municipal governments often prioritize the pursuit of economic growth targets, making land finance the core driving force. By releasing land resources through shantytown redevelopment, the government can not only obtain land transfer proceeds, but also use this as leverage to attract social capital and promote local economic transformation. However, this policy objective of economic growth often leads to the marginalization of social equity issues, such as low compensation standards and the relocation of indigenous peoples to remote locations, which affects the housing rights of some residents. In addition, municipal governments pay more attention to fiscal balance and project efficiency in the implementation process, and often adopt the strategy of rapid demolition and centralized promotion to ensure that the goals are achieved in the short term. As a result, the interests of individual residents are easily ignored or suppressed.

At the policy supervision level, the promotion of shantytown renovation relies heavily on hierarchical management and a performance appraisal system for financial resources. The central government exerts pressure on municipal governments to implement the policy through the allocation of special funds, while municipal governments are required to submit detailed financial planning proposals and accept performance evaluations from higher-level governments to ensure the smooth implementation of the policy. This performance appraisal system has strengthened municipal governments' focus on the speed and effectiveness of policy implementation, making them more inclined to adopt efficient and low-resistance governance methods, such as promoting shantytown renovation through administrative mobilization and policy discourse shaping. Although this model improves the efficiency of policy implementation, it may also weaken consideration for social fairness, causing the policy to gradually deviate from its original intention of improving residents' well-being during the implementation process.

In addition, municipal governments not only assume the role of policy implementers in the shantytown renovation process, but also provide resource support to urban redevelopment bureaus and their subordinate units through financial support and institutional collaboration to alleviate their pressure in project promotion. For example, the central government provides direct credit support to municipal governments,

such as the mortgage supplementary loan (PSL), to ensure that shantytown renovation projects can obtain long-term low-cost funds. This funding supports municipal governments' investment in the construction of resettlement housing and ensures the sustainable progress of the project. In addition, municipal governments also promote the autonomous implementation of resettlement housing maintenance and improvement projects by urban redevelopment authorities and related agencies through the establishment of special funds, the simplification of approval processes, the provision of policy subsidies, and the provision of technical guidance. This financial and administrative coordination mechanism not only ensures the stability of the funding chain for shantytown renovation projects, but also allows municipal governments to deploy resources more flexibly through policy tools to achieve policy goals during the project implementation process. However, this governance model, which is dominated by financial incentives and performance assessments, also makes municipal governments more inclined to adopt short-term, economically-oriented incentive strategies during policy implementation, rather than long-term social security arrangements. Funding is often prioritized to serve urban development and investment returns, rather than the optimization of the quality of resettlement.

A closer look at the government's working relationship in governance

Shantytown redevelopment has led to the creation of two institutions, the Headquarters and the Management Committee, through policy innovation, which play a central role in different stages of the project (demolition and investment promotion). First, in principle, the relationship between the Shantytown Renovation Headquarters and the Yuzhong District Government is one of cooperation, not subordination. The leadership team of the Headquarters includes the participation of district government officials, and this broad composition is intended to enhance the vertical synergy and legitimacy of government actions. This allows the Headquarters to pass down orders from the district government to the grassroots level, until the masses, so as to obtain more accurate information and put forward more powerful arguments to resolve contradictions and conflicts in the demolition process. However, as observed in the case, the district government has implemented a performance and supervision system for the shantytown renovation headquarters to ensure its

efficiency and accountability in implementing the objectives. The role of the management committee is similar to that of the headquarters, but its main responsibilities are more biased towards attracting investment and introducing market forces. It can be clearly observed in the research process that the performance and reward mechanisms of the management committee have significantly increased the motivation of the responsible persons. For example, the performance of some responsible persons in the shantytown renovation project directly promoted their promotion from the level of section chief to the level of department chief (by 2022) (Promoted from a (Grade 9) section-level cadre to a (Grade 8) department-level cadre).

In addition, since the demolition office and the street play an important role in the shantytown renovation process and in consulting, negotiating, bargaining and bargaining with other parties, special attention should also be paid to their status here. The neighborhood committee is the core institution for the dissemination and implementation of shantytown renovation policies at the grassroots level. According to Article 68, Paragraph 3 of the Organic Law of the Local People's Congresses and Local People's Governments, the neighborhood committee, as an agency of the Yuzhong District People's Government, is responsible for the administrative affairs of the pilot project site. For example, in the process of consulting residents about whether they agree to the renovation of the old district, the neighborhood committee is responsible for posting announcements, organizing discussions and collecting feedback. Only when the willingness of residents to renovate exceeds a specified percentage can the shantytown renovation project proceed to the next stage. At this point, the land reserve agency (demolition office) submits the relevant application materials and handles project approval and planning procedures.

The demolition office, a temporary professional body, is responsible for all demolition-related matters in shantytown renovation projects. The demolition office is usually composed of personnel from the housing administration bureau, land bureau, and even the local party committee. Its responsibilities include negotiating compensation plans with residents, organizing relocations, handling disputes and conflicts, and coordinating construction arrangements. Compared with the street

office, the demolition office has a more technical and operational role, and is an important link between policy goals and specific actions.

If the neighborhood committee plays the role of a bridge between grassroots administration by connecting with the masses through publicity and mobilization, the demolition office is the “pioneering force” in the implementation of shantytown renovation, directly responsible for translating policy into concrete and actionable results. The two have a certain degree of contact and coverage in their work, and together they form the end of the implementation of shantytown renovation, a complete chain from policy publicity to actual implementation.

The 18T Neighborhood Committee, for example, is different from the autonomous village committee model in rural China, as it is a subordinate department of the Nanjimen Street Office in Yuzhong District. The director and members of the neighborhood committee are democratically elected by the residents, but their role is more to assist the government in carrying out administrative affairs than to represent the residents in fighting for their rights and interests (Gao & Xu, 2008). In addition, the actual authority of the neighborhood committee in the overall urban management system is very limited. In the shantytown renovation process, its sense of presence and influence is relatively low, and it mainly serves as an auxiliary organization between the street office and the demolition office.

Goals and supervision

The implementation of shantytown redevelopment policies is highly dependent on hierarchical management and a performance appraisal system for financial funds. The central government exerts governance pressure on municipal governments through special fund allocations and annual appraisals, while municipal governments are required to submit detailed fund planning proposals and accept appraisal assessments. Monitoring of task objectives is another policy tool in the shantytown renovation process. During the interviews, government officials, planners, and grassroots leaders involved in shantytown renovation all said that “efficiency” is the core objective of their work. When I asked them about the main challenges they face in shantytown renovation, the answer I got was mostly “prolonged negotiations with residents,” which indirectly confirms the urgency of time pressure. They emphasized

the importance of tasks such as “effectively promoting” and “completing demolition work.” Most participants hoped to complete the renovation as soon as possible, preferably before the deadline. Words like time frequently appeared in the interviews, which fully reflected the time pressure that accompanied the entire governance process, constantly driving and constraining implementation at all levels.

Power relations

In the complex ecology of urban governance, the control and flexibility of policies and power are intertwined and constitute key mechanisms in urban management. In the context of sustainable resource management, centralization and flexibility are not opposites, but complementary. The specific realization and dynamic changes of these mechanisms in the 18T plan were sorted out in the chapter 5 according to multiple layers of logic in the “event-process”, and the “changes” of the 18T redevelopment project were interpreted from the interactions and mutual construction of the state, municipal government, market, and residents.

Shantytown redevelopment is first and foremost characterized by strong central government leadership, which has established the policy framework and implementation basis for the program. In strategic planning, the central government has used campaign-style governance measures to bring key resources (capital and land) under its control, ensuring that local development strategies are aligned with the central agenda in order to secure greater financial and policy support. Since 2011, the central government has issued a series of policies covering land, capital and land acquisition procedures, providing municipal governments with a standardized implementation path. Loans from the central government directly support local financing needs for shantytown redevelopment. In Chongqing, the special funds provided by the central bank account for 80% of the redevelopment costs (CEWEEKLY, 2015). In addition, the central government has further standardized land acquisition procedures and restricted the legality of forced demolitions through the Property Law (2007) and the promulgation of the Land Acquisition Regulations (No. 590). These policies provide centralized strategic guidance for the implementation of shantytown renovation projects.

Despite the central government's dominant role in shantytown redevelopment, municipal governments have demonstrated remarkable flexibility and adaptability in actual governance, especially decentralization at the implementation level. Municipal governments have set up temporary institutions (such as shantytown redevelopment headquarters and management committees) to respond to the needs of different stages, undertake specific tasks such as demolition, land acquisition and business recruitment, and significantly improve governance efficiency. At the same time, as the project progresses, the role of municipal governments gradually shifts from overall control to resource integration and policy regulation, and this governance structure becomes more decentralized in time and space.

The involvement of market forces has been significantly delayed compared to the past, and the government has almost complete control over key aspects such as project initiation, financing, and land acquisition. Market entities such as developers play a greater role in later stages of land use and commercial development, rather than directly participating in policy formulation and early decision-making processes. At the same time, the government has, through policy advocacy and administrative mobilization, created an image of governance based on the “mass line” approach, emphasizing that shantytown redevelopment is part of the “national development strategy”, so that the individual demands of residents are integrated into the national discourse. However, the core function of the consultation mechanism is not really about coordinating interests, but rather about advancing policy.

8.3 Empirical findings for further discussion

What kind of governance is involved in shantytown redevelopment in China?

Whether in China or the West, governance of shantytown redevelopment or urban redevelopment is to a large extent a result of the shift in urban management methods from a “government-centric” (or administrative management approach) to a more inclusive and pluralist “governance” paradigm (Pierre, 2000; Cars et al., 2002). This governance transition is not simply a replacement of institutions, but is deeply intertwined with the modernization of the national governance system and the evolution of the logic of urban space production. Against this background, governance theory has a multi-level perspective that combines structure and action,

institutions and culture. It must consider not only how the state and municipal governments use resources, rules and authority to shape urban development, but also how multiple actors interact and confront each other (Pierre & Peters, 2000; Sørensen and Torfing, 2015). Think of these as two lines of inquiry. On the structural level, it requires a systematic investigation of how the state (central government) leads the restructuring of urban space through institutional design, resource allocation, and the exercise of authority. On the actor level, it is necessary to observe and analyze the interactions among a range of participants, including the state, municipal governments, developers, residents, and other diverse actors, in relation to spatial rights and interests (Brugha & Varvasovszky, 2000; Zheng et al., 2014). In order to uncover the dialectical relationship between “structural constraints” and “subjectivity” in urban development, and to address the issues of “shantytown renovation” and “development” in shantytown governance,

In terms of structural dimensions, the central government has constructed an institutional context for urban redevelopment through the land ownership system, fiscal transfer payments and a policy toolkit. In particular, China's unique administrative subcontracting system has enabled the state to transmit macro strategies to local governance fields through a target responsibility system and a political performance appraisal mechanism (Zhou, 2013). In terms of actors, the interaction of these types of subjects can always be seen through the state's strategy of privatization and deregulation, while at the same time encouraging “partnerships” between municipal governments and other stakeholders. These partnerships take on more elitist forms in some cases, such as entrepreneurship, growth alliances, collaborative governance, and clientelism/patronage-type governance. The participation of residents in these forms of governance is marginal. In addition, in governance research in the Chinese context, many types of governance still bear the traces of administrative dominance (Wu et al., 2012).

This is due to China's deeply entrenched bureaucratic system (Zhou, 2013). The vertical authority structure of bureaucracy continues to affect implementation effectiveness through “tiaokuai” relationships (Zhou, 2014). Even in the midst of market-oriented reforms, administrative dominance still forms the underlying logic of governance practices (Jin & Liu, 2011). In addition, path dependence has led to the

continued role of historical institutional arrangements such as the land finance model and household registration system in the practice of shantytown renovation. The national governance model is not chosen arbitrarily; it is built on the historical evolution of a country (Levi, 1998; Jin & Liu, 2011). Some scholars, however, have also pointed out the 'implementation gap' in the implementation of shantytown renovation policies (Pressman and Wildavsky, 1984), which may also give rise to a governance innovation with Chinese characteristics—the headquarters mechanism.

Specifically, the “headquarters” mechanism can be seen as an institutional upgrade of the traditional “working group” model: it retains the advantages of political mobilization (Feng, 2011) and is able to integrate horizontal departmental collaboration and cooperation. When interacting with the public, the “headquarters” often appears as a “state agent,” which not only breaks through the vertical constraints under authoritarian rule to a certain extent, but also maintains sufficient acceptance and obedience at the popular level through the use of “state policy” discourse. This approach allows for rapid decision-making and action in the short term, but also reflects the government's heavy reliance on resource mobilization and public mobilization under the pressure of urban development and the need to “maintain stability.”

When city governments are highly dependent on land sales and real estate market profits, the redevelopment of old cities and shantytowns is no longer just about improving living conditions. It has also become an important means for municipal governments to promote redevelopment, obtain land premiums and economic growth (Wu, 2009). Many studies and official documents have pointed out that shantytown redevelopment has multiple functions: stimulating domestic demand, driving investment and promoting the improvement of the city's image. This ambitious economic goal of the central government needs to be achieved with the support of municipal governments and enterprises, and shantytown renovation projects have been implemented in large numbers. In contrast, the interests of residents have been put on the back burner in the face of multiple goals (economic growth, land development). The other side of the coin of land finance, promoting industrial upgrading, and driving economic growth is the infringement of the interests and marginalisation of shantytown residents. Municipal governments and residents

being relocated have become two polarised sides in the process of shantytown renovation. The conflict between the actual division of interests and the national integration of the individual has also come to light.

What is even more ironic is that when residents want to go outside the established channels to protect their rights and interests, petitioning and litigation are the only two formal channels left within the system, but in practice they are not as smooth as imagined. On the one hand, if residents choose to petition, they will find that the petition department they face is often the same as the “headquarters” of the higher-level demolition office or street-level agency. There is an overlap between the people handling the petitions and those implementing the demolition decisions, making it difficult for petitions to truly break through the established decision-making framework. On the other hand, if residents file a lawsuit, they have to face the intricate connections between the judiciary and the executive branch. In demolition disputes, the administrative authorities can often rely on judicial decisions to complete final enforcement. As a result, legal channels that should provide relief for vulnerable groups are also unable to fully protect residents' demands due to the intertwining of pressure and interests. It can be seen that the channels within the system that are supposed to correct wrongs and protect rights have instead further squeezed the space for residents to legally protect their rights in reality. These are all part of the government's strategic planning, because in order to prevent collective incidents related to shantytown renovation, the headquarters entered the area to station themselves in order to “solve problems locally”. I further hypothesize, based on Lefebvre's (2012) theory of spatial production, that China's shantytown redevelopment is not only a reconstruction of physical space, but also an upgrading of social control technology through the resettlement of institutional space. When residents are included in the category of “objects of redevelopment,” their status changes from that of rights holders to that of governance objects. Some residents had hoped to become “rich” through shantytown redevelopment, but their fantasies were shattered by reality. Under the pressure of the profit distribution mechanism of shantytown redevelopment, they were gradually deprived of their space and interests.

8.4 Practical implications

This study takes governance as its core perspective and provides an in-depth analysis of the shantytown redevelopment process in China, providing a comprehensive perspective from the macro to the micro level for understanding this complex governance practice. Through the case study of the 18T project, this study reveals how the government achieves targeted urban redevelopment through policy design, resource allocation and benefit balancing under the dual goals of “people's livelihood and development”. This study not only provides new insights into the governance mechanism of shantytown redevelopment, but also further enriches the academic discussion on China's governance model.

This study draws on and improves the governance analysis framework of DiGaetano, & Strom (2003), where governance is defined as the ways in which individuals interact with public sector organizations. The complex governance process is analyzed by setting a series of categories (such as structural context, political culture, institutional environment and related institutions, and political actors). In the category analysis, key dimensions such as governance relationships, control logic, key decision-makers, and political goals are focused on. Local institutional cultures are embedded in structural conditions, and a different dimension between structure and agency is found. This study does not intend to develop a new framework for governance analysis, but to reflect on the nature of governance through the framework. These reflections are combined with the particular research context in China.

First, this study contributes to the academic discussion on urban redevelopment in China from a governance perspective. In the past few decades, China's large-scale shantytown redevelopment has enabled more than 100 million people to move from shanties to buildings (Chinese government website, 2018). This task not only goes beyond the scope of traditional urban redevelopment, but is also regarded as an important “people's livelihood project” and “people's heart project”. Such a large-scale demolition and redevelopment has posed unprecedented challenges to both the national and municipal governments, and is also worthy of attention from scholars. In order to address these challenges, the central government and municipal governments have successively introduced a series of shantytown

redevelopment policies and plans, and provided strong support at the micro level of policy implementation through organizational innovation. These shantytown redevelopment practices have triggered extensive discussions on the governance of China's complex urban redevelopment, covering various aspects such as policy formulation, implementation paths, and institutional arrangements. However, compared with repeated comparisons and discussions on the stages and methods of China's urban redevelopment (especially shantytown redevelopment), there is a greater need to deeply reflect on the roles and behavioral logic of various political participants in the governance process. Therefore, using specific cases as an entry point, this study attempts to clearly depict the governance process of shantytowns at the local level in China and the logic behind it, with a view to providing theoretical support and practical reference for understanding the complex mechanisms of urban redevelopment in China.

This research also makes a significant contribution to the discourse on urban governance and China's political-administrative system within academic scholarship. The concept of “authoritarian consultation” proposed by He and Warren (2011) offers a novel analytical lens for examining China's democratic processes and governmental strategies. Similarly, John Keane's (2017) notion of “phantom democracy” highlights how authoritarian regimes construct an illusion of “post-democracy” through localized democratic practices. In this framework, a number of empirical studies have focused on grassroots urban-rural consultation practices in China. Tang Beibei (2015), Tang Hede and Drexel (2014), and Niu He and Wagner (2018) have used a systems approach to consultation to explore the daily consultation process at the grassroots level in China. Wu Fulong advocates for institutional analysis and has developed the concept of “urban entrepreneurship” to analyze policy and planning practices in the context of urban-rural integration. Meanwhile, Shen (2018) emphasizes the importance of social justice and argues that alliances between migrants and urban residents should be built to realize the “right to the city” for all urban residents. He (2018) mentions the state's “top-down promotion” and “bottom-up collaboration” to encourage residents to develop more initiative. In recent years, some urban redevelopment projects have begun to introduce elements of public participation, community building, and collaboration with social organizations (Chen, 2020), such as “community micro-redevelopment” which

has been promoted in large cities. As more empirical and theoretical work continues to emerge, we hope to gain a deeper understanding of how governments, grassroots authorities and other participants function at different levels, and to observe how democratic elements manifest themselves in authoritarian contexts. This will assist create more innovative and fair urban development strategies and improve our understanding of urban governance and policy execution.

This study also practices Western governance theory from a macro-micro perspective and enriches the academic literature on governance. By embedding the theories of managerialism and populism into the analysis of China's shantytown redevelopment projects, the relationship between national logic and local practice is explored. Neoliberal theory provides a perspective for analysing the context of national policy and reveals the impact of global economicisation and market-oriented transformation on shantytown redevelopment projects, especially the reconstruction of the governance framework through political decentralisation and market-oriented reforms. In addition, as a middle-level concept in the study, shantytown governance combines managerialism and populism with the actual operation and practice of the Chinese government, showing the complex governance ecology formed by the interaction and game of multiple stakeholders under the authoritarian system.

Then, this paper analyzes in depth, from a micro perspective, how municipal governments respond to the intricate interactions among stakeholders when formulating regulations and policies, combining rich literature with observations of the daily lives of shantytown residents. In a management-oriented governance model, the government faces the challenge of balancing economic growth and social stability, especially in the process of privatizing and commodifying housing or turning cultural heritage into tourist attractions, which may lead to new social divisions and conflicts of interest. By examining these issues, this study further confirms the multifaceted nature of urban governance practices in China and provides some assistance for follow-up research and policy formulation. Finally, it is hoped that the approach of examining governance from the macro to the micro level and then back to Western theory will provide food for thought for Western scholars.

8.5 Future research directions

This study has provided an in-depth analysis of the governance of shantytown redevelopment projects, revealing the multi-level governance mechanisms from the central to the local levels and their dynamic changes. However, the complexity of the governance process still raises many important research questions, such as “why govern?” and “for whom to govern?”. These questions go beyond the technical level and delve into the political and social logic behind policy formulation, which will become an important direction for future research.

First, future research needs to further explore the motivations and goals behind the governance model. Although this study analyzes the processes and mechanisms of governance, the agenda setting and benefit distribution issues of governance itself have not been fully developed. For example, how are the positions and demands of different stakeholders (such as the government, the market, and residents) in governance incorporated into decision-making? When national interests conflict with individual interests, how are they reconciled in governance practices? These issues require more in-depth empirical research from the perspectives of power operation, benefit distribution and social justice, combined with political sociology theory. Many previous studies on urban redevelopment in China have raised questions about social justice, but how can it be achieved? This includes how to mobilize and organize residents to participate in governance, and what constitutes effective participation?

If there is a continued reliance on top-down policy empowerment or mass participation led by the state or municipal government, residents will often remain caught in the paradox of “participation and justice”. Therefore, the key is to explore a possible bottom-up, self-empowerment path for individuals within the state's default top-down empowerment framework—such as through the use of law and social influence. For ordinary residents, this may be the only effective tool. Through continuous practice and exercise between the concepts of “power” and “citizen,” every rights defense and action is a process in which residents “absorb” power from the state's jurisdiction and return to the self and fairness. And this may be a crucial step towards true social justice.

Second, as governance methods continue to improve, future research should more deeply compare the impact of different governance models on resource allocation and social equity. On the one hand, it is necessary to pay attention to the differences between centralized and decentralized governance: in what situations can centralized governance efficiently integrate resources, while decentralized governance is more conducive to stimulating community initiative and innovation? How effective are the two models in reducing social inequality? On the other hand, it is worth exploring in depth the relationship between governance methods and governance ethics: how do the different models balance the goals of efficiency and fairness? How can it be ensured that “good governance” is not just a formality, but truly reflects a commitment to the public interest and social justice?

Another point worth discussing is the process-oriented direction of governance transformation. When we look at the development of governance theory literature, we always see an optimistic attitude towards transformation. The psychological preconception is that the transformation process is heading towards an end point of governance with limited development, equality and harmony. In fact, it may be too optimistic. As explained earlier, it is difficult for residents to safeguard their rights, and it is even more difficult to form a system of tolerance. Therefore, I am now very confused about the development in this area.

Finally, from the perspective of global governance theory, future research could explore the implications of China's governance experience and practices for the international community. Can China's governance experience in shantytown redevelopment (such as flexibility in policy design, resource integration capabilities, and multi-party collaboration mechanisms) provide a reference or reflection for urban redevelopment and social governance in other countries? Through comparative research on cross-cultural governance, future research can further promote the development of governance theory on a global scale.

Appendices

Appendix 1: List of interviewees

Index Label	Date	Personal Detail			Data Collection
			Age	Sex	
Resident A-1	28/8	Native resident of 18T	about 60	F	Face to face interview
Resident A-2	29/8	Native resident of 18T	70-80	F	Face to face interview
Resident A-3	29/8	Native resident of 18T	70-80	M	Face to face interview
Resident A-4	30/8	Native resident of 18T	about 80	F	Face to face interview
Resident A-5	30/8	Native resident of 18T	60-70	M	Face to face interview
Resident A-6	30/8	Native resident of 18T	50-60	F	Face to face interview
Resident A-7	30/8	Native resident of 18T	70-80	F	Face to face interview
Resident A-8	1/9	Native resident of 18T	about 60	F	Online interview
Resident A-9	1/9	Native resident of 18T	about 55	F	Online interview
Resident A-10	14/5	Native resident of 18T	70-80	F	Face to face interview
Resident A-11	16/5	Native resident of 18T	70-80	M	Face to face interview
Resident A-12	16/5	Native resident of 18T	70-80	F	Face to face interview
Government	1/9	District Government	55-60		Online

Official B1-1		Officials of Yuzhong District, Chongqing			interview
Government Official B1-2	1/9	District Government Officials of Yuzhong District, Chongqing	about 55		Online interview
Government Official B2-1	2/9	(Former) Head of the Fourth Sub-Command Centre of Chongqing Yuzhong District Dilapidated Housing Reconstruction Work Command	about 60		Online interview
Government Official B3-1	31/8	(Former) Head of Chongqing Yuzhong District Historical and Cultural Neighborhood Management Committee	about 50		Face to face interview
Government Official B4-1	2/9	(Former) Staff of Nanjimen Street Office, Yuzhong District, Chongqing Municipality	29		Face to face interview
Government Official B4-2	2/9	Officer, Nanjimen Street Office, Yuzhong District, Chongqing	about 50		Face to face interview
Government Official B4-3	2/9	Head of Yuzhong District Housing Acquisition Center	47		Online interview
Government Official B5-1	22/7	Officer, Housing and Urban Construction Committee, Yuzhong District, Chongqing	about 50		Online interview

Government Official B5-2	22/7	Officer, Housing and Urban Construction Committee, Yuzhong District, Chongqing	about 50		Online interview
Planner/ Specialist C-1	13/5	(Former) Chongqing Municipal Institute of Planning and Design Team CCTEG Leaders Professors	45		Face to face interview
Planner C-2	19/5	CCTEG Team	27		Face to face interview
Planner C-3	19/5	CCTEG Team	33		Face to face interview
Planner/ Specialist C-4	19/8	Professor Member of the Housing and Community Planning Committee, and member of the Specialized Committee on Community Building of the Science and Technology Committee of the Ministry of Housing and Construction	51		Face to face interview
Specialist C-5	4/9	Professor	about 40		Face to face interview
Planner C-6	4/9	Chongqing Municipal Institute of Planning and Design Team	58		Face to face interview

Developer D1-1	4/6	Staff of the Investment Promotion Department of Xintiandi Group	25		Face to face interview
Developer D2-1	29/7	Leaders of the Investment Promotion Department of Xintiandi Group	about 35		Face to face interview
Public Service Organization - School E1-1	25/5	Headmaster of Chongqing Jingyi Ethnic Primary School	52		Online interview
Public Service Organization E2-1	4/6	18T Visitor Center China Travel Service	about 40		Face to face interview
Special Visitor E2-2	4/6	Chongqing citizens who participated in the interpretive interviews	45-50		Face to face interview
Special Visitor E2-3	4/6	Chongqing citizens who participated in the interpretive interviews	45-50		Face to face interview
Special Visitor E2-4	4/6	Chongqing citizens who participated in the interpretive interviews	45-50		Face to face interview

Appendix 2: Question sets and interview guides for the stakeholders and residents

Interview schedule

Research Introduction

This research aims to investigate the changes in power and institutions in SRPs. It is essential to understand the complex interactions between the different stakeholders in the process and how the aims are promoted and achieved by examining these practices' implications within unbalanced power relations. In this context, the field of SRPs in China is evaluated by understanding the patterns and logic of urban redevelopment (shantytown redevelopment). It is reflecting the practices and power relations between stakeholders in a dynamic structure.

The main research question is “How is shantytown redevelopment governed in China?”

How institutional arrangements affect the outcomes of SRPs?

Three questions are raised as follows,

1) Who are the actors and interests involved in Shantytown Redevelopment Projects (SRPs)?

Establish a framework for Chinese shantytown redevelopment projects.

Reveal the ways (the actors and interests) in which different stakeholders interact at SRPs.

2) How does the implementation of SRPs reflect market transformations and emerging policies and different interests and roles? How does the power of different actors¹ manifest itself?

Explain the implementation of SRPs in response to market transformation and emerging policies.

Capture strategies in SRPs.

Reveal the logic behind the SRPs governance.

3) To what extent has urban redevelopment changed this power balance and also the actors?

How are power relations affected?

Analyze the impacts of SRPs on power relations.

Tables

These three columns are divided by subject:

1. Body of literature.
2. What i want to know? What is the data that I want to collect from them, related to what?
3. How I am going to ask that question?

Governors(8-10); Planners(8-10)

Interview question included:

Body of literature	What data I want to collect	What question I want to answer, Where do I get the answer from?	How to ask that question
Urban Governance Urban	Approach/mechanism of urban redevelopment	What was the context?	Subjects 1) Who is in the project 2) Who whose idea it was, who initiated

¹ Different actors: Governors, Planners, Developers, Residents (or Non-Residents).

Redevelopment and Gentrification	(Institutional arrangements)	Explaining their experience and their work on that, and how they do it.	it?
State and market Transaction costs (Ronald Coase, Harold Demsetz)	The redevelopment process The role of different actors in the redevelopment process - Urban redevelopment from a decision-making perspective	Understanding redevelopment process, what's unforeseen?	3) Have you worked on other urban redevelopment projects? How did you get involved in the 18T redevelopment project? 4) How can you get organized to do that? Is it in the same way that you usually do another project? So were there any things was there anything specific about this project? 5) How would it compare to other cases in other cities? Redevelopment process 6) When did the project initiate? (When did all households sign the contract?) 7) What were the compensation and relocation policies for the project? - What were the main objects of the redevelopment project? - What were the funding sources for the project implementation? 8) What was the institutional arrangement for the implementation the project? Who do you regularly work with? How do you work with them? 9) What roles did you play in the redevelopment process? (What do you do and what do they do?) Influence 10) Has there been any conflict during the redevelopment process? How did the conflict arise? 11) What is the most challenge during the implementation of this process? 12) How you manage to work on that challenge? Are you satisfied with with how in the end that was resolved? 13) What were the main changes after the redevelopment?
Power relations (Davis, 2003) - The informal coalition - The formation of informal networks - Minimum government/ regulatory constraints/ high level autonomy from the authority - The sustainability of the network - Focus on economic outcomes - Outcomes generated by synergies of partners working collectivity (Regime building)	Power relations between different stakeholder Characteristics of SRPs		

Developers(8-10)

Interview question included:

Body of literature	What data I want to collect	What question I want to answer, Where do I get the answer from?	How to ask that question
Urban Governance Urban Redevelopment and Gentrification	The process of practice The role of different actors in the redevelopment process - Urban redevelopment from a developer's perspective	What was the context? Explaining their experience and their work on that, and how they do it. Understanding redevelopment process, what's unforeseen?	Subjects 1) Who is in the project 2) Who whose idea it was, who initiated it? 3) Have you worked on other urban redevelopment projects? How did you get involved in the 18T redevelopment project? 4) How can you get organized to do that? Is it in the same way that you usually do another project? So were there any things was there anything specific about this project? 5) How would it compare to other cases in other cities? Redevelopment process 6) When did the project initiate? 7) What were the compensation and relocation policies for the project? - What were the main objects of the redevelopment project? - What were the funding sources for the project implementation? 8) What was the institutional arrangement for the implementation the project? Who do you regularly work with? How do you work with them? 9) What roles did you play in the redevelopment process? (What do you do and what do they do?) 10) How long does one urban redevelopment project take to complete from start to finish? Influence 11) What is the most challenge during the implementation of this process?
State and market Transaction costs (Ronald Coase, Harold Demsetz)			
Power relations (Davis, 2003)	Power relations between different stakeholder		

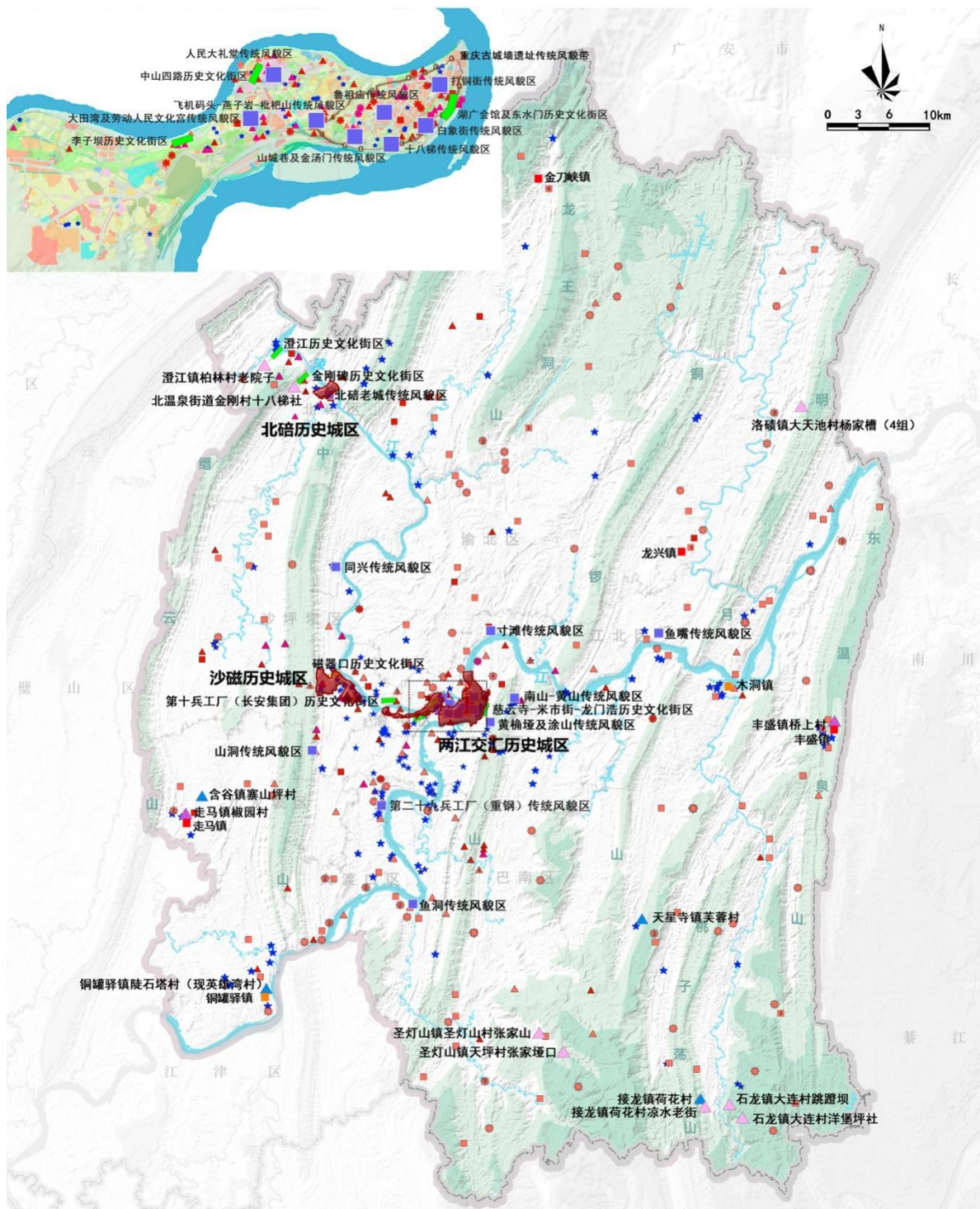
			12) How you manage to work on that challenge? Are you satisfied with with how in the end that was resolved? 13) What were the main changes after the redevelopment?

Residents; Non-residents(15-20)

Interview question included:

Body of literature	What data I want to collect	What question I want to answer, Where do I get the answer from?	How to ask that question
Urban Governance Urban Redevelopment: Gentrification, Social Exclusion and Displacement	The process of practice The role of different actors in the redevelopment process - Urban redevelopment from a resident's perspective	What was the context? Explaining their experience and their work on that, and how they do it. Understanding redevelopment process, what's unforeseen?	Subjects 1) Who is in the project 2) Who whose idea it was, who initiated it? 3) When did you get involved in this? 4) When did you know about this process? Redevelopment process 5) When did the project initiate? 6) What were the compensation and relocation policies for the project? - What were the main objects of the redevelopment project? - What were the funding sources for the project implementation? 7) What was the institutional arrangement for the implementation the project? Who do you regularly work with? How do you work with them? 8) What roles did you play in the redevelopment process? (What do you do and what do they do?) 9) Why did you choose to relocate? Did others have the same reasons? Influence 10) What is the most challenge during the implementation of this process? 11) How you manage to work on that challenge? Are you satisfied with with how in the end that was resolved? 12) What were the main changes after the redevelopment?
State and market "Right to the City"	The impacts of urban redevelopment		
Power relations (Davis, 2003)	Power relations between different stakeholder		

Appendix 3: The preserved cultural heritages relevant to 18T



Historic and cultural heritage protection plan for the core area of a national historical and cultural city

(Source: Chongqing City Historical and Cultural City Protection Plan (2021–2035))

18T Area

Cultural relics and historical sites

1 national key cultural relics protection unit: the former site of the French Consulate;
1 Chongqing cultural relics protection unit: the site of the June 5th Tunnel Tragedy;
4 unclassified protection units: No. 171 residential building at 18T, Daguanping stone inscription, Niaoyu Yun stone inscription, No. 33 Fenghuangtai, and Shichao Gate.

Historic buildings

No. 95 Houcuih Street, the former site of the matchstick factory, No. 35 Shenguo Lane and three other historic buildings;
52 buildings with traditional features.

Appendix 4: Consent Form



Participant Consent Form

同意书

Shantytown Redevelopment Projects: State-led redevelopment in Chongqing, China

棚户区改造项目： 中国重庆由国家主导的重建项目

Dear participant

You are invited to participate in a research study conducted by Wanying Li, from the Urban Studies and Planning department at the University of Sheffield as part of my PhD research. Your participation in this study is entirely voluntary. Please read the information below and ask questions about anything you do not understand, before deciding whether or not to participate.

亲爱的参与者

您受邀参加由谢菲尔德大学城市研究与规划系 Wanying Li 开展的一项研究，这是我博士研究的一部分。您参与本研究完全出于自愿。在决定是否参与之前，请阅读以下信息，并就不理解的地方提出问题。

OPTIONAL: This study, on the theme of urban redevelopment, screens the quality of the interviewees. Witness: "Who experienced it or saw/heard it." Expert: "Who knows". Agent, the person in charge: "Who announced it". Developers, planners, academics, residents and direct reports are invited to participate, with around 50-60 subjects participating in this study.

A clear outline of the shantytown redevelopment projects are painted through personal experiences, transformations in development, changes in this area, and the project's implementation.

选项：本研究以城市更新为主题，对受访者的素质进行筛选。见证人：“经历过或看到/听到过的人”。专家：“谁知道”。代理人，负责人：“谁宣布的”。

本次研究邀请了开发商、规划师、学者、居民和直接报告人参与，约有 50-60 名受试者参加。

通过个人经历、发展转型、这一领域的变化以及项目的实施，勾勒出棚户区改造项目的清晰轮廓。

PURPOSE OF THE STUDY

This study looks at how shantytown redevelopment projects are implemented in Chongqing by exposing how stakeholders engage in the 18T(SHIBATI) shantytown redevelopment projects. This study explores the construction and impact of the policy framework for state-led shantytown redevelopment projects.

研究目的

本研究通过揭示利益相关者如何参与“18T（十八梯）”棚户区改造项目，探讨棚户区改造项目在重庆是如何实施的。本研究探讨了国家主导的棚户区改造项目政策框架的构建及其影响。

POTENTIAL RISKS AND DISCOMFORTS

In the event of physical and/or mental injury resulting from participation in this research project, the University of Sheffield does not provide any medical, hospitalisation or other insurance for participants in this research study, nor will the University of Sheffield provide any medical treatment or compensation for any injury sustained as a result of participation in this research study, except as required by law.

潜在风险和不适

如果因参与本研究项目而造成身体和/或精神伤害，谢菲尔德大学不会为本研究的参与者提供任何医疗、住院或其他保险，也不会为因参与本研究而造成的任何伤害提供任何医疗或赔偿，但法律规定情况除外。

POTENTIAL BENEFITS TO SUBJECTS AND/OR TO SOCIETY

Raise awareness of urban redevelopment issues and the shantytown redevelopment projects.
Outline some of the 'theories' of urban redevelopment and develop them into revised interpretations of the city.
Optimise the structural policies of urban redevelopment.
Provide a valuable basis for future research on urban redevelopment in China.

对主体和/或社会的潜在益处

提高对城市更新问题和棚户区更新项目的认识。
概述城市更新的一些“理论”，并将其发展为对城市的修正解释。
优化城市更新的结构性政策。
为未来中国城市再开发研究提供有价值的基础。

CONFIDENTIALITY

Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission or as required by law.
Confidentiality will be maintained in the following ways. Digital data will be backed up on the University of Sheffield's Google Drive (non-sensitive data). Sensitive digital data will be encrypted and password protected and backed up on this drive. Physical data will be copied, scanned and stored in a safe deposit box in a secure location within the researcher's residence.
For the audio or digitally recorded, my supervisory team and I will have access. The data will only be used for my PhD project and publication. After the dissertation is complete or three years after publication, the data files will be purged.

保密性

与本研究有关的任何信息，凡是可以确定与您有关的，都将予以保密，只有在得到您的许可或法律要求的情况下才会披露。保密工作将通过以下方式进行。数字数据将在谢菲尔德大学的 Google Drive 上备份（非敏感数据）。敏感数据将进行加密和密码保护，并在该驱动器上备份。物理数据将被复制、扫描并存储在研究人员住所内安全地点的保险箱中。对于音频或数字录音，我和我的督导团队可以访问。这些数据将仅用于我的博士项目和出版。论文完成或发表三年后，数据文件将被清除。

PARTICIPATION AND WITHDRAWAL

You can choose whether or not to be in this study. If you volunteer to be in this study, you may withdraw at any time without consequences of any kind or loss of benefits to which you are otherwise entitled. You may also refuse to answer any questions you do not want to answer. There is no penalty if you withdraw from the study.

参与和退出

您可以选择是否参与本研究。如果您自愿参加本研究，您可以随时退出，而不会承担任何后果或丧失您本应享有的福利。您也可以拒绝回答任何您不想回答的问题。退出研究不会受到任何处罚。

RIGHTS OF RESEARCH SUBJECTS

The University of Sheffield Research Ethics Committee has reviewed my request to conduct this project. If you have any concerns about your rights in this study, please contact them.

研究对象的权利

谢菲尔德大学研究伦理委员会已经审查了我开展本项目的申请。如果您对自己在本研究中的权利有任何疑问，请与他们联系。

Participant Consent Form
Urban Village Redevelopment Projects: State-led redevelopment in Chongqing, China

<i>Please tick the appropriate boxes</i> 请勾选适用的选项	Yes 是	No 否
Taking Part in the Project 研究参与		
I have read and understood the project information sheet dated __/__/2022 or the project has been fully explained to me. (If you will answer No to this question please do not proceed with this consent form until you are fully aware of what your participation in the project will mean.) 我已阅读并理解日期为 2022 年__月__日的项目信息表，或已向充分解释了该项目。(如果您对这一问题的回答是“否”，请不要继续填写本同意书，直到您完全了解参与本项目将意味着什么。)	☐	☐
I have been given the opportunity to ask questions about the project. 我有机会就该项目提出问题。	☐	☐
I agree to take part in the project. I understand that taking part in the project will include being interviewed, being recorded (audio and / or video), participating in a focus group. 我同意参加该项目。我了解参与项目将包括接受采访、录音（音频和/或视频）、参加焦点小组。	☐	☐
I understand that by choosing to participate as a volunteer in this research, this does not create a legally binding agreement nor is it intended to create an employment relationship with the University of Sheffield. 本人明白，选择作为志愿者参与本研究并不构成具有法律约束力的协议，也无意与谢菲尔德大学建立雇佣关系。	☐	☐
I understand that my taking part is voluntary and that I can withdraw from the study at any time; I do not have to give any reasons for why I no longer want to take part and there will be no adverse consequences if I choose to withdraw. 我明白，我参加研究是自愿的，我可以随时退出研究；我不必说明为什么不想再参加研究，如果我选择退出，也不会有任何不良后果。	☐	☐
How my information will be used during and after the project 项目期间和项目结束后如何使用我的信息		
I understand my personal details such as name, phone number, address and email address etc. will not be revealed to people outside the project. 我明白我的个人资料（如姓名、电话号码、地址和电子邮件地址等）不会透露给项目之外的人。	☐	☐
I understand and agree that my words may be quoted in publications, reports, web pages, and other research outputs. I understand that I will not be named in these outputs unless I specifically request this. 我理解并同意我的言论可能会在出版物、报告、网页和其他研究成果中被引用。我明白，除非我特别要求，否则我不会在这些成果中署名。	☐	☐
I understand and agree that other authorised researchers will have access to this data only if they agree to preserve the confidentiality of the information as requested in this form. 我理解并同意，其他经授权的研究人员只有在同意按照本表要求对信息保密的情况下，才可查阅这些数据。	☐	☐
I understand and agree that other authorised researchers may use my data in publications, reports, web pages, and other research outputs, only if they agree to preserve the confidentiality of the information as requested in this form. 我理解并同意，其他经授权的研究人员可以在出版物、报告、网页和其他研究成果中使用我的数据，但前提是他们同意按照本表格的要求对信息保密。	☐	☐
I give permission for the information that I provide to be deposited in University research data	☐	☐

storage so it can be used for future research and learning. 我同意将我提供的信息存入大学研究数据存储器，以便用于未来的研究和学习。		
So that the information you provide can be used legally by the researchers 以便研究人员合法使用您提供的信息		
I agree to assign the copyright I hold in any materials generated as part of this project to The University of Sheffield. 我同意将本项目中产生的任何材料的版权转让给谢菲尔德大学。	☐	☐

Name of participant 参与者 Signature 签名 Date 日期

Name of Researcher 研究者 Signature 签名 Date 日期

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