

# **Challenges in comparative study: - the case of a comparison study of urban renewal policies in six Asian cities**

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## **Abstract**

*The current urban renewal strategy (URS) in Hong Kong was formulated in 2001 and the Hong Kong Special Administrative Region Government (HKSAR Government) planned to take a two year community engagement process to review the URS. A research team from the University of Hong Kong was commissioned to conduct a comparison study of the urban renewal policies in six Asian Cities, including Tokyo, Seoul, Taipei, Shanghai, Guangzhou and Singapore.*

*While countries and cities around the world are facing similar challenges in various areas of social policy and trying to learn from one and other, such “learning” can always be challenged on the basis of the applicability of a foreign experience in the local context. The major challenges faced in the current research are related to the various issues of language, history, social and political culture, legal structure, political and government structure, power dynamics among stakeholders. While selecting Asian cities in the comparative study should have already reduced some cultural differences, yet the selected cities differ in terms of urban development history, political structure, political culture, institutional setup in urban renewal, land policy including land use strategy and land title policy. For instance, in terms of urban development history, Seoul, Shanghai, Guangzhou and Tokyo have a much longer history than that in Hong Kong. Yet, Seoul and Taipei similar to Hong Kong had undergone rapid development since World War II. Singapore and Hong Kong shared one important common characteristics in urban development, which is the massive public housing from the 60’s to the 80’s, with Singapore in an even much larger extent, i.e. 85% of the Singapore population living in public housing and with 90% ownership in public housing. All the selected cities except Singapore have multiple levels of government with the metropolitan government being just one part of the system. Furthermore, urban renewal is seen very differently in the various cities. For example, Singapore sees it as part of nation development and Japan sees it more as an instrument of economic development.*

*Instead of presenting the results of the study, the paper discusses the methodological challenges faced by the research team in conducting this comparative study.*

## **Introduction**

The study was a consultancy study commissioned by the Hong Kong Government. Its primary purpose is to identify lessons learnt in the urban renewal experience of neighboring Asian cities and to bring it home to inform the government and the public of Hong Kong in the review process of urban renewal strategy in Hong Kong. This study can be broadly labeled as a comparative case study of renewal experience in six Asian cities, namely, Singapore, Tokyo, Seoul, Taipei, Shanghai, and Guangzhou.

## **Background of the Study**

Public efforts in urban renewal in Hong Kong prior to the 1980’s were primarily related to the clearance of squatters or substandard housing for urban development. “Urban renewal” was hardly on the public policy agenda until the mid-1980s. In 1987, the Hong Kong Government enacted the Land Development Corporation Ordinance (LDCO) and established the Land Development Corporation (LDC) with the objective “to improve the

standard of housing and the environment in Hong Kong by undertaking, encouraging, promoting and facilitating urban renewal” (Section 4, Cap 15).

In July 1995, the HK government issued a public consultation document on urban renewal which put forward a package of proposals to expedite the process of urban renewal. In June 1996, the HK Government published a policy statement entitled “Urban Renewal in Hong Kong” which proposed, amongst other things, the establishment of a new statutory authority. It was until June 2000, the Urban Renewal Authority Ordinance (URAO, Cap 563) was passed and the Urban Renewal Authority (URA) was set up to replace the Land Development Corporation (LDC) to implement a new approach to overcome the problem of urban decay.

Section 20 of the URAO (Cap 563) requires the Secretary for Planning and Lands to consult the public before finalizing the Urban Renewal Strategy (URS). The consultation took place between August 1, 2001 and September 30, 2001. On the basis of the comments received from over a hundred submissions, the draft URS was revised and subsequently published in November 2001. It spells out the principles, objectives of urban renewal, and the targets, the role of URA, the land assembly process, the processing of projects including the social impact assessment, financial arrangement, parameters and guidelines. The URS requires the Urban Renewal Authority (URA) to adopt a “comprehensive and holistic approach to rejuvenate older urban areas by way of redevelopment, rehabilitation and heritage preservation”<sup>1</sup>

In mid-2008, the Development Bureau of the Hong Kong Special Administration Region Government commenced the Urban Renewal Strategy review exercise (URS Review). As part of the URS Review, a Research Team from the University of Hong Kong was engaged in August 2008 to conduct a study on the urban renewal strategies of a number of Asian cities, namely, Seoul, Tokyo, Singapore, Taipei, Shanghai and Guangzhou. The main objective of this study is to identify lessons that can be learnt from the policies, practices and experiences of the selected Asian cities which may serve as useful references for the URS review.

### **Methodology of study**

Two main reasons for selecting these cities were their proximity to Hong Kong and the frequent cultural exchanges that take place among the cities.

The methodology of study consisted of two major parts, namely, literature review and

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<sup>1</sup> URS (2001), paragraph 7.

field study. The literature review was basically a desk-top study of existing research literature available in journals, conference proceedings, books, and materials on the internet.

Field study visits to each of the city were conducted by the Research Team. As not all the policy documents can be obtained via the internet or email communications with the relevant parties, particularly in the case of Tokyo and Seoul where documentations that are available in English or in Chinese can be quite limited, study visit is quite essential. The visits also enabled the collection of documents that are not available online. During these visits, interviews with various stakeholders were conducted including:

- the key officials of implementation agencies (public sector)
- affected parties such as residents or business operators affected by urban renewal projects. Depending on the types of urban renewal programmes in the city chosen, one or more urban renewal projects were chosen. The choice of projects was primarily determined by the literature review on the significance of such projects and the availability of data related to these projects
- other stakeholders including academics, professionals, key personnel of advocacy groups in the area of urban renewal, representatives from the private sector participating in the selected urban renewal projects.

In both the literature review and study visits, the following areas were studied:

- Institutional arrangements in formulating and implementing urban renewal policies;
- Statutory and executive power of implementation agencies and the composition of their boards and public accountability;
- Land laws and administrative policies relating to land ownership/tenure in the context of planning and development, policy approaches and powers to enable property acquisition or resumption;
- Financial models of urban renewal, financial arrangements of implementation;
- Relative emphasis on different strategies of urban renewal (i.e. redevelopment, rehabilitation, revitalisation and preservation);
- Role of the public sector (planner/facilitator/developer/etc.), private sector, NGOs, and the affected bodies;
- Approaches used in different strategies of urban renewal including initiation of project, community participation, and financing;
- Approaches used in various strategies of urban renewal (e.g. voluntary/compulsory)
- Compensation and re-housing policies;
- Community engagement processes (statutory/non-statutory); and
- Community involvement in shaping the content, mode, land use, development density and scale of urban renewal projects.

Apart from identifying “what” the above are and “how” the above are implemented, it is also important to find out “why” these are done and can be done. The value basis, the political structure and culture in these cities, and the dynamics and power relationship among various stakeholders are important dimensions that we have to look into before we can assess the extent to which these overseas examples can serve as reference of urban renewal in HK.

### **Challenges in this comparative case study of 6 Asian Cities**

The issues covered in this study and the areas of specialized knowledge related to urban renewal are quite vast. Though the Research Team members have been involved in urban renewal studies in Hong Kong for a number of years, the study of urban renewal policies and practices of the selected Asian cities would demand a high degree of comprehension of the social, cultural, historical, legal, political, economic aspects and of course the urban planning systems of these cities. This is the major challenge faced by the Research Team.

#### Language limitation

In the case studies of Seoul and Tokyo, language was a particular issue faced by the Research Team. For a start, availability of relevant literature written in English is rather limited in these two cities. Where they are available, some inconsistencies are noted in the official publications and academic publications. The Research Team has tried its best to triangulate the information from various sources to ensure, first that they are referring to the same subjects, and second to identify the common factors of the different descriptions.

Similarly, interviews with the various stakeholders in Seoul and Tokyo have to be conducted via translators, and the translators are not trained in any way related to urban renewal issues. The validity of the information obtained in this process would depend on the extent to which these translators can translate the various concepts of urban renewal in two different social and cultural contexts. There is also apparently some variation in the culture of answering questions in different places. For instance, in the visit to the Omotesando Hills, one team member asked if the Doujunkai Aoyama Apartment (originally built in 1927) was preserved in the original form. The answer from the informant was “yes”. Another team member later on ask the same informant if



The Doujunkai Aoyama Apartment on Omotesando Hills, Tokyo

the original Doujunkai Aoyama Apartment was actually demolished but the existing building was reconstructed in the same form as the old one. The answer was also “yes”. The research team cannot figure if this is an issue of culture (of not saying no) or it is simply an issue of communication in foreign language. It was only later through triangulation of various information, the most authentic version is: the façade of the Doujunkai Aoyama Apartment was retained while most of the interior part of the building was rebuilt.

#### Difference in land policy (ownership, lease policy)

The practice of urban renewal can be very different simply because of the difference in land policies such as leasehold policy. For instance, in Tokyo, Seoul, and Taipei, most of the private land is under the free-hold system, i.e. owners of land practically owned the land, while in Hong Kong, Singapore, Shanghai and Guangzhou<sup>2</sup>, private land is in the form of fix-term lease-hold. Under the lease-hold system, there would be issues of land premium, maintenance or redevelopment of buildings near to the end of land-lease period.

#### Government Structure (National, provincial, municipal, district)

Except for Singapore, urban renewal in all the other cities included in the study involves different levels of government and each level plays a different role. For instance, in the Tokyo, urban regeneration is seen as a major national economic policy and is very much guided by the Prime Minister. In Seoul, because almost half of the population of South Korea resided in Metro Seoul, many of the previous mayors of Seoul became President, including the present President Lee Myung-bak who has played a very important part in shaping the urban renewal policies in Seoul. For Shanghai and Guangzhou, both city governments are trying their best to compete in economic development and urban renewal is seen as part of these efforts. In Tokyo, Seoul, Shanghai and Guangzhou, district level governments also play an active part in development, planning and implementation of urban renewal projects. However, in Hong Kong, district councils are primarily consultative in nature.

#### Political Structure (Governance)

In Tokyo, Seoul, Taipei, government are elected. Public policies are very much related to the platforms of political parties and candidates during election and are equally important if the incumbents of government want to be re-elected again. Though the Singapore government is elected, the same political party has been in power ever since the self-government of Singapore before its independence, i.e. since 1959. This “stability” of

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<sup>2</sup> In China, urban land is owned by the government and rural land is jointly owned by the communes.

the government enables it to have long term visions and the confidence to implement plans to achieve such visions. Guangzhou and Shanghai government officials are appointed and they always have a high hand on implementing public policy, though it is evidenced that more public engagement activities are now taking place. This variability in governance among different cities posts a significant challenge on the interpretation of the policy formulation process in these cities.

### Community strength

Owners' participation in urban redevelopment is particularly obvious in Tokyo, Seoul, and Taipei. This fact is particularly impressive to observers from Hong Kong, where owners' participation in urban redevelopment happens only in exceptions. While at the same time, the level of community organization and community network in these cities are apparently much higher than those in the urban Hong Kong. Particularly in Taipei, communities, districts and boroughs, have developed and flourished under a favorable set of community development policies adopted by the local and central government since Chen Shui-bian took power as the city's mayor (1994-1998) and later as president of Taiwan (2000-2008) in line with a larger strategy of Chen and the Democratic Progressive Party to build up a new Taiwanese identity in contradistinction with mainland Chinese identity. Community cohesion has helped contain potential conflicts of values and interests that may arise in urban renewal.

### Social and political culture in different cities

Though the models in Seoul, Tokyo and Taipei are very similar, outcomes appear to be quite different. Seoul has experienced severe conflicts as exemplified in a recent conflict which occurred in a redevelopment project in Yongshan, Seoul<sup>3</sup>. The process in Taipei is quite successful due to strong community development but only limited to small scale projects and in relatively more affluent areas. The model seems to be more effective in Tokyo, where the model is originated from, and yet the time taken for negotiation and implementation appears to be very long. This variation in application results of the same model clearly alerts us to the importance of political, social and cultural context played in the formulation of urban renewal strategy.

### Size and influence of the Developers

Hong Kong has very powerful and large developers compared to those existing in other

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<sup>3</sup> A fire broke out on January 20, 2009 and killed five protesting tenants and one policeman.

cities, as the richest persons in Hong Kong are all in the real estate market. The relationship between developers and the government in Seoul and in Tokyo is usually considered to be very harmonious. This has a very significant impact on the redevelopment policies and strategies in these cities.

### Existing development density in HK

Most cities used extra plot ratios to encourage redevelopment in the private sector. However, the great majority of Hong Kong people already consider that the density of urban Hong Kong as too high and would prefer lower density in urban redevelopment. Extra plot ratios are basically not quite available in Hong Kong.

### **Concluding Remarks**

Before the commencement of this study, advocates and critics of the government often suggested that the Hong Kong Government should learn from the experience of its neighbouring cities. However, after the completion of this study and presentation of findings and discussions in various public occasions, the advocates and critics are now saying that the government should not have commissioned this study in the first place and should, instead, make more efforts to study Hong Kong's own experience in past few years, particularly since the formation of the Urban Renewal Authority. As a result, the Hong Kong Government is planning to commission another research study to evaluate the practices and experiences in the past 8 years since the formulation of the 2001 Urban Renewal Strategy of Hong Kong.

### **Key Reference**

Law, C.K., Chan, J. C.W., Chui, E.W.T., Wong, Y.C., Lee, K.M., Chau, F. (2009), *Study Report Urban Renewal Policies in Asian Cities for the Urban Renewal Strategy Review*, Development Bureau, Hong Kong SAR Government.