



# Chinese strategies of experimental governance. The underlying forces influencing urban restructuring in the Pearl River Delta



Sonia Schoon\*

University of Kassel, Department of Urban Regeneration and Renewal, Gottschalkstr. 22, D-34127 Kassel, Germany

## ARTICLE INFO

### Article history:

Available online 24 March 2014

### Keywords:

Urban planning  
Urban regeneration  
Conceded informality  
Urban governance  
Urbanized villages  
Experimental governance  
Urban upgrading  
Pearl River Delta  
Guangzhou  
Three olds

## ABSTRACT

Pragmatic Chinese ideological slogans like “groping for stones crossing the river”, “no matter if it’s a black cat or a white cat, as long as it catches mice it’s a good cat” became guiding principles for a multitude of experimental approaches to new developments in the realms of Chinese economic, political, socio-cultural, and physical urban transformation since the beginning of reform and opening up in the late 1970s. Today, these concepts find their daily expression in so-called conceded informality. This paper illuminates the characteristics of nowadays typical, Chinese decision- and policy-making processes in the field of urban restructuring, with a focus on the informal and experimental aspects of flexible conceptual frameworks.

© 2014 Elsevier Ltd. All rights reserved.

## Introduction

Guangdong Province is a pioneer in land use experimentation. Therefore, the Pearl River Delta, as its developmental core region, is a model par excellence to elaborate on the pros and cons of experimental urban restructuring approaches. The recently established policies of “three olds redevelopment” (*san jiu gaizao*) and its urbanized village redevelopment will be introduced as significant examples for typical Chinese experimental urban governance.<sup>1</sup> I begin, however, with a brief overview of China’s socialist system.

“[The socialism of Chinese characteristics] is an open system that keeps developing,” Hu Jintao said on the 17th National Congress of the Communist Party of China (CPC) in October 2007. His successor, Xi Jinping, also repeatedly emphasized this political notion. For some time now, the academic world has been trying to figure out the notion of what exactly these “Chinese characteristics” explicitly are. But, it is asserted here that the system was consciously formulated as a nebulous concept, and Hu’s statement that it is an “open system” complicates the attempts to find

explanations. Generally speaking, these seemingly unseizable conceptions help the Chinese government pragmatically cope with today’s challenges in all spheres of politics, economy, and society. China, as a highly fragmented authoritarian party-state, is dependent on cautiously balancing highly diverse and contradicting interests in all these spheres in order not to jeopardize its paramount legitimacy (Heberer & Schubert, 2008; Heberer & Schubert, 2009; Lieberthal, 1992). Even though only one ruling party is shaping the political system in China, it is not a monolithic unit, but rather a conglomerate of – even contesting – interest groups and factions (Kirchberger, 2004; Köllner, 2005) under the overarching umbrella of the communist party regime. Though the CCP is also transforming together with social and economic changes, the structure of party authority over the state and society barely changed (see Zheng, 2010). For a party-led socialist country like China, it is of existential necessity to dispose of a tremendous adaptive capacity to keep up with the constantly changing circumstances and requirements in a globalizing world. Therefore, it is necessary to consequently undergo policy “updates” to safeguard the political and ideological pillars of the communist party-leadership as incontestably legitimate (Gries & Rosen, 2004; Schubert, 2006).

Another huge challenge for the Chinese government is to build up a strong legal pillar to rely on. Accordingly, Wu Bangguo, former chairman of the 10th and 11th NPC Standing Committee from 2003 to 2013, said at a NPC Standing Committee seminar in Beijing in early 2011: “The establishment of the socialist legal system with

\* Address: Reutweg 3, 83627 Warngau, Germany. Tel.: +49 1749970702.

E-mail address: [soniaschoon@hotmail.com](mailto:soniaschoon@hotmail.com)

<sup>1</sup> In this article, no differentiation between the terms urban “redevelopment”, “upgrading”, “regeneration”, “restructuring” and “renewal” is made, because all kinds of measures are used to upgrade the urban fabric, may it be full demolition, partial regeneration or e.g. only a facelift of buildings.

Chinese characteristics is of great importance, since the system is the legal basis for the nature of socialism of Chinese characteristics”.

This article illuminates the process of how the legal bases are being formed. Since it is impossible to fully explore the scopes of the blurry “Chinese characteristics”, this paper will look at the question of how the general political approach of cautiously adapting to changing circumstances finds expression in urban governance matters on the local level concerning urban regeneration and renewal in Guangzhou City. The logical implication of the central governments’ proceedings leads to the typical Chinese feature of “experimental urban governance”, trying to find appropriate ways for redeveloping and thereby upgrading urban core areas, especially taking into account the “three olds redevelopment” (*sanjiu gaizao*), consisting of old town areas, old villages (urbanized villages), and old industry areas. Another, closely related factor supporting the success of experimental urban governance, is what is called “conceded informality”, which basically means a creative freedom for trying out new measures during stages of experimentation, but always within an authoritative framework and under constant supervision.

The main objective is to provide a comprehensive explanation of key elements of today’s Chinese policy- and decision-making processes in the course of urban regeneration and governance, taking into consideration indigenous approaches mostly unknown to the West. I will elaborate on experimental governance and the new three olds redevelopment project, drawing attention to only urbanized village<sup>2</sup> redevelopment.

China has a dualistic land use structure generally consisting of state-owned land and collective-owned land. Usually, rural land belongs to the respective village collectives while urban land belongs to the state. With the mega-urban cities expanding vertically and incorporating natural villages, the problems of collective-owned land surrounded by state-owned land occur. Urbanized villages are mainly densely built-up urban areas which generally lack substantial urban planning, because the village collectives did not have any planning standards. The municipal governments cannot include the urbanized villages’ territory into their comprehensive planning, and since the urbanized villages’ planning is usually deemed chaotic and informal, the fundamental problem of transferring land ownership has to be dealt with before being able to redevelop the village enclaves (for a deeper understanding, refer to Li & Meng, 2004; Liu, 2008; Yan, Wei, & Zhou, 2004).

## Methodology

From early 2007 onwards, six years of extensive field research in the realms of urban restructuring of old town areas, urbanized villages, and old factory areas in the megacities of the Pearl River Delta contribute to the findings of this paper. More than 250 stakeholder interviews and several quantitative surveys have been conducted; hundreds of documents analyzed; typologies of more than 60 urbanized villages, 20 old industries, 2 old town areas, and one economic cluster have been generated; and decision- and policy-making processes observed and categorized. This field of research is up-to-date, directly accompanying the processes onsite mainly

<sup>2</sup> I use the term urbanized village because “the Chinese process of rapid urbanization especially emanating from the cities not only leads to enormous vertical expansion but also to a huge horizontal expansion inevitably affecting the villages surrounding the cities. The impacts on these villages are already well known and many studies have been carried out on them. What is still missing is a more precise term taking the ongoing procedural characteristics into account. I suggest to adopt the term “urbanized village” implying the manifold changes going on during the process of urbanization, and also to consider the Chinese characteristics of these developments at the same time. The urbanized villages themselves feature multifaceted characteristics.” (Altrock & Schoon, 2011).

considering and analyzing primary data, because not much has been written so far on urban restructuring and regeneration in general and even less in regard to related urban governance aspects in the Pearl River Delta.

## The history of Chinese political experimentation and theoretical approaches

The common ground most scholars and journalists find when talking about the last thirty years of Chinese opening up and reform is the assumption that when Deng Xiaoping took over power after Mao Zedong’s death, a totally new decade of change ensued. However, his economic development achievements and policy-making approaches were neither fundamental changes nor the ingenious innovations of a liberal pathfinder. On the contrary, according to Sebastian Heilmann, who traced back the history of political experimentation in China (Heilmann & Perry, 2011), the roots of these approaches could already be found in the early communist movements in the 1920s.

An American pragmatic philosopher named John Dewey, who travelled around Asia from 1919 to 1920, held several lectures in China that,

“influenced the thinking of a generation of political intellectuals and activists, including the founders of the Communist Party and Mao Zedong. One core theme in Dewey’s lectures was the experimental method that he presented as the central innovative feature of modern science and the most important method for obtaining scientific knowledge” (Heilmann & Perry, 2011: 77)

The Communists around that time started experimenting with land reforms in certain areas and established so called “model villages” and “model experiences” and they progressively refined policies in the course of expansion (Heilmann & Perry, 2011: 65; Jiang, 2004). A so called “from point to surface” approach (*you dian ji mian*) emerged, although this terminology is not of Chinese derivation, but very obviously from soviet origin (cf. *ibid*: 70–72). This approach will later be introduced in its own sub-section.

Dewey’s concept was reduced or sinicized to a “methodology of social engineering” (*ibid*: 78) that built on learning through practice. Anyway, according to Heilmann, the experimental proceedings in the very early times of Chinese communism, and also during the first decade after the founding of the People’s Republic of China, “were inspired more by Deweyan thinking than by traditional Chinese or Soviet governance practices” (*ibid*: 79).

Even though Mao Zedong was convinced of the usefulness of experimental approaches as stated in some of his selected works, he soon abandoned the cautious way of testing and experimenting on a small scale before emulating successful “models”. Starting in the late 1950s, Mao’s extreme rule of man style policy-making and the total political alignment accordingly led to streamlined campaigns that were coerced nationwide without taking into account the diverse spatial, social, cultural, and economic peculiarities. Quite soon after Mao’s death in 1976, Deng Xiaoping unofficially took over the leadership and started implementing the well-known reform and opening up process. His catchphrase “no matter if it’s a black cat or a white cat, as long as it catches mice it’s a good cat” (*wulun hei mao bai mao zhuazhu laoshu jiu shi hao mao*) which he already first articulated in 1962 became world famous after 1978. This metaphor today continues to reveal the tremendous pragmatism of which the Chinese socialist system is capable.

Chen Yun’s slogan: “groping for stones crossing the river” (*mozhe shitou guo he*) which usually is falsely attributed to Deng Xiaoping, is as much perceived as a guiding theme throughout the reform and opening up era concerning economic development.

It reflects the uncertainty and openness of processes to achieve planned objectives. Chen Yun, like Deng Xiaoping, also belonged to the so called “eight great veterans” (*ba da yuanlao*), a group of old party leaders incorporating a huge power base during the 1980s. He was one of the main “architects” of the market reforms Deng adopted (Baum, 1996: 111; Davis, 1995: 305). Interestingly, Chen already developed his economic reform concept for the first Chinese Five-Year-Plan in the mid 1950s, but since Mao Zedong considered him to be too conservative in pushing the Great Leap Forward, he was politically sidelined until after Mao’s death (Leung, 2002: 20–22). So again, evidence shows that basics of China’s 21st century’s policy-making were shaped by early communist thinkers.

Many scholars focusing on China find the abovementioned characteristics of experimentalism and pragmatism, as well as of cautious groping, confirmed (Florini, Lai, & Tan, 2012; Heilmann, 2008; Holbig, 2009; Schucher, 2007; Schucher, 2009). They also identify a strong relationship between these approaches and the need of regime legitimacy and stability and, accordingly, with regime ideology (Schubert, 2006; Schucher, 2009) accompanied by a changing political and governance architecture (Lai, 2008).

The scope and the implications of China’s reform process are too manifold to be taken into full consideration in this article. Therefore, I will just correlate the cases of urbanized villages’ redevelopment in Guangzhou, the provincial capital of Guangdong, and the respective decision- and policy-making characteristics with typical Chinese experimentalism to illustrate the specific modes of experimental urban governance.

#### *The background of urbanized village emergence*

In the first stages of reform and opening up, the Chinese government’s main focus was on economic growth and, in the realms of urban planning, on urban expansion by expropriating former agricultural land from the peasants living in villages surrounding the city and covering those green fields with buildings. For the expropriated farmers, only around 10–12% of their village’s territory was left, usually comprised only of their own residential areas. Even deprived of their sources of income, the remaining village collective was further managed by the village committee and the village collectives. Traditionally, the villages had no construction regulations and as a result they built up their areas according to their needs with no formally established land planning. In order to cope with the new situation as landless and jobless farmers, they started renting out their remaining residential properties to the migrant workers floating into the villages in search of cheap accommodation. The more that migrant populations flowed into the cities to support the needed workforce, the more the villagers – still unregulated – enlarged their houses to accommodate more workers and to gain more income. Over the course of about twenty years since the reform and opening up started, unplanned high density spaces emerged with extremely narrow passages and so-called “hand-shaking houses” (*woshoulou*) that lie extremely close to each other, sometimes even touching each other on the higher floors, and were often of poor quality. In 1980, the urban built-up area consisted of 1345 km<sup>2</sup>, and by the year 2000, the urban area grew to 3718 km<sup>2</sup> (Guangzhou Statistical Yearbooks, 1991, 2001).<sup>3</sup> The former natural villages were totally surrounded by the vertically expanding megacity, and thereby transformed into kinds of urban collective enclaves, the so called phenomena of “urbanized villages” (*chengzhongcun*). For long, this unwelcomed side-effect of massive urban growth and its related problems have been ignored and neglected. Instead,

governments focused on pro-growth as a more important need than taking care of the already existing built-up areas. Urbanized villages not only created housing problems, but also land use rights problems, traditional clan cultures, and complex social problems. In the end, however, the benefits of those urbanized villages providing housing to meet the urgent needs of floating workers by far outweighed the negative effects.

#### **Policy-making and experimental urban governance in the 21st century**

Only in the beginning of the new century did the municipal government of Guangzhou start to take care of urbanized villages and their related problems. The challenges posed by urbanized villages were new phenomena, and the ways to cope with them were laying totally in the dark. Many interwoven factors complicated the approach from all kinds of perspectives: urban planning, urban management, social administration, supervision and security, and economic upgrading. Even though urbanized villages were relatively small spatial units within the megacity, their redevelopment was connected with extremely high transaction costs (cf. Schoon, 2012; Schoon & Altrock, 2013). In view of the large quantity of different urbanized villages – 138 in Guangzhou’s built-up area alone – and no existing policy guidelines available, the decision was made to cautiously approach the needed redevelopment through experimentation, an approach that had already proven feasible during economic development (e.g. Special Economic Zone (SEZ) implementation).

The year 2001 can be considered a milestone concerning urbanized village matters. Since then, a lot of “rules”, “regulations”, “criteria”, “opinions”, “strategies”, “methods”, “principles”, “plans”, and “notices” have been formulated. These instruments were directed at managing the process of urban upgrading. A clear objective here was to overcome the problems urbanized villages pose, by upgrading and integrating them into the existing urban fabric. Some of these guidelines can be considered as more or less vague consultancy services allowing for enough leeway to fit to as many conditions and situations as possible. A result of these open approaches is the fact that now all stakeholders involved in the redevelopment process can negotiate the dimensions and interpretations of rules, regulations, and opinions. They usually represent differing and/or even contrarian interests. On the governmental side, there are many involved departments on municipal, district, and street levels like urban planning offices, regeneration offices, the ministry of housing administration, the ministry of land use planning, the construction committee, etc. Then, there are the concerned urbanized village collectives, represented by their management boards and the villagers. Often, the village leadership and the affected villagers have diverse interests. The municipal governments require that the village leadership works as coordinator and mediator when it comes to supporting redevelopment; therefore, usually urbanized villages with strong village leaders who enjoy the villagers’ trust are more likely to be redeveloped first than those with weaker leadership (for further insights refer to Schoon, 2012, 2013). Developers are the third big group of stakeholders, because they are usually the executive partners implementing redevelopment. They possess the financial capacities and above all the know-how to undertake huge planning projects. This group only pursues maximum economic benefits, whereas the other two groups may not only have economic interests. The fourth kind of stakeholders are urban planning experts and academics who function as consultants that should provide for independent professional opinions, but they only have limited influence. To balance all these different interests is the main challenge of urbanized village redevelopment (Ye, 2011).

<sup>3</sup> In the year 2000 also new districts were incorporated into Guangzhou: Panyu and Huadu.

“One village one policy” (*yi cun yi ce*) marks the first step to recognize the complexity and diversity of the existing problems and interests within urbanized villages, and at the same time constrict the redevelopment to official regulations. “Balancing the interests”, or compromising, is the premise for any progress (cf. Zhuang, 2013). Therefore, all interest groups are constantly bargaining about redevelopment schemes in order to achieve as many benefits as possible. This process needs sensitive coordination and negotiation capacities and is very time consuming. Not surprisingly, nearly eight years passed between the awareness that urbanized village problems existed and the first steps toward implementation (Liede Village was demolished starting at the end of 2007). By groping and testing, first experiences were collected with negotiating such difficult matters as expropriation, relocation, compensation, and destruction of villagers’ individual or collective properties. Villagers have been able to negotiate redevelopment proceedings and responsibilities with different governmental bodies within the complex institutional milieu even though only on a very limited and still immature level (cf. Tan & Schoon, 2013).

The establishment of the so called “three olds redevelopment” (*sanjiu gaizao*) policies and their implementation starting in early 2010 can be seen as both a great leap forward in comprehensively governing urban (re)development and an experimental approach fathoming out the most appropriate solutions for urban regeneration in a highly fragmented urban space.

How the process of finding feasible modes to cope with the high diversity of the urbanized villages that finally cumulated in the three olds policies occurred, how it was influenced, and which important political features are involved, will be described in the following sections.

### Important Chinese concepts for understanding experimental urban governance

To understand Chinese policy-making, the importance of ideological guidelines must be taken into consideration. These ideological guidelines are composed of more or less diffuse CCP programs which are first and foremost intended to safeguard the communist party’s predominance, but also to stabilize the whole foundation of the PR of China. The CCP is a leading authority in a phase of rapid change. With extremely diverse social, political, economic and cultural interests, and constantly emerging new challenges and problems, the fundamental communist ideals also have to be adapted to the changing reality of a globalizing world. Therefore, the CCP is on the lookout to preserve authority and political legitimacy. Due to the huge territorial size and complexity of situations and problems China is facing, the government needs flexible coping strategies that are applicable to all layers of society and to as many conditions as possible. Directives, which are both vague, but also clear, can, for instance, be reflected in the seemingly ambivalent policies of “socialism of Chinese characteristics”. They serve as a kind of ideological superstructure that invisibly guides processes in the absence of a codified rule of law. The following are some of the “characteristics”, that are relevant for comprehending urban governance in China today.

*No matter if it's a black cat or a white cat, as long as it catches mice it's a good cat*

As mentioned previously, this famous citation originates from Deng Xiaoping who quoted a farmer from Anhui province in 1962, when he and his communist party fellows decided to “temporarily ignore the boundary between socialism and capitalism” (Li & Lok, 1995: 12–13) in order to overcome the disastrous consequences of the Great Leap Forward. Even though Deng was severely

criticized for this statement until Mao’s death, he kept promoting it during the period of reform and opening up. Although this phrase was never officially incorporated into the main ideological principles of the CCP by Chinese authorities, it nevertheless, became a famous symbol for the pragmatism of China’s efforts to successfully conduct the reform and opening-up process.

The “judgment of whether a cat is good or not, [...] whether the cat is *useful* or not [...], this judgment of its value should and must be practical and utilitarian, that is, it must be based on whether it can catch the mouse or not. It is thus only against the reality of the mouse that a cat can be evaluated or judged.” (Liu, 2009: 23)

This slogan reveals ambivalence. The “judgment” is often more bounded to the underlying interests rather than the actual reality. In addition, it is often only a posteriori analysis that reveals the defects of developments that formerly promised to be useful. An obvious example is the emergence of urbanized villages. The main objective formerly was pro-growth. The more growth was achieved, the more successful the “cat” was. But, in the course of striving after the easy way of “catching mice” (e.g. green-field development), some other small mice (e.g. urbanized villages) could hide, or were just ignored by the cats hunting for the big mice (e.g. projects promising big value added). Only after not enough “big mice” (now e.g. land resources) were left, could the “cat” start focusing on the small ones left to satisfy its hunger.

The positive side of the coin is the huge interpretation potential of Deng’s political approaches and that in terms of urbanized village redevelopment the focus is driven by pragmatism. No matter if it is full demolition or a piecemeal redevelopment approach, no matter if it is a government-led, developer-led or village-collective-led upgrading process, as long as they will be upgraded according to planning standards, within the scopes of policies, the “color” of the modes does not matter.

Another guiding principle of Chinese urban governance can be found in the pragmatic concept of “groping for stones crossing the river”.

#### *Groping for stones crossing the river*

When China started to cope with Mao’s legacy after his death, his successors themselves were split in many factions representing different political mindsets, and a power struggle had to be fought before the reformers around Deng Xiaoping could initiate China’s opening up and reform process. At that time, no worked out reform and development blueprints existed, nor could they resort to a comprehensive strategy. As pragmatic as they were, they also needed to make sure to follow a very cautious pathway toward the future. Chen Yun’s metaphor for cautiously approaching the reforms became famous: “Groping for stones crossing the river” (*mozhe shitou guo he*) (Chen, 1994: 136). In other words, “reform proceeded step by step, moving forward at the rate the government deemed appropriate at any given time” (Lin, Cai, & Zhou, 2003: 177). This doctrine – like Deng’s cat theory – is a vivid and easy-to-understand guiding principle and also an important basis for experimental urban governance. The process of testing and probing (groping) before being able to safely reach the other side, is inevitable for a country where the political foundation is to a certain extent still based on ideology and not law. The executing government is at all times measured according to its achievements, and its legitimacy and stability accordingly needs to stand the test of time and success as well. A balancing of interest forms a core feature of the “groping for stones” process, because many diverse forces have to be taken into account at all times.

Let’s take the urbanized villages as an example again: in order not to hurry through urban regeneration or cause unpredictable

outcomes and defects later on, governments are deliberately balancing governance relations on the pathway to more legal certainty and certainty of proceedings. A survey of policy issuing processes in Guangzhou revealed that the quantity of regulations on municipal and district levels concerning urbanized village redevelopment is growing significantly and incessantly. Following the first cautious steps towards dealing with urbanized villages, came a process of acquiring more certainty of action that was closely accompanied by a process of formalization. The “three olds redevelopment” policy with its accompanying stipulations and an amended institutional setup can be viewed as an important tool of formalization efforts and a milestone on the way ‘across the river’, which is the goal of integrating the urbanized villages into the urban fabric by redevelopment and upgrading (for further in-depth information refer to [Altrock & Schoon, 2013a,b,c](#); [Schoon, 2012](#)).

#### *From point to surface*

For some 90 years now – with temporal discontinuance during the radical times of the Mao Zedong era – the communist party has been promoting a so called “from point to surface” (*you dian ji mian*) strategy in reform processes.<sup>4</sup> Beginning in the early years of communism in China, the party needed micro-scale experimentation on land reform as the basis for future developments. They followed Deng Zihui’s experimental approach starting with “experimental points” (*shidian*) and then, constituting models from successful cases they were able to learn from, before implementing them on a larger scale. (For more details refer to [Heilmann & Perry, 2011](#): 62–101).

This approach can also be seen in relationship to urban planning issues in the restructuring of urbanized villages. The most substantial differences between “from point to surface” experimentation in pre-Mao and Mao-periods, as compared to current times, is the present acknowledgement of the extreme diversity of circumstances and the regional and even local variations and the need of parallel experimentations taking place. For example, in Guangzhou alone there are nine experimental urbanized village sites,<sup>5</sup> or pioneers, exploring unique ways for engendering redevelopment. All are following the pragmatic and flexible “one village one policy” policy, enhanced by “three olds redevelopment” incentive policies to push forward the processes. The pioneers accumulate first experiences on how to cope with the multiple tasks of redevelopment, be it following a mode of full demolition or only partial redevelopment. During the process higher levels of government, especially the respective urban planning bodies, like the “Three Olds Redevelopment Offices” or “Urban Regeneration Offices”, and other involved offices establish so called leading teams keeping the overview on the municipal level. The single districts are responsible for the direct implementation of suitable redevelopment of the urbanized villages on their territory, and then reporting to municipal authorities, and waiting for approval. In the case of successful redevelopment modes, the respective urbanized villages are declared as model experiments (like Liede Village in Guangzhou as model for full demolition), and a nation-wide promotion machinery is launched with governmental site-visits and exchange programs to share knowledge and lessons learned. Finally, regulations are promulgated to further support future proceedings. The Chinese party-state understands itself as a learning authority, willing to build upon a consultative style of policy-making rather than a coercive style.

Now let’s first take a closer look at the main attribute of these flexible mechanisms of experimental urban governance in China, namely it is “conceded”.

#### **Conceded informality**

The three concepts that have been described and their underlying ideological guiding principles with regard to urban governance in the realms of urban upgrading can be defined as experimental: the central government sets framework objectives for the respective redevelopments. How these objectives are achieved remains, to a certain extent, open, and the stakeholders involved in the urban redevelopment processes enjoy quasi-autonomous leeway to experiment, negotiate, discuss, and bargain, characterized by considerable scope for innovative development and even informality. Subsequently, experimental points or pilot projects are officially initiated or at least welcomed. But, and this is a core feature of all urban development nowadays, all experimental projects are always subordinated to higher party and government authorities, and all processes are conducted under constant supervision. As a consequence, governmental institutions always have the paramount power of intervention and final decision-making. Decision-making and negotiation processes at different levels are therefore characterized by a creative freedom within an authoritative structure.

The features of these typical Chinese processes are that in informal developments, self-organization or autonomy are clearly conceded by the government. Informal structures or arrangements are tolerated as long as they serve the given objectives, or if ignoring them temporarily means lower transaction costs. If they prove to have negative impacts they are suppressed. If they turn out to be a suitable solution for loopholes, niches, problems, etc. they are standardized (for more information refer to [Altrock and Schoon, 2013a,b,c](#)). For about thirty years now after opening up, the unique Chinese mode of testing and implementation prior to legislation stands the test of time as a pragmatic instrument of policy-making in a rapidly and permanently changing, extremely heterogeneous country. The opportunity lies in its potential adaptability to manifold spatial, structural, socio-political, economic circumstances, as well as in the interaction of local and central initiatives which contribute significantly to the success of this approach. The weakness, though, lies in potential loss of regulatory power, increased informal activities, and temporary systemic instability.

#### **Conclusion**

This paper relates Chinese pragmatic ideological superstructures of a highly fragmented but strong authoritarian party-state in transition to strategies of governing a megacity that has been rapidly developing for three decades and now needs to redevelop its urban core areas.

The notion of an authoritarian state usually implies scenarios of strict intervention policies, of the government’s full paramount control and of coercion of rigid measures and so forth. However, in the case of urban restructuring in the Pearl River Delta, these scenarios can only rarely be found, and usually just in times when the government sees itself forced to take drastic measures, when it sees its objectives, control, or legitimacy threatened.<sup>6</sup> During normal times, the Chinese government has found it more useful to adopt intermediate approaches that take the large variety of regional differences, circumstances, and transaction costs of policy intervention carefully into account, rather than to try to exert full control over all kinds of spaces and all parts of society.

The very soft and flexible concepts introduced above are strategically targeted at finding new ways for development and solving

<sup>4</sup> I use the translation “from point to surface” according to [Heilmann \(2008\)](#) even though some sinologists criticize the translation of surface instead of area.

<sup>5</sup> These nine pioneer urbanized villages are: Liede, Xiancun, Xiaoxintang, Xiaogang, Sanyuanli, Linhe, Yangji, Pazhou, and Tangxia (Tangxia Village in Baiyun District).

<sup>6</sup> This is not the place to argue about the legitimacy or the judgment of any kind of measures the Chinese government is taking, it is just stated that there are also approaches that do not follow the cautious and farsighted principles introduced above.

existing problems, at negotiating interaction, and at allowing for creative forces to take part in the processes. At the same time, they are designed to consolidate the legal foundations and lay out the ground for greater formalization and stronger, yet modified, state control regardless of the economic, political, and social liberalization they have undergone so far and are still undergoing.

The party-state is allowing for and conceding informal and/or experimental developments to a certain degree as pragmatic means to deal with changing circumstances, not only from the perspective of globalization, but also from a dominating party-state to a legitimate interacting party-state. Conceded informality and experimental governance, therefore, reflect the long-term objective of formalizing institutions, stabilizing the political system, and finally legitimizing the CCP leadership country-wide and within the world order as well. The strategies of experimental urban governance, conceded informality, and their underlying ideological foundations, so far, have stood the test of time. They remain substantial and powerful features of a strong transitional state, especially when it comes to urban governance in southern China.

## References

- Altrock, U., & Schoon, S. (2011). The governance of urban upgrading in Southern China – The example of urbanized villages. *DISP*, 187(4), 37–48.
- Altrock, U., & Schoon, S. (2013a). *Maturing megacities. The Pearl River Delta in progressive transformation*. Dordrecht: Springer.
- Altrock, U., & Schoon, S. (2013b). The Pearl River Delta in progressive transformation. In U. Altrock & S. Schoon (Eds.), *Maturing megacities: The Pearl River Delta in progressive transformation* (pp. 3–28). Dordrecht: Springer.
- Altrock, U., & Schoon, S. (2013c). Maturing megacities: Lessons from the Pearl River Delta experiences. In U. Altrock & S. Schoon (Eds.), *Maturing megacities: The Pearl River Delta in progressive transformation* (pp. 359–370). Dordrecht: Springer.
- Baum, R. (1996). *Burying Mao. Chinese politics in the age of Deng Xiaoping*. Princeton: Princeton University Press.
- Chen, X. (1994). Zhong guo de se she hui zhi yi de jian jin fang shi. In *Deng Xiaoping li lun yan jiu*. People's Press, Beijing.
- Davis, D. (1995). *Urban spaces in contemporary China. The potential for autonomy and community in post-Mao China*. Woodrow Wilson Center Pr. Washington, DC.
- Florini, A., Lai, H., & Tan, Y. (2012). *China experiments. From local innovations to national reform*. Washington: Brookings.
- Gries, P. H., Rosen, S. (Eds.). (2004). *State and society in 21st century China. Crisis, contention, and legitimation*. Routledge Curzon, New York.
- Heberer, T., Schubert, G. (2008). *Politische Partizipation und Regimelegitimität in der VR China*. Band I: Der urbane Raum, VS Verlag für Sozialwissenschaften, Wiesbaden.
- Heberer, T., & Schubert, G. (Eds.). (2009). *Regime legitimacy in contemporary China: Institutional change and stability*. London: Routledge, Chapman & Hall.
- Heilmann, S. (2008). Policy experimentation in China's economic rise. *Studies in Comparative International Development*, 43, 1–26.
- Heilmann, S., & Perry, E. (2011). *Mao's invisible hand. The political foundations of adaptive governance in China*. Mass: Harvard University Asia Center Cambridge.
- Holbig, H. (2009). Remaking the CCP's Ideology: Determinants, Progress, and Limits under Hu Jintao. *China Aktuell*, XXXVIII(3), 35–61.
- Jiang, B. (2004). *Deng Zihui yu Zhongguo nong cun bian ge*. Fuzhou: Fujian ren min chu ban she.
- Kirchberger, S. (2004). *Informelle Regeln der Politik in China und Taiwan*. Hamburg: Kovac.
- Köllner, P. (2005). Formale und informelle Politik aus institutioneller Perspektive: Ein Analyseansatz für die vergleichenden Area Studies. In *Global and Area Studies*, H. 6. <<http://www.duei.de/workingpapers>>.
- Lai, H. (2008). The changing political and governance architecture in China. *China Aktuell*, XXXVII(4), 111–130.
- Leung, P. (2002). *Political leaders of modern China. A biographical dictionary*. Westport, Conn. London: Greenwood Press.
- Li, K., & Lok, M. (1995). *A glossary of political terms of the People's Republic of China*. Hong Kong: Chinese Univ. Press.
- Li, J., & Meng, H. (2004). Cong er yuan dao yi yuan de zhuan zhi. Cheng zhong cun gai zao zhong de tu di zhi du tu po ji qi yi yi. In *Zhong guo tu di*, 10, 25–27.
- Lieberthal, K. G. (1992). Introduction: The 'Fragmented Authoritarianism' model and its limitations. In K. G. Lieberthal & D. M. Lampton (Eds.), *Bureaucracy, politics, and decision making in post-Mao China* (pp. 1–30). Berkeley: University of California Press.
- Lin, J. Y., Cai, F., & Zhou, L. (2003). *The China miracle. Development strategy and economic reform*. Hong Kong: Chinese Univ. Press.
- Liu, S. (2008). Zhong guo de er yuan tu di quan li zhi du yu tu di shi chang can que, dui xian xing zheng ce, fa lü yu di fang chuang xin de hui gu yu ping lun. In *Jing ji yan jiu can kao*, 31, 2–12.
- Liu, X. (2009). *The mirage of China. Anti-humanism, narcissism, and corporeality of the contemporary world*. Berghahn Books, New York.
- Schoon, S. (2013). Three Olds: Experimental Urban Restructuring with Chinese Characteristics. Guangzhou and Shenzhen in Comparison. In U. Altrock & S. Schoon (Eds.), *Maturing megacities. The Pearl River Delta in progressive transformation* (pp. 105–122). Dordrecht: Springer.
- Schoon, S., & Altrock, U. (2013). Three olds redevelopment in Guangzhou. In F. Wu, F. Zhang, & C. Webster (Eds.), *Rural migrants in urban China. Enclaves and transient urbanism* (pp. 223–239). Abingdon: Routledge.
- Schoon, S. (2012). Niche authority in urbanized villages. Bottom-up codetermination in megacity developments in China. In N. Perera & W. Tang (Eds.), *Transforming Asian Cities: Intellectual impasse, Asianizing space, and emerging translocalities* (pp. 222–242). Abingdon: Routledge.
- Schubert, G. (2006). Authority, Trust, and Legitimacy in the PRC. *China Aktuell*, XXXV(2), 5–39.
- Schucher, G. (2007). China's Pursuit of Harmony: Hope and reality. *China Aktuell*, XXXVI(5), 40–69.
- Schucher, G. (2009). Liberalisierung in Zeiten der Instabilität: Spielräume unkonventioneller Partizipation im autoritären Regime der VR China. *Asien. The German Journal on Contemporary Asia*, 111, 50–75.
- Tan, X., & Schoon, S. (2013). Villagers' participation in mega-urban upgrading. Liede Village: The Experimental Pioneer in Guangzhou. In U. Altrock & S. Schoon (Eds.), *Maturing megacities. The Pearl River Delta in progressive transformation* (pp. 247–266). Dordrecht: Springer.
- Yan, X., Wei, L., & Zhou, R. (2004). Kuai su cheng shi hua di qu cheng shi hua di qu cheng xiang guan xi xie. *Cheng shi gui hua*, 28(3), 30–38.
- Ye, L. (2011). Urban regeneration in China: Policy, development, and issues. *Local Economy*, 26(5), 337–347.
- Zheng, Y. (2010). The Chinese Communist party as organizational emperor. *Culture, reproduction and transformation*. Routledge, London, New York.
- Zhuang, Z. (2013). Gaming and decision-making: Urbanized village redevelopment in Guangzhou. In U. Altrock & S. Schoon (Eds.), *Maturing megacities. The Pearl River Delta in progressive transformation* (pp. 221–246). Dordrecht: Springer.