

Chapter 2

Slum Upgrading Policies of China's Shantytowns

2.1 Introduction

As early as the mid-nineteenth century, slums had been “widely recognized as an international phenomenon.” However, it was not until the 1950s and 1960s that the seriousness of slum problems began receiving widespread concern in the international community. Both developed and developing countries, such as the United States, Germany, Brazil, India, and Pakistan, have made sustained efforts to solve the problems of slums, but the results are far from satisfactory: from the 1960s “slums of hope,” through urban poverty’s “big bang” during the debt decades of 1970s and 1980s, to today’s unprecedented mega slums. From the sprawling barricades of Lima to the garbage hills of Manila, urbanization has been disconnected from industrialization, and even economic growth. Slums spread all over the planet like “chronic illnesses” and “cancers,” constraining both urban development and its residents’ production and everyday life.

2.2 International Slum Improving Practices: Experiences and Lessons

Historically, as far as national governments are concerned, there have been different attitudes toward slums. Many countries including the United Kingdom and the United States initially regarded slums as hindering factors of urban renewal and development and mainly took measures of eradication and cleanup (Abrams 1966; Potter 1992; Clark 1996). Consequently, the slum dwellers either became homeless or moved to public housing. In the 1960s and 1970s, India and most national governments of Latin America generally tolerated slums, and the rights of slum dwellers were protected to some extent. Of late, most countries have adopted

different measures or policies to solve the problems of slums, which include insecure housing tenure, overcrowding, poor quality of construction, poor sanitary conditions, and lack of drinking water. The results have been mixed, with some effective policies and failed experiences. Generally, four kinds of measures have been taken: expulsions or eradication, public housing construction, housing subsidies, and slum infrastructure improvements.

Most slum dwellings are unauthorized constructions setup by individuals on illegally occupied land. Slums raise urban crime, aggregate pollution and infection, and bring about many economic and social problems, which largely constrain urban development. Initial policy in the early stages of urban development for both developing and developed countries, including the United Kingdom and the United States, was to merely neglect or eradicate slums. Hardly, any indications of slums or other informal settlements could be seen on the land planning maps of developing countries before the early 1970s. The 1970s and 1980s ushered in expulsions and eradication of slums as a universal coping mechanism, especially in the countries and regions with centralized power but lacking adequate corresponding legislations. The authorities usually expelled slum dwellers in the name of urban renewal projects (urban center transformation or urban infrastructure construction in particular), or under the pretence of improving health and safety facilities (UN-Habitat 2003). From 1946 to the late 1960s, the British Government utilized a “filter” policy, which first moved out the residents and employees from the urban center and then carried out the cleanup and development of the inner city. The government’s decentralization policy and market forces jointly promoted the emigration of urban residents (Perten et al. 2011).

Measures of expulsions or eradication provided no solution for the slum problem, only resulted in the spatial transfer of slums from urban centers to urban fringe areas. With urban sprawling, slum problems fall into an endless vicious circle: Slum dwellers are constantly expelled from urban centers but new slums emerge accordingly at the urban fringes.

2.2.1 Construction of Public Housing

Since serious housing shortage is the most significant feature of slums, most municipal authorities attribute the problem of housing shortage and poor housing quality of low-income residents to market malfunctioning. Since the 1930s Roosevelt New Deal, the United States began building public housing for low-income residents; after World War II, the USA continued to carry out large-scale public housing construction. In 1947, the Truman Administration invested over 60 billion dollars in building more than 100 million units of housing to meet the needs of veterans and those in poor living conditions. During the “Great Society” period of the Kennedy and Johnson Administrations, public housing construction in the USA reached a peak (Huang An-nian 1998; Li Yan-ling 2001). For nearly 20 years

after World War II, England had taken the “decentralization” policy, clearing up old houses and slums in the inner city and carrying out large-scale public housing construction in new towns (Perten et al. 2011). Developing countries, e.g., Brazil and India, followed this practice in the 1960s and 1970s (Du Yue 2008; UN-Habitat 2003). However, this approach was soon abandoned because the supply of public housing was far from meeting the demand. It is estimated that the supply of public housing in developing countries meets no more than 1 % of the total demand (UN-Habitat 2003). In addition, many developing countries suffer from serious corruption, inefficiency, and unfair distribution in the allocation of public housing.

Measures of public housing can really count only when large-scale construction is possible and the government works consistently in a fair and impartial way. During the process of public housing construction and urban renewal in the United States, the original settlements of low-income residents were often developed for commercial or luxury residential purposes, which then triggered the transfer of the poor from one place to another within the city (Richardson 1971).

2.2.2 Housing Subsidies

Due to the unsatisfying results of public housing construction, both the developed countries that emphasized effective markets and the developing ones with relatively low efficiency begun turning to housing subsidies, hoping that with better housing affordability, favorable market mechanisms would aid the residents in solving the housing problems by themselves. Since the end of the 1960s, the British Government implemented a “bootstrap” policy, which not only renovated low-quality houses, but also provided improvement subsidies for homeowners, landlords, and the developers in accordance with the Housing Act of 1969, 1974, and 1980 to compensate for their costs of resettlement. With the Housing Act of 1989 and 1996, the British Government granted special allowances for low-income homeowners and tenants (Doe 1995). In the 1980s and 1990s, Brazil, Mexico, and many other countries took similar measures. The government of Argentina has made great efforts to maximize housing relief. The rental subsidies are differentiated according to different payment abilities: For those low-income families without the ability to pay, the government takes full responsibility; for those having certain abilities to pay the rent, the government foots a proportion of the bill. In order to solve the housing problems for the poor, Jamaica established a National Housing Trust (NHT). For the same purpose, Mexico also established a similar fund (FOVI).

Slums are the result of spontaneous market forces, so meager allowances can hardly change the situation. Compared with public housing construction, housing subsidies mattered even less and thus played an almost negligible role in the evolution of the urban space.

2.2.3 Slum Infrastructure Improvement

Poor infrastructure is a defining feature of slums, and the transformation of housing itself without improving its infrastructure can never solve the problem. In 1966, President Johnson signed the Housing Appropriations Bill to establish a federal fund for transforming poor cities to model cities. The amount of rental subsidies equaled the margin between 25 % of the tenant income and the rent; the overall environment of slums in about 60–70 cities was transformed with improved housing conditions, transportation facilities, drainage systems, schools, hospitals, entertainment facilities, and increased employment opportunities. Under the new approach of the HOPE VI program begun in 1992, the United States moved away from providing project-based assistance for poor families and started promoting mixed-income housing by attracting higher income residents to prevent the concentration of troubled, low-income households. The 2010 Housing Plan of the Obama administration followed the HOPE VI program and further emphasized the development of supporting facilities and sustainability. After nearly 20 years of inaction, the British Government began actively improving the community environment in the late 1990s. In 1998, 800 million pounds were invested in the housing and community environmental reconstruction of 17 shantytowns. Residents, associations, and local governments all helped in the process of eliminating garbage, building new housing, improving education and health standards, reducing crime, and increasing employment opportunities. In the 1990s, Brazil began to upgrade the infrastructure conditions in slums. In 1989, Sao Paulo started the city's first large-scale slum reconstruction plan—the Urban Poor Settlements Renewal Program, which aimed at building and improving infrastructure and the living conditions of slum dwellers.

In the conceptualization of mainstream economics, international slum reconstruction usually focused on the dynamics of economic and social phenomena and the lack of comprehensive and systematic analysis. Therefore, early reconstruction was aimed mainly at relieving housing shortages, while little attention was paid to infrastructure, community environment, and urban spatial structure; in contrast, the later stages emphasized infrastructure and community environment, but housing construction was lagging behind. Most countries and governments were struggling to find a balance between the two above-mentioned preferences in their slum upgrading practices. Finally, international practices are generally aimed at solving the problem of housing shortage rather than the issue of property rights. In other words, it is “dwelling” not “owning” that enjoyed the priority.

Although the international community has made great efforts in slum upgrading, the results are unsatisfactory. Approximately 1 billion people worldwide are still living in slums. First, neglect and expulsion only transfers slums to urban and urban–rural fringes. As the city continues to expand, a vicious circle prevails: Slum dwellers are constantly expelled but new slums emerge and gather elsewhere outside the urban center. Secondly, public housing meets < 1 % of the total demand; and in most developing countries, public housing is mainly

for government employees, e.g., the police or teachers, and not the needful low-income groups. Third, popular practice is to carry out “slum upgrading,” which involves regulating land and housing rights and improving infrastructure, which typically includes water and power supply, sanitation, drainage, sidewalks, public toilets, street lights, and roads. However, programs of slum upgrading involve no construction of new houses and in most cases, the residents have to build their own houses by themselves. Due to their low-income levels, slum dwellers are still confronted with great difficulties in extending their living space even with loans or subsidies. In addition, the self-transformation strategy advocated by UN-Habitat stresses mobilization of the private sector and residents, and the government is only responsible for clearing institutional barriers and providing planning and consulting services, which easily brings about inefficiency and slackness.

In summary, the existing inadequacies of international slum upgrading include the following aspects: First, although most countries have formulated plans for slum upgrading, they still lack top-level strategic planning and coordination. Second, as for the dominant role and organizational patterns in slum reconstructions, different sectors especially the local governments do not fully commit themselves despite the extensive participation of NGOs. For instance, the local governments and social groups in the United Kingdom were completely excluded from the transformation process in the 1980s. Third, although some countries and regions have achieved certain institutional breakthrough in slum upgrading, the whole system did not attain its expected results due to the absence of necessary supporting policies. Fourth, concerning management and services, international slum upgrading has undoubtedly accumulated some valuable experiences such as community self-management and third-sector entrustment, but standardized, systematic, and normalized management measures are still insufficient. Fifth, although some countries or regions have established various financing channels for slum upgrading, dynamic supervision of the use of funds and especially the sustainability of different funding sources are poor. Sixth, international slum reconstructions have generally confirmed the dwellers’ ownership of land and slum housing; however, approaches to overcome land constraints and ways to intensively employ land resources are still under exploration. Seventh, in order to cut costs, most slum reconstructions adopted the measures of tinkering with the original establishments rather than pulling them down and reconstructing (though Argentina was an exception), which determines that no dramatic changes were possible. Eighth, housing loans or subsidies are not enough to secure the life of low-income slum dwellers. What really matters is to improve their employment and re-employment abilities through necessary training and to help them to become self-supporting. Ninth, international slum upgrading is mostly aimed at improving poor housing only, regardless of community or economic development and transformation, which limits the government budget on slum upgrading. Tenth, most slum reconstructions focused on improving the community’s infrastructure and physical appearances but lacked attention to the transformation of the mental and cultural outlook of the residents. Eleventh, slum reconstructions of different times had different points of emphasis: improving housing itself in

early times while strengthening infrastructure since the 1990s. Thus, the housing upgrading and infrastructure building in shantytowns were out of step with each other. For those infrastructure programs carried out by NGOs or communities, their lack of integrity with the whole city seems even sharper. Twelfth, current international slum upgrading is mostly done on the original establishments, which in turn has little impact on the spatial layout of urban economic activities, let alone facilitates the coordinated development and space optimization of the inner city.

2.3 Shantytown Reconstruction in Liaoning Province: Public Policies and Measures

The Province took a series of measures to ensure that the shantytown residents could “move in easily, live in comfort, and live in stability.” “Moving in easily” means that on the premise of guaranteeing quality, the government tries to lower the housing costs so that all shantytown dwellers can afford to move into new houses with the help of subsidies and allowances. “Living in comfort” means that the new houses have reasonable building structures, well-equipped infrastructure, and public service facilities so that the residents can live in peace and convenience. “Living in stability” means that the government not only takes measures to reduce the residents’ housing and living expenses but also makes sustained efforts to increase employment opportunities and raise their income level so that the residents can live a stable life in the new communities.

Shantytown reconstructions are closely related to various aspects of urban transformation and development, i.e., a slight change in shantytowns may affect the situation as a whole. The province persistently implemented the people-oriented principle and adhered to a set of comprehensive, systematic, and sustainable ideas and methods.

Today, in China, the people-oriented principle entails sharing the achievements of China’s reform with every Chinese citizen and allowing every citizen to partake of the fruits of urbanization, industrialization, and modernization. However, China’s reform and opening up followed the path of allowing some people to get rich first, then gradually seeking widespread prosperity, which in a way has resulted in income inequality and left a considerable number of people in relative poverty.

Market-oriented reforms in the province turned a number of state-owned or collective enterprises into modern market entities, resulting in some enterprises drifting toward bankruptcy, especially those that were not resource maximizing. Consequently, millions of workers who had made great contributions to the New China not only earned little and less but also lived miserably in deteriorating housing conditions. Clearly, whether the government could solve the housing and living problems of those people or not forms a key indicator to test how the government implements the principle of people-oriented development. In 2005, the province launched large-scale reconstructions to improve the life of the shantytown residents.

Shantytown reconstruction in the province not only aims at improving the housing conditions, but also focuses on promoting employment, raising incomes, encouraging self-employment, enriching cultural life, improving the educational environment, and building harmonious communities as well. As the leaders of the province stated, they took all possible measures to ensure that shantytown residents were able to “move in easily, live in comfort, and enjoy stability.” To achieve these goals, the provincial government and the relevant municipalities all coordinated multi-policy efforts to meet the comprehensive needs of the shantytown residents. The local leadership team of the province pooled all available financial resources together to serve the reconstruction project. The Department of Human Resources and Social Security established a training network to help laid-off workers get re-employed with free training and sustained them with a certain amount of subsidies. The Employment Bureau of the Labor Union provided interest-free micro-loans and credit support for some laid-off workers to start their own businesses. The Bureau of Civil Affairs not only implemented the national basic living allowances system among those low-income households but also further categorized a group of quasi low-income households, raising a special fund to help them. In order to encourage the shantytown residents’ enthusiasm to participate, the provincial leadership advocated self-government and pushed forward the construction of harmonious communities.

In the process of shantytown reconstruction, the province coordinated all relevant aspects and set up an overall plan. They recorded significant achievements by combining large-scale shantytown reconstruction with comprehensive industry restructuring, New City building, as well as economic and social development. Between 2005 and 2011, more than 40 million m² of shantytowns were turned into new communities of multiple dwellings, housing over 70 million households and altogether more than 220 million people, whose living and livelihood conditions were effectively and completely changed. Additionally, new industrial parks in many cities sprang up with powerful productivity, which have not only generated great profits for the enterprises but also enhanced the fiscal revenue of both the provincial and their local municipal governments. The mutual benefits are evident in that the rise of new industries and New Cities provided employment opportunities for shantytown residents, and at the same time, the expansion of government financial resources provided strong guarantee for the shantytown reconstruction projects.

The successful advancement of shantytown reconstructions in Liaoning since 2005 depended on the effective combination of the objective laws and subjective initiatives. During the nearly 20 years from 1987 to 2005, shantytown reconstructions in Liaoning progressed slowly, at a speed which would probably have taken more than half a century to complete the task. The reconstruction started in 2005 and was preceded by a systematic analysis of the real constraints, followed by effective mobilization of the required resources to support the reconstruction and construction of the shantytowns. Other key objectives include the paying off city debts through promoting industrial restructuring, facilitating economic growth, and raising the income of government, enterprises, and individuals.

“Move in easily, live in comfort, and enjoy stability” is a direct expression of the orderly arrangement of Liaoning shantytown reconstructions. The practices effectively targeted the shantytown problems accumulated over the years. After the large-scale, centralized demolition and construction of shantytowns in 2005 and 2006, millions of poor residents moved into new buildings. Later in 2007, the party and the government of the province actively started the construction of what was envisaged to be harmonious new communities. These include key objectives of “residents’ self-management, good order, perfect service, beautiful environment, civility, and harmony” and a series of related measures. These not only strengthened the coordination of various aspects of the new districts but also greatly improved the survival and development conditions of the community residents.

2.4 Strategy and Planning of Shantytown Reconstruction

Conceptualizing the shantytown reconstruction as an innovative project in urban construction and development, the province government set up plans to coordinate the relevant urban, economic, and social development. Specifically, they carried out shantytown reconstruction together with the optimization of urban space layout, infrastructure construction, public services improvement, urban functions refinement, city image upgrading, urban capacity and competitiveness promotion, urban economic development, and the overall revitalization of the Northeast Old Industrial Base. Through taking advantage of economic, political, social, environmental and engineering technologies, etc., the Province promoted the shantytown reconstruction.

The province brought shantytown reconstruction into the overall urban economic development objective, aiming to promote urban economic transformation and development through shantytown reconstruction and to carry out reconstruction smoothly through taking advantage of economic development. With considerations of urban economic growth, space expansion and industrial development, etc., the province adhered to the principles of “overall planning, proper layout, environmental concerns, comprehensive development, and complementary construction,” solving the housing problem and promoting industrialization and urbanization as well.

According to the urban development trend and its functional layout, Fuxin City took shantytown reconstruction as an important measure and step to promote economic restructuring and development and put emphasis on the reconstruction of its southern mining-based part. Fushun City, which implemented the strategy of “suppressing the second industry and developing the third industry,” took into consideration both the stock of assets from state-owned enterprises reconstruction, urban redevelopment, and the land vacated from large-scale shantytown reconstruction, eventually constructing three industrial parks. Dandong City also put shantytown

reconstruction into the overall urban planning and thus sped up the construction of the urban center, expanded urban space, refined urban functions, and promoted the level of urbanization.

Again, the province brought shantytown reconstruction into the overall urban social development planning. While reconstructing the poor settlements, they also focused on improving social management, social service, and social security systems. Through coordination of planning, institutions, and policies, the new areas rising from the old shantytowns enjoy the same social service and social security systems as the commercial communities. The planning not only stressed the construction of new patterns of harmonious communities but also put the improvement of social services as a priority and established a well-developed three-level (district, street, and community) social security network. These include endowment insurance, unemployment insurance, medical insurance, and a guarantee of subsistence allowances for urban residents, which made the pattern of “minor illness turning to communities and serious illness to hospitals” possible. Taking Fuxin City as an example, the government established one-stop service centers in every new community where community offices, playrooms, guard rooms, and infirmaries were all combined in one place. This practice greatly expanded the scope of community service and benefited the residents with convenience and efficiency.

2.4.1 Shantytown Reconstruction, Infrastructure Planning, and Urban Environment

In allusion to the outdated shantytown infrastructure and the lack of basic services, the province carried out infrastructure construction and housing construction simultaneously; cities of the province exerted themselves in garbage cleaning, landscaping, and greening, which radically improved the appearances of the cities. The province set up a “green land threshold” which fixed a minimum Green Coverage Rate of 25 % for the newly reformed areas. In so doing, the urban green area in the province increased remarkably. By the end of 2011, the newly increased green area of the province had amounted to 6.393 million m²; the per capita public green area of Fuxin City increased from 5.4 to 9.8 m², marking an increase of 81 %.

In 2006, the province introduced relevant documents to clarify nearly every supporting aspect of shantytown reconstructions, including municipal facilities construction of roads, green land, and environmental sanitation; and public service facilities construction of health care, education, culture and sports, community service, business services, finance, post and telecommunications, and administrative management. By the end of 2008, the province had added 2.91 million m² of road, 111 km of traffic lines, 438 km of water supply pipelines, 774 km of drainage lines, 301 km of gas pipelines, 3,744 commercial outlets, 33 schools, 96 medical

and health institutions, 86 health service stations, 133 medical rooms, and 295 sets of fitness equipment in the post-reconstruction areas.

2.4.2 Shantytown Reconstruction, the Real Estate Industry, and Spatial Planning

The province integrated shantytown reconstruction into the real estate and housing development planning. "The Citrix of Liaoning Province's Mass Shantytown Reconstruction" introduced in 2005 clearly put forward that great importance should be attached to real estate development during the reconstruction process and shantytown reconstruction should be connected with the construction of economic housing and the promotion of low-rent housing. The majority of new houses built in shantytown reconstructions are separate flats of about 70 m², especially those <60 m², which effectively increased the supply of small- and medium-sized housing. Since 2004, about 20 % of the urban population in the province has solved their housing problem through the shantytown reconstruction project.

To ensure that the residents could live comfortably, the government and relevant departments carried out careful studies and made humane designs about the size and area of the new housing according to local realities. By widening the balcony, Fuxin City moved the kitchen to the balcony and turned the original kitchen into a small dining room or living room, additionally, stating that bathrooms must be large enough to hold the washing machine and shower fittings, etc.

The province brought shantytown reconstruction into the urban spatial planning and implemented the principle of "overall scattered, locally assembled, and individually mixed" to break the spatial aggregation of poverty. The majority of shantytowns in the province were formed on the basis of makeshift houses of large state-owned industrial and mining workers; many of the shantytowns are of relatively large sizes, and the congregation of those residents is bound to further aggravate poverty and the imbalance of urban space development.

In order to break the spatial aggregation of poverty, each city in the province arranged for the former shantytown residents to be scattered throughout the urban areas but gathered in parts to some extent. First, for those relocated shantytown residents, the government, considering both the requirements of the general urban planning and the wishes of the residents themselves, set up two patterns of relocation, the overall relocation and scattered relocation, to settle the low-income residents among the living space of residents with relatively high income. Secondly, for those in-place re-settlers, the government set aside certain areas of the land for commercial housing development to attract higher income citizens to buy the houses and join the community. The Chengjia housing community of Mingshan District, Benxi City, developed commercial housing as well as move-back housing in the same place. Dandong City even planned shantytown housing and commercial housing in the same housing community.

The land occupied by shantytowns in the province was included in the overall land use planning, which solved not only the land problem of shantytown reconstruction but also the financing shortage problem hindering the reconstruction project. Through this practice, the government improved the appearances of the cities, facilitated the construction of infrastructure and public services, and promoted the appreciation of land value, which in return provided financial support for the shantytown reconstruction.

The existence of shantytowns, to some extent, hindered the process of urbanization and the performance of urban functions and resulted in a tremendous waste of resources. Through shantytown reconstruction, the government achieved optimal allocation of the vacated land, adjusted the structure and layout of urban land, realized rational and effective use of land, and expanded urban space and the size of the city. Fushun City and Fuxin City successfully constructed industrial parks and farmers' markets on the vacated land.

2.4.3 Diversified Financing Channels for Shantytown Reconstruction and Living Standards

The financing problem composed one of the main constraints of the shantytown reconstruction. To mitigate, the province made every effort to broaden the financing channels by adhering to the so-called nine-in-one financing pattern of government subsidies form a part, enterprises raise a part, individuals pay a part, market earns a part, banks provide a part, society donates a part, work units assist a part, and the project saves a part. From 2005 to 2011, the funding was relatively stable and sustainable, and the vast majority of the funds were reimbursed as planned.

The diversified financing pattern achieved a dynamic circulation balance. In the beginning, shantytown reconstruction required a large amount of money in a short time; therefore, the project was burdened with large debts. These debts initially brought great pressure because the fiscal revenue of that time could hardly make ends meet. Since then, the province has substantially raised the land-transferring fees of vacated land and increased fiscal revenue by stimulating growth through shantytown reconstruction. In 2011, fiscal revenue of the Liaoning provincial government amounted to 264.1 billion Yuan, which was nearly five times that of 2004.

The fundamental goal of shantytown reconstruction is to enable the residents to get a comprehensive development and to narrow the disparity between income groups. Through shantytown reconstruction, the province tackled several problems including unemployment, lingering issues from the reform of state-owned enterprises, medical assistance of laid-off workers, and educational hindrances for children from needy families, etc. In short, through multi-policy practices, the government gradually increased both the income and quality of life for shantytown residents.

At the very beginning of shantytown reconstruction, the province introduced the relevant policies of employment and training to guarantee the residents a stable life. Laid-off shantytown workers not only have priority to public service posts

but also enjoy full employment and social insurance subsidies. The government provided job training indiscriminatingly to all laid-off workers, encouraged them to start their own businesses, and effectively improved their income. In 2007, the government even put forward a project "to ensure that within 60 days, all shantytown households are provided with stable jobs." In 2010, the government issued a document, giving the low-income households and quasi low-income households corresponding heating subsidies and reliefs. In addition, the province has also introduced a series of sustainable development planning involving employment, training, assistance and relief, and income increase of low-income households.

2.5 System and Pattern: Government-Led, Market-Oriented Operation

The shantytown reconstruction of the province was a trans-normal initiative implemented within the existing institutional framework of the Chinese mainland, which involved a coordination of political, economic, social, and many other fields. This work requires exceptional organizational structure and an efficient working mechanism. To this end, the province established a corresponding organizational system and working mechanism, which featured party committee leadership, government guidance, market operation, and social participation, which effectively ensured the smooth implementation of the project.

Shantytown reconstruction was neither the natural result of urbanization or market systems nor a decision made within the framework of the conventional system. It was an overarching decision made by the leadership team of the Liaoning Provincial party committee with extraordinary courage. This high-risk decision broke the systematic constraints and fundamentally changed the developing process of the shantytowns in the province.

The municipalities of the province made shantytown reconstruction the priority project in each city. During the process, chief leaders of both the party committees and government at all levels, i.e., the Party Secretaries, governors, and mayors headed the projects. In order to accelerate the project, the Provincial Standing Committee members saw to different cities; leaders at the level of cities or counties (urban districts) saw to different shantytowns; cadres and party members saw to assigned households.

The removal and relocation sectors are the most complicated processes in shantytown reconstruction. They involve 10 major problems including policy, economy, design, size, area, land, time limits, property rights, health conditions, and family financial situation. Confronted with an enormous workload, the party organizations and governments played a huge role in information distribution and cohesiveness. Tens of thousands of party members and cadres went from door to door in the shantytowns, informing residents about shantytown reconstruction policies, solving problems, and answering the doubts of the residents. In their race against time, Yingkou City put forward a slogan of "sweating not weeping,

losing weight not lagging behind”. Tieling City deployed more than 3,000 grass-root cadres to go into each demolition site. Their work demanded extremely long hours and demanding schedules that restricted sleep, food, and the ability to return home.

The provincial government set up a coordination group for shantytown reconstruction, which included 17 departments such as Department of Construction, Public Finance Office, and Department of Land and Resources. Their job was to coordinate the aspects of planning, demolition, examination and approval, financing, construction, and moving back. Additionally, the government also established systems of inspection, scheduling, reporting, and funds management.

The municipal governments functioned as the major investors, behavioral agents, and duty officers of the project. All cities in the province set up leadership teams, with the principal leaders as the head; executive offices were set up under the leadership teams, drawing staff from the municipal bureaus of construction, land planning, real estate, finance, law enforcement, public security etc., which were responsible for corresponding affairs. In addition, the municipal government permitted the City Investment Corporation to exercise the integrated functions of “loaning, using, managing, and repaying” and to play the main role in financial markets.

District-level governments set up appropriate institutions and formed a complete organizational system to ensure the implementation of the project. As detached offices of the government, street committees actively set up community-based organizations to connect thousands of households with the government. In 2005, being the most basic governmental staff, the district- and street-level cadres, together with community workers, held residents’ meetings, publicized reconstruction policies among residents, set up policy advisory stations to answer questions of the residents, and even directly helped residents to move, relocate, resettle, and then move back.

In the course of shantytown reconstructions of the province, governments at all levels attached great importance to mobilizing enterprises, especially the real estate enterprises. By means of remission of taxes and land-transferring fees and other incentives, the governments made every effort to attract enterprises to participate in the process of shantytown reconstruction. Real estate and other related enterprises actively responded to the call, even when the profit margin was relatively low. According to incomplete statistics, from 2005 to 2008, more than 500 Liaoning Province real estate and construction companies participated in the shantytown reconstruction project.

In marketing operations, for lands with high commercial value, the government assigned the rights to land use by means of bid tendering, auction, and quotation. The real estate enterprises, in accordance with the planning, pooled funds by themselves and began the construction of resettlement housing and commercial buildings. For lands without commercial value, the reconstruction was financed by fiscal investment from the government. The cities including Dandong, Jinzhou, Yingkou, Liaoyang, Panjin, and Huludao attracted social capital. Shantytowns in Fushun, Benxi, Fuxin, and Chaoyang were either at the edge of those cities or

around mining areas, where the land had low added value and were not advantageous for market operations, so most of the investment came from government financing.

The party and government organs at all levels, the labor unions, Communist Youth Leagues, women's federations, the central units, and the military and police forces, stationed in the province all actively supported the shantytown reconstruction. They did a lot of work to aid the government in a number of specific difficulties and effectively promoted the reconstruction process.

The labor unions played an important supporting role in the project. Liaoning used to be China's industrial base and most of the shantytowns were in the industrial and mining areas, where 70 % of the residents used to be mining and industrial workers. They have sound labor union organization systems and rich experience of large-scale mobilized work. In the reconstruction process, the labor union organizations at all levels in the province did a lot of work. Firstly, they ably negotiated low rents in the larger residential areas with the government for their workers. Secondly, they carried out thorough investigations to engage needy families and ensured that each household could move into new homes. Thirdly, after the shantytown reconstruction, labor union organizations at all levels continued to explore long-term mechanisms for helping the low-income groups and have established many labor union aid stations in the community. Benxi Municipal Federation of Labor Unions established aid stations and livelihood supermarkets in the New Area. By the end of 2007, 11 cities in the province had established 71 aid stations altogether in the new post-reconstruction districts, which could cover up to 120,000 low-income residents.

In summary, shantytown reconstruction involves a complex pattern of public interests including demolition, resettlement, and life reconstruction, which calls for not only the government's promotion. In advancing the shantytown reconstruction, the province focused on the construction of new districts and new geosocial systems, and at the same time, with the party committee as the core of leadership, they established strong community organizations as well. These have become effective social governance and self-government bodies connecting the residents with the government after the shantytown reconstruction.

In shantytown reconstruction, the province established 290 new communities, in which a physical, gridded, digital, and full-coverage party building was built, forming a strong base for the enabling solutions to livelihood issues in new post-reconstruction districts. For example, relying on the party organizations of the communities, the Chengjia housing community of Mingshan District, Benxi City, explored new social governance models according to major problems arising in the new districts. Community-based organizations actively promote the employment of the residents and help residents rebuild their livelihood bases. Community party members specify their area of responsibility and energetically provide public services. They carry out services such as helping residents to appeal to the higher authorities, aiming to smooth the residents' appeal channels so as to resolve social conflicts and to promote fairness and justice. The community staff also tries to distribute legal knowledge and urban lifestyle choices to improve the quality of

residents. In terms of personality transformation, the Modi Community of Fushun City did a great deal of useful work. They set up eight mass teams, established the residents' Convention of Civilization, called for the residents to "say goodbye to bad habits and head for civilization," and guided residents to establish a socialist concept of honor. The shantytown reconstruction changed not only the living environment but also the mental outlook of the residents dramatically.

The members of shantytown households are the main beneficiaries of the newly built housing. In accordance with the reconstruction principle, each household has to pay certain amounts of money for the expanded area compared with the original housing area. The vast majority of shantytown residents actively accepted the economic burden in support of the government policy and ensured that the project started and residents moved back as scheduled.

Shantytown residents are not only the beneficiaries, but also the participants and contributors to the reconstruction project. In the designing, planning, and constructing stage, the shantytown residents actively participated in policy advice activities organized by the government; with their advice and suggestions, the project design got closer to reality. They also participated in quality supervision, which effectively eliminated loopholes in the construction and greatly improved the project quality.

2.6 Institutions and Policies: The Benefits of a Multi-dimensional Approach

Since the market-oriented housing reforms in 1998, urban housing system in mainland China has gradually transformed from welfare-oriented housing distribution, i.e., a "real estate-based system supplemented by indemnificatory apartments." The existing housing system is constructed in accordance with the income class, although the vast majority of residents living in shantytowns belong to no-income and low-income groups, and it is still quite difficult to fundamentally solve the poverty clustering problem under the existing institutional framework. In order to fulfill the tasks and objectives of the reconstruction in a short time and to effectively solve the housing problems of low-income groups, the province took a lot of measures to explore beneficial systems and policies in housing, land, finance, economy, society, etc.

Liaoning established systems of supervision, scheduling, reporting, and financial management to coordinate and promote the reconstruction of shantytown areas. Mayors took sole responsibility and put shantytown reconstruction in the objective assessment of the municipalities. Each city set up a leading team and a special office for the project, and relevant functional departments grouped together to provide "one-stop" approval and "one-stop" services, which changed the vertical administrative management into efficient parallel management.

The resettlement house area is determined by the local conditions of each city including real residential housing, finances, and income levels. The average built-up area is between 40 m–70 m², which is no higher than the transformation and

resettlement criteria set for the coal-mining subsidence areas. Despite the smaller housing size, the cities adhered to the "people-oriented" concept of housing structure design, which is "small in size but full-featured, low cost but high quality." In order to alleviate the economic burden of the residents, Fushun City differentiated six categories of altogether eight different housing types for the residents to choose from.

In addition, the housing design and construction strictly implemented the state's mandatory technical standards; like commercial houses, the building materials are the same new-type energy-saving materials up to the national and provincial regulations; the new apartments have simple indoor decorating to meet the residents' basic requirements of living.

2.6.1 Equitable System and Property Rights

In shantytown reconstruction, the province implemented the "one and only housing" principle, i.e., for the publicly aided private housing, houses built before liberation without certificates, and houses with land licenses but no property certificates, the government issues free Land Use Certificate and House Property Certificate in the process of reconstruction as long as the house is confirmed to be the only house of the household.

The province carried out just, fair, and open demolition according to law. Relevant agencies, professionals, and representatives of residents cooperated in determining the resettlement measures; party members and cadres explained the relocation compensation policies and systems from door to door. All the details concerning the vital interests of the shantytown residents were publicized by means of newspapers and television or in the community, including the housing compensation standards, housing residual value assessment, resettlement order, and resettlement housing designs.

The province made flexible innovations to ensure the property rights of residents. For families with better economic conditions that can pay in a lump sum, "full property right" is implemented, i.e., with house property certificates, those houses can be traded at any time. For those that can pay only a part of the total sum, the system of "property rights deposit" is implemented and they can get the property certificates later when they finally pay off the rest. For those particularly poor households, they can get "part of the housing property ownership," i.e., of the same area of their original housing, while the rest becomes low-rent housing, for which the residents pay the rent according to existing standards. If the residents cannot afford the rent, the property management sectors are responsible for keeping accounts and paying the rent.

Different development patterns are adopted according to different shantytown locations. For those projects that can be operated with the help of preferential policies, the government adheres to a market-oriented operation pattern. It means that with preferential treatment from the government, enterprises balance

the construction funds by themselves. For those projects that enterprises themselves cannot balance the funds merely through governmental preferential treatment, the government will combine government guidance with market operation. It means that the government provides certain allowances as well as preferential treatment, and enterprises take the responsibility of specific operation. For those that cannot be carried out through market operation, the government will directly allocate enough funds and arrange for relevant enterprises to start construction and reconstruction.

The province prioritized land supply and security for shantytown reconstruction by scheduling it into the annual planning for land supply. Being integrated into the affordable housing programs, the land required for shantytown reconstruction was arranged through direct administrative allocation.

Vacated shantytown land can be used for developing commercial housing or other commercial projects through bid tendering, auction, or quotation, and the resulting land revenue can be invested to support the reconstruction project in return. The government also raised funds by sparing some land in the reconstruction neighborhood for commercial development. The residents and enterprises were exempted from paying land registration fees, state-owned land use taxes, and other administrative fees, which reduced the cost of reconstruction.

Funding is a basic constraint for shantytown reconstruction. As for the financial sources of shantytown reconstruction, there are no relevant systems and policies from the central government. During the course, the province always took measures to open up the financing source and regulate the expenditure flow as well.

Affected by financial constraints, the province opened multiple channels to raise funds. Under the “government + market + society” financing pattern, the funding problems of shantytown reconstruction was solved through market-oriented operations with the government as a strong final backer.

The government set up special accounts for reconstruction, and the funds were allocated directly by the municipal finance to the construction units to prevent fund leakage and ensure security. The specific measures include a special account system, separate revenue and expenditure management systems, a joint-auditing system for expenditure and management of funds, and a system of “three-level auditing and publicity” for the allocation and use of reconstruction funds.

The province applied policy loans from the State Development Bank for shantytown reconstruction, which are guaranteed and repaid by provincial and municipal finances. The main sources for the municipal government to pay the loan principal and interest include land transfer fees, financial borrowing from the provincial government, fiscal revenue, and income from expanded areas and surplus apartments. In so doing, the government took on the debts, but transferred the property rights to the residents, which amounted to a kind of indirect loan for the low-income households guaranteed and committed by the government.

After the housing monetization reform, China’s housing construction operated in the market, including indemnificatory apartments. The shantytown reconstruction in the province started from 2005 achieved breakthroughs and inno-

variations in relevant systems and policies and created the “government-led + market operating + social participation” mode of operation.

In the province, governments played a leading role throughout the process, ranging from investment to implementation (planning, demolition, construction, and moving back) and the ensuing management. Through the price and competition mechanism, shantytown reconstruction actively mobilized the dynamic role of the development companies and construction companies. Social forces of both individuals and NGOs were also mobilized to promote the reconstruction.

2.6.2 Innovative Property Management Model

2.6.2.1 Standardized Management System

The property management in the new communities is defined by the “Six-have” and “Four-explicit” standard. “Six-have” means that the community must have regulatory agencies, owners’ committee, management rules, management system, maintenance funds for public parts, public facilities, and management files. “Four-explicit” includes explicit service items, explicit service standards, explicit service charges, and explicit service responsibility.

2.6.2.2 Self-service Residential System

The everyday management of government-transformed shantytowns is in the charge of street offices and the communities’ neighborhood committees. By combining community management with residents’ employment, they not only reduced the property management fees, but also expanded employment.

2.6.2.3 Community Social Service System

New resettlement communities are equipped with various social service items such as municipal administration, forestation, environmental protection, and medical, cultural, and legal services. Additionally, each community is equipped with a police station, police officers, and security patrols.

2.6.2.4 Create Employment Opportunities and Encourage Own Business Ownership

Government takes the responsibility of solving the employment problem tagged “zero-employment households” by procuring positions of cleaning, greening, security guarding, and other public services in the reconstruction communities. Additionally, employment and reemployment bases are established, returning

residents enjoy the priority of running the commercial outlets, and the provincial and municipal governments' reemployment centers set up special accounts for poor families to start their own businesses.

2.6.2.5 Educational Grants and Free Training to Raise the Residents' Cultural and Employment Skills

For economically disadvantaged families, their children enjoy subsidies for all kinds of academic education or skills training. Laid-off workers can get free employment or entrepreneurial training. For independent entrepreneurs, in addition to necessary training, the government also provides project consulting, business guidance, small loan applications, tax relief, and other services.

2.6.2.6 Expanding Coverage and Increasing Subsidies

Retirees of dissolved enterprises can get 10 years of medical insurance premiums, either from government finances or from the enterprises' sold assets. For laid-off workers who are enjoying unemployment insurance, their medical insurance premiums will be paid from the unemployment insurance. For those flexibly employed returning residents, members of zero-employment families, and laid-off workers, their basic medical insurance and pension insurance are fully subsidized by the government.

2.6.2.7 Government Guarantees for Low-Income Residents' Property Purchasing

There is access to the housing provident fund for returning needy families, irrespective of previous deposits to the fund. Small loans are preferentially provided for the returning residents to start their own businesses.

2.6.2.8 Prioritize Livelihood and Reduce the Costs of Property

Residents of demolished shantytowns are exempt from contract taxes when repurchasing property. Low-income households and especially households in difficulty are exempt from price differences due to increased costs in the area. These include fees for housing ownership certificates, registration fees, transaction fees, notary fees, and contract taxes.

2.6.2.9 Integrating Temporary Relief with Long-Term Aid

Temporary relief includes relocation and occupancy relief, temporary resettlement subsidies, heating fees reduction, employment subsidies, and social insurance

subsidies. In addition, for low-income and households in a particular difficulty, the government subsidizes a certain amount of money per square meter for the newly expanded area. Long-term relief includes relief stations, and livelihood supermarkets set up by labor unions in reformed communities and commercially viable housing portions. The income from these portions is used to subsidize rent, heating fees, property management fees, water fees, electricity and gas, etc.

Shantytown reconstruction in Liaoning carried out simultaneous construction of public facilities and municipal infrastructure in accordance with real estate standards, which guaranteed that the original infrastructure system of those industrial and mining areas could be fully docked with the city's municipal systems.

Environmental thresholds were established. A green space system, which consists of three parts: central green land, grouped green land, and garden green land, was established, with the green land ratio of the new areas being no <25 %. In addition, a garbage collection system was set, with sites scattered within a radius of not more than 70 m.

Shantytown reconstruction also demonstrated comprehensive, multi-agent, seamless management and human-oriented services, covering six aspects (economy, society, environment, housing, land, financing) and four agents (government, enterprises, social organizations, and residents).

2.7 Housing Transformation: Institutionalized Management and Standardized Services

In the process of shantytown demolitions, adequate publicity and mobilization was effectively adopted with support from governmental organizations. Through newspapers, radio, and television, the significance and goals of the reconstruction were publicized so that the residents could clearly understand the relevant policies and procedures. The government also ensured that all affected households signed the agreements for demolition and resettlement. During the process, cadres were assigned to different shantytown areas and party members to specific households, thereby assigning and assuming different levels of responsibility.

In housing developments, bid tendering and full supervision were implemented. Diverse standards were first established concerning the apartment layout and area, resettlement compensation, housing construction, and ancillary facilities. Each city organized unified bid tendering to ensure that the construction enterprises could compete on an equal footing with minimal intermediate links. Systems of project supervision and contract management were introduced in the construction process, and various divisions, e.g., discipline inspection, monitoring, and auditing, were organized to carry out all-around supervision on the planning and design, construction, use of funds, checks, and acceptance, aiming to reduce costs.

The resettlement of returning residents was conducted transparently and compensation was fairly administered. The government first made the housing allocation plans under an open, fair, and impartial principle and then publicized the plan,

procedures, and results with prominent posters. All levels of discipline, inspection commissions, supervision bureaus, notary offices, neighborhood offices, communities, and resident representatives of demolition areas collaborated for the implementation of full supervision. The demolition and relocation policies introduced were more favorable than the affordable housing policy. The returning residents could get an apartment without cost in the same area as their original housing; for the increased area, the residents merely pay the construction costs per square meter; particularly, poor households could move in initially and then get the property certificates later when they had paid for the increased area.

Through careful examination and confirmation of the reconstruction blocks, the government unified the municipal land reserves. Firstly, the municipal government assigned reconstruction tasks to district governments and the latter reported on the proposed reconstruction blocks and the number of households involved. Secondly, the leading group for shantytown reconstruction conducted field surveys according to the reports from district governments. Thirdly, district governments began thorough investigation and examination on the proposed demolition blocks, and the Municipal Property Bureau and the Urban Planning and Land Resources Bureau took the responsibility for examination and confirmation. Finally, after the shantytowns were demolished, the Municipal Land Reserve Center registers the vacant blocks for storage and market auction.

The government closely supervises the supply and utilization of land to ensure that the supplied land can be developed into effective housing as soon as possible. Under the land market dynamic monitoring system, the government publicly supplied certain information, such as plans for land supply, and the results and dates. In addition, the government conducted full supervision on the start date, completion date, and supplied other information. Those failing to start and finish the construction in accordance with the requirements of state-owned land allocation decision were subject to legal liability.

Explicit money management principles ensure the safety of funds. Liaoning sticks to the combination of unified management and territorial management, in which the Municipal Finance Bureau takes charge of raising funds, scheduling, and allocation, while the district government is responsible for the expenditure according to the project schedule and construction progress. In order to ensure efficiency and costs reduction, Supervision and Inspection Bureau of Finance and Taxation, Auditing Bureau, and Supervision Bureau conduct joint supervision in accordance with their respective duties.

In order to ensure efficient funds expenditure, a sound mechanism for fund management was established. Revenue and expenditure are managed separately. The Finance Bureau appropriates funds to main responsible bodies according to government directions, and then with the advance of construction, the responsible bodies control the specific expenditure of the funds. The Municipal Bureau of Finance set up a special account to manage the whole city's reconstruction funds, and the main bodies' responsible open separate income and expenditure accounts. Hierarchical management is also adopted. The Municipal Bureau of Finance is responsible for raising funds, allocation, and the establishment of financial

management systems. The main bodies are responsible for the payment of construction funds, relocation compensation for enterprises and residents, and the collection of individual residents' payment for the expanded area.

2.7.1 Environmental Improvement and Social Services

Strengthening the urban environmental construction and improving the natural ecological conditions was important. Shantytown reconstruction dramatically changed the original degenerated faces of those areas. Adequate public green space was planned and built. A large number of small coal-fired chimneys were removed. Chimneys demolished in Fushun City amounted to 10,000, which greatly reduced the emissions of coal ash, soot, and sulfur dioxide.

Supporting infrastructures are improved to enhance community living environment. All the new communities formed after the reconstructions are in new apartments well equipped with water, electricity, gas, heating, Internet, communications, and other supporting facilities. There are also garbage stations, schools, shopping malls, and medical centers nearby. Shantytown reconstruction paid much attention to the improvement of the community management, e.g., Fuxin City carried out the construction of "ten-minute service circle" in newly built reforming communities.

There was a focus on the rational use of urban space to improve the urban investment environment. The provincial government linked shantytown reconstruction with urban development and land resources integration and took into consideration the city's construction, development, and function zoning. It also made great efforts to improve the natural and humane environment and to optimize the urban investment environment.

Aiming at improving the quality and skills of residents, great emphasis was placed on education and training. The government gives the shantytown children full protection of their right to education. For those economically disadvantaged returning families, the government subsidizes their children's academic education or skills training with appropriate funding. Training of vocational skills for the returning residents is another focus of the government. Special attention was paid to vocational and technical training for the low-income or unemployed residents. For instance, over 50 qualified training institutions in Benxi City provided free training for returning residents.

Efforts were made to improve the healthcare conditions and guarantee the residents' mental and physical health. The government attached significant importance to improving the shantytown residents' participation in old-age insurance and medical insurance so that all residents can enjoy the sense of security and public medical services. The provincial government provides social insurance subsidies for aged disadvantaged groups; financial departments at all levels give full subsidy of medical insurance according to the average wage level and the deposit proportion set by the local government. Health service systems were established in those reformed new communities, with health service centers as the main body and

the health service stations and other primary health institutions as supplements, integrating them all with the medical insurance agencies.

The security systems were strengthened to ensure good social order. In reformed communities, the government set up a number of new police stations and every community is equipped with a police office and several officers. They also established public service positions, volunteer teams of party members and organized security patrols.

The government actively promoted the community's cultural development and enhanced the residents' sense of belonging. The communities carried out art propaganda activities to promote community cohesion. The community party committee coordinated the collection of funds, purchased a variety of musical instruments, established Yangko dance teams, Aerobics teams, art propaganda teams, choir teams, etc. Their self-directed programs greatly enriched the cultural activities of the once shantytown residents.

2.7.2 Economic Development: Employment Generation

After the reconstruction, the government took active measures to build platforms to promote the employment of the population. Laid-off workers are provided with free employment and re-employment training, employment information, job fairs, and employment opportunities as well. The government guarantees sufficient supply of positions, especially those of public services. Ratios were implemented during course allocation in the enterprises, which employed returning residents. Residents of zero-employment households or of other disadvantaged groups can enjoy the priority of governmental support.

There were promises of financial support to encourage residents to start their own business. For the shantytown residents who wish to establish businesses, the government provides free training and privileged small loans. Additionally, the government establishes "one-stop" business services, which encompasses project recommendation, agent licenses, and venue provisions. For instance, the government provides vending booths or stalls in some governmental properties and eligible residents can make use of them to start their business free of charge for the first 2 years.

Shantytown reconstruction and urban transformation were connected with the upgrading of industrial structure. Being one of the resource exhausted cities in Liaoning, Fushun oriented its urban transformation to the pattern of "three bases and one center," focusing on the implementation of industrial clusters strategy, Shenyang and Fushun co-city strategy, eco-city strategy, modern service industry enhancing strategy, and circular economy strategy. Fuxin City took sustainable development as the most significant goal of industrial transformation and accelerated the pace of industrial restructuring.

The province set up a series of residents' organizational systems in the reformed new districts, such as community meetings, residents' congress systems,

democratic councils, security defense teams, sports teams, and citizen ethics councils, all of which rendered important platforms for the residents to participate in the community management. Some communities even elected primary and secondary school children as the community conservators, promoting their parents' concern and participation in community affairs. They held community forums and shared community or family diaries. The residents were encouraged to take part in community affairs and implement self-management.

In the reformed communities, all kinds of cultural and recreational groups have been established to enrich the residents' spare time activities, e.g., Yangko dance teams, Aerobics teams, Taijiquan teams, and choir teams, which not only helped the returning residents create a new life in the new districts but also changed the mental outlook of the shantytown residents.

Contributions from enterprises played an important role in the shantytown reconstruction of the province. During the "nine-in-one" financing process, enterprises themselves raised an indispensable amount, and even "the part donated by the society" and "the part assisted by work units" consisted of the active contributions of enterprises. After reconstruction, enterprises positively responded to the preferential policies of the government, rendering employment opportunities to the returning residents, especially those from zero-employment families.

Being the main body of market operation, enterprises were the major participants of shantytown reconstruction, and the combination of government-led and market-oriented operation was one of the prominent features. Related enterprises played a key role in both the pace and quality of the construction. The shantytown reconstruction project started, delivered, and was finished all within the same year, which was unprecedented in architectural history. Despite the extraordinary construction speed, maximum quality was attained. In addition, many enterprises supplied building materials for the reconstruction project at the cost price and to some extent ensured the low price of the new apartments.

New communities became the organizational core of the formerly shantytown residents. Shantytown reconstruction was closely connected with the construction of new communities. Relying on party organizations, significant attention was paid to establishing a new life for the returning residents. The province established a total of 290 new communities, which not only formed a "tangible, gridded, digital, and full-coverage" pattern of community-based organizational structure, but also improved the urban management model for the solution of livelihood issues.

Labor unions functioned as strong assistants to the government. First, labor unions helped to publicize the policies and to reflect the voice of the masses; with their help, the demolitions and reconstructions were smoothly carried out; they also conducted surveys of project cost, participated in policy formulation, promoted ideological mobilization, and supervised the quality of the reconstruction project. Second, labor unions did a lot of work to help the disadvantaged groups. They carried out in-depth investigations, established working mechanisms to strengthen the management of relief funds, and closely followed the reconstruction progress in order to ensure timely relief. Third, labor unions established long-term mechanisms to help the needy families. They set up labor union aid stations in the

communities, helping the disadvantaged residents become re-employed, rendering medical services, and establishing fixed relief contacts with particular difficult households.

2.7.3 The Role of the Party and Government Organs

In the province's shantytown reconstruction, the party committee played the decision-making and leadership role, while party member cadres were given exemplary roles, which mutually ensured the success of the reconstruction project. Shantytown reconstruction was a major decision made by the Liaoning Provincial Committee and was implemented as the province's "top one" livelihood project. In the process of demolition and relocation, party member cadres were assigned with full duties to different shantytown areas and households to ensure the smooth progress of the project. When distributing the new apartments, many party member cadres gave up their own opportunities repeatedly, which embodied the progressiveness of the party members.

Party and government organs always adhered to the principle of serving the people and benefiting the people, which fully displayed the leading role of the government. Each related municipal government set up a leading group for shantytown reconstruction headed by the principal leaders of the municipal government and a leading group office. This included the Municipal Development and Reform Commission, the Housing and Urban-Rural Development Commission, Municipal Bureau of Finance, and other relevant departments all having roles in the unit and taking a certain level of responsibility. Thus, the province formed a complete organizational system. Various departments took the initiative to open up "green channels" for shantytown reconstruction by providing preferential policies and conducting centralized processing, door to door services, on-site offices, etc., to improve efficiency. As the shantytown reconstruction project was a major systematic government-led project, the provincial government not only shouldered the responsibility of financing guarantee but also made great efforts to benefit the people through reducing and exempting related taxes in both demolition and resettlement.

Methodically, the "people-oriented" principle, the holistic approach, and the idea of promoting the project comprehensively, systematically, and sustainably were applied to the shantytown reconstruction.

2.8 Summing Up

Shantytown reconstruction aimed at promoting human development and ensured everyone shared in the fruits of development. Additionally, in adherence to the standpoints of comprehensiveness, general connectivity, and continuous

development, shantytown reconstruction coordinated all aspects of the relationship and correctly handled all kinds of complicated matters. In particular, these were the relations between different sectors, different regions, and different industries, the relations between economic development and people's living improvement, the relations between the immediate and long-term interests, the relations of shantytown reconstruction and urban construction, and the relations between government guidance and market operation, etc. Only by this means, did the reconstruction achieve the comprehensive goals of social, economic, resource, environmental, cultural, and political benefits.

As for the strategy and planning, shantytown reconstruction adhered to the principle of "overall integration and balanced coordination" and effectively combined shantytown reconstruction with the city's economic and social development.

The reconstruction was not just to solve the housing problems for shantytown residents, but a major project involving reform, development and stability, as well as social harmony. Thus, during the process, the government gave full consideration to the relationship between shantytown reconstruction and the city's economic and social development, establish overall planning, and take measures to achieve a win-win effect. As one of the systematic livelihood projects, shantytown reconstruction should comprehensively consider the functional layout of the environment. These include leisure, greening, and public facilities, taking into account the subsequent development of the communities with a long-term perspective, take reconstruction as a turning point in improving the supporting infrastructure, strengthen the public service system, and enhance the cultural, education, health, and social security levels. In addition, shantytown reconstruction had been people-oriented, fully considering the relationship of the shantytown reconstruction plan with the overall urban planning and industrial layout, to improve government's functions of serving and administering the society. The government conducted scientific demonstrations to ensure the logical location and scientific planning of the shantytown reconstruction project and made every reformed shantytown a model which does not solely benefit the residents within but also plays a leading role in the area. The projects expanded the urban development space, improved the urban landscape and living environment, and laid a solid foundation for sound and rapid economic development. Finally, it achieved a positive interactive cycle of shantytown reconstruction and social-economic development.

In terms of systems and patterns, shantytown reconstruction involved "government guidance and market operation," which was aimed at overcoming the defects of both government failure and market failure and achieving the optimal allocation of resources and the full demonstration of participants' enthusiasm.

The implementation and success of the shantytown reconstruction is closely connected with the government's sense of responsibility, determination, and courage. Housing development and construction cannot be separated from the market either, but the market is not capable of solving all the problems. Government guidance ensures the integrated arrangements of the shantytown reconstruction costs and revenue. In other words, the government can apply the gains from developing

commercially valuable areas to the reconstruction of commercially valueless areas, thus maximally protecting the interests of the residents and avoid over pricing by the developers. In addition, government guidance can also achieve rational planning and scientific layout, so that shantytown reconstruction can be effectively combined with the improvement of urban functions and appropriate landscaping. Market operation, on the one hand, can lead to profit maximization and further improve the operational efficiency of shantytown reconstruction.

Through changes in institutions and policies, the government initiated comprehensive measures to promote improvements to ensure the shantytown residents can “move in easily, live in comfort, and provide in stability.”

The emergence of shantytowns was not only about the shortage of housing, but also involves a series of problems including poor infrastructure, low-income levels, and city segregation. To completely solve the shantytown problems, the government considered the overall picture and took comprehensive measures. To ease policy implementation, shantytown reconstruction established a series of related policies concerning land, financing, employment, housing property, and social security to ensure that these policies are mutually integrated. The management of change involved decision-making, mobilization, planning, relocation, construction, community management, as well as long-term mechanisms to ensure that the residents can enjoy a stable and improved life.

As for management and services, “orderly and standardized humanistic self-governance” has been implemented to ensure the fairness, justice, and openness of all aspects of the shantytown reconstruction project.

Shantytown reconstruction involves a wide range of heavy tasks. Without a scientific management system, the chances of success are slim. Therefore, a whole set of detailed management mechanisms to ensure fairness, justice, and openness for both the preceding mobilization, the reconstruction process, and even for the succeeding community management were instituted. Sets of institutional systems are also needed concerning the process of shantytown demolition, residents’ returning and reliefs, the supervision of land, funds, and apartment quality, etc. The government considered problems from the perspective of the residents, solved their practical difficulties, improved the community residents’ meeting system and the resident congress system, and mobilized the enthusiasm and initiative of the residents to participate in community management. In addition, it placed emphasis on the spiritual and cultural construction of the community, as well as the residents’ housing conditions and the community’s material environment.

Overall, the shantytown reconstruction required strong political will to make decisions, organize, and mobilize forces of all aspects, and to unite the society as a whole; all related departments were highly coordinated and strictly implemented and promoted their various tasks. This requires the participation of enterprises not only in the establishment of scientific project planning, but also in the management of the project and the reasonable allocation of resources in accordance with the laws of the market. It also required the participation of the society as a whole. The most outstanding feature is that the government played a powerful role in the

establishment of strong policies to benefit the people and ensured the property rights of the people; consequently, the government won the hearts of the people. The province successfully explored a new pattern of "city management and market-oriented operation," effectively solved the funding bottlenecks for infrastructure facilities, which ensured the smooth progress of the project.

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