

A Study on Promotion Mechanisms and the Future of Government-led Urban Renewal Projects from the Perspective of Land Ethics

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Abstract: Urban renewal is one of the important government policies to improve the urban environment and economic growth. To further utilize public land, the Construction and Planning Agency, Ministry of Interior (CPAMI) coordinated with the related public offices to release government-owned land that contains large under-developed areas with the most business incentives for urban renewal. The policy still follows an "urban redevelopment" approach, in this case emphasizing environment improvement and construction, such as building reconstruction. The participation of communities and the ecological integrity of the natural systems in the process of urban renewal is still insufficient. The purpose of this study was to explore Taiwan's urban renewal policy development process and mechanisms of the CPAMI-led urban renewal projects. In addition, this study references Aldo Leopold's land ethic theory, using this theory to explore the power dynamics and land health problems. Understanding the government-led urban renewal policies is needed to improve the social, economic and ecological issues. By "regenerating" the dilapidated region, the urban area is expected to regain its energy and sustainability.

1. PREFACE

Urban renewal involves the government, laws and regulations, implementers and the general public. The complicating, diverse and disordered people and value judgments on the use of land has triggered people's doubts on the appropriateness of using natural land. There has also been a conflict between economical values and the ecology in the development of economy, resulting in the emergence of ethical issues. The role of urban renewal (by government, residents and builders) has been motivated by "self-interest". This often results in conflict relationships, and "zero-sum" development in environmental, economic and social aspects. This would be contrary to the goal of the sustainable development of urban environments (Liao, 2008).

As the central competent authority that took charge of Taiwan's urban planning and urban renewal projects, Construction and Planning Agency, Ministry of the Interior (CPAMI) also put forward relevant policies, including assisting non-governmental circles to autonomously promote

urban renewal projects or to serve as the authority in charge to promote urban renewal project on its own. The purpose was to improve living environments and public facilities of old urban concentrated areas, enhancing city competitiveness.

Regardless of government-led or community-driven urban renewal projects, the promotion of urban renewal projects was often time consuming due to issues such as the public's disagreements with urban renewal plans regarding their homes, the allocation and contingency approaches proposed by the authority, placement difficulties of disadvantaged households, or difficulties to reach a consensus among the public and state-owned land management agencies. The controversy of the Taipei Wenlin Yuan Renewal Project in 2012 and the interpretation of No. 709, made by the Council of Grand Justices, Judicial Yuan in April 2013 deeming that some provisions of the Urban Renewal Act are unconstitutional, indicated that urban renewal projects needed to focus more on social issues such as housing justice. Urban renewal through public participation, respect for different knowledge systems (such as local and traditional knowledge) and multi-value choice (such as land is home) are required to justify and rationalize the urban renewal of public interest (Hsu, 2012). In addition, in the 1950's, Aldo Leopold (1949) advocates the ethical relationship between man and nature to be maintained. Other species in the natural environment should also have the right to life, so when humans change the environment, we also have the responsibility of care for the welfare of biological communities. In order to explore urban renewal policy from a broader perspective, this research suggested that government-led urban renewal projects played an important role as a demonstration for the implementation of renewal projects in civil society and therefore, the central competent authority of urban renewal, such as CPAMI, should be more responsible for the land.

Therefore, this study first reviews urban renewal policies and comments on the mechanisms of CPAMI-led Urban Renewal by Leopold, Walck and Strong's land ethic. Further, it analyses the relationship among urban renewal rights of multiple groups and discusses current beliefs and disadvantages of urban renewal mechanisms.

2. LAND ETHICS

Land has multiple interpretations: Madanipour et al. (2001) argues that "the land is a complex concept, it must be understood by the dynamic and multifaceted way." Geography scholar Agnew (1987) also uses the concept of "place" to interpret the space connotation of ecology. Agnew believes the spatial policy often focuses on the economic and political structures it might neglect citizens' local identity. Land and people have a deep connection, including its full political, social and cultural implications.

The connotation of ethics in respect of land was a model of conduct. Land ethics referred to a code of ethics in handling the relationship between humans and animals as well as plants on the land. In the early years of the 20th century, the U.S. scholar Aldo Leopold (1949) explored the relationship between nature and humans from an ecological perspective. He believed that land was just a property for humans. The relationship between land and people was entirely economic in nature. The code of ethics for the use of land was solely dominated by economic individualism, containing only privileges, not obligations. As a result, human beings could unscrupulously consume resources just for their economic needs. Based on

selfishness, people determined what was valuable and what was worthless, and eliminated species that were regarded as worthless without considering the meaning that the species had in stabilizing the entire ecosystem. Through observation of historical evolution of the ecological environment, Leopold proposed his "land ethic." In his work "A Sand County Almanac", which was published in 1949 ([translated by Wu Mei Chen in 1998](#)), Leopold argued that land ethic was to turn the human's dominating role in the community into a member that equals with all other species. It introduced the idea that we should not only respect each member of the community, but also the community itself. In this argument, balancing the relationships between people and land means the code of ethics, which requires people to maintain the biological diversity and land health. Therefore, use of land should be restricted when required and should not smash up ecosystems nor deprive any species of its right to survive. Any member of the land environment should have its own ethical and moral standing.

Leopold's idea about land ethic originated from the analysis of biosocial evolution towards ethical norms. He believed that ethical norms were confinements on freedom of conduct that were developed for survival in the long term ecological evolution. Land ethic was described as the product of social evolution. Since humans depended on the land to survive, a wide range of relations has been developed with the land. Different ethnic groups, ecological environments, and regions also would develop different ethical relationships between humans and land. It was a dynamic process, constantly changed with time and the development of tools and technologies.

Since the evolution of land, the internal driving force of developing land was mainly to accumulate capital. Man's attitude towards land was to make every effort to develop and use the land. People had to continuously develop skills and techniques to accumulate wealth and improve land utilization. This model led to severe pollution problems. Environmental carrying capacity and member's extent of participation during the land use process were subject to great challenges. It was worth noting, as Leopold believed, that people should not consider the use of land as a purely economic issue. Every related problem should be taken into account from the perspective of ethics, diversity, ecology and aesthetics. In addition, the context of different regions, different historical, cultural and social backgrounds and political systems, would be considered in residents' development, internalization and continuation of behaviour patterns toward land ethics in the region.

Land ethic and power relationships would affect the sustainable use of land, as Walck and Strong ([2001](#)) stated as the three principle structure of community, cooperation and responsibility. The idea was an extension of Leopold's land ethic. An impact model of land ethic and power relation to land health (See *Figure 1*) was constructed. The model interpreted the evolution of environment by referencing Batterbury and Bebbington's dynamic perspective of history, environmental management expert Andrew King's creation of land health through proper use of land, plus the viewpoints of "power relation" and man-made "land use," which were the cross operations of the government, market, community and property. Human's interaction with land was actually affected by "land ethics", the power of social systems and the interaction of government policy, community value norms, market economy and property resources. The struggle among these factors was to determine whether land ethics could affect the use of land by maintaining land health. In the aforesaid model,

there is an interactive relationship between land health and land utilization—land use conditions would affect land health, and whether land health would infect land use depends on the cause and effect of land health and land use. It would eventually become the key to sustainable development of land policy. Therefore, this research explored the applicability of land ethics and power dynamics with land use cases of government-led urban renewal projects.

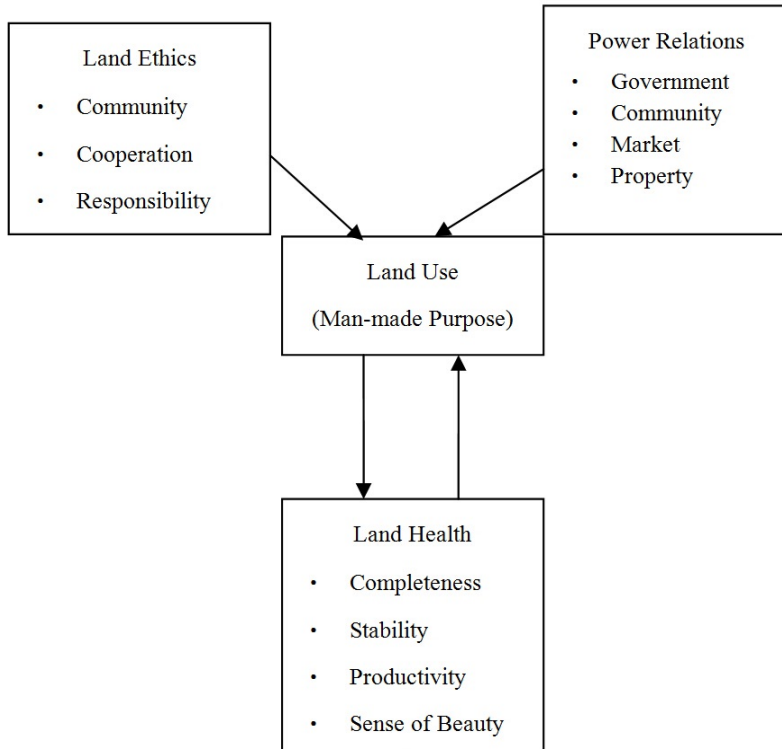


Figure 1. Impact model of land ethic and power relation on land health

In summary, land ethics is to standardize the relationship between humans and land, or the relationship between humans and other creatures on the land. As the competent authority for urban planning and urban renewal, CPAMI has the responsibility for the welfare of the land. Therefore, this research first reviews the evolution of urban renewal policy, assesses policy mechanisms of urban renewal in the current CPAMI promotion phase (through the perspective of Leopold’s land ethic) and then discusses whether government agencies have institutionalized behaviour and belief. Would the government carry out long-term commitment (responsibility) to the natural community? Does the government promote urban renewal from the perspective of economy or efficiency? The mutual influence of authorities extended from land ethics is analysed in order to propose an urban renewal strategy that takes environmental resources into account and respects values of community from the perspective of land ethic norms.

3. CURRENT URBAN RENEWAL POLICY AND PROMOTION MECHANISM

3.1 Current Urban Renewal Policy

3.1.1 Phase 1- Government-led promotion

The evolution of “urban renewal” began in this phase. In order to rectify and assist city development and avoid problems arising from poor and shabby areas of a city, the government conducted the second amendments on the Urban Planning Act in 1973 and added Chapter 6 “Renewal of old urban area” which was a special chapter. It was the first time to grant legal status to urban renewal. Urban renewal in the initial phase only focused on large-scale coarse and ragged buildings, especially those on the public land. Through urban planning procedures, “compulsory collecting” or “sectional expropriation” was used to implement demolition and reconstruction for the residence. However, implementation of urban renewal was ineffective due to limited government financial sources and a lack of manpower. In order to resolve this dilemma, some local governments began developing a new system of rewarding civil circles on urban renewal in order to effectively bring in non-governmental forces. This phase primarily focused on a “joint construction agreement” for the implementation of urban renewal. Nevertheless, this mode of enforcement was short of coercive power. Acquisition of land and building was still the biggest obstacle to the implementation of urban renewal projects.

In 1996, with a purpose of boosting the economy, the Council for Economic Planning and Development convened the “Current Economic Issues” forum to discuss countermeasures against “construction industry indicator remaining in a slump”. “Urban renewal” was proposed as a way to stimulate the construction industry. In addition, “urban renewal plan and economy improvement” was proposed by the Executive Yuan in February 1997 as one of the three major goals of “Improvement of National Competitiveness”, which was a policy promoted by the government with full efforts. “Urban renewal project” was adopted as the guidance for related policy implementation ([Wang, 2011](#)). Since urban renewal was closely related to people’s rights and obligations, incentives to meeting mandatory requirements were required and the urban renewal system itself needed to be regulated by law. As a result, the “Urban Renewal Act” was promulgated in 1998. After the promulgation, major renewal and reconstruction cases of land integration and development were implemented by private sectors.

Apart from the original objective of “old city renewal” to improve poor and shabby environments, the goal of economic development was added to make it an economic policy which fell into the perplexity of “using promotion of urban renewal work to push forward the development of construction related industry.” The policy only focused on renovation of physical architecture. As for considerations on the environment, only the Environmental Impact Assessment Act, which was enforced in 1994, was used to regulate development activities. Environmental impact assessments were required only for the development of tall buildings for residence, office

and business use within a certain height limit¹. While conducting urban renewal planning and design, many implementers deliberately reduced the intensity of development to be under the standard limit in order to avoid cumbersome environmental impact assessments. As a result, little consideration was placed on ecological environment conservation and member's participation rights during urban renewal processes.

3.1.2 Phase 2 - Encourage private investment and public-private partnership

Starting from 2000, increased bulk rewards and the concessional funds were added to urban renewal policy to encourage private investment. It means that the government began to lead the urban renewal strategy and changed policy to reward private investment. The government started to change its role from active handling to coordination and monitoring.

The government's role could be seen in related building coverage ratio and dimension incentives that were stipulated in the "Regulations of Bulk Reward for Urban Renewal." In addition, in accordance with "acceleration on urban renewal project" which was implemented by the Executive Yuan in 2006, regulations on preferential loans for urban renewal businesses were newly added to assist private fund raising and to guide private investment toward the market of renewal and renovation. Further, the Ministry of the Interior promulgated and enforced the Amendments to "Regulations of Bulk Reward for Urban Renewal" in 2008. Contents with respect to energy saving, carbon reduction, green building, intelligent building and ecological cities were added to the Amendments. It seemed that the government started to pay attention to the ecological effect of urban renewal projects and the impact on the overall environmental quality of a city, and the urban landscape was also taken into consideration. However, the final objective was still to increase profits from the bulk reward while encouraging implementers to meet the maximum limit of bulk reward as far as possible for their applications of urban renewal projects. To make it worse, to increase profits for developers, local governments could also get urban renewal funds, making both developers and governments able to receive economic benefits from urban renewal projects.

CPAMI took the lead in planning urban renewal projects in 2006 attempting to attract foreign businesses to invest in urban renewal projects in order to stimulate economic benefits. The policies included: introducing private-public partnerships, holding conferences on tender invitations one after another, investment promotions held in Hong Kong and Singapore, as well as consultation and communication with individual manufacturers. In order to actively implement investment promotions of urban renewal, foreign businesses were provided with related information on Taiwan's urban renewal projects. The foreign investors' intentions were also consulted and related opinions were conducted in coordination with the Executive Yuan's "Investment in Taiwan, global investment program", with a purpose of bringing in foreign creativity and experience and incorporating them into Taiwan's urban renewal businesses ([CPAMI press release, 2010](#)).

¹It was the requirement of environmental impact assessments for tall buildings in accordance with Article 26 with details on standards for determining scope and development activities that environmental impact assessment should be enforced.

3.1.3 Phase 3 - Move towards urban regeneration

In 2010, the Presidential Advisory Group on Finance, the “Launching action plan for Taiwan’s economic transformation,” believed that urban renewal development process could drive the growth of production value of construction and related industry. After development was completed, industries, including tourism, retail and wholesale, services, catering, finance and department stores, would be attracted to the area to increase employment opportunities and expand related economic output values. Business opportunities after the development of the aforesaid industries were even greater. Therefore, “urban renewal” was regarded as one of the ten major developing projects of the service industry. CPAMI enacted the “Action Plan for Urban Renewal Industry” accordingly as the basis for the central government to promote its urban renewal policy ([CPAMI, 2010:1](#)).

The goal of the action plan explicitly set the mode of renewal to be “base redevelopment” by pushing it to “zone redevelopment” and “area regeneration.” On the other hand, in order to accelerate renewal of the old and private apartments that were 30 years old or more, the government assisted households to renew their residences by themselves. Therefore, the urban renewal policy in this phase not only continued its preceding mission of giving an impetus to economic development, but also considered the needs of the public in order to attract the public to participate in the project. Moreover, the incident of Wenlin Yuan’s urban renewal project that occurred on March 28, 2012 was caused by mandatory dismantling of the Wang Family’s residence executed by the Taipei City Government in accordance with law, resulting in protests and conflicting public opinion. The government administration and rationality of regulations have been questioned and criticized. The Council of Grand Justices, Judicial Yuan, interpreted No. 709 on April 26, 2013 by declaring that Paragraph 1 and Paragraph 2 of Article 10 and the preceding part of paragraph 3 of Article 19 of the Urban Renewal Act were unconstitutional, and contents of the aforesaid articles should be reviewed and amended within one year. It has been determined in the interpretation that the threshold for approval of urban renewal as stated in the related outlines was too low; the renewal projects were determined not reviewed by proper organizations meaning the parties involved lost the chance to know about related information and weren’t offered the opportunity to make appropriate representation. In addition, prior to submitting urban renewal and rights transformation plans for review, and after they were approved, article contents with respect to urban renewal related information were not being delivered to all owners of the renewal projects that were inappropriate, which did not comply with provisions of the Constitution for protecting people’s property rights and freedom of residence, and was in violation of proper administrative procedures as required by the Constitution. Under the wave of public concern and debate among land related members and groups, CPAMI made significant revisions of the Urban Renewal Act, including a higher approval threshold on urban renewal projects and the deletion of mandatory expropriation by the competent authority on disagreement of “joint construction agreement” ([CPAMI, 2012:38](#)), hoping to carry out the protection of people’s rights of abode and establishing a renewal system that complied with public interests.

3.2 Government-Led Urban Renewal Promotion Mechanism

The mode of government-led urban renewal differed from the general urban renewal projects that were handled by the private sectors. The government first operated joint survey and preliminary planning and studies, before engaging in related pre-operations, including change of urban planning, development of renewal planning and planning of investment invitation. After that, an investment invitation strategy and documents were developed. The authority in charge then coordinated related parties/ owners to draw up development guidelines on the rights and obligations of related government agencies in future development (See *Table 1*).

Table 1. Flowchart of government-led urban renewal project

Preliminary planning	Pre-operation	Announcement for investment invitation	Develop business plan and operation plan	Construction/ Operation
2-3 year	1-2 year		1-2 year	2-3 year
Government-led			Efforts from non-government circles	

The current mechanism of government-led urban renewal was adopted to implement in accordance with Article 9 of the Urban Renewal Act, where CPAMI, municipal or county (city) authority could implement urban renewal by itself, entrust it to an urban renewal business institution after going through a public evaluation and selection procedure, or accept other organizations (institutions) as implementers to undertake the business of urban renewal. In addition, as the central competent authority of urban renewal, CPAMI should submit the designation of urban renewal areas to the Urban Planning Committee, Ministry of the Interior, in accordance with Article 6 of the Urban Planning Act and Article 7 of the Urban Renewal Act in order to lend an impetus to subsequent urban renewal business.

The substantive options for development and promotion included rights transformation (including two types of processing mode: simple² and complex³), setting up superficies rights⁴ and selling by tender with a provisory clause⁵ ([Urban Renewal Operations Manual, 2008: 4-1~4-7](#)). The type of development was determined based on the regional characteristics and needs of management authority. For example, Keelung Railway Station, Star of Yilan City and TRA Kaohsiung Port Station were all located as important development nodes of a city with high commercial values.

² Rights transformation is used to implement urban renewal business. It is applicable to cases with simple housing ownership and easy to dismantle cases. Cases can be handled by the implementers themselves. The approval proportion of Article 22 is not required for the case. Other implementation procedures shall be the same as private applications for renewal business plans.

³ Rights transformation is used to implement urban renewal business in two phases. It is applicable to cases with complex housing ownership and difficult demolition cases. The first phase shall be implemented by the competent authority to draw up business and rights transformation plans, and to integrate, in advance, owners of private land and legal buildings to establish ways of demolition and relocation prior to holding public tender invitations.

⁴ Superficies rights are applicable to cases with special and strong public and urban functions, and the lands are all state-owned. Superficies rights shall be transferred to private businesses so that these businesses will participate in urban renewal projects. Private businesses also can take charge of operations of related facilities of a unit in the future.

⁵ Public land of an urban renewal unit is able to be sold by tender to private businesses for the purpose of implementing an urban renewal project.

Therefore, superficies rights were adopted as the way of handling. Whereas, the region of Da-chen-yi-bao of Yonghe District, New Taipei City, was handled by rights transformation since the area was located on the riverside of Yonghe and they were primarily residential buildings. The structure of the CPAMI promotion strategy is given as follows in Figure 2.

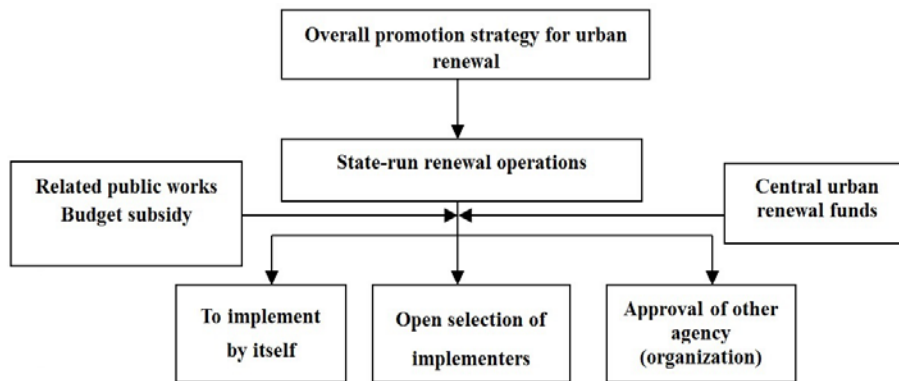


Figure 2. Structure of CPAMI's government-led urban renewal strategy

In the state-run urban renewal process, the government played the major role, followed by the developer with investment interest. There was a proxy relationship between the government and the developer, which indicated public-private partnership of the government and capital market. The government and the developer mastered more information than local community members, forming an information asymmetry. As a result, local community residents and non-government organizations often showed their distrust towards the top-down development process, leading to increased probability of collapsed negotiation during the process of urban renewal projects. According to the cooperation mode of land ethics, urban renewal development should accommodate a diverse role in participation, and the position and objectives of urban renewal development should be determined accordingly.

CPAMI developed and used land and land-based resources for the purpose of urban renewal. The land was often developed into commercial office buildings and residential units in order to facilitate market sales. Environmental impact assessments and design plans of green buildings were conducted to indicate the fulfilment of sustainable land use in the renewal process. However, the basis of sustainable use of land is land health. Land health is an essential condition to sustain life, which is affected largely by the use of land. If the land is healthy, it would promise the possibility of human's sustainable use of land, as well as the survival of biological ecosystems.

4. CASE STUDY OF LAND ETHICS AND THE ROLE OF GOVERNMENT

This research takes Leopold's three land ethic principles of community, cooperation and responsibility to analyse the current policy and mechanism of CPAMI promoting urban renewal. Details are explained in the case study of the Banqiao Fuzhou Affordable Housing Investment Construction Plan. The aforesaid three principles have imposed an impact on the acquisition of

resources, and they were equally emphasised at the level of promoting sustainable use of resources. But what are the substantive contents of these elements? Does the government have institutionalized behaviours and a belief to perform their long-term commitment (responsibility) to the natural community? Is urban renewal mainly promoted from the perspective of economy or efficiency? The abovementioned issues are the focal points to be discussed.

4.1 Banqiao Fuzhou Affordable Housing Project

In order to conduct the “Improvement of the housing market program”, which was approved by the Executive Yuan on April 22, 2010, CPAMI offered an appropriate number of affordable housing units in a timely manner. The purpose was to assist middle to low income people to meet their basic living needs and, as well as balancing the demand and supply of housing market, where housing prices had been rising in the metropolitan area. Based on the policy objectives, CPAMI selected Banqiao Fuzhou region in New Taipei City near RSEA Engineering Corporation. Most of the lands were state owned and managed, or owned by state-owned enterprises. As a background, the production industry in the region was old and deserted, calling a redevelopment project to boost the economy and the environment.

By taking advantage of the public ownership of land and the government led master planning, this case was implemented by the cooperation between the government and private sectors. The government provided the land and conducted land selling by tender, whereas the private businesses contributed investment, technology and resources for construction. The housing units were offered with lower prices compared with the surrounding market prices. People could acquire affordable residences through purchase or rental. It became a housing project with a total area of 11.03 hectares. CPAMI served as the competent authority and conducted selling by tender with a provisory clause in accordance with the regulations of open tender. The housing units were expected to provide a quality ecology and follow the green building standard. Local ecology, riverside, culture and arts were blended into the project for the purpose of creating an ecological community suitable for living and wellness for children, adults and the elderly. Based on the aforementioned ideas of urban renewal, the residential area, commercial area and land for public facility were delimited. An announcement for tender invitation was made and the bid was awarded to Radium Life Tech Co., Ltd. Later the company completed an urban design review, review of green building index, traffic impact assessment and submitted an application for a construction license (See *Figure 3* for architectural plan).



Figure 3 Schematic design of architectural plan, simulation of Banqiao-Fuzhou Affordable Housing

The development project was a joint effort among the central agency (CPAMI), local agencies (New Taipei City Government and related units) and private sectors (Radium Life Tech Co., Ltd. and bank), with a total investment of NT\$42.7 billion. The project stimulated the domestic demand of the construction industry market and its related service industries, promoted market liquidity and activated financial service industries. It not only brought thousands of people to live in the area, but also improved the environment and development of the surrounding areas. In addition to the reactivation and reuse of the originally old and deserted land owned by state-owned enterprises, cultural diversity and a new outlook were brought into the area as well (CPAMI, 2012:9).

It could be found in the CPAMI promoted urban renewal project that in order to achieve the purpose of social and economic benefits, the urban renewal project was planned as a top-down process. The central urban renewal fund was used mainly on public facilities. Prior to the announcement of tender invitation, business plans were drawn up in advance and then submitted and approved by the authority. In addition, state-run renewal projects did not have the threshold limit of landowner's approval as stated in Article 22 of the Urban Renewal Act, but it involved the operation of integrating landowners. As a result, the whole process was short of public participation and community consensus. The balance between development and ecological resources was also neglected.

If the government failed to guide the community cooperation towards the direction of public interests, the purpose of public-private partnerships would have been lost. The development of urban renewal was determined only based on market mechanisms. The government failed to perform its public responsibility to promote benefits of the general public. For government-led urban renewal implementation, planning in coordination with overall urban and local development should be in place. The government should make good use of public land resources and public power to implement urban renewal rather than make passive design of investment invitations to meet market demand.

5. GOVERNMENT-LED URBAN RENEWAL PROJECT BASED ON POWER DYNAMICS OF LAND ETHICS

Urban renewal involves policy efficiency, expertise, property right integration, value allocation and fund raising. It also involves interactions among essential actors of urban renewal (resident, developer and government). This relationship affects decision-making on the use of environmental resources. According to Walck and Strong's view on land ethics, it is clear that the quality of land use is based on the relations among four components: the government, the community, the market and the property. This research uses these four elements to analyse the impact of power relationships during the process of urban renewal, from acquisition of resource to use of land for current CPAMI government-led urban renewal projects. The relationship is shown in *Figure 4*.

5.1 The Government

The connotation and mode of affecting resource acquisition and guiding land use through policy implementation is the way that government implemented urban renewal through legalization of urban renewal in order to promote the establishment of an urban renewal mechanism. However, only Articles 7, 9, 27 and 28 of the Urban Renewal Act are adopted as the major references to the legalization of an urban renewal mechanism in government-led projects. Provisions of an "Act for Promotion of Private Participation in Infrastructure Projects" and a "Government Procurement Act" have been applied to the promotion procedures. As the competent authority for urban renewal projects, CPAMI adopts the same way to implement by itself, entrusting a project to an urban renewal business institution after going through a public evaluation and selection procedure, or accepting other organizations (institutions) as implementers to undertake the business of urban renewal.

With the top-down governing mode, the government conducts the delimiting of a renewal area and urban renewal businesses in advance prior to public evaluation and selection of the implementer. For example, the government assists in developing and establishing roads and bridges in the renewal area, handling illegal occupation of buildings on land and estimating values of rights transformation. Development policy needs are also taken as the public selection criteria in order to receive a royalty income for state-owned land after the renewal project is completed. Therefore, the role of government is to improve the environment of an area, increase gains of the state treasury and stimulate the economy through public power to implement urban renewal business.

5.2 The Community

Community was is an entity sharing common values, norms and objectives. Through transmission of values, projection of norms and goal setting, a community could affect the connotation and mode of land use. Urban renewal involves interactions in the urban renewal community (resident, developer and government). It has its own role and niche. In the implementation process of CPAMI-led urban renewal business, government is the important promoter of delimiting a renewal area, studying and

proposing plans as well as providing a renewal platform. On the other hand, government is also the participator of partial capital investment by deploying central urban renewal funds to invest and develop the selected renewal area, hoping to receive benefits to balance the resources after completing the renewal project. With or without a willingness to participate in the project, landowners in the renewal area passively become a part of the business process. The winning public tender company in the future would play the role of executing renewal integration, and would establish entrusted implementation and perform renewal business with the government. If that is the case, then government is also the coordination and communication platform for balancing public interests and private rights and interests.

5.3 The Market

The mechanisms of market supply and demand affect connotations and modes of land as well as the use and development of its resources due to peoples' own purposes. In the government-led promotion process, starting from delimiting renewal areas to public selection of contractor for the renewal construction, the government, the tender winning company and land related obligees respectively provide their own resources in order to achieve the objective of renewal. The resource delivery process forms the supply and demand of the market and a transaction will be made. This transaction process includes a series of communication and coordination until achieving the final goal. However, a transaction cost will be generated in the transaction process of urban renewal. As a result, market failure is caused by the uncertainty of a renewal business market, the complexity of renewal area environments and a number of participants, obligees' lack of information and the government's ambition of promoting the urban renewal project.

On the other hand, the government entrusts urban renewal business to the developer. It is important to know whether the developer's product planning complies with the market demand, and at the same time meets the policy related to government-led renewal projects. Therefore, the cognitive difference between government and developer on the characteristics of the renewal area market will be quite important in determining the renewal development standing through coordination mechanism. However, under the market mechanism of public-private partnership of urban renewal business, for community residents in those old communities that no longer have market advantages or competitiveness, they are often guided and persuaded to follow the market trend of economic efficiency in order to bring benefits to the whole nation's major constructions.

5.4 The Property

Property management is to use land, labour, capital and informative resources as the determinant of affecting land use and land quality. The implementation methods of urban renewal include joint construction agreement, rights transformation, sectional expropriation or urban land replotting. CPAMI-led urban renewal projects are mostly using the rights transformation method as the main development model. In this model, landowners of the renewal area provide land; building contractors provide building; other obligees provide rights. In the future, the implementer, who will be selected out of a public evaluation and selection procedure, will provide funds and the government provides multiple resources, including execution of the law, a deliberation and negotiation platform, development

of urban renewal business integration and plan prior to inviting investment, and investment of opening up related public works in the renewal area. If there is still state-owned land under the management of CPAMI in the renewal area, CPAMI will be the landowner in order to provide land resources to jointly contribute to the promotion of planned redevelopment and reuse of urban land.

In the process of restructuring property rights, through the government-led urban renewal system, government plays the leading role leadership and watches over the promotion of an urban renewal business plan and rights transformation plan, such as land acquisition, house demolition compensation and allocation, household resettlement, project planning and design, and management and maintenance, which are closely related to the residents' property interests. In addition, the existed state-run urban renewal cases do not explicitly agree on a threshold limit. Once the government defines an area to comply with construction, the area would be designated as a renewal area based on the government's own decision. The land-related obliged people will be forced to participate in the renewal plan. The only chance that these land obligees have to express their opinions is at the public hearing or during the public exhibition period. Treating land resources from the economic perspective and having an unsound system of property rights often leads to the difficult implementation of urban renewal plans withstanding the plight of continued protests.

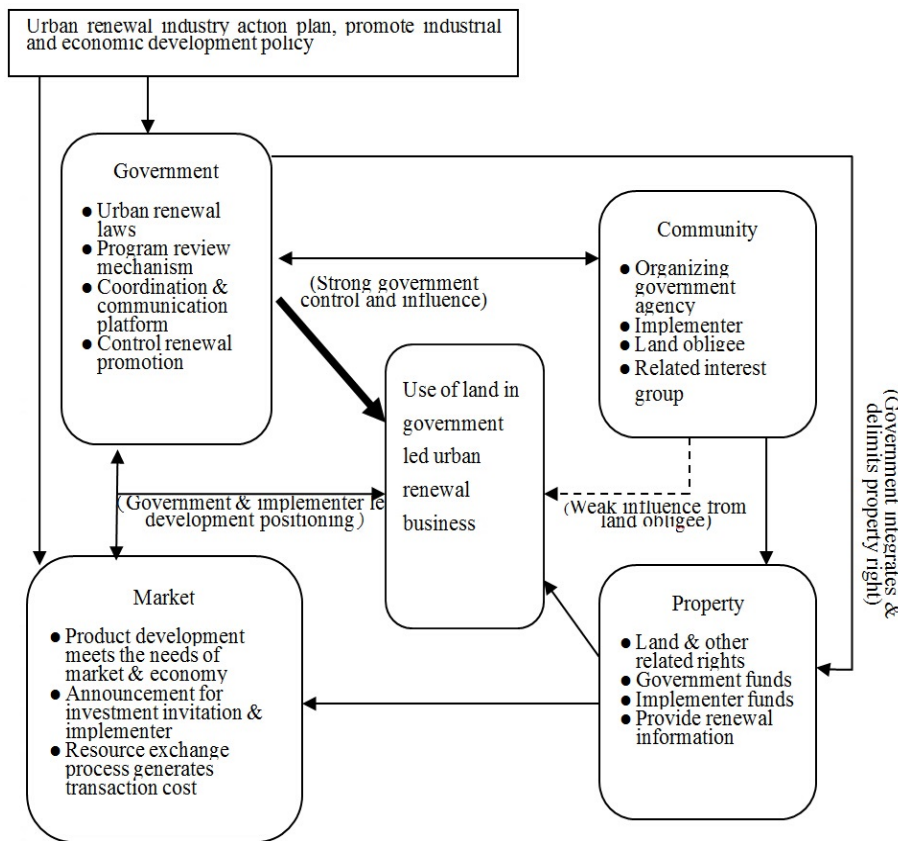


Figure 4. Power relationship of government-led urban renewal

6. CONCLUSION AND SUGGESTIONS

In recent years, CPAMI has made active use of the public land with to stimulate the economy, supplement the central urban renewal funds and coordinate with other policies. Through the cooperation between the government and non-government sectors, open investment solicitation and public selection and evaluation of urban renewal developers are conducted to develop urban renewal business in order to improve the quality of the urban living environment. However, urban renewal policies mostly focus on the “urban redevelopment” which follows the principle of “economy first.” Each single renewal project puts emphasis on improvement and reconstruction of the physical environment. It does not take social and environmental resources into consideration on the basis of land ethics. In summary, based on the perspective of land ethics, this research proposes the following suggestions as a reference for a government-led urban renewal promotion strategy.

6.1 Strengthen Public Participation and Support Activation Plan

In the 1960s, the spirit of public participation was introduced to the U.S. and European urban renewal plans, and the concept of ecology was incorporated into the plan as well, including environmental cost and the idea of sustainable development. Since then, public participation has become a significant strategy for sustainable development. Unlike the general urban renewal projects, Taiwan’s government-led renewal projects do allow public participation, but with certain restrictions. These renewal projects also involve integrated cooperation with private landowners. In addition to conducting routine surveys and hosting public meetings, the government should serve as a communication bridge for the project. In the initial phase, a regional work station should be established for a planning team to interact with local residents in order to understand the resources and characteristics of the area. The work station can be regarded as a place for message delivery, information exchange, communication and listening to opinions. Information regarding urban regeneration and related knowledge should be released to the general public as much as possible so that public participation would not become a formality. Residents should also be assisted in proposing a cognitive activation plan, and opinions from different groups should be reviewed and integrated by experts in order to be incorporated into tender documents so that public bidding companies could develop their plan and design based on the needs of local residents. In the end, government, developer and residents should have jointly participated in the project planning and reached a consensus to proceed with the renewal project.

6.2 Expand Urban Renewal into Urban Regeneration

The main difference between urban regeneration and the traditional urban renewal or urban redevelopment is that urban regeneration emphasizes a stimulation of economic and industrial functions, and its goal is to resolve issues of economy, industry, environment, cultural and urban conservation of the whole city. Apart from stressing the function of revitalization of the regional economy, urban regeneration also opened up

“local cultural industry” through unique construction (Yu and Kung, 2009). The emphasis of urban renewal and urban redevelopment is the improvement and reconstruction of the physical environment, such as reconstruction of public facilities and buildings (Ho, 2002).

Urban regeneration is not confined to building reconstruction, but includes having experts and the public’s participation in the cooperation between government and the private community to integrate the activation of the society, economy, environment and employment. The role and attitude of the government should uphold the principles of people first, area-based and public engagement. The government should initiate the bottom-up approach in planning. With “user” as the main body and professional assistance on the side, the government should acknowledge the importance of preserving the social culture of the renewal area, give thought to the current condition of environmental resources, as well as to the expectations and needs of related obligees and residents in order to implement area activation and improve public space so as to make the area full of vitality. This would help cultivate public awareness of the community and make the area a driving force of urban sustainable development.

6.3 Public Interests of Urban Regeneration

In addition to giving consideration to both market and economic benefits, land ethics based public interest should not distort land resources and should allow for social justice and ecological environment conservation. The constraints of land ethics are able to maintain long-term and harmonious urban development. Therefore, it is suggested that while implementing urban renewal business, comprehensive assessments should be carried out on the public welfare of renewal, including factors of society, economy, culture, ecology and sustainable development. A more careful design and procedural norm should be developed to adjust and review urban renewal deliberation mechanisms, enhance channels for the public to express their views, and consider the benefits of the internal and external environments of the renewal base and the whole city, in order to help improve overall public interest. In addition, the climate has changed in recent years, and Taiwan is located in the Circum-Pacific Seismic Zone. While facing the coming of disaster, “urban disaster prevention” is the primary public interest that renewal plans should pursue. Disaster prevention and increased urban disaster-resistant abilities should be the primary concerns of government-led urban renewal projects and should be the model case for the promotion of urban regeneration.

6.4 Diverse Methods of Urban Regeneration

Property rights transformation, setting up superficies rights and selling by tender with provisory clauses are the promotional methods used in the current government-led renewal projects. These methods are of the dismantling type of renewal and are not the only ways for regeneration. While facing characteristics of diverse urban development, the renewal method of retaining original urban fabrics with low-level development through renovation or maintenance is an alternative for urban regeneration. This method not only acts to repair decayed and rotten parts or maintain current conditions, but also should include preservation of building structures, renovation of the interior part, changes in other usage, changes in space and partitions in order to preserve buildings as long as possible.

Urban regeneration is not just a face-lift of old houses and a beautification of city appearance. Local employment opportunities, the educational environment and disadvantaged groups should also be taken into account. Even future industrial transformation is one type of ongoing and continuous urban development process. Government-led urban renewal projects are not just “national affairs.” Community residents also have major roles of participating in these life-changing environments. The way of promotion must have a forward-looking and effective strategy with a high degree of integration mechanisms and an elastic interface in order to have sustainable development and long-term viability. It is hoped that CPAMI would serve as the promoter of urban renewal and use the top-down approach to guide government-led urban renewal projects so that local residents could propose an activation plan using the bottom-up approach to push forward a continuous development process of area regeneration by way of “place making”.

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