TOWARD A COLLABORATIVE APPROACH TO URBAN CONSERVATION PLANNING IN CHINA:
AN ANALYSIS WITH REFERENCE TO QUANZHOU, FUJIAN PROVINCE

by

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Abstract

Economic reforms towards a market economy have significantly accelerated urbanization and modernization in urban China. During the mid-1990s urban conservation became a significant issue and pressing concern in most Chinese inner cities. The local state has played a principal role in conservation practice under China's administrative and fiscal decentralization process and localization of urban planning encountering challenges of implementation. This study examines current historic district conservation practice in urban China, focusing on the roles of four interest groups—local government, the private sector, the general public and professionals. It concludes by proposing a collaborative approach to urban conservation among state and non-state actors, facilitated by changes to current legal, institutional and funding frameworks capable of meeting the challenge of balancing conflicts between the conservation and redevelopment agendas. The case of Quanzhou is examined in detail to show how the municipal government has conducted historic district conservation in the context of market economy conditions, and then to recommend policies that would support and forward collaborative historic district conservation.
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Chapter I. Introduction

The incorporation of market forces into the economy and the revival of land and property development have led to tremendous changes in Chinese cities since 1980. The transition of the economy from command to market provides an excellent opportunity to examine the Chinese urban built environment under conditions of profound institutional and administrative change. One fundamental change is that land and property, which used to be passive aspects of the command economy, only for the accommodation for production and consumption, have become media for investment. The transitional reform program granting the local state discretionary powers in land management and urban planning has resulted in an economic boom at the local level, underlying the ongoing physical modernization of Chinese cities. For the past two decades, the push for urban modernization in China has been translated into the demolition of old buildings, clearance of slums, resettlement of populations from central city areas, and the erection of new buildings, dictated by a concern to maximize the redevelopment potential of scarce inner city land. The urbanization process however has greatly threatened urban heritage, one of the main embodiments and expressions of local identity—an increasingly emphasized ideology under globalization.

Chinese authorities created a list of Famous Historic and Cultural Cities (Lishi Wenhua Mingcheng) and enacted policies for comprehensive historic city conservation in the early 1980s. Those policies were nevertheless not in any way translated into action in their earliest years, clearly as a consequence of the redevelopment agenda’s triumph over inclinations toward conservation. After the cooling down of the real estate boom and the
issuance of much stricter rural land expropriation policies in the mid-1990s, and more importantly the recognition of detrimental impacts on urban heritage associated with redevelopment-dominant urbanization, contentious issues relating to conservation vis-à-vis redevelopment have gained prominence on the urban planning agenda. The term “historic district conservation” (Lishi Jiequ Baohu) has appeared in Chinese conservation contexts to reclaim urban heritage as a means of promoting and solidifying a collective past under the countervailing pressures of modernization and urban renewal. However, the search for consensus in resolving conservation/redevelopment conflicts is complicated by the plurality of interests in historic districts and the uneven impact of state-led conservation programs on different socio-economic classes.

The political ideology of China’s state-socialism underpins the conservation agenda, which is set according to the needs of the state. Cultural elite conservation activities are increasingly challenged by a wide spectrum of issues that cannot be solved by the state alone. The weaknesses of current elite-led conservation can only be overcome by collaborative action involving multiple stakeholders in historic districts. Such collective action has its practical justification in conservation implementation, as well as its political-ideological implications—a potential call for extending the focus of conservation efforts from widely venerated monuments and cultural relics to everyday neighborhoods of purely local importance. Although China’s decentralization is not an empowerment process in itself, at the very least it creates room for the incremental reform of legal, institutional and funding frameworks for historic district conservation that are more responsive to local conditions.
This study is an empirical investigation of how a Chinese municipal government has conducted historic district conservation. Its purpose is to understand some of the reasons behind the municipality’s choice of legal, institutional and funding mechanisms, and ultimately to propose policy recommendations accordingly towards collaborative conservation. The current study is therefore valuable in many respects. First, historic district conservation is a new field in the Chinese context, and has not been treated as a distinctive area of academic inquiry. The body of knowledge on the topic is case-based and architecturally oriented, and is almost all in Chinese. English language literature on urban China’s historic district conservation are very limited and dispersed in a long period. This study will serve as a modest English language contribution to the area. Second, given that historic district conservation has become a major issue of concern in China’s urbanization and modernization, the study’s findings will be of practical bearing. Third, by introducing social science research and analysis approaches and methods to current historic district conservation, this study attempts to partially overcome the weakness of emphasizing the physical side of urban conservation. Finally, as a specific area of urban planning, findings with respect to the study’s recommended participatory conservation approach may shed light on the broader urban planning context.

It is argued in this study that localization of China’s urban planning and the regional diversity of urban heritage have found it convenient to decentralize urban heritage conservation activities to municipal governments. However state-led historic district conservation under the market economy at local levels is restricted by limited local state resources as well as conflicts between state and non-state interests on the path toward urbanization and modernization. At the same time, conventional institutional and
funding mechanisms and gaps in the respective legal framework have made historic
district conservation vulnerable to urban renewal and modernization. A collaborative
conservation approach addressing the various interests together with a series of legal,
institutional and funding changes is arguably an effective response to these pressing
problems.

The scope of this study is limited to the historic district conservation of a
municipal government in China. The study does not evaluate the direct and indirect
consequences of historic district conservation practice, e.g. its impact on the local
economy, land use, physical and spatial outcomes, economic analysis of inner city
development and so on. Furthermore, the study only addresses historic district
conservation in urban areas. Finally, physical and design aspects of historic district
conservation are not the major concern of this study.

Methodology

This study is based partially on an extensive secondary literature review
conducted by the author at the Zhejiang Provincial Library in Hangzhou, China and the
UBC libraries in Vancouver, Canada, and partially on direct field research in Quanzhou,
Fujian Province, China. The initial part of the research uncovered published newspaper
articles, journals, books, laws and regulations relevant to historic district conservation
internationally and in China. The literature can be categorized into two types: (1) those
on urban conservation in developed countries provide a theoretical basis for the study and
its policy implications; and (2) those on urban conservation in the Chinese context,
almost all in Chinese, examine current practices and the legal, institutional and funding
mechanisms to make collaborative conservation policy recommendations feasible in Chinese cities. However, some Chinese literature may introduce the problems of lack of independent reporting, inconsistencies, and weak compilation standards. Due to the lack of English resources for comparison, one has to take the available Chinese literature as only a best approximation. The author has been very careful in using such information for supporting arguments and drawing conclusions.

The case of Quanzhou is based on a 1.5-month intensive field study during the summer of 2001. The author conducted open-ended interviews with government officials, scholars, developers, respected community members and ordinary property owner/occupants, within the study area. Most of the interviews with government officials were made possible by the support from the Quanzhou Municipal Urban and Rural Planning Bureau. With their assistance, it was also possible to gather government documents, statistical reports and archival records from the relevant resources in the study area. The overall quality of the data is sound and trustworthy thanks to the long existing research relationship between the Quanzhou Municipal Planning Bureau and the Centre for Human Settlements at UBC, Canada, as well as the author’s genuine attitude towards sharing and exchanging information with them. The shortcoming of the data sources is that there is no systematic data set for one to conduct a more detailed micro-level analysis. This could have been avoided if the author had conducted his own survey. Given the constraints of time and resources, this must be left to future research.

Three methods are used in the data analysis. (1) Qualitative analysis is the major method in the literature and theory review regarding conservation practices both internationally and in China, the examination of current urban conservation practice in
the Chinese context, the assessment of the legal, institutional and funding mechanisms, the analyses of relevant interest groups, and the generalization of the theoretical and policy implications. This is partly because urban conservation in China is very much related to administration and policy, which is difficult to quantify, and partly because systematic data are not easily available. Besides, as it is intended in this study to examine in-depth the potential roles of various interest groups in a proposed local collaborative model, and the qualitative method is more suitable for this purpose. (2) Quantitative analysis is primarily used in the Quanzhou case to illustrate the conditions like demographic and geographic dimensions, business situations, property ownership, urban heritage conditions, and so on. (3) Cartography and pictures are used to illustrate the theoretical framework and the spatial patterns more clearly.

**Chapter Overview**

Chapter 2 presents a selective literature review on historic district conservation in developed countries, as well as an overview of the very limited theories in the same field in China. The purpose of this review is to provide a basis from which to develop a conceptual framework for further research into building collaborative municipal level relationships among various stakeholders in urban area conservation.

Chapter 3 provides an overview of historic district conservation practices in Chinese cities. It serves as the background necessary to understand the practice of historic district conservation in China from 1986 onwards. Five key issues surrounding municipal level conservation practice in China are examined. It concludes by assessing the inadequacies of current historic district conservation practices. This practical evaluation
leads to the in-depth study of legal, institutional and funding mechanisms underpinning historic district conservation and relevant policy recommendations in the following chapter.

Chapter 4 examines current historic district conservation legislation and responsible institutions, and then proposes policy initiatives as well as changes to the present legal, institutional and funding frameworks. Under suggested new mechanisms and policy initiatives, the chapter discusses how the four categories of interests (local government, the private sector, the general public and professionals) in historic district conservation would constructively and appropriately play their roles in order to successfully collaborate at the municipal level. Finally, the chapter provides operational conservation funding options that are potentially feasible in the Chinese context.

Chapter 5 is an empirical study of how the municipal government of Quanzhou is pursuing historic district conservation in the context of a market economy. Based on a fieldwork, the study first traces changes in the local state's attitude towards large-scale redevelopment and urban conservation. It then evaluates a successful state/non-state collaborative conservation project, and finally, carefully examines four different interest groups in a specific study area of the city based on which implications for a policy of collaborative historic district conservation are considered

Chapter 6 summarizes the major findings of the study, draws conclusions, and delivers policy recommendations. This last chapter ends by proposing future directions for research on participatory urban historic district conservation.
Chapter II. Literature Review and Theoretical Framework

The purpose of this chapter is first to present an overview of literature on historic district conservation outside China, primarily in developed countries, to determine policy implications for current practices in China. Then the focus will shift to the available literature on historic district conservation theories to sketch the overall picture of urban area conservation research in China. Finally, comparative reviews will provide a meaningful context for the current study and serve as a strong basis from which to develop a conceptual framework for future research into building collaborative municipal level relationships among different interests for urban area conservation.

Historic district conservation has traditionally been the preserve of archaeologists, architects, historians and planners. It is apparent, however, that other academic disciplines are playing an increasingly important role in the field, particularly geography, given that policy is increasingly area-based. There is a large and rapidly increasing literature both theoretical and practical on urban area conservation in developed countries. The topics addressed in this review of the literature on historic district conservation outside China were selectively chosen with the pragmatic purpose of isolating potential applications to the Chinese context. For example, literature on the transition from support for conservation among the cultural elite to national legislative frameworks (Ashworth and Howard, 1999; Ashworth and Tunbridge, 2000; Dale, 1982; Kain, 1981; Larkham, 1996; Rojas, 1999) as well as from individual building preservation to historic area conservation may provide a paradigm for the construction of China’s legal system for historic district conservation. The literature on funding and planning approaches (Ashworth and
Tunbridge, 2000; Rojas, 1999) as well as the politics of historic district conservation (Abercrombie et al., 1980; Appleyard, 1979; Ashworth and Tunbridge, 2000; Bourdieu 1990; Larkham, 1996) has implications for a collaborative approach to conservation planning in China. The literature on different strategies for urban historic district conservation (Burtenshaw et al., 1991; Law, 1994; Robins, 1991; Tiesdell et al., 1996) gives much needed theoretical background to issues such as tourism and culture-led conservation, housing-led conservation and industrial and commercial district conservation.

Urban historic district conservation practice in China has not been treated as a distinct area of inquiry in the non-Chinese literature. However, studies of urban area conservation in developing countries (e.g. Bromley and Jones, 1995; 1996; Dix, 1990) are valuable resources on major issues commonly found in the Chinese case. The very limited work in urban area conservation theories (Fang, 2000; Wu, 1999; Zhang, 1996) presented only very recently, from the initial traditional emphasis on built environment to theoretically promote a kind of government-resident cooperation, will be an integral part of this analysis. Lastly, the chapter concludes by introducing a conceptual model for the present study of urban historic district collaborative conservation practice, drawing on the diverse literature reviewed.

**Historic District Conservation Outside China**

*From Cultural Elite Enthusiasm to National Legislative Frameworks*

Initially, a cultural elite generally leads urban heritage conservation efforts (Ashworth and Tunbridge, 2000; Larkham, 1996; Rojas, 1999). The Renaissance of the
sixteenth century rediscovered the arts and ideas of the Mediterranean classical world and during the eighteenth century Enlightenment it became fashionable among the cultural elite in Northern Europe to value and support preservation of architectural and archaeological relics. An awakening of scientific curiosity, together with an artistic and literary romantic reaction to rapid industrialization and urbanization led to a desire to preserve and recreate the buildings and landscapes of the past (Ashworth and Tunbridge, 2000; Rojas, 1999). These enthusiastic amateurs\(^1\) were of critical importance in shaping new attitudes among social and political leaders towards the surviving relics of the past, especially in the middle of the 19\(^{th}\) century. Most often it was the passionate minorities who shaped and mobilized public opinion which convinced governments into taking action and framing legislation, rather than governments initiating action and shaping public opinion (Ashworth and Tunbridge, 2000). Interested members of the cultural elite then organized themselves into voluntary groups\(^2\), which played a leading role in the scope and coverage extension of preservation. Only a few pieces of usually unenforceable protective legislation were proposed because the ruling leaders in most countries endorsed the popular opinion that art is not the business of government and the government is not the arbiter of science or art. Preservation at that time was an activity of private initiative and charity.

Under pressure from the amateur societies, governments in Europe took their first steps toward preservation involvement by establishing offices, often staffed by

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\(^1\) The most influential figures were Viollet-le-duc in France, de Steurs in the Netherlands and the English trio of Pugin, Morris and Ruskin.

\(^2\) Examples are the English National Trust (established in 1895), the Dutch Bond Heemschut (1911), the Scottish National Trust (1931), and the British Civic Trust (1967).
enthusiastic amateurs, of state administration charged with drawing up an inventory of historical architectural monuments, sites and landmarks of national importance. Though they lacked both financial resources and legal powers to initiate much conservation, governments were able to establish criteria for allocating the status of monuments, draw up registration lists, and initiate some form of national inspection system. The once-forever “complete” inventories took much longer than expected to compile. In the Netherlands, for example, activities begun in 1875 were not considered “complete” until 1908. Moreover, the interests of pressure groups as well as officials in intervention in protecting the public interest were in conflict with one of the most strongly held principles of the liberal state -- namely that of individual property rights (Ashworth and Tunbridge, 2000). As such, there was a gap of a century in most countries before effective legislation was enacted to enforce the inventories’ intention.

Besides historic buildings and ancient monuments, adaptation of the townscape gradually became necessary, but this was hard to achieve without some wastage of the investment of previous societies. During periods of great capitalist investment and development in property (for example the 1950s and 1960s in many Western countries) such wastage was barely considered, pressures were high on historic sites, and the philosophy of “comprehensive redevelopment” was dominant (Larkham, 1996). Such periods witnessed rapid social, economic and physical change, with correspondingly high risks to historic urban fabric in particular. The latter was particularly intense during the immediate post-Second World War phase of demolition and comprehensive

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3 It was not acceptable either in law or popular consensus to interfere in an owner’s use of property until the post-Second World War period when attitudes towards the roles of the state and the individual drastically changed.
redevelopment in urban centers and areas of sub-standard housing. Fortunately, at other
times, and for a variety of socio-cultural reasons, the conservationist ethic has dominated.
Furthermore, increasingly the reality of urban development in Western societies is focused
on the reuse of urban historic sites.

By the first half of the 21st century many countries had enacted some legislation for
at least some categories of monuments, which at least made conservation more
bureaucratically involved, and socially discreditable procedure. A country-by-country
review of European legislation (Ashworth and Howard, 1999; Dale, 1982; Kain, 1981)
indicates that during the 1960s and 1970s various European countries, and other
developed countries, implemented remarkably similar key legislation to resolve similarly
defined problems, although their planning systems differed. However, the different
importance placed on different levels of the planning authority hierarchy reflects national
traditions in the balance of responsibilities struck between central and local jurisdictions.
For instance, the French preservation legislation was largely undertaken by a central
Ministry of Culture, while the U.K. highly depended on local initiatives and local
implementation of national legislation (Larkham, 1996). In North America and Australia,
conservation legislation emanates primarily or substantially from the state/province level
(rather than the national legislation popular in the countries of Western Europe), admitting
of considerable variation within each country (Ashworth and Tunbridge, 2000).

National legislation in most countries during the 1960s and 1970s introduced new
departures from past practice. The listing systems were reorganized, enlarged and often
renamed, while the national financial contribution to conservation was increased.
Additionally, the emphasis shifted from individual buildings to protecting entire urban
historic districts and the consequent development of conservation as a philosophy of urban planning. The stress on historic districts was prompted in part by the continuous destruction of areas surrounding major monuments in such a way that they were left carefully preserved but incongruous islands, particularly during the Second World War and the ensuing period of "comprehensive redevelopment". Besides spatial considerations, this emphasis on urban districts was also related to the new value placed on vernacular heritage. The idea was ascendant that the homes and workplaces of the ordinary people and all that they imply for cultural identity, was as worthy of conservation as the heritage of the social elite which major monuments usually reflected (Ashworth and Tunbridge, 2000). This shift in class orientation is explained in Manuel Castells' (1973) argument that the primary class struggle has moved from the point of production to that of consumption and that planning has become the front for dominant classes to achieve an efficiently functioning productive capacity. The adoption of historic districts introduced planning into conservation or more broadly conservation into planning as current and future land uses, traffic circulation and the demographic and social composition of such districts became integral to conservation. The shift in terminology to historic district conservation reflected a real shift in working practices and philosophies of urban management.

There have been very few attempts to turn the slippery concept of "conservation" into a generally acceptable and practical set of policies. Two of the most internationally significant ones are the Venice Charter of 1964 done by the Second International Congress of Architects and Technicians of Historic Monuments and the International Charter for the Protection of Historic Towns of 1987 adopted by the International Commission on Monuments and Sites (ICOMOS). Although the Venice Charter deals
specifically with historic monuments, it contains much of relevance to historic urban landscapes. The ICOMOS document is much more detailed, and deals specifically with historic towns. Being international in context its approach has to be very general, and it is evident that some form of hierarchy of policy documents is required to translate high ideals and theories into everyday practice at a national, or even local level (Larkham, 1996). ICOMOS particularly stresses the fact that protection must be a social and physical process, as the requirements and aspirations of the town itself are important. In short, this Charter is a very important document that has significant implications for the practice of historical district management.

*Funding and Planning Approaches to Historic District Conservation*

The historic district conservation legislation of the 1960s and 1970s created the practical framework for the implementation of conservation policies. The major practical difficulty, aside from the local conflicts over development, has been that of access to financial resources with the ongoing responsibilities for the maintenance, renovation and rehabilitation of the districts imposed by the legislation. The European pattern is that governments designate the conservation districts, while local planning authorities express intent through local plans and symbolic public investments, but ultimately most financing is expected to come from private sources. Because conservation designations always include small domestic buildings, there is a reliance on investment from individual building owners and owner-occupiers of residential property. Private investment with the expectation of profit, either by individuals or companies, often leads to undesirable demographic or social changes such as gentrification. Though deplored by public authorities, speculative activity
is virtually mandatory if the required private investment is to be obtained. As Appleyard (1979) argues, the question is how serious are the demographic or social changes? In America, acceptance of a profit motive has been fundamental to most historic district conservation activities (Ashworth and Tunbridge, 2000; Rojas, 1999). Government has concentrated on attracting private investment through public-private partnerships, key infrastructure investments, legal devices, and financial incentives from all levels.

The public-private financing partnerships make it necessary to examine the balance of responsibilities between different levels in government hierarchy. In general a trend towards greater local responsibility for conservation districts can be observed because of the success of the conservation movement in finding acceptance at the local level. Successes include conservation of more buildings of local (rather than national) importance, the economy measure and neo-conservative political commitment to favoring local and private initiatives. Legislation of the 1960s and 1970s designed originally to establish centralized national criteria, inventories and subsidies was transformed into legal rules for local urban management practice. It is the responsibility of the local planning authorities to “manage” conservation areas with regard to enhancement, guiding development, and development control. Although not every area can expect large amounts of public investment and enhancement, all areas are subject to the process of control over development, and the local planning authorities exercise their guiding and controlling functions in each area.

Ashworth and Tunbridge (2000) relate conservation planning approaches to particular political ideologies:
1. Social democratic North Western Europe has a system of public planning originating in the 19th century reaction to rapid urbanization and industrialization which evolved into its present legal, organizational and professional form in the 20th century. The acceptance of land-use planning, at the level of the local building plot, used to control potential development through legally enforceable designations of permitted function, building density, height and the like has existed for half a century. It was relatively easy for these countries to incorporate historic district conservation into such a framework and include local controls on design.

2. Liberal-capitalist North America has a model in which local planning interventions manipulate the market in the public interest in contrast with the North Western European social democratic planning dependence on statutory instruments. Despite the absence of regulatory planning instruments, the local planning intervention is pursued through compromising and bargaining with private interests rather than overruling them. Methods such as tax incentives, development rights transfer and density bonuses have been particularly useful. Some of the most imaginative market planning solutions to the preservation / redevelopment dilemma are actually found in North American cities where building relocations, façade retention, incorporations in new development and the like have been pursued.

3. Centralized state socialism used to have centralized planning controls, weak private property rights and a strong sense of collective values. The weakness of development with this formula stemmed from the same source as its strengths,
namely the absence of commercial uses of the conserved or rebuilt forms.

Incremental economic and political changes, with the decentralization process, have introduced the commercial element while removing much of the public financial, legislative and organizational support that had largely created and nurtured the socialist cities, seriously threatening their future.

Different Strategies for Historic District Conservation

(1) Tourism and Culture-led Conservation

Lewis Mumford in *The Culture of Cities* (1938) notes that one of the functions of a city is to act as a museum of itself. Strategies for tourism and culture-led conservation have encouraged the historic legacy exploitation for tourist development, which usually means a partial or extensive diversification or restructuring of the area’s economic base. Tourism is used to combat a quarter’s image obsolescence by introducing new uses that take advantage of its historic character, ambience, and sense of place (Tiesdell et al., 1996). The concept of tourism as an appropriate activity in inner city areas is relatively recent, the major motivation being the generation of new economic activity and employment. Tourist projects are usually generated by the characteristics of a site or from a local interest group or private sector entrepreneur. The public sector often has a key role to play in developing a tourist strategy, in providing and managing public open space, in constructing and maintaining some of the principal attractions and in making grant assistance available to the private sector. The local authority may often take the role of coordinating and pulling together the various actors in the tourism industry (Law, 1994).
The aim of tourism promotion is partly to boost the historic district, partly to conserve the district, and partly to physically regenerate districts. To gain advantage in the increasingly competitive tourist market, cities are exploring their culture and heritage to emphasize their distinctive qualities and place-specific differences (Robins, 1991). The place marketing process\(^4\) has been linked primarily to local economic development, place promotion and the encouragement of public-private partnerships to achieve regeneration. For tourism to play a major role in conservation, existing facilities have had to be improved and new attractions added and the totality of the visitor experience considered. This includes supporting infrastructure that enhances attractions and assists in the process of attracting tourists. Tourism is more than a component of local economic policy as investment for tourism brings other benefits for the local community such as facilities, attractions and environmental improvements with tourist spending at those facilities helping to making them more economically viable. Although the tourism development strategy experience gained in one place is unlikely to be directly transferable elsewhere, the common point is that the promotion of tourism and culture-led conservation can play a catalytic role in the wider conservation aims of the city as part of an integrated package of measures.

(2) Housing-led Conservation

To revitalize historic districts, many Western cities have attempted to attract residential uses. Equally, when seeking physical conservation and rehabilitation, some historic urban districts try to retain their residential uses and, indeed, the original

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\(^4\) The primary goal of place marketing is to construct a new image for investors, visitors and residents to replace the existing image which is either too vague or has negative connotations (Kearns and Philo, 1993). Furthermore, it is seen as adapting the "product" so that it is more desirable to the "market" (Tiesdell et al., 1996).
population. Historic districts are or have become mixed use through retaining or acquiring a substantial proportion of resident uses. With the increasing decentralization of many activities and the development of high quality new office space, there is a surplus office and industrial space that is vacant. Conversions to other functions, especially residential use, are a way of ensuring that these buildings are in active use (Tiesdell et al., 1996). As Ashworth and Tunbridge (2000) observe: “The historic city needs the residential function as the only practical alternative to widespread vacancy.” Tiesdell et al. (1996) note two principal attractions to living in the city: first, the historic character and allure of the residential space available, and second, the convenience of the location. Although lofts and loft-type spaces are common, they are not the only housing deployed in historic areas. Often there may be newly built housing or standard residential conversions. Two of the key issues in housing-led conservation have been displacement and gentrification and, as in any restructuring, the creation of a market for the new use. Burtenshaw et al. (1991) conclude that while social and functional change and the conservation of the physical fabric of cities are intimately related, the chronology of cause and effect is generally locally determined. There are issues concerning the loss of employment space and the role of, and need for, the retention of low-cost commercial space where small manufacturers can incubate, grow and mature. A planned process led by the local authority that involves considerable public subsidies as well as commercial incentives should encourage the functional restructuring of the historic district, provide a use for historic buildings and, through the creation of a viable residential market, bring and / or maintain residential population levels in historic urban areas.
(3) Industrial and Commercial District Conservation

While tourism-led and housing-led conservation have direct and indirect impacts, and can re-image places, the impacts of industrial/commercial conservation are less visible and success is more measured. Many historic districts suffer from location obsolescence as a result of the changing economic structure and the local economy, however the capacity for responsive change is limited. Physical conservation and selective functional conservation (diversification/restructuring) policies may create the necessary environment for revitalization of industrial or commercial districts. In successful policies and initiatives local authorities take proactive roles in conservation and revitalization. Specifically they seek to make full use of central government grants, loans and schemes, while simultaneously trying to ensure a conservation strategy which preserves the area’s industrial character (Tiesdell et al., 1996). Even if a district cannot be comprehensively conserved, efforts could be made towards saving it from comprehensive conversion to other uses such as office space. The key conservation dilemma is to what extent should the exigencies of revitalization compromise the district’s traditional industrial or commercial character, firms and businesses that are under threat from internal and external competition.

Politics of Historic District Conservation

In order to understand actual changes in the conserved townscape, it is necessary to consider the major players involved. Larkham (1996) divides them into two groups: first, those directly involved in changes that they initiate, design or implement; second, those exercising external, less direct influence, mainly through the statutory system of
development control. The first group of direct agents usually includes an initiator (often a landowner), architects, builders, specialized contractors and consultants. These agents form a chain or a web of decision-making that begins with the initiator. The second group of indirect agents includes a local planning authority officer who is professionally qualified and has responsibility both for large-scale planning and for the direct and detailed control of development, a local planning committee that makes final decisions on the formal recommendations of planning officers, and the general public. Although individual members of the public rarely respond to invitations to comment on planning applications, local amenity organizations or pressure groups respond more frequently. Because they often possess considerable local knowledge and, in many cases, some professional expertise, they may be able to present the public's viewpoint with force, even eloquence (Larkham, 1996). Moreover, such organizations are becoming incorporated within the planning system through consultation processes. There is also a high level of informal contact between citizen action groups, councilors and planners.

Appleyard (1979) observes alliances between different groups around physical and historic conservation and social conservation in European cities:

1. City councils and public development corporations have actively promoted private or public development at the expenses of older urban areas and poorer population groups. Public agencies do not necessarily protect the public interest.

2. Commercial interests, real estate developers, and landlords, although in competition with each other, form coalitions and close ranks when threatened by actions that might limit economic growth and profit margins.
3. Conservationists and citizen action groups, while pursuing different goals, sometimes collaborate with each other against public or private development, though many of these alliances are precarious.

Like Rojas (1999) who discusses conservation strategies in the Latin America, Appleyard appreciates the need for strategies that grapple with the problems of both physical and social conservation, mostly dependent on mixes of public subsidy and private investment. Gentrification in Appleyard's viewpoint is not all bad in that private rehabilitation to save the housing stock and the presence of middle-income and affluent groups to support the tax base help a city's economy. In contrast with those in the American scene, citizen action groups in Europe seem to pit themselves against the planning and housing authorities rather than private developers, since planning bureaucracy is much more in control of decisions.

After examining different planning approaches in Western European countries and the US, Ashworth and Tunbridge (2000) conclude that all the planning philosophies imply some degree of public-private partnership, whether institutionalized or not. Even under those approaches where the objectives are determined by public authorities, and the instruments are statutory designations that restrict the operation of private rights over property, there is still a dependence on the free market that is being constrained. Individual property owners, pursuing their private interests within markets, typically invest many times more capital and energy into historic districts than all state agencies together. Although the various agencies often have differing and sometimes contradictory objectives, all management of urban historic areas is a partnership of some sort between regulatory planning, designed to manage functional change to achieve desirable collective
goals, and private individuals and companies pursuing their interests as owners, entrepreneurs, or customers (Ashworth and Tunbridge, 2000). Partnerships may be between an active initiating private sector and a public sector reacting where necessary to resolve conflict, support or restrain particular functions and encourage the attainment of particular functional mixes. In this way, public intervention facilitates private investment.

The above discussion regarding multiple interests in urban conservation must be placed in political-ideological context. Two ideas carry particular weight. The "dominant ideology thesis" developed by Abercrombie et al. (1980) argues that urban heritage inevitably conveys messages from an existing power elite intended to legitimize the existing regime, or from an opposition group with the objective of overthrowing a competitor. On the other hand, Bourdieu (1990) argues for the existence of "cultural capital", which is the accumulated cultural productivity of society and also the criteria for the selection and valuation of it. Each regime must appropriate this capital if it is to legitimate its exercise of political power. Therefore, for both of the ideas, the decision of historic district conservation is itself political and has political consequences. The Western liberal democratic societies that have developed urban conservation policies are characterized by dominant ideologies that are both heterodox and internally inconsistent. "Cultural capital" is not concentrated in the hands of a few powerful elite but dispersed among many producers and curators who can convey a multiplicity of different and competing "ideologies" (Ashworth and Tunbridge, 2000). Moreover, societies are not clearly divided between a dominant elite controlling the projection of clear ideologies and a subordinate group passively receiving them. Political-ideological justifications for urban conservation in the West are quite different from those in developing countries where
"cultural capital" is concentrated in a few powerful agencies. Conservation policy in the Third World is therefore shackled by the stigma of subjectivity (on criteria of architectural and historical merit) and is open to accusations of elitism. Conservation in developing countries is still an elitist activity, justified by problematic references to public needs, which are rarely, if ever, monitored. A multitude of perspectives must be incorporated in conservation decisions for public policy to be fair, inclusive, participatory and democratic.

**Historic District Conservation Theories In China**

The designation of urban conservation districts is a worldwide phenomenon that has become an accepted part of planning orthodoxy (Hubbard, 1993; Larkham, 1992). The conceptualization of a process as diverse and complex as conservation ideally relies on a broad array of research. There is a large and rapidly growing literature on the practice of conservation in the developed world (Appleyard, 1979; Ashworth and Tunbridge, 2000; Hubbard, 1993) but very little theoretical work (Larkham, 1992). For developing countries, there is neither a strong empirical nor theoretical base (Dix, 1990). Conservation policies and initiatives are frequently raised in recent literature on cities in developing countries, but in depth study is still required to better understand the process of conservation planning. This imbalance of academic attention fails to reflect the fact that the majority of historic urban centers are situated in developing countries.

Most urban conservation districts in developing countries occupy the historic center, which, in contrast to developed countries, often continues to function as the urban center. Three main challenges, more pronounced in the developing world, can be identified: funding; the forces of deterioration; and lack of popular and private-sector
support (Bromley and Jones, 1995). Although conservation everywhere has to compete for restricted financial resources, in developing countries the competing demands are particularly pressing (Dix, 1990), where relevant agencies have to operate with insecure budgets and limited autonomous sources of funding. With respect to the process of deterioration, wherever wealthy business interests and residential functions dominate the historic center, it is likely that urban redevelopment has long since destroyed those urban areas worth conserving. While under the more favorable circumstances of the developed world an emphasis can be placed on enhancement as well as preservation early in the conservation scheme, in developing countries the principal challenge is to prevent the continuing deterioration of the built environment (Bromley and Jones, 1996). The third challenge is that a popular conservation ethic does not yet exist in developing countries: the drive for conservation comes from the public sector or from a small elite, and reflects the limited role of the private sector. Local government is the key initiator and deliverer of urban conservation. Although improvements in the urban conservation districts of developed world reflect a myriad of methods of private sector involvement, business interests in the Third World are largely absent from the conservation process. Bromley and Jones (1996) argues that the lack of private sector involvement, perhaps more than any other constraint, is the most important to overcome because it is the private sector that makes it possible for conservation to move in a sustainable direction.

Few Western researchers have discussed urban historic district conservation in China because this is a comparatively new field only formally recognized in the 1990s.

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5 Researchers such as Abramson (2001), McQuillan (1985) and Taylor (1981) have done limited work, which is quite dispersed in different time periods. Many of the researches were done before the mid-1990s when substantive urban conservation practice started.
China’s socialist regime makes it quite different from other developing countries with respect to sharing conservation experiences, particularly politics of the planning process. The above observations, mostly based on studies from South America, North Africa and Southeast Asia, does, however, encompass pivotal issues in China’s historic district conservation practice. While conservation policy initiatives have been mentioned from time to time in Chinese literature often with the traditional focus on built environment, detailed theoretical investigations are nevertheless very limited. Those that exist can be categorized under three headings:

*Organic Renewal*

Wu’s (1999) organic renewal thought is arguably the most influential theory on urban area conservation in Chinese cities. Developed through a series of studies and projects in Beijing since the 1950s, the organic renewal approach recognizes that certain aspects of historic urban structure have lasting value, and seeks to preserve them by adapting them to modern life. Overall it stresses the establishment of a new organic order based on adaptation rather than on complete replacement. The concept of organic renewal has its roots in Western countries as a beneficial consequence of continuous and frequent academic exchange between academic and research units in China and those in Europe and North America, particularly after the 1970s. As Wu admits, the concept owes much to the work of Jane Jacobs following the drastic slum clearance and urban renewal programs implemented in American cities in the middle of the 20th century (Wu, 1999).

The theoretical premise of organic renewal is that the city is a living organism whose parts and tissue undergoes a metabolic process. Those urban elements that continue
to be useful and relevant can survive, while those that are no longer appropriate should be eliminated. As such, planned development should gradually and efficiently substitute, in a conscious way, the unsuitable with the suitable without seriously impairing the overall functioning of the city (Wu, 1999). In practical application the organic renewal theory suggests that if solutions could be uniquely tailored for each building quality and historic value type, then a highly complex problem may be broken down into simpler parts, each of which could pursue an appropriate strategy even with limited available funds. Thus although the organic renewal theory was originally presented to frame the specific case study of Ju'er Hutong (Chrysanthemum Lane), a traditional housing area in Beijing, the principles, as Wu argues, could be applied to the maintenance and rehabilitation of historic districts as a whole. Furthermore, Wu observes that conservation does not absolutely exclude development by stating “conservation of the physical order does not imply a negative attitude towards development in the present. On the contrary, successful conservation may only be achieved through well-planned development” (Wu, 1999).

In the Ju'er Hutong project, the professional team acted as a consultant to the municipal and district authorities, as a planner and designer to the development company, and as a coordinator to the new Ju'er Hutong Community Management Committee (Wu, 1999). The role of the professionals reached far beyond that conventionally set out by the profession. Given the socio-economic conditions in Chinese cities, this “three-in-one” model seems only appropriate.

Wu’s theory of organic renewal mainly focuses on physical aspects. His work touches only very briefly on social facets (such as original resident return), economic facets (such as a pilot project jointly funded by the state, work units, and individuals), and
cultural facets of urban conservation. These less discussed aspects indicate weaknesses in
the current scope of Chinese research on urban area conservation.

**Small-scale Self-help Rehabilitation**

Derived from the theory of organic renewal, small-scale self-help rehabilitation is
more an approach to urban historic district conservation than a theory. It was initiated in
1995 based on a pilot project on historic district conservation and rehabilitation in Beijing
by Tsinghua University in cooperation with a district government. In a pragmatic way, the
rehabilitation approach attempts to resolve issues concerning historic district use, mainly
of housing, through encouraging small-scale socio-economic and construction activities
including small-scale housing renovation, maintenance and restoration. Additionally it
involves limited funded government-resident cooperative neighborhood environmental
enhancement (Fang, 2000; Zhang, 1996).

Small-scale self-help rehabilitation was widely practiced for hundreds of years until
the Liberation after which strict restraints were put on it: historically most residential
construction was erected and then rehabilitated by residents themselves according to their
own preferences. This was a metabolic process as well as a spontaneous public
participation approach to urban conservation. In the current shortage of housing in
Chinese cities, small-scale self-help is often not permissible under planning regulations, but
it exists, mostly with illegal status, and plays an important role in the daily life of ordinary
residents. It has been suggested that the municipal government should consider an
effective policy to support it both financially and technically (Wu, 1999). Small-scale self-
help could not only preserve historic urban fabric, because of its clear and limited
boundary and incremental process, but also help to preserve a living tradition and the diversity of historic districts.

The most prominent merit of small-scale self-help rehabilitation is its small-scale and flexibility. Since the rehabilitation practitioners are users themselves who know their own expectations better than anyone, rehabilitation could generally meet their needs. In addition, the cost of rehabilitation would be less since lots of intermediate links can be skipped in small-scale self-help rehabilitation (Fang, 2000). It is realistic for residents to undertake second or even third round rehabilitation because of the modest investment and short work period. In this sense, small-scale self-help actually makes a special kind of affordable housing available. On the social side, it greatly mitigates the chaos brought by resident relocation frequently associated with large-scale redevelopment. The adaptive change within the restrained boundary proposed by small-scale self-help approach makes its negative impact on the surrounding area as little as possible to realize its purpose of historic district conservation.

Community Cooperative Renovation

Influenced by the community architecture movement in Western countries beginning in the 1960s, housing cooperatives first appeared in 1988 as an initiative for historic district conservation and rehabilitation in Beijing. Housing cooperatives, nongovernment bodies, were organized either by neighborhood committees or work units (Danwei). One of the principles of housing cooperatives is that the state, work units and individuals collaboratively finance housing conservation or rehabilitation. In a “small-scale” way, residents can obtain enhanced houses in a shorter period because of available,
though limited, capital investment. Housing cooperatives have changed longstanding attitudes among residents towards housing formed in the planned economy, for which government had always taken full financial responsibility, and have provided opportunities for negotiation and cooperation among residents, developers, architects and planners. However, housing cooperatives were an ephemeral alternative because of restraints from housing reform with planned economy color and its over-dependence on administrative means.

Based on housing cooperative experiences and small-scale self-help, Fang (2000) further explores the theoretical feasibility of cooperatives under market economy conditions. He proposes a concept of community cooperative conservation and rehabilitation that emphasizes community cooperation and resident self-help. It involves internal community agents, such as community groups and local residents, as well as external agents such as local government, developers and financiers. Community cooperatives emphasize resident participation, equal cooperation (not only among residents, but also local authorities, residents, professionals\(^6\) and external investors), self-help and small and flexible conservation and rehabilitation plans. From an institutional perspective, Fang suggests the establishment of housing cooperative associations, real resident self-help and self-managed non-profit grassroots organizations, or joint stock housing companies with investments from residents, housing cooperative and external investors.

\(^6\) As in community architecture, professionals such as architects and planners in community cooperative should act as facilitators and educators on top of providing technical expertise.
Theoretical Framework

This study is an empirical inquiry into how a municipal government in China currently carries out its historic district conservation policies in the context of a market economy. It is based on a framework for analyzing collaboration between relevant local interests, guided by the municipal government to facilitate quality historic district conservation. The designation of urban historic conservation districts is a nationwide phenomenon that has become an accepted part of planning practice. Such districts involve the conservation of special architectural or historic details that are in need of preservation, as well as enhancement. As has been demonstrated through the literature review, however, conservation of urban historic districts in China as a distinctive topic has not received enough attention in Western academia. The limited literature, almost all in Chinese, adopts the traditional emphasis on the built environment, although attention, only very recently, has been paid also to non-physical aspects of urban district conservation. Hence it is absolutely necessary to construct a theoretical framework that would structure, or refine for those urban areas with more or less successful experiments, the collaborative relationship among the various players at local levels in the practice of urban historic district conservation.

In this research, China’s urban historic district conservation is conceived of as a search for an institutional and administrative system for collaboration between relevant local interests that would meet the challenging contradictory goals of rapid urban development and urban conservation, the importance of which is increasingly recognized. The concept of major local players is becoming increasingly important in heritage conservation management and planning. Major local players are the individuals, groups
and organizations with an interest in a common urban conservation problem or issue, which are directly influenced or affected by the actions or non-actions taken by others to resolve the problem or issue. One of the key "external" features of this new framework of collaboration is the introduction of urban conservation law, which is almost non-existent in China, to ensure such kinds of collaboration, among others. As proposed, the ideal legal system would set up a decentralized relationship between the central and local government, rooting the principal legal framework in local institutions and delegating significant institutional and administrative power to municipal government in the area of historic district conservation, with the ultimate purpose of preserving and enhancing unique local identities.

In contrast to the public interest that has made historic conservation increasingly popular in developed countries, a popular conservation ethic does not yet exist in China. On the other hand, local authorities have not sufficiently involved the general public, interest groups or the private sector because there are no effective channels for public views to be voiced, and when there is feedback, the state pays no heed. These obstacles to historic district conservation may be, at least partially, attributed to the wider political culture in China where the state is seen to have absolute power and is not interested in consulting the public, although theoretically under Community Party rule, the cultural elite works at the service of the people as represented by the political elite, or the state. However, this "absolute power" is greatly challenged by the considerable amount of privately owned properties, potential adaptive uses and greatly inadequate funding.

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7 The increasingly recognized broader meaning of urban historic district conservation in China is the preservation, enhancement, or restoration of the character or appearance of a conservation district, as well as the trades, crafts, customs and other traditional activities carried on in a conservation district.
available from the state in historic district conservation practice. The trend, either in academia or in practice, is that local municipalities are becoming willing to, or more precisely having to, accept a collaborative relationship among different interests guided, if not led, by the state. Furthermore, input regarding the psychological, social and aesthetic value of a conserved urban environment from those residing or working in an historic area may be important for the formulation and implementation of conservation policy. This is because much is to be learned from drawing upon the knowledge of local people and responsiveness to their views or preferences. Theoretically, such a position presupposes a potential shift from state oriented elitism to conceiving of cultural capital as dispersed throughout a “new cultural elite” comprised of various interests. In the Chinese context, the different interest groups involved at municipal level fall into the categories of:

(1) Municipal government, which includes the local authorities and relevant departments and the public local developers.

(2) The private sector, which includes property owners and occupants (residents, business owners and managers) within the historic districts and potential commercial interests from outside the area.

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8 In the Chinese context, it is difficult to completely disentangle the state from the non-state sectors, lines between state and non-state activity are blurred. For instance, neighborhood committees are legally defined as non-governmental community groups, but actually are extensions of local state’s administration. Another similar example is local developers. The categorization here is primarily based on the interests vested in the conservation and the intention to facilitate discussion on their interaction and collaboration.

9 In the Western culture, a developer is one of commercial interests, and it is a private sector independent of the state. While a developer in the Chinese context means more than that, it can be a commercial actor closely associated with the state at different levels, a private sector investing in projects with foreign direct investment, or a private sector who has already had enough domestic capital accumulation by running other businesses. It is very often that these three kinds of developers cooperate with each other. Local developers in historic district conservation in China are usually organized as essentially para-statal organizations, appointed by the municipal or district government agencies. Autonomous private developers are unlikely to be involved in conservation projects at this current nascent stage of urban area conservation in China. However, this does not exclude the potential involvement of real private developers in the proposed collaborative framework and they could be categorized as one of potential commercial interest under the private sector.
(3) The general public, mainly citizen groups such as neighborhood committees, conservationists and voluntary civic associations.

(4) Professionals, primarily architects and planners involved in conservation projects.

A constructive measure of collaboration among these main players is key to successful conservation. In broad terms, municipal government provides partial funding to projects in its own jurisdiction and oversees controls that regulate historic buildings, ancient monuments and conservation districts, while the general public contributes expertise, supervision, and in many cases the actual physical labor that maintains heritage structures. The private sector could mainly contribute funding and promote adaptive uses of private property. Professionals provide expertise, coordination, and consultation. Municipal authorities bring the work of all the interested parties together, steer a course through conflicting interests, decide consent in the majority of cases and guide conservation implementation by all actors in the protection and enhancement of the heritage of their local community. Thus local government would change their conventional role as key initiator and deliverer of urban historic district conservation.

Chapter 3 is an overview of historic district conservation practice in urban China, necessary to understand the history and development of urban heritage conservation, its socio-economic context, key issues in current conservation practice, as well as the inadequacies of that practice. What underpins the characteristics of state-led historic district conservation in practice is a set of legal, institutional and funding mechanisms. It will lead to in-depth analysis of these mechanisms in Chapter 4, in order to demonstrate the importance of collaborative urban conservation.
**POLITICAL IDEOLOGY**

Cultural Elite Urban Conservation:
Cultural capital concentrated in the hands of a few politically powerful or dominant elite (the state, or political elite), conservation agenda set by the state that represents the people in theory.

External Forces:
Rise of Market Economy, Valorization of Urban Property, Reinterpretation of Historic Meaning of Built Environment, and Devolution of Governmental Decision-making, Administration and Finance, etc.

Decentralization  Marketization

Shift of Cultural Elite Constitution

"New Cultural Elite" Urban Conservation:
Cultural capital dispersed among the new culture elite composed of various interest groups, conservation agenda set by the new culture elite powers.

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**THEORETICAL FRAMEWORK**

Current State-led Municipal Level Urban Conservation

Conservation Mechanism Reform

Decentralization of Legal Framework

Institutional Structure Reform  Funding Mechanism Reform

Local State

Private Sector  Professionals  General Public

A Local Collaborative Model
The purpose of this chapter is to provide an overview of historic district conservation practices in Chinese cities. Although cultural relics preservation in contemporary China can be traced back to as early as the 1920s, the term "historic district conservation" did not appear until 1986 and substantive practice until the 1990s. After an examination of the historical evolution of historic district conservation, this overview will serve as the background necessary to understand historic district conservation practices from 1986 onwards.

Because of the decentralization of urban planning and management after the post-Mao urban planning and land management reforms, municipal government has taken the leading role in urban historic district conservation practice. Municipalities have had to face the challenge of promoting historic district conservation under the rapid urbanization since the early 1990s. This overview presents the socio-economic context for current historic district conservation, and then evaluates urban historic district conservation in five arenas: local traditional economic and cultural revitalization, tourism and culture-led conservation, the conflict between conservation and redevelopment, population relocation, and traditional historic district conservation funding. The purpose of choosing these arenas is not to give an exhaustive evaluation of how a municipality executes conservation but to highlight key issues surrounding municipal level conservation practice in China. Based on the evaluation, this overview will then assess current historic district conservation practices for their inadequacies.
History and Development of Historic District Conservation Practice

Contemporary heritage conservation can be traced back as early as 1922, when the Archeology Research Institute, the first heritage conservation academic research agency in China, was established at Peking University. The promulgation of the Cultural Relics Preservation Act (1930), the Cultural Relics Preservation Bylaw (1931) and the Organization Regulations of Central Cultural Relics Preservation Committee (1932) established the earliest legal framework for contemporary China’s heritage conservation and management. The Second World War and the ensuing Civil War rendered enforcement of these statutes impossible. Nevertheless, they laid the foundations of China’s post 1949 heritage conservation measures. From antiquity-oriented singular level preservation—the earliest type of heritage conservation, to the introduction of the Famous Historic Cultural Cities initiative—a dual level conservation, to the recent inclusion of historic district conservation, China has built a multi-level approach to conservation.

Between 1949 and 1966, introduction of a series of heritage ordinances and regulations, establishment of central and local administrative agencies, and development of heritage research institutes all contributed to new China’s incipient heritage conservation system. Tragically, the “Demolishing Four Olds” (Po Si Jiu) movement of the Great Proletarian Cultural Revolution (1967-1976) ruined heritage in an unprecedented way, as if all the heritage conservation statutes did not exist. Moreover, the spiritual “revolution” did not cease with the end of the Cultural Revolution: “to destroy old and create new” (Po Jiu Li Xin), as a social trend ignoring history and traditional culture, had a long-term influence that erected barriers to heritage conservation.
in subsequent years. The state only restored its heritage conservation work in the latter half of the 1970s through re-enacting certain legislation, to adjust the legal and administrative heritage system. The milestone of fully established ancient monument-oriented heritage conservation measures was achieved through new enforcement of the *PRC Cultural Relics Preservation Act* in November 1982\(^1\) (Wang et al, 1999).

During the years from the 1950s until the beginning of the 1980s, the scope of interest of most political leaders and academics on heritage conservation seldom went beyond ancient monuments. Urban conservation was only discussed as a theoretical issue, with no opportunities to be put into practice. The most famous example is that a very scientific and timely plan for Old Beijing conservation\(^2\) proposed by a small architectural elites led by Liang Sicheng, the founder of Tsinghua University Architecture School, was denied by the state in the beginning of the 1950s. The Open and Reform policy saw unprecedented urban development hand in hand with urban economic feats. New urban district construction, urban renewal and infrastructure redevelopment, all at large scale, adversely altered the traditional urban fabric, bringing exigency into historic city conservation.

Publication of the first 24 national Famous Historic Cultural Cities by the State Council in late 1982 marks the beginning of historic city conservation, the second stage of China’s heritage conservation. The *Announcement on Strengthening Famous Historic

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\(^1\) The legal definition of “cultural relics” includes ancient buildings, monumental buildings, ancient tombs, carved stones, ceramic objects, books and paintings, metal articles, etc.

\(^2\) The plan suggests a new urban center west of Old Beijing to further develop Beijing, while at the same time, preserving Old Beijing. Had this plan been accepted in time, Old Beijing would have suffered less damage in the post-Mao industrialization and urbanization. On the other hand, Wu (1999) argues that this plan has its weaknesses in terms of financial feasibility and urban design details. Interesting enough, Suzhou master plans since the 1970s perfectly reflected Liang’s idea of developing a new urban center outside the Old City. It has been considered as one of the most successful plans for old cities.
Cultural City Planning (1983) publicized by the Ministry of Urban and Rural Construction and Environment Protection and the Regulations on Famous Historic Cultural Cities’ Plan Making (1994) publicized by the Ministry of Construction and the National Cultural Relics Bureau both facilitated the integration of historic city conservation into urban planning. Some listed Famous Historic Cultural Cities have made conservation plans, explored conservation approaches and promoted education programs on historic city conservation. The enactment by the State Council of other related statutes such as the PRC Urban Planning Act (1990) and the PRC Environment Protection Act (1990) also included articles on historic city conservation. However, these achievements would not have been possible without support from the relevant academies. The Chinese Society of Urban Planning founded the Academic Committee of Famous Historic Cultural Cities’ Conservation Planning in 1984, and then, in 1987, the Chinese Research Society of Urban Sciences set up the Research Society of Famous Historic Cultural Cities. Ongoing efforts by these research institutes were recognized by the State Council who approved the establishment of the National Committee of Famous Historic Cultural Cities Specialists in 1994. The Committee enhances the enforcement supervision of historic city conservation statutes and provides technical consultation. The municipalities of Famous Historic Cultural Cities are eager to accept advice from the Committee in order to make historic city conservation more scientific. The first state standing agency for historic city conservation, the National Research Centre for Famous Historic Cultural Cities based at Tongji University Shanghai, was established in 1998. It provides technical consultation on historic city conservation, executes theoretical and practical heritage conservation
planning research, and assists government in the development of conservation policies (Wang et al, 1999).

The term “historic district conservation” was first formally articulated in 1986 when the State Council publicized the second list of 38 national Famous Historic Cultural Cities. Historic district conservation was introduced to lessen conflicts between historic city conservation and urban development, provide a basis for historic city conservation, and articulate the integral components and key issues involved in historic city conservation (Wang et al, 1999; Ye, 1996). Standards for historic cities, requirements for conservation, planning and the concept of “historic conservation areas” were all established. More importantly, formal recognition of “historic district conservation” opened up opportunities for districts deserving preservation, either urban or rural, but not listed as Famous Historic Cultural Cities. Beijing, Anhui Province and Zhejiang Province then publicized lists of provincial level historic districts, and explored historic district conservation policy initiatives and planning methods.

Historic district conservation nevertheless remained absent from China’s formal heritage conservation system until June 1996 when the Historic District Conservation (International) Symposium was held at Tunxi, Huangshan City of Anhui Province. The Tunxi Symposium clearly articulated that historic district conservation “has been a critical link in heritage conservation, and an integral part of the entire conservation system” (Ye, 1996). The pilot project of Tunxi Old Street raised historic district conservation issues such as designation criteria, conservation plan making and its

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3 Initially a research project of Tsinghua University, in cooperation with the Ministry of Construction, the Tunxi Old Street Preservation project started as early as 1985. With its more than 11 years of ongoing study, it is a rich case for further discussion.
implementation, legal system for historic district, and conservation funding. The Symposium greatly contributed to the *Provisional Regulations of Tunxi Old Street Historic District Conservation and Management* enacted by the Ministry of Construction in 1997. It articulates historic district conservation’s characteristics, principles and methods, and gives specific guidance on certain issues to historic district administration (Wang et al, 1999). This legal document, although a municipal level one, marks the beginning of China’s historic district conservation system. The National Famous Historic Cultural City Foundation was set up the same year to provide financial support to major projects, mainly applied historic district conservation projects. Today top leaders do not hesitate to stress the importance of historic district conservation in urban planning (Wen, 2000; Qiu, 2002). The newly established system itself needs further development and coherency, not taking away from its status as bringing China’s historic heritage conservation into a new era.

**Social-economic Context of Historic District Conservation**

**Increasing Demands on Urban Land Use**

China has experienced increasingly rapid urban development since the beginning of the 1990s, particularly after Deng Xiaoping’s Southern Tour in 1992. A number of major forces are driving the demand for urban land. Specifically, promotion of the tertiary sector has triggered an enormous need for commercially zoned land, a market for high quality property has resulted from the Open and Reform policy and income

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4 The Foundation provides only 30 million RMB per year to around 10 projects. However, this symbolic financial aid has a greater political meaning. Under the fund, municipalities have to provide larger contributions (including monetary ones) to government financed projects, which are also more likely to attract non-government investment.

5 Wen Jiabao, Vice Premier. 'Promoting urban and rural planning to accelerate the process of modernization.' (Wen, 2000).

6 Qiu Baoxing, Deputy Minister of Construction. ‘The current situation and our mission of planning’(Qiu, 2002).
diversification, and cities are adding new functions, e.g. Central Business Districts (CBDs), to their urban centers. Inner cities are still the core of most cities, although a number of new plans are introducing sub-centers or new centers into urban areas. For instance, Beijing's inner city, only 5% of the entire Beijing urban area, has to sustain more than 50% of the traffic flow and commercial activities in the whole of Beijing (Fang, 2000). The price of both land and property in inner cities are continuously increasing due to the lack of appropriate plans for developing the inner city. Consequently the current state of nationwide urbanization has created conflicts between historic district conservation and urban development and, in particular, threats to historic district conservation mainly within inner cities. As Chinese cities head toward modernization, large-scale urban construction is unavoidable because current urban function, physical structures, infrastructure and human settlement quality still need substantial upgrading. Historic urban districts are an integral part of urban economic dynamics; they are rarely autonomous functional zones and usually have a symbiotic relationship with the rest of city (Tiesdell et al, 1996). All urban areas undergo transitions, but historic urban districts have to cope with bettering their economic profile while change to their physical landscapes is restricted and controlled. Conservation requirements place an additional challenge to the design of new urban developments.

Local Residents' Expectation of Higher Living Standards

Compared with living standards in newly developed districts, conditions in historic districts are much lower even than the average for whole urban areas. Because of chronic overcrowding, local residents have occupied houses originally designed for far fewer households. Take the inner city of Beijing for example: it is easy to find more than
10 households occupying a 300m$^2$ courtyard house (Fang, 2000). Inner city historic areas have often been centers of households living well below the minimum national standard. Overcrowded residents, along with insufficient maintenance and failures to execute necessary partial renewal, led to the present dilapidated state of historic district housing. Although nationwide large-scale urban renewal in the 1990s has solved problems to a certain extent, historic district rehabilitation still has a long way to go, even just for the purpose of improving local residents' living conditions. Around 80% of the houses in the historic districts of Beijing need either rehabilitation or renewal, most urgently (Zhang, 1996a).

Long neglected infrastructure within historic districts results in facilities unable to meet the demands of modern life. Sewage systems constructed before 1949, or even in the Qing Dynasty, are still operational in some urban historic districts of Beijing (Fang, 2000). Backward living facilities have seriously constrained modernization of historic district life, sharply in contrast with the rest of the city. Since the 1970s local residents in historic districts have been strongly calling for the betterment of housing conditions. Proposals have been brought to city authorities almost every year. Municipal officials do want to have certain political feats on this long existing issue, unfortunately by resorting to large-scale redevelopment under the illusion that it can benefit both local residents and their municipality in the short term. Although large-scale redevelopment was introduced under the planned economy, it did not pose a threat to historic districts as serious as the latest round in the 1990s, because of financial limitations on inner city development aspirations in the early years.
Influence of Physical Design Oriented Planning

Urban planning theories and methodology in China have been deeply influenced by western modernism’s physical design oriented planning. During the process of inner city planning and management, architects and planners usually hold a negative attitude towards traditional city’s “functional and spatial disorder”. Accordingly they emphasize strict function division and separations of land uses, and seek “rational” urban spatial form and uniform visual spatial order. Under the guidance of these “modern” theories, inner city planning practice is likely to be simplified to large-scale inner city redevelopment with an invariable model: (1) relocate original residents, (2) demolish houses, (3) remove trees, and then (4) build commercial towers and high-rise apartments. Driven by the real estate boom from the beginning of the 1990s, such simplistic inner city planning has become more widespread, which seriously damages urban historic and cultural environments (Fang, 2000).

On the other hand, both faculty and students in Chinese architecture and planning schools rely on actual projects for their research and funding. Chinese urban design and research institutes are in the style of professional firms rather than research units per se. Both planning practitioners and funding authorities for these projects are increasingly less interested in the social objectives of historic urban area research, thus placing significant barriers to conservation research and practice. This is highly problematic because the social dimension of urban conservation is arguably the most important, as continuity in conservation can only be achieved through the continuation of urban life (Orbasli, 2000).
In ancient times, little attention was paid to historic cities, as it was the custom for a new dynasty to sweep away everything from its predecessors. It was a long existing tradition in China’s more-than-two-thousand-year urban construction history that before a new dynasty declared its establishment, one of the first things a soon-to-be empire did was to demolish cities and erect new ones. Although urban construction and development were usually stable and continuous, dynasty alternation destroyed innumerable cities of historical value—“the highest expression of the civilization” of a certain historic period. This type of urban “renewal” represents the revision of an antagonistic history rather than a rational continuation of urban development. Unfortunately, this social spirit passed down from Chinese feudalism has ingrained upon contemporary society an imperative “to demolish old and create new” (*Po Jiu Li Xin*), which has been much more readily accepted by both the state and the society than heritage conservation. The painful urban experience during the Great Proletarian Cultural Revolution saw *Po Jiu Li Xin* at its height.

The Open and Reform policy, particularly the boom of urban real estate development in the 1990s, has given further opportunities for people who disdain traditional culture to destroy the “burden of old city”. Moreover, urban renewal under conditions of economy transition offers many business opportunities and monetary profit. Municipal leaders compete with each other to make the biggest changes in the least time hearing the agitation from so-called “cultural elitists” and “urban economists” on the sidelines of large-scale urban renewal. In this way, a social spirit opposed to urban conservation has developed in China.
Current Historic District Conservation Practice

Local Traditional Economic and Cultural Revitalization

Historic conservation policies have gone through two waves: the first to protect individual buildings, structures and other artifacts, and the second to conserve groups of historic buildings, townscapes, and the spaces between buildings. The latest wave of policies has been concerned with the revitalization of protected historic urban areas and quarters through growth management (Tiesdell et al, 1996). Under these policies, efforts are being made to attract investment and generate local economic development in order to accumulate the finance necessary to conserve and enhance historic districts. Unlike downtown areas of the West, Chinese inner cities did not experience significant decline following postwar urban spatial restructuring. Even the current suburbanization has not yet changed the inner city’s status as the urban political, economic and social center. However, some historic districts have experienced location obsolescence as a result of the changing local economic structure. To survive traditional commercial activities have to leave places where they have spent decades or even more than one hundred years for other locations. As a result the agglomeration of traditional commercial and cultural activities is gradually disappearing in historic districts.

Some old brand name stores or restaurants (Lao Zihao) have experienced desperately low revenue, rename (change in ownership) and closure because of high rents. Others have declined as their traditional functions have moved to cheaper, more convenient locations, or even disappeared while their original locations are gradually being occupied by high revenue modern businesses. Lao Zihao are extremely vulnerable because they usually do not have property ownership (like state owned enterprises), and
have not been protected by any effective statute. Redevelopment near historic districts also drives up the rent within those districts, which forces traditional commercial activities to relocate. In most cases, it is impossible to bring them back into the inner city because of strong competition from contemporary businesses and ongoing inner city redevelopment.

Physical revitalization results in an attractive, well-maintained public realm. However, revitalization that is merely physical may be unsustainable and short-lived. As Rypkema (1992) states: “a rehabilitated empty building does not particularly add to an economic revitalization strategy in those areas, in the way that a building filled with tenants does. People and economic activity ultimately add economic value”. A deeper traditional economic and cultural revitalization is required in that ultimately it is the activities within the buildings and spaces between them that will pay for maintaining historic character. The Chinese experience of attracting local economic investment to a particular historic location has been problematic. Generally, it over-emphasizes tourism-oriented local economic growth while ignoring local community services; it either excludes suitable modern uses of historic buildings or includes too many modern uses while a compatible mix of uses would seem to be more realistic for tourism / economic growth initiatives within historic districts; local economic investment that can produce revenue within a short period of time (sometimes speculatively) is more welcomed by municipalities than long term, but more sustainable investment, such as traditional education or vernacular culture propaganda; excessive historic district development, in

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7 The Regulations of Guangzhou Famous Historic Cultural City Conservation, for instance, only states in principle that efforts should be made to “maintain their status quo and traditional characters”. Guangzhou Municipality has established an office to manage such efforts, but there is no detailed regulation in this regard. Moreover, the office only has coordination rights, as opposed to enforcement rights. (China’s Window, 2001).
the name of “positive conservation”, has further threatened the quality of historic district conservation (Ruan and Sun, 2001), and the involvement of real estate companies makes things worse; bogus historic attractions are accepted by municipalities as one alternative to revitalize a local economy. Traditional economic and cultural activities in historic district are imperative not only to create and retain employment but also to maintain, and more importantly, respect a valued historic environment. In the process of historic district conservation, one must integrate the historic legacy, inheritance and sense of place with the demands of the contemporary economic, political and social situation (Tiesdell et al, 1996). The key to this integration is to “see its heritage as an asset and not just as a liability” (Falk, 1986).

![Figure 2: Relationship between Development, Conservation and Urbanization](Source: after Zhou, 2002)

**Conflicts between Conservation and Redevelopment**

The long history of Chinese cities, particularly ones that function as regional centers or provincial capitals (many of them are Famous Historic Cultural Cities), has shaped their unique urban fabrics, social and cultural milieus and characters. Chinese inner cities have always been the core of the metropolitan areas, even under the current new urban district construction trend (Ruan, 2000). However, increasing new urban functions have overloaded inner cities designed decades or even hundreds of years ago.
Historic district residences, mostly of brick-and-timber construction, have become dilapidated. Comparing them with newly built residential buildings outside historic urban areas, historic district residents prefer to leave, or at least to have historic districts rehabilitated to attain better living conditions. On the other hand, successful new district development and the real estate boom that emerged in the early 1990s accelerated the flow of urban construction capital, which has financially enabled many cities to deal with historic districts, or more broadly, the inner city.

Unfortunately, early historic district rehabilitation actually saw large-scale redevelopment from the perspective that an historic district is a liability rather than an asset. Irrational behavior thus destroyed original social structure, cultural heritage, historic character and the vernacular built environment, replacing them with monotonous, identical, modern high-rises. Western architectural styles are replicated in the name of modernization, often with little respect for local cultural, climatic or building needs (Orbasli, 2000). A municipality may convert the nature of an historic district's land use, e.g. primarily residential, to commercial or entertainment use in order to take advantage of its location and increase land lease prices. Contrary to its initial intention to improve historic district environments, the municipality then finds that the district needs a new round of redevelopment in order to solve the problems brought by increasing population and traffic, and over-burdened infrastructure. Ironically, while the low-density residential in historic districts has strongly attracted the interest of developers because of lower relocation expenditures and higher proposed space floor ratios (SFR), high-density housing areas outside historic districts have always been ignored by developers because

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8 Successful cases of historic district rehabilitation such as Tongfang Xiang in Suzhou should not be ignored. However, for most cities executing historic district rehabilitation, this statement is valid.
of denser population, less land and higher relocation costs. The criterion for assessing which areas deserve rehabilitation is the potential commercial value of a district, instead of the degree of decay within the local housing stock. Inner city redevelopment is necessary, but should be exercised in appropriate locations.

Four main players contribute to the unfortunate triumph of redevelopment over conservation:

(1) Developers—inner city areas are still more attractive than suburban areas because of their high land value and potential profits;

(2) Municipal leaders—rapid and dramatic changes in urban centers are more appealing and more likely to be politically recognized as accomplishments;

(3) Planners and architects—some have only superficial knowledge about historic conservation, some cater to political leaders, and others look forward to benefiting from large-scale redevelopment (Zhou, 2002);

(4) Residents—those incapable of improving living conditions themselves take relocation as an opportunity to receive compensation.

Among these players, the attitude of municipal leaders is the most significant because of the decentralization of China’s urban planning system. If they could guide the other players toward a sustainable future of historic district by carefully weighing tradeoffs between short and long term benefits, many conflicts between historic district conservation and redevelopment could be resolved.

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9 Residents forced to relocate are not among this category of player. It should also be noted that residents are often victims in conflicts between interests. In his survey on Beijing Old City relocation lawsuits, Fang (2000) observes that residents always lose.
Tourism and Culture-led Conservation

Tourism has been perceived as a growth industry nationwide partly due to increased income, leisure time, and travel mobility among the Chinese population. It therefore has often been encouraged and promoted by local municipalities who have sought to build a degree of tourism and cultural activity into the heart of the revitalization of their cities. Although it is the image and attractions of an [historic] area which usually induce the tourists to visit a particular place, it is the transport services that enable the trip, the supporting facilities that cater for the comfort of the visit and the infrastructure that enables these to function and to substantiate the image (Pearce, 1989; Kotler et al, 1993). These “support” services represent the principal forms of spending among visitors and can therefore have a greater economic impact than attractions themselves. Visitors’ appreciation of historic districts not only becomes a reason for conservation but also can increase local interest in the urban environment. Tourism is potentially an important catalyst for safeguarding of historic fabric and the initiation of conservation on an urban scale (Orbasli, 2000). Tourism could play a key role because:

- Tourism generates a greater heritage awareness: after a decade of efforts to develop sustainable tourism in Tunxi Old Street in Anhui Province, a survey indicated that most of the local residents had closely linked their own interests to the quality of historic district conservation and actively participated in the project (Zhu, 1996);
- Well-preserved buildings are being effectively used to encourage the realization of more conservation projects, and more local involvement and demand for

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10 Forecasts by the World Tourism Organization (WTO) indicate that in the year 2020, China will be the leading tourist destination, with 130 million tourists (Luxen, 2000).
conservation. Local economic surveys of Tunxi Old Street indicate that commercial land use ratio rose from 1979's 34.4% to 1985's 45.7% and ultimately 77.6% in 1993 (Zhu, 1996).

- The promotion of architectural and historic values (locally and nationally) motivates cross-cultural communication (Orbasli, 2000).

With all these merits of tourism development, most of the historic districts in China, whether within officially designated Famous Historic Cultural Cities or not, have attempted to adopt tourism as a strategy for the conservation of historic districts. Although historic districts themselves have unique milieus and character most deserving careful conservation and rehabilitation for tourism purposes, municipalities often attempt to create fake historic scenes, such as newly-built historic streets, traditional markets and even theme parks. These actions not only direct limited funding to unnecessary development, but also have a negative influence on the authentic historic environment\textsuperscript{11}. Tourism development in historic districts requires careful and informed historical background research before any project is implemented. One of the Famous Historic Cultural Cities developed a Han Dynasty (202 BC - 220 AD) Commercial Street without knowing that commercial streets did not appear until the Northern Song Dynasty (960 - 1126 AD)(Ruan, 2000). Moreover, some historic district tourism plans relocated all the original residents elsewhere, renovated those historic buildings, converted them all to tourist facilities and finally invited tenders. History is continuous and the people are the

\textsuperscript{11} In 1999, after recognizing the detrimental effect of fake historic buildings to the authentic historic milieu, Luoyang, one of the Famous Historic Cultural Cities, spent more than 10 million RMB to demolish fake historic hotels recently built around the famous Dragon Gate Stone Kiln historic area. The costs of those buildings were more than 10 million RMB (Ruan, 2000).
masters of history. Original residents are an integral component of any historic district. Without them, a historic district is left to be only a vacant stage.

Many historic districts in the West that based their revitalization on tourism in the 1980s have discovered that many external variables related to the industry are beyond their control, in addition to multifold pressures upon historic districts as a consequence of tourism. As Karski (1990) warns: "tourism development is not a universal panacea for economic and environment ills...it is only one component of a wider set of economic and planning initiatives". Tourism on which historic areas are basing their regeneration strategies may well not be able to guarantee long-term economic viability, since they are liable to suffer from increasingly fierce competition and from economic downturns (Bianchini et al, 1991). Chinese historic district conservation should explore other strategies including commercial and industrial revitalization, and housing-led revitalization\(^\text{12}\), of which there have been many successful examples in the West.

**Relocation of Residents**

Because of the limitation in policy, funding, and conception, historic district problems such as crowded population, aging residents, declining local economy, deteriorating living situations, decayed built environment, and over-burdened infrastructure, are being solved only partially not without negative results. Historic district residents see the increasing disparity between historic districts and newly built areas in terms of living standards. However, under current ownership, leasehold and rent

\(^{12}\) Pingjiang Historic District of Suzhou has been a good example of housing-led revitalization in China. With the involvement of I. M. Pei, 50% of the original residents have returned, and 80% of the houses were kept after rehabilitation (Ruan, 2000). However, generally speaking this kind of experiment is still far less than enough. Local authorities often have less interest in it than a tourism-led approach because of pecuniary reasons.
systems, it is very difficult to use market economy approaches to evacuate historic district populations in a certain number. Meanwhile, local government is incapable of building low-income housing to absorb the relocated residents (Zhang, 2002).

The major issues with current historic district population relocation might result in antagonism between residents and developers, or even local authorities:

- Property ownership clarification in historic districts is always one of the most complicated and tricky problems in the rehabilitation process for historic reasons. Nevertheless, the comparative stability of property boundaries is an important means of maintaining a diversity of character in streetscapes and the community structure of the area (Zhang, 1996b).

- A certain proportion of historic district residents must be relocated to suburban areas in order to lower the associated costs to developers and/or local authorities. Some suburban areas lack enough facilities to support settlement. Additionally relocated residents spend much more time commuting between work and home. To make things worse, some unlucky residents are relocated to places with no drinkable water within 10 km of their homes (Fang, 2000).

- To lower the cost of relocation, some developers provide historic district residents with low quality or even illegal housing in their new communities. This practice easily lends itself to property ownership and housing quality conflicts.

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13 Ruan and Sun (2001) argue that a suitable ratio of population retained in historic districts after conservation process should be around 60% based on a comparative historic district population study. At this level the original social structure can basically be maintained while still meeting current national living standards.
- Compensation plans (including the principles and approaches of compensation and relocation, and the number of temporary apartments for those who will later return to rehabilitated historic districts) submitted to local authorities for approval are too general. Details of compensation plans are reached through closed-door negotiations between individual households and developers without local authority involvement (Fang, 2000).

- Some historic district residents who are temporarily housed in apartments arranged by developers or local authorities spend several years longer there than the supposed date of return due to time extensions of the rehabilitation process.

- Historic districts generally have a diverse population body in terms of income level, status, and lifestyle. Rehabilitation and relocation often sift out low-income or even middle-income households from historic districts. Effectively the rehabilitation process destroys the original, organically formed social milieu.

Conservation of historic districts generally involves gentrification, with higher-income residents and economic activities supplanting poorer ones. Successful rehabilitation benefits municipalities and developers, while it tends to expel low-income families and less profitable economic activities from the district. Efforts to mitigate this social inequity often include interventions involving significant local government subsidies, a price not many municipalities can afford. Moreover, local authority's standpoint or attitude towards population relocation in historic district conservation might be a highly political issue.\(^{14}\)

\(^{14}\)Because of the enormous profit from rehabilitation and redevelopment (on the historic district periphery), local authorities, under the slogan of national economic construction, sometimes are on developers' side, instead of maintaining social equity, during population relocation when resident-developer conflict happens (Fang, 2000).
Conventional Historic District Conservation Funding

Funding for conservation can become a low priority when there are pressing demands on budgets for accelerated industrialization and urbanization in Chinese cities. Further problems arise from insufficient funding for the training and education of professionals or specialists to undertake and organize conservation work. Even where municipal conservation legislation does exist, there might be inadequate controls or lack of financial assistance for historic district conservation.

Municipalities\textsuperscript{15} play the lead role in historic district conservation funding except for the National Famous Historic Cultural City Funding (30 million RMB per year for around 10 projects). The conventional funding ways can be categorized into:

(1) Municipalities provide state-owned land to relocate inappropriate enterprises from historic districts, but this has become problematic with the establishment of market oriented land use and real estate (for instance, Suzhou and Chengde).

(2) With the help of old city rehabilitation, municipalities require that developers strictly implement conservation plans in historic districts, in exchange for compensation to other projects of those developers outside of the historic district (Tongfang Xiang of Suzhou).

(3) For tourism and culture-led historic district, municipalities appropriate part of tourism revenue for conservation. This method is typical and well established.

\textsuperscript{15} Municipalities are extraordinarily different in their financial capacities in heritage conservation and rehabilitation. In the year of 2000, Beijing appropriated 130 million RMB for heritage conservation and rehabilitation, while the sum of all other cities' appropriation was only 120 million RMB (Zhang, 2002).
(4) Municipalities allocate a certain percentage of their annual industrial and commercial revenue to finance conservation work (Yangzhou, Shaoxing and Jingde Town).

(5) Municipalities, particularly those that have historically been business cities, encourage government agencies and state-owned enterprises to withdraw from historic commercial districts in order to leave space for highly profitable commercial uses, such as banking, hotels and clubs. Part of the rent revenue is then used for conservation, and the historic business district restores its original function interrupted during the planned economy era (Waitan of Shanghai).

Generally speaking, historic district conservation funding provided by municipalities is very limited and far less than enough. With the conventional funding methods, local government uses money from the public purse to benefit a few people in the historic district, which is considered unfair government behavior. The transition from a planned economy to a market economy makes multi-channel and multi-level funding initiatives possible to supplement municipality fiscal shortages with respect to historic district conservation. From an economic perspective, neither local authorities nor any non-government resource alone can complete any conservation project. A couple of successful funding initiatives have indicated that only full participation of national, local and social resources (guided or coordinated by local authorities) could guarantee success.
Inadequacies of Current Historic District Conservation Practice

Simplification of Rehabilitation Approaches

One of the biggest differences between historic district rehabilitation and new district construction is that historic district rehabilitation has to face more construction obstacles and complicated social-economic conflicts. Every historic district is unique: a sustainable historic district conservation plan requires in-depth and careful pre-rehabilitation field study, and investment return of rehabilitation is a long-term reward. Most local authorities or developers, if involved, prefer a simplified approach to large-scale redevelopment, which not only impairs the original character and milieu of a historic district, but also creates non-resolvable problems and conflicts.

Historic districts normally have a complicated socio-economic structure gradually formed over a long history. They provide abundant, agreeable living space and employment opportunities to residents across a diverse range of incomes. Increased property and land rent post-rehabilitation drives away most low-income residents and small business owners/operators. Some people even lose their employment opportunities. Formerly exuberant blocks become quiet, and can hardly regain their spontaneous economy breeding-ground function (Zhang, 1996a).

For historic reasons, most of the heritage in historic district is dispersed, some are located at residential sites. With the surrounding buildings and environment, they generate a historic and cultural space. Therefore, historic district rehabilitation must be very careful from a heritage conservation perspective. When the power of rehabilitation implementation is in a developer’s hands, conservation requests from the cultural relics administration are often ignored. Heritage destruction happens periodically when
construction units disregard the cultural relics administration in order to save time and money (Wang, 1995).

As previously discussed, historic districts are unavoidably influenced by changes in the rest of the city. Current large-scale old city redevelopment programs make flexible adjustments and amendments impossible. A second round of redevelopment within a short time period is almost certainly unrealistic because of the already large amounts spent. Meanwhile, planners and designers usually do not have enough time in urban design to reflect on a historic area’s unique characters because developers push to see returns on their investments as soon as possible. Developers, a major investor in old city rehabilitation processes, place strong socio-economic pressure to transgress planning guidelines. Under the current legal system for old city conservation, the planning administration has to resort to compromises with developers because of the huge fiscal burden urban redevelopment brings.

**Unstable Financial Capacity and Unnecessary Capital Waste**

The long-term nature of old city rehabilitation means it is greatly influenced by the real estate market and government macroeconomic policies. When government urban construction budgets become tight, the process has to be slowed down and even stopped, ending up with idle land and complaints from residents who are supposed to return on a certain date but cannot. Rehabilitation’s financial over-dependence on real estate development easily results in imbalances in investment composition and supply-demand relationship, as well as ultimately real estate and financial market turbulence. Redevelopment often leaves a legacy of unoccupied newly developed real estate projects
that destroyed a large number of lively small- and medium-size enterprises owned or operated by local residents in historic districts.

Unreasonable historic district rehabilitation also wastes the built environment. 50% of the old houses in Beijing’s historic districts can safely accommodate residents after a basic renovation, and there is a certain amount of other houses in fairly good quality (Fang, 2000). These houses, after renovation, could provide residences not only to middle- and low-income households but to high-income ones as well. Demolishing almost all those buildings during the rehabilitation process is wasteful behavior, given the serious housing shortage within old cities.

Rent-seeking in Historic District Rehabilitation

Old city rehabilitation provides rent-seeking opportunities because real estate development is a multi-stakeholder process under the administration of many relevant government departments. Capital loss frequently happens due to the level of municipal government supervisory ability during rehabilitation. Developers obtain land in the name of “housing rehabilitation” at very low prices or even for free, and then control the whole development process for that parcel of land. Thus, they can not only benefit from land development, but also profit from rent-seeking opportunities. Rampant rent-seeking behavior directly results in state-owned land revenue loss and corruption in government agencies.

Limited Improvements in Housing Conditions

Historic district rehabilitation executed by developers is a property development process with investment in exchange for high profits. In a market economy, it is mainly
dependent upon commercial property development for big capital returns. Thus, its internal logic dooms it to have a limited capacity to improve housing conditions in historic districts.

One of the major tasks in rehabilitation has been to move residents to other new locations designated by developers. When developers emphasize how spacious the new apartments in suburban areas are, they ignore, intentionally or not, that those residents will enjoy their new homes at the expense of giving up an incomparable housing location. Furthermore, for those who lost jobs in state-owned enterprises (Xia Gang\textsuperscript{16}) but were able to run a small business instead, relocation compounds the threat of unemployment.

Developers find it very difficult to maintain a balance of capital in historic district rehabilitation. Most houses in historic districts are bungalows with a high population density. Besides the complicated challenges of relocation, height limitations in planning regulations restrict the space floor ratios (SFR) of new buildings, and ultimately severely lower potential profits. As such, developers' interests in those areas decrease. Sometimes developers break the height or SFR limitation for an entire historic district, and are tolerated. Alternatively they ask for highly intensive commercial development at a certain number of lots within historic districts to compensate their lost profits in the name of capital balance. However, once those commercial buildings are built, developers may keep the less profitable lots intact with all kinds of excuses, or even ask for another plan modification for yet more commercial development in historic districts. In effect this creates a vicious circle within the rehabilitation process.

\textsuperscript{16}Xia Gang, literally stepping down from job position, originally meant losing one's job in a state-owned enterprise during state-owned enterprise reform. But current trends give a Xia Gang broader meaning related to all unemployment, except for unsuccessful self-employment.
Summary

Urban historic district conservation in China has evolved through a gradual and incremental process. The process from ancient monument preservation, holistic old city conservation to historic district conservation illustrates that urban heritage conservation has been closely tied to the post-Mao urban development experience since 1978. The trend in urban construction in the 1980s was to enlarge urban area scale and develop new zones near urban boundaries. Old cities were not the focus of urbanization. Holistic old city conservation seemed realistic at that time. A series of policies on strict control of the agrarian-construction land transition and the new development zone approval were enacted by the state after painful reflection on 1980s urbanization. Municipalities and developers started to focus on old cities as an alternative to a new round of fresh urbanization while the real estate boom, beginning in the early 1990s, exacerbated government focus on large-scale inner city development.

Both the state and local authorities gradually recognized the detrimental effects of large-scale inner city redevelopment upon urban heritage and the unique identities of old city areas. Based on a couple of historic district conservation pilot projects, historic district conservation has been accepted as a more realistic approach, compared with Famous Historic Cultural Cities conservation. However, under the current enthusiasm for local economic development and urbanization, historic district conservation practice is always hard work. Municipal ambition to revitalize local traditional economies and culture is challenged by modern business activities with higher potential profits. The tourism- and culture-led conservation has arguably become the only preferred path to

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17 Since the real estate boom in the 1990s, it has been almost impossible to find a comparatively well-preserved historic district in some of the listed Famous Historic Cultural Cities (Ruan and Sun, 2001)
historic district revitalization. Under the slogan of economic development, municipalities are exploring effective ways to reconcile the redevelopment/conservation conflict within inner cities. Limited available funding for historic district conservation and the inefficiency of conventional funding methods have raised further questions under the market economy.

Chapter 4 examines the legal, institutional and funding mechanisms underpinning current historic district conservation practice. Inadequacies in urban conservation practice call for incremental reforms to these mechanisms. The most crucial point regarding reform is that collaboration among local government and non-government actors is necessary to shoulder conservation work under the market economy, given that the resources required are far beyond local state capacities.
Chapter IV. Historic District Conservation Mechanisms and Policy Initiatives

This chapter proposes mechanisms and policy initiatives appropriate to historic district conservation in Chinese cities. As argued in the previous chapters, the difficulties encountered in historic district conservation practice at the municipal level call for incremental reforms in the legal system and relevant institutional and funding systems based on a constructive collaboration between local government, the private sector, the general public and professionals. This chapter attempts to present possible reforms in those fields and what kinds of roles the different interests would play in the mechanisms and policy initiatives recommended.

The chapter first examines current historic district conservation statutes and institutions, and then proposes policy initiatives and alternatives for the legal system and relevant institutional and funding systems. Under the suggested mechanisms and policy initiatives, the chapter discusses how the four categories of interests in historic district conservation would constructively and appropriately play their roles in order to successfully collaborate at the municipal level. Finally, the chapter provides operational conservation funding options that are potentially feasible in the Chinese context.

Historic District Conservation Legislation and Institutional Structure

Historic District Conservation Legal Framework

Legal measures make it possible to implement conservation policies. China’s current heritage conservation legislative framework is a combination of national and local legislation. However, state level statutes for heritage conservation in three areas—cultural relics, Famous Historic Cultural City, and historic district—are incomplete. Cultural
relics preservation has a comparatively mature legal framework, protecting buildings is a priority measure; the Famous Historic Cultural City initiative has only very limited regulatory documents without corresponding laws or legally enforced regulations; and Historic district conservation is not yet legislated. Neither cultural relics nor Famous Historic Cultural City conservation statutes include articles on historic district conservation. Moreover, current regulatory documents were mostly enacted by the State Council and its ministries/commissions or local authorities in the forms of direction (Zhishi), measure (Banfa), provision (Guiding), order (Mingling), and notice (Tongzhi). Most of them are not, strictly speaking, administrative statutes or regulations because their “enactment” did not involve formal legislative procedures. The proportion of real law and regulation among them is very small (Wang et al., 1999). These policy type papers nonetheless have been effectively functioning as national or local statutes for a long time. This phenomenon indicates that current historic district conservation excessively depends on administration over legislation (Wang et al., 1999). As such it is hard to keep a rational balance between “development” and “conservation” in practice. Without the legal measures to delineate the boundary between “conservation” and “development”, conservation is a “resilient” concept vulnerable to the pressures of urban economic development.

The inadequacies of current historic district conservation guidelines and regulations with respect to their contents’ scope and depth result in problems of execution. Presently their content mostly focuses on articulation of conservation objectives, contents

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1 The conversion of land uses and the breaking of height limits in historic district rehabilitation are examples. The density and height restrictions articulated in local regulations or conservation plans in the absence of higher-level statutes have very limited effects in implementation.
and approaches, while they omit details concerning legal support for implementation and management. Examples of the latter are definitions of conservation boundary, as well as parameters for conservation agency establishment and functioning, supervision and feedback system, financial resources and violation penalties. Consequently there is too much room for "human subjective judgment" in regulatory enforcement on top of other complications associated with historic district conservation.

**Hierarchy of Responsible Institutions**

Both planning departments and culture departments have historic district conservation mandates. The Urban Planning Division of the Ministry of Construction and the National Cultural Relics Bureau are the state level administrative agencies. Local construction commissions, planning bureaus, and local cultural relics bureaus assume responsibility for historic district conservation at the local level. The cultural relics bureau is responsible for ancient monument preservation and management; the construction commission for urban construction and management; the planning bureau for urban planning and planning management.

Each agency relevant to historic district conservation appears to have a clearly defined function. However, such an institutional arrangement for historic district conservation has experienced difficulties in practice one after another. Firstly, only the cultural relics bureau specifically focuses on preservation while both the construction commission and the planning bureau have to meet the challenges of conservation as well as development, under the pressure of rapid urbanization. How important historic district conservation is deemed to be dependent entirely on the decision maker's orientation toward conservation and development. Furthermore, the cultural relics bureau has only
very limited power in terms of historic district preservation because planning, land and
collection are outside its administrative scope. Secondly, even if the three departments
were to reach a consensus on coordination of historic district conservation activities, they
are horizontal with other local government agencies. This means that in cases of conflicts
there is no specific authority or avenue of appeal at the level of the municipal government
to coordinate and balance the interests and actions of those agencies involved in
conservation. Last but not least, preserving and rehabilitating historic districts, at its
incipient stage, needs large investments with little short-term return while in contrast
development usually generates immediate returns. This cause and effect relationship
places economic development policy-making in direct opposition to historic district
conservation and results in inconsistencies between the different responsible
administrative units.

Figure 3: Historic District Conservation: Institutional Hierarchy and Relationship
(Source: after Wang et al., 1999 (modified))
Legislation of Conservation Funding

One integral aspect of heritage conservation legislation is conservation funding. Economic approaches to conservation are essential to make them operationally feasible. Among current statutes, only the PRC Cultural Relics Preservation Act states, "cultural relics preservation funding must be listed in central and local government budgets". Neither funding for Famous Historic Cultural Cities nor historic district conservation has been legislated as mandatory at the national level. However, adequate funding is a prerequisite for historic district conservation. Municipal revenue is very limited, and far less than enough to cover preservation and rehabilitation expenditures. Examples discussed in the previous chapter suggest that conservation funding shortages can be resolved through non-government financial contributions. Most such past initiatives however have not been structured through statutory regulation, which usually means their influence is short-term and on a case-to-case basis without comprehensive evaluation follow-up and constructive modifications.

Policy Implications and Alternatives

China's legal system consists of a constitution (Xianfa), laws (Falu), administrative regulations (Xingzheng Fagui), departmental rules (Bumen Guizhang), local regulations (Difang Fagui) and local administrative regulations (Difang Xingzheng Guizhang)—six categories of law in hierarchical order. Laws (Falu) can be categorized into basic law enacted or amended by the National People's Congress, and special enactments enacted or amended by the Standing Committee of the National People's Congress. An administrative statute or ministry/commission regulation is normally
referred to as “acting regulation” before the enactment of a specific law, or bylaw after the enactment of a specific law, both of which are passed by departments of the State Council. Local regulations, enacted by local people’s congress or local government, are the above bylaws applied to different localities.

Based on his long-term research and practice in heritage conservation in Chinese cities, Ruan\(^2\) (2000) suggests a series of statutes in line with the hierarchy of China’s legal system. The National People’s Congress could add a principle article on historic district conservation to the *PRC Constitution* thereby raising the status of historic district conservation to an arena of traditional culture continuity. The National People’s Congress could then enact a “*PRC Historic Environment Conservation Act*” to regulate and coordinate relations between actors in historic environment conservation. Based on this law, a “*PRC Historic District Conservation Act*”, as a special enactment, could be proposed by the Standing Committee of the National People’s Congress. Either the State Council or the departments of the State Council could enact administrative statutes, or ministry/commission regulations, which could be known as “*Bylaw of Historic District Conservation Act*”. Regional regulations, such as “*Regulations of Historic District Management*”, could be enacted at provincial level\(^3\). Municipalities could pass more detailed local administrative regulations such as specific administrative approaches to conservation, rehabilitation, fireproofing and so on.

A constructive legal system would leave space for local regulations to reflect the regional political, economic, historic and cultural diversity of Chinese cities. This new

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\(^2\) Ruan Yisan is Director of the National Research Center for Famous Historic Cultural Cities, established in 1998.

\(^3\) The *Regulations of Shanxi Province Pingyao Old City Preservation*, effective from April 1999, enacted by the People’s Congress of Shanxi Province in November 1998 was the first provincial level statute on built environment conservation nationwide. It was passed after Pingyao’s designation as a UNESCO World Heritage Site in 1997 (China World Heritage, 2002).
legal framework would give local authorities a considerable degree of latitude with respect to developing their own policies for the designation and enhancement of conservation areas. The statutes at the national level would better prescribe criteria through broad statutory definitions such as “areas of special architectural or historic interest the character of which is desirable to preserve or enhance”, thus forwarding a philosophy that historic districts worthy of conservation are locally valued environments. Laws at the state level would set out the formal process of designation, variation or retraction of the designation. A key point to stress is that state legislation should seek to preserve or enhance the character of areas rather than individual buildings. Features such as village greens, open spaces, views of street-terminating features, etc may also be part of the essence of an area-- its special architectural or historic interest (Morton, 1991).

Effective conservation guidelines and regulations applied by some municipalities could be adapted for others. Successful conservation regulations are usually designed by local authorities to fit local circumstances. For instance, Zhouzhuang of Jiangsu Province enacted the *Provisional Regulations of Historic Town Conservation* and the *Provisional Measures of Housing Demolishment and Population Relocation Management* in 1995 based on implementation of the city’s master plan. The legal promotion of historic district preservation in Zhouzhuang proved to be effective in ensuring the continuity of its preservation work. The *Provisional Regulations of Tunxi Old Street Historic District Conservation and Management* is another success story. Many municipalities have experience in drafting local conservation statute legislation that could serve as a basis for the broader task of designing an entire legal framework for historic district conservation. Often the emphasis in those statutes will be on control rather than prevention to allow the
area to remain alive and prosperous but at the same time to ensure that any development respects its special architectural and visual qualities. Whilst control over demolition in conservation areas is obviously essential, properly planned development and redevelopment is equally essential in order to maintain the life and vitality [of historic districts], which is extremely important to their future character (Morton, 1991). In other words, at municipal level strategies for conservation should be fully integrated within urban development master plans.

Two types of conservation laws, ordinances and practices need to be investigated and reformed. First are those directly aim at the promotion of conservation. The golden rule is to balance the restrictions imposed on development rights with monetary and non-monetary (prestige and social recognition) incentives. Second are regulations that indirectly affect conservation. For instance, land use ordinances may allow transferable, or even tradable development rights, on protected property.

As has been discussed, the current historic district conservation administrative system involves two categories of institutions at both central government and local government levels. This system has resulted in unclearly defined responsibilities for each administrative unit and administrative loopholes in conservation practice. Clarification of each agency’s jurisdiction would definitely benefit historic district conservation. On the other hand, a more effective reform would be altering the present dualistic nature of the administration system. A historic district conservation administrative unit could be established at each level of the institutional hierarchy, with supervision and assistance from other relevant departments. The historic district conservation institutional
framework from the central government to local authorities should be legislatively set to ensure and supervise the implementation of conservation policies.

Historic district conservation under the market economy is not only confronted with challenges but also exposed to many opportunities. Conservation does not always have to mean large investment: through an appropriate management process, historic district could also produce revenue. Wang et al. (1999) suggest a municipal level management agency, registered with the appropriate municipal historic district conservation administration, could play a major role in local conservation and rehabilitation practice. Such a management agency, not itself an administrative unit but under the guidance of the municipal conservation agency, would be more likely to achieve a sustainable historic district conservation program. Specifically this single agency would have a more comprehensive, and thus rational, organizational structure to coordinate spending and revenues.

Conservation funding legislation is a pivotal part of the entire historic district conservation legal framework. Effective funding legislation not only clarifies the area of investment and provider, but also states the amount and percentage, where possible, to make its application less complicated. Possible content of statutes dealing with funding might include a special municipal budget for historic district conservation, a municipal conservation foundation, a local conservation loan agency, and policy benefits, to name just a few. Funding legislation should also extend to heritage conservation insurance. Funding legislation articulating the financial responsibilities of different contributors could help to ensure the availability of finance over the long-term. Multi-channel and
multi-level approaches to fundraising should be facilitated through government led
guidance and cooperation.

An effective institutional network would provide both top-down and bottom-up
communication and feedback loops between government conservation agencies and the
general public. As such, the public would have participation channels through which to
communicate opinions / aspirations to conservation agencies at different levels under the
legally enforced supervision and consultation mechanisms. The penalty for transgression
should be severe enough to matter, and strictly enforced particularly to prevent damage to
historic environments caused by inappropriate urban construction in the name of
economic development. The conservation statutes should however leave enough room for
conservation design to embrace diversity and creativity in its implementation.

Role of Municipal Government

The role of municipal government entails policy making and implementation, as
well as providing municipal services and managing development. As agencies of the
national government, municipalities are responsible for implementing national laws.
Municipalities are also responsible for urban management, many goals of which are
achieved through city planning.

The institutional characteristics of urban government bodies play an important
role in determining their effectiveness (Davey, 1993). As Harvey (1997) points out
twentieth-century urbanization has resulted in massive reorganization of political
structures. Municipalities in China, under the Open and Reform policy, are mid-transition
from a philosophy of “Big Government and Small Society” (Da Zhengfu Xiao Shehui) to
one of “Small Government and Big Society” (Xiao Zhengfu Da Shehui). During the
planned economy period, “big government” managed all societal functions making civil society in cities not only “small”, but also an extension and executive agency of “big government”. Municipal government’s jurisdiction covered administration, production, and daily life. All enterprises were state-owned: communities only managed an extremely small amount of daily life activities. Neighborhood committees (the only community organization type agency) were essentially a grassroots government representative rather than an independent non-government organization (NGO).

The distribution of urban functions under the market economy is markedly different: in contemporary China they are shared between local government, NGO, enterprises and communities (Zhang, 1998). Municipalities have greatly reduced direct intervention in enterprises and now take a macro approach to economic activity guidance (Hongguan Zhidao). Local government also delegates daily life activity management to communities (neighborhood committees). This fundamental re-organization of the institutional structure implies the municipal role in historic district conservation has been changing during the post-Mao era, from being the only player or resource in the planned economy to a guider of collaboration between diverse interests with the market economy.
The tasks and responsibilities of municipalities in historic district conservation are wide-ranging and controlled by a number of departments (e.g., the planning bureau, the construction commission and the cultural relics bureau, etc.), whose interests may overlap. As each of these departments may have a separate agenda, development priorities and budget, it is not surprising that conflicts arise. The urgent need for better coordination and collaboration between departments is apparent and can be met either through a visionary
decision maker or through better communications and working arrangements, including partnerships on projects as well as in day-to-day work (Orbasli, 2000). Establishing cross-department teams is a major task, but integration of services among departments is essential, given that “effective urban management requires more than competence in running individual services” (Davey, 1993).

The conservation and planning of historic districts are directly linked to the community through the municipality. Municipality’s balancing role is evident, between the needs of existing users—such as Old Brand Name Stores (Lao Zihao) with traditional cultural activities, and those of future users—such as a new cultural activity that not only attracts tourists but also is desired locally. One active role for local government is setting an example for conservation and a standard for works to be undertaken, through the purchase and restoration of redundant historic buildings (Orbasli, 2000). Municipal interest in an historic district will raise public awareness and encourage residents to invest in and upgrade their properties, as illustrated in the Tunxi pilot preservation project of Anhui Province in the preceding chapter. From the Western experience, it is interesting to note municipalities also have the important function of guiding and training local businesses exhibiting traditional characteristics and practices.

Municipalities’ role in historic district conservation should move from being a professional practice to a management-oriented service. Considering the post-Mao transition in municipal urban management, the goal of historic district conservation planning should be a well-organized public decision-making system. For many Western cities development control [in historic districts] based on accepted and established plans and policy is in danger of becoming too rigid and thus losing an innovative edge, to the
extent that in places continuity is jeopardized (Orbasli, 2000). When Chinese cities emphasize using stricter measures to preserve historic districts, the unexpected failure of “too rigid” plans and policy should also be recognized. There are now examples of residents leaving historic districts not because these are undesirable places to live, but because they feel constrained by the controls imposed by municipal conservation authorities. Orbasli (2000) observes that as catalysts for development, local governments can play an important role by:

- Establishing a working partnership with the community,
- Promoting preservation which is based on local initiatives and which benefits local interests,
- Valuing and supporting planning and conservation policies that encourage investment in upgrading the houses of local residents,
- Providing locally available expertise to maintain quality of conservation, and
- Establishing conservation associations.

China, with a large number of urban heritage sites scattered across many localities, may find it more convenient to decentralize urban heritage conservation activities to local authorities rather than promote a centralized management system better suited to countries with fewer and more concentrated sites. As Luxen (2000) suggested to Chinese authorities at a cultural heritage management conference in Beijing, the most appropriate level for successfully undertaking operations of urban heritage conservation is clearly local or municipal. Urban mayors and relevant government agencies must have the long-term perspective and boldness to take conservation of urban heritage seriously. More than
any other individual body or agency, their actions\(^4\), in most cases, determine the fate of the heritage in their areas. There are high expectations that they will recognize the need to balance the interests of conservationist and developer and that the best solution is to accommodate both. Since municipalities have been given the lead role in historic district conservation, they must strengthen their ability to mediate between the conflicting forces of conservation and economic development, and to devise and implement schemes using both public and private sector finance, their own and voluntary efforts.

**Role of the Private Sector**

*Local Residents or Users*

Local residents or users are often considered under the collective identity of community or society, and thus recipients of local government services. However, the resident community is not simply a recipient and they must be acknowledged as key players in shaping the future of a place. Society is not motivated by public roles, political futures and profitability, but by the desire for a better quality of life (Orbasli, 2000). Community action, either actively or passively, has an influence on conservation projects and planning. For instance, the local residents and users of Tunxi Old Street of Anhui Province themselves chose to preserve the delicate façades of historic buildings on the street using traditional materials, even during the Cultural Revolution (Zhu, 1996). Current local resident or user participation such as financial contributions and rehabilitation of interiors are a very good start, although still very limited.

\(^4\) There are some examples of local government taking the lead role in conservation. One of them is that the local government of the ancient city of Pingyao, designated a UNESCO World Cultural Heritage site, issued an order for government offices to be relocated away from the old city, so as to restore its original look (Zhang, 2001). Another is from Tianjin. Accepting the advice of their cultural elite, the municipal government spent 32 million RMB on buying back land that was the site of the earliest temple and the earliest settlement in Tianjin, including the buildings that had already been partially built on it by a real estate developer (Zhang, 2001).
When an historic district is developed for tourism, residents often start off by being hospitable and welcoming to visitors. Once there is a feeling that the local authorities are exploiting their hospitality, and that their privacy and ways of life are being invaded, hostility sets in and tourists are seen as agents of economic gain. The hostility of local residents is also directed at the local administration, which is seen to encourage tourism at the locals' expense. Cultural differences, rich-poor divides and differing attitudes create conflict and eventually lead to the common two-way perception of tourists abusing locals and locals cheating tourists (Orbasli, 2000).

The idea that conservation and architecture concern both built environment and people, from the professional to the layman and the tenant, is central to the long-term sustainable development of historic districts. It has been argued that "attachment to historic buildings and town scales is stronger among local residents than among administrators and politicians, whose job it is to oversee environmental matters. In this sense conservation is a popular and non-establishment movement" (Butt, 1988). Better communication between a municipality and local residents or users is needed, using a non-professional language that is understood by all, to ensure that locals can identify with, and feel responsible for, their historic district environment. The continuity of an historic district into the future as a living environment is only possible if the resident community identifies with its historic and cultural value, and the development of cultural tourism must respect the cultural values of the resident community. When municipalities promote tourism as a strategy for historic district conservation, it is important to keep potential conflicts in mind. A commercial balance between local interests and tourist interests needs to be maintained.
Commercial Private Sector

The private sector has most effectively exploited the comparative advantage of factor endowment in China’s economy. Because of an increasing large number of layoffs from state-owned and urban collective firms since 1993 and renewed reform efforts since 1992, the urban private sector has expanded rapidly. In order to obtain access to key material inputs as well as social and institutional capital that are necessary for long-term development, private enterprises in China always require local government support and co-operation with local governments in many ways (Sun et al., 1999). As a result, there have been obvious differences between these private enterprises in China and typical businesses in a capitalist economy. In urban conservation, the role of the private sector mainly revolves around implementation and financing, although the ideal full involvement might include setting priorities, defining conservation plans, financing and carrying out conservation works, and even operating and maintaining some heritage sites. In Chinese cities there are three particular areas of private sector involvement in historic district conservation. The first is the provision of tourist and community services, the second includes investors in accumulation of capital for conservation and/or tourism investment, while the third, sees the informal sector as part of private sector activity. Because of the insufficiency of grant aid or similar public funding under the competitive market economy, the financing of historic district conservation inevitably falls to individual owners and occupiers of historic property. With respect to service providers, China’s further marketization will source out many local government services to private

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5 In the commercial sector for instance, the private sector has provided more than 73 percent of employment since 1996 and accounted for more than 46 percent of total retail sales since 1997 (Sun et al., 1999).
operators, potentially introducing dynamism and buoyancy. However, it should be noted that the private sector only provides services for which there is a return, leaving less profitable services to local government. Inadequate controls in the changing planning system will result in the danger of the private sector, in particular developers, cashing in on the historic past, often with little concern for its future integrity.

Private sector involvement is motivated by potential returns, hence profitable development strategies such as tourism are often the carrot that makes conservation attractive to the private investor. Compared with large schemes with unknown prospects, the importance of small-scale, manageable private initiatives should be emphasized because they are more likely to be realized. As initiator and investor, the private sector participant would also play a significant role in identifying and appointing professionals.

Role of the General Public

Debate on the most effective approaches to conserving urban cultural and historical treasures has led to consensus on at least one point: the task is beyond the sole capacity of the local government which over the years has attempted with only limited success to shoulder the burden. In Western countries, governments have encouraged public participation in the identification and enhancement of conservation areas. For instance, British legislation places a duty on planning authorities to formulate and publish proposals, from time to time, for the preservation and enhancement of their conservation areas. Such proposals must be submitted for consideration to a public meeting and the local authority must respect views expressed at that meeting (Ross, 1996). Municipalities often discuss proposals and progress with amenity and residents groups and business associations. Many local authorities do this very conscientiously with encouraging results.
Local non-government groups can be helpful not just in providing the arm and leg power involved in helping to distribute leaflets to local residents and on occasion doing some basic and necessary manual work, but also in promoting goodwill among local people and the business community (Ross, 1996). Moreover, local authorities can rely on local non-government agents to watch for breaches of city conservation regulations.

During the planned economy era, the public in Chinese cities considered urban planning and management as strictly government actions, in which the public did not need to, or have right to, intervene. Municipalities took orders from higher-level governments as their priority instead of the public interest. However, the introduction of the market economy has involved new conflicts of interest in urban planning and management, which make the public eager to participate in the process. Meanwhile, municipalities are gradually recognizing the importance and necessity of public participation, and have implemented means such as local resident interviews and public exhibitions to mobilize the public. However, these measures are generally considered the preliminary stage of public participation.

The major concerns about public participation in Chinese cities are:

(1) Municipalities’ orientation toward public participation—its importance has only been recognized in theory by local authorities. Public participation is not yet a directing goal of urban planning and management decision-making. For many local authorities, public participation is only a process to achieve

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6 On the way to further marketization in China, government policy on citizen daily life such as retirement, medical insurance and housing has been to gradually download responsibility to society and diminish direct government intervention (Zhang, 1999).
legitimacy in the eyes of citizens or to educate the public to be more cooperative (Zhang, 1998);

(2) Insufficient active public participation—members of the public have an ingrained conception of the role of government formed in the planned economy era. Urban construction is considered as government’s work and internal affairs, which bear no relation to public daily life. However the capital for urban construction actually comes from public contributions, raising proposals and suggestions for urban construction is the right and responsibility of every citizen (He and Zhao, 1999);

(3) The neglect of social groups’ participation—current public participation approaches, such as plan exhibition and public survey, emphasize participation as an individual. But the Western experience indicates that productive public participation is not individual participation but participation from non-profit agencies, enterprises, communities and so on (Luo and Zhang, 2001; Leung, 1999); and

(4) Inadequate legal and institutional support for public participation—the PRC Urban Planning Act, for example, states that public participation actually starts only upon the approval of a plan and that the purpose is to make the public understand the approved plan so that they can actively help municipalities realize it. No municipality has included public participation as a requirement in its urban policy making process. Zhang (1998) cites a complaint from a planner saying “the current problem is that it is impossible
even for planners themselves to participate in key urban policy making, not to mention public participation”.

The Chinese government’s recent articulation of ground rules for involving the general public in local level affairs (although detailed measures are still to be clarified) outlined at the 15th Party Congress (September 1997) and the 9th National People’s Congress (March 1998) challenges communities and their organizations to participate. Neighborhood committees, the most effective and active grassroots community organizations in Chinese cities, face increasing complicated community problems such as aging population, self-employed persons, jobless residents, migrating populations and so on. As such, even if municipal government is willing to introduce more bottom-up policy making channels, responsibility for public participation at the local level would be too much for neighborhood committees to manage in addition to their current workload. Other non-government agencies7 are therefore expected to take on many tasks associated with public participation.

It may have gone without notice that historic districts in Chinese cities had a long history of public participation. Current historic area characteristics are a reflection of that participation: except for high ranked officials and big businessmen, local residents usually designed and built their own residences which manifested their varied lifestyles, hobbies, and dispositions (Ruan, 2000). This historic practice has directly resulted in the character diversity of historic districts and the unique features of different buildings. Each house in a historic district has its own historic context and status associations. From a

7 A successful model of non-government agency participation, but not in the planning field, is the China Consumer Association. It is an independent agency outside any administrative unit and supported by law. The Association consists of public representatives and has certain decision-making and managerial rights (He and Zhao, 1999).
social perspective, it has been recognized in pilot conservation projects that public participation is conducive to mobilizing local residents for the purpose of conservation and developing a plan with grassroots connections, which are the keys to implementation. Additionally, public participation benefits long-existing social networks; healthy local social capital helps local residents to maintain themselves. Funding capacity building also illustrates the importance of public participation. Neither local government nor non-government resources alone are sufficient to achieve the conservation of historic districts. In many current conservation practices, municipal capital goes to rehabilitation of the immediate urban environment, infrastructure upgrading and building façade renovation. Local property owners take financial responsibility for structural consolidation, building interiors and adaptations of function.

Non-governmental organizations and social groups, depending on their size and constitution, could be involved in funding, implementation, supervision and control. They range from long established local agencies or local branches of national agencies, to short-term issue-based community groups or cultural elite groups. In Western Europe there is an established tradition and a strong network of conservation bodies, amenity societies, advisory groups and network associations to provide assistance to projects and local governments (Orbasli, 2000). They solicit and collect comments from both the public and specialists, and supervise and assist local government with historic district conservation (Wang et al, 1999). It is never too late to encourage the establishment of non-governmental groups. The heritage social societies in Taiwan, although quite young (mostly established in the late 1980s), have played an active role in promoting public awareness, assisting public hearings and executing surveys delegated by local authorities.
Amenity societies in China are still only in the pioneering stage, and often lack the power and financial backing of their Western counterparts. Moreover, Foster (2001) argues that most associations in Chinese cities are closely linked to and controlled⁸ by the state, and thus they have great difficulty playing their “proper” role as representatives of society. Saich (2000) attributes it to two reasons: the Party’s Leninist organizational predisposition and the current phase of reforms that will move the state from insulation to integration within society. The most vital question at present is whether the associations are able to perform their proper task, which is to provide their members with protection and aid in the struggle against arbitrary authorities and bureaucrats and in setting up a social net capable of absorbing conservation costs and activities. Social organizations need to devise strategies to negotiate a relationship with the state that maximizes their members’ interests or that circumvents or deflects state intrusion. Many of them have been effective in negotiating with the state to influence the policy-making process or at least to bring key issues into the public domain (Saich, 2000).

Non-governmental organizations and social agencies do at present play a role in education and act as intermediaries between inhabitants (owners and users) and municipalities (bureaucracy). A further constructive step would be a legal framework that obliges local authorities to consult with non-government organizations and social groups on proposals and policies involving historic district conservation.

Based on the political and cultural reality of Chinese cities, a non-government agency promoting public participation⁹ could be established for historic district

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⁸ National regulations state that for a non-government organization, social agency or their equivalents to exist legally, it must be approved by and registered with the Ministry of Civil Affairs or its local branches.

⁹ Mechanisms should include at least two elements: (1) incremental decision-making and managerial decentralization to facilitate public participation; and (2) legislated public participation and public hearing procedures of which the PRC Administrative Punishment Law (1996) serves as a good model. At its explorative stage, the China Consumer
conservation without significantly changing the existing hierarchy of government institutions. This non-government agency, under a name such as “Conservation District Advisory Committee”, would be an independent group outside municipal departments including the construction commission, planning bureau and cultural relics bureau. The Committee would consist of equal numbers of representatives from three different factions: civic organizations, entrepreneurs/developers, and individuals. Civic organizations could include neighborhood committees, ancient culture societies, small amenity bodies, the specialist groups and other societies whose interest in historic districts is peripheral to their other activities. Entrepreneurs/developers could include entrepreneurs, developers and other similar groups who primarily have capital interests in historic district conservation, rehabilitation and redevelopment. Individuals could include famous or influential individuals (but not incumbent government officials), property owners, residents, and heritage building occupants.

The primary function of the “Conservation District Advisory Committee” would be to comment on conservation planning and possibly to help with policy formulation in order to achieve the sustainable conservation of historic districts. Given the current scarcity of citizens informed about sensitive issues around streetscapes, historic buildings and the detailed design of new buildings, it would be helpful to “educate” local groups on conservation policies. The government has an indispensable role in developing the institutional mechanisms needed to balance these interests and promote collaboration among these many different players.

Association could be a model for adaptation, as the Association possesses certain decision-making and managerial rights that the law supports.
Role of Professionals

The role of professionals (architects, designers, planners or managers) focuses on implementation; the quality of professional expertise is vital to sensitive development and to effective management. Conservation planning concerns itself with a variety of roles including legal, managerial, design and implementation (Orbasli, 2000). It is a multi-varied activity involving negotiation and collaboration between many parties and the general public. In municipality-financed projects, the municipality may form a relationship with a professional service provider, but government maintains responsibility for securing funding, managing finances, monitoring and controlling quality. In the case of privately funded development the appointment of professionals depends entirely on the choices of developers or investors, over which the local authority has limited or no control.

In the Ju'er Hutong (Chrysanthemum Lane) project in Beijing a decade ago, the roles of professionals extended far beyond their conventional scope. Given the socio-
economic conditions in Chinese cities, Wu’s (1999) “three-in-one” model\textsuperscript{10} seems only appropriate. Unfortunately the model has not been repeated widely, and there are precious few other innovations. Obstacles to conservation in Chinese cities often stem from a lack of qualified or expert staff, on top of limited resources to finance projects or control implementation. Local professional training must be seen as a priority over importing expensive foreign consultants, and should be ongoing in order to accommodate changes in ideas and techniques, as well as to increase the number of specialists, especially in the expanding field of urban conservation. It would be equally important for foreign experts to advise on the experiences and capabilities of local authorities from within their own tradition rather than impose a foreign pattern on Chinese development and conservation. Professional activity is a balance between outside consultants and local practitioners: it would be more conducive to conservation if the knowledge of the outside consultants were valued while the needs of the locals were identified by establishing expertise for the long-term as well as overall cost-effective solutions (Orbasli, 2000).

**Historic District Conservation Funding**

Securing a future for historic districts is dependent on securing funds to enable their conservation because major conservation and restoration decisions about buildings and places demand ongoing financial commitment. The financing of area-based conservation is complex and will always be a domain of competing interests, not all of which can be regulated through the conservation planning process. Conservation funding must be towards long-term objectives and to the benefit of local interests. Investment through short-term but intensive funding must allow for future costs such as maintenance

\textsuperscript{10} See Chapter 2 for detailed discussion of Wu’s “three-in-one” model.
and obsolescence, particularly for technology-dependent projects. A successful historic district conservation financing system usually relies on cooperation between national and local government sources with further involvement of social groups, charities, businesses, and individuals. The ratio of national to local financial contribution depends on the importance of an historic district. A growing number of countries have realized, encouraged by the positive attitude of leading financial institutions such as the World Bank, that the new and prevailing approach is to look upon preservation and restoration works as real investments, which often have a significantly high economic return (Luxen, 2000). Operationally, methods of project appraisal could be applied to investments in heritage conservation, e.g. “cost-benefit analysis”, “multi-criteria analysis”, “community impact evaluation”, etc. Gains and losses could thereby receive a quantitative estimation, in the short and in the long term, for each stakeholder. This methodology would facilitate an effective funding framework.

Government Grants or Subsidies

Government subsidies may include investment incentives, household subsidies, or incentives that complement regulations. Because historic district conservation often involves tourism, it is open to conventional financing avenues such as government grants or subsidies, given the significant government revenue from tourism. Government grants or subsidies could not only cover part of the costs of infrastructure upgrading and building rehabilitation, but also assist some property owners with building restoration and renovation. In the latter case, subsidies would compensate owners for loss of revenue or the expense of complying with conservation regulations. Also property owners could make funding request applications to local authorities, and after approval apply the
government subsidy under municipal supervision. For those buildings deserving of preservation with owners who cannot afford the cost, the municipalities could negotiate with owners and buy their buildings under the agreement that the ex-owners remain occupants, if desired. Lastly, the funding ratio for national, provincial and municipal governments could be legally contracted, varying according to current regional economic conditions. Conservation funding statutes could also stipulate how the relevant departments at the three levels would adjudicate their share of grants or subsidies.

Loans and Community Development Bank

Local banks could lessen the financial burden of municipalities by providing conservation loans to needy agencies or property owners. Usually, these loan schemes are supported by the state. A historic district conservation company, as has been suggested in the previous section, could be established with low interest loans provided by local authorities. With fewer available public funds for conservation and small business development, local developers and investors have to rely increasingly on private sources of capital to enhance communities. One alternative is to establish community- and development-oriented banks, as has been practiced in Western urban revitalization. Such banks would spur investment by providing seed capital to local real estate and small business interests. To this end the community/development banks could rely on local institutions to help them build a local market. In exchange for financing, the institutions could in turn familiarize the banks with local economic conditions and identify other potential borrowers.
Social Group and Individual Financial Resources

If the buildings in an historic district belong to public agencies, they should try their best to pay for the conservation of their own buildings. Businesses could be legally allowed to make donations to historic district conservation projects, in exchange for enterprise revenue tax deductions while improving their public image. However, private sector over-intervention in historic district preservation and rehabilitation should be avoided. Preservation and/or rehabilitation of properties by individual owners could be achieved through lump sum investments or loans. The Regulations of Shanxi Province Pingyao Old City Preservation, for instance, encourages individual investment in tourist activities celebrating vernacular culture such as museums, traditional craft studios, small traditional inns, folk crafts exhibitions, and so on. Overseas individual investment in historic buildings would be possible if municipalities were to open their doors to the world. Fiscal responsibility for the conservation of religious buildings and their immediate environments could also be legislated.

Taxation Incentives

Because the taxation system in China, especially on land and property, is totally different from the West, one should be very careful to adapt taxation tools from Western countries. However, some taxation incentives could be “imported”. Those agencies that use, preserve and rehabilitate historic buildings and infrastructure could then enjoy

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11 One incentive for building rehabilitation by individuals would be to increase stories within the height limitation. Individual investors would then benefit from increased living space.

12 Suzhou Municipality’s latest initiative is another exploration into how to attract preservation funding. The 3000 m² Qing Dynasty architecture, a well preserved Suzhou residence which used to be owned by a famous poet of the Qing Dynasty has been placed on the real estate market after a thorough rehabilitation done by a developer with permission from Suzhou Cultural Relics Bureau (Hangzhou Daily, 2002).
revenue tax deductions or other related tax remissions. Pingyao Old City of Shanxi Province has used the tax incentive policy of full property rent tax waiver for the first two years and half rent tax waiver for the following eight years after necessary preservation and rehabilitation works. Property value added tax could be partially waived in property ownership transfer. The tax regulations\(^\text{13}\) for individuals and private enterprises could be another focus of taxation incentives. If tax incentives could be traded, it would turn them into cash contributions to the recipients allocated through a market mechanism.

**Fines**

Heavy fines could be placed on businesses, developers, individuals and even government agencies that breach historic district conservation regulations or plan guidelines. This could be executed along with imprisonment. Government monies from fines then can be used toward conservation and rehabilitation. Here the problem is that current fine amounts are not sufficient to act as a deterrent\(^\text{14}\).

**Other Fundraising Approaches**

When a municipality is still the major investor for historic district infrastructure, it is reasonable to collect fees from property owners who benefit from infrastructure upgrading. Financial support may also be linked to urban renewal programs and other activities to regenerate the historic environment. Under permission from the state,

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\(^{13}\) According to tax regulations, individuals and private enterprises generally must pay the following taxes: product tax, turnover tax or value added tax, income tax, tax for the protection and building of cities, tax for the special task funds of the energy and transportation sectors, turnover tax related to the trading and services sectors, and taxes for urban repair and construction (Kraus, 1991).

\(^{14}\) For instance, the maximum fine (for demolishing and/or renovating traditional houses without approval) in the Regulations of Shanxi Province Pingyao Old City Preservation is 20,000 RMB only, and most of the fines are just several hundred RMB (Regulations of Shanxi Province Pingyao Old City Preservation, 1998). For people who have the financial capacity to demolish traditional houses and build new ones, the amount of such fines is obviously not a serious deterrent.
municipalities could even administer an “historic district conservation lottery” to raise conservation funds.

There is no universal funding combination suitable to all the cities. In some cities, one method alone is the main source of funding while in others different types of support are used either in combination or separately.

Summary

The urban historic district does not have a single owner but many owners, users and claimants, linked or conflicting through a complex web of relationships. The local administration is the central player as the representative of all interests. As the agency of the state, its role is to break boundaries between the different interests and guide collaboration for urban historic district conservation.

The players in urban conservation are in a variety of roles, from a wide spectrum of disciplines and backgrounds, with conflicting interests, agendas and accountability structures. Urban historic district conservation is regulated by different government departments, controlled by different local authorities and administered by different professional fields, none of which traditionally work together. As such there has to be a comprehensive legal, institutional and financial framework which ensures formal links between those different interests to allow all parties to participate in the conservation process. Successful urban historic district conservation will depend on positive attitudes, support and investment from local authorities, private and public initiatives, and professionals. The task of successfully conserving urban historic districts must follow a collaborative model and new way of thinking and of breaking boundaries through the
decentralization of urban conservation planning and management, partnerships and a more active role for communities.

Chapter 5 is a study of Quanzhou that examines how the municipal government has carried out historic district conservation in the context of market economy conditions, including the local state's changing attitude towards large-scale redevelopment and urban conservation, and a successful experiment in state and non-state collaborative urban conservation. The chapter then assesses the four types of interests (local government, the private sector, the general public, professionals) in a specific study area of the city in order to inform policy recommendations for collaborative historic district conservation.
Chapter V. Historic District Conservation Practice in Quanzhou

This chapter takes a close look at how the municipal government of Quanzhou has practiced historic district conservation during the reform era. Quanzhou's specific historic and geographic circumstances underlie the unique characteristics of its historic core urbanization process. The city is a rapidly developing coastal city as well as a nationally designated heritage city, meaning that the Quanzhou municipal government must seek a balance between development with conservation. At the same time, administrative and institutional decentralization and the localization of urban planning call for more inclusive forms of conservation practice by actively engaging various interest groups. Because of a slowdown in large-scale redevelopment in the Old City and the current municipal administration’s preservationist attitude towards urban development, Quanzhou provides an unusual opportunity to explore how the state might mobilize non-state collective action for the sake of historic district conservation. It is even more promising given the vitality of the city's civil society, private sector and linkages to a global network of overseas Chinese.

Following a brief introduction to the city of Quanzhou, the chapter examines the changing attitudes towards the Old City's urban development during the transition period to provide a context for the study area—a corner of the Old City called the Cheng Nan. A short description of the UNESCO award winning Zhongshan Road rehabilitation project illustrates a local state-private sector collaboration, which is the practical basis for an in-depth discussion of the study. Four different interest groups and their potential roles in
participatory conservation within the *Cheng Nan* area are carefully considered to determine the broader policy implications for the area and the Old City as a whole.

**The City of Quanzhou**

Quanzhou is a prefectural-level city located on the north bank of the lower reaches of the Jinjiang River in Fujian Province. The Quanzhou municipality, which administratively includes the surrounding six-county region, had a total area of 10,865 square kilometers and a total population of 6.5 million, among which 850,000 were registered as non-agricultural in 1997 (Abramson et al., 2002). The historic and administrative core is comprised of the Old City district of Licheng and its adjacent suburbs, which in 1994 had a population of over 185,000 (Quanzhou Municipal Government, 1995).

Although it is now only a medium-sized urban centre, Quanzhou was historically one of China’s most important windows on the world. Its historical value as a city is so important that the State Council designated it as one of the first 24 Famous Historic and Cultural Cities in 1982. Established in the Tang Dynasty in 718 A.D., Quanzhou reached its height of prosperity in the Yuan Dynasty during the 13th century, when it became the political and economical centre of Fujian Province and the biggest trade port of China, enjoying a popularity equal to Alexandria in Egypt. Marco Polo, a famous Italian traveler, praised Quanzhou, known to him as “Zaytun”, as “one of the largest and most commodious ports in the world”. Quanzhou was well known as the starting point for the “Maritime Silk Road” in the Middle Ages. Although the city’s commercial fortunes have declined significantly since the 15th century, particularly after the late 19th century, when European colonialists opened Xiamen, its southern neighbor, as a treaty port, Quanzhou
is always recognized as an important historical city. It is often said that Xi’an City is famous for its underground relics while Quanzhou is famous for its historical remains above ground. According to statistics, there are altogether 1,766 historical sites in Quanzhou, including 11 key ones under national preservation, 27 provincially protected sites and 210 preserved by municipal or county government (Window on Fujian Tourism, 2002). Quanzhou is famous for its unique folk customs, which combine Confucianism, Buddhism and Taoism. There also exist many religious relics in the city that are the legacies of Islamism, Manicheism, Hinduism, ancient Christianity, and so on.

When its commercial fortunes decreased, Quanzhou became an important place of departure for many overseas Chinese. The number of overseas Chinese residing abroad totals about 6 million and over 8 million of the total approximately 20 million Taiwan compatriots have their ancestral homes in Quanzhou (Window on Fujian Tourism, 2002). Quanzhou enjoys many valuable connections to overseas Chinese communities due to ongoing investments in the development of the city of their origin.

In 1979, the Fujian coast was opened up to foreign trade and given more autonomy in national economic development policy. Since the late 1980s, long-term land leasing measures have been introduced as a means to pool municipal finance, and increasing investment in urban construction has changed the Old City’s urban landscape considerably. Quanzhou, as part of the so-called “Min Nan' Golden Triangle” (Xiamen, Zhangzhou and Quanzhou), attracts much direct foreign investment, especially from overseas Chinese communities due to its extensive linkages to the compatriot Chinese of Hong Kong, Macao, Taiwan and other parts of Southeast Asia. Continuous strong ties

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1 Min Nan refers to a linguistic region from which Southeast Asia’s Hokkien-speaking population originates.
Figure 6: Quanzhou Master Plan, 1995-2020 (Source: Quanzhou Planning Information Network (QPIN))

Figure 7: Quanzhou Old City Regulatory Detailed Plan (Source: QPIN)
with relatives abroad influence not only economic development, but also architecture, culture and other aspects of society. Quanzhou was, and is, perhaps one of China’s most “open” and “open-minded” cities (Nilsson and Tan, 2001).

Changing Attitudes towards Historic District Conservation in Quanzhou

One of the early influential efforts to conserve historic Quanzhou in the post-Mao era was the establishment of the Quanzhou History and Culture Centre in 1983. Initially proposed by the Political Consultative Conference of Quanzhou and strongly supported by both the provincial and municipal governments, the Centre called together scholars and specialists. Specifically it raised funds to collect, study, organize and publish data on Quanzhou’s history and culture, and to protect historical remains as well as maintain ancient buildings (Wang, 1991). The Centre was broad ranging in its research and practice whose areas included ancient buildings, local music (Nanyin), puppet shows, dramas and so on. With limited financial support from the local government and overseas Chinese communities, the Centre played a significant role in the renovation and rehabilitation of many of the most important ancient buildings in Quanzhou throughout the 1980s.

Architectural academic research on historic conservation in Quanzhou went hand in hand with practical work. Scholars from Tianjin University, the Overseas Chinese (Huaqiao) University and other educational institutions designed important early conservation concepts. The Old City was well preserved throughout the 1980s because of three tightly inter-linked factors determined by the city’s historic and geographic circumstances:
• It experienced a relative lack of state investment during the period of the centralized command economy, due to what was seen to be its vulnerable position on the Taiwan Straits.

• A high degree of private control of property has been maintained in the city.

• Almost all houses and properties of good quality belong to or are connected to overseas Chinese and are thus respected by the local government, which almost always tries to avoid offending connections that have meant so much to the city (Abramson et al., 2002).

The situation in the Old City started to change fundamentally during rapid urbanization after the 1980s. Since early conservation efforts in the Old City mainly focused on a few ancient buildings, the housing stock was generally left to deteriorate as the consequence of unclear laws and policies regarding conservation and maintenance. There were two aspirations favorable to urban redevelopment in the Old City. Residents have tried to improve their housing conditions through small-scale, but widespread, self-building. The new, often very large houses, up to five stories tall, were built on the site of owners’ former one-story courtyard houses (Nilsson and Tan, 2001). The other more destructive force affecting Quanzhou’s historic core originated with the local government. Devolution of fiscal responsibility from the central government since the late 1980s has allowed for a greater proportion of locally retained revenues (Abramson et al., 2002). Heavy investment in construction accompanied by rapid economic development makes large-scale redevelopment initiated by the municipal government (and district governments) possible. Such large-scale redevelopment includes the widening of roads, provision of new major infrastructure, rebuilding inner-city housing and new housing.
Figure 7: Skyline of Quanzhou Old City (The two pagodas are the East Pagoda and the West Pagoda in Kaiyuan Temple) (Source: QPIN)

Figure 8: East Street (Dong Jie): Before and After Large-scale Redevelopment (Source: QPIN)
projects in the east of the city intended to lessen population pressure in the historic city core. Many unique and historically valuable buildings and historic areas have been lost in the process of urban renewal although the use of traditional materials, styles and motifs in new buildings has been proudly adopted and appreciated. Large-scale redevelopment has also adversely affected residents’ attitudes toward their own residences. Without knowing the fate of their own neighborhoods, many residents deliberately let their houses deteriorate by failing to do necessary maintenance and rehabilitation. These two aspirations have enormously threatened the traditional architectural features and urban fabric of the Old City.

The years of the 1990s saw a number of local historic district conservation efforts and changes in opinion and methodology with respect to urban development in the Old City of Quanzhou. Changing attitudes were greatly influenced by the national policy directed at cooling down the overheated real estate boom in the early 1990s, the 1997 Asian financial crisis that further dampened urban renewal enthusiasm, and finally the much stricter rural land expropriation policy enacted at the end of the 1990s.

In the early 1990s, professors and graduate students from Tsinghua University of China and Canada’s University of British Columbia (UBC) expressed opposition to large-scale redevelopment and street widening in historic districts when they worked with the Quanzhou Municipal Planning Bureau on the West Street (Xi Jie) project. Xi Jie goes between two of the most significant historic districts of the city. The first, Kaiyuan Temple, was erected in the Tang Dynasty and designated as a national heritage site. The second, Jiu Guanyi neighborhood, is one of three conservation neighborhoods in Quanzhou’s master plan, because of its status as a place with residences to host traders
from different countries during the time when Quanzhou was a popular port. As usual, the intention of the planning bureau was to execute a redevelopment plan to clear all the buildings along the street and then widen Xi Jie. The academic team proposed an alternative for the Xi Jie project, as well as a scheme for a general road system in the Old City (Nilsson and Tan, 2001).

A common belief in Quanzhou at that time was that redevelopment was an inevitable road to modernization. Some considered preservation of one-story housing in the urban core technically impractical or economically unfeasible. Others thought that too much of the city had already been redeveloped to leave room for “preserving the historic core as a whole” (Nilsson and Tan, 2001). At the same time, redevelopment projects (associated with concerns such as local residents’ worry about the prospect of demolitions and the sheer expense of relocating large numbers of private homeowners) had changed the historic urban centre so much that even the local authorities were uncertain about what future large-scale redevelopment would bring and therefore sought alternative development models. Abramson et al. (2002) observe that “it is so happened that the contextualism advocated by outside consultants met with unusual sympathy among many influential local leaders”. Municipal leaders and planning authorities attended a series of international seminars and entertained study visits with scholars from Chinese, French and Norwegian universities, in addition to working constantly with outside designers from prestigious universities and planning institutes in China who highly appreciated local architectural elements. These experiences gradually shifted them towards a preservationist attitude during the second round of revisions to the Xi Jie
Figure 9: Same Area in Old City Before and After Redevelopment: Large-scale Redevelopment Alters Urban Fabric (Source: QPIN)
design proposal in 1996. The original street-widening and clearance style design was abandoned and a conservation-oriented strategy adopted\(^2\).

At least two strategies indicate the shift of official attitudes toward conservation and development. First, in its master plan for 1995-2020 issued in 1995, the municipal government for the first time included the concept of tourism city to take advantage of the comparatively well-preserved heritage sites in the city. The lack of clear direction on how to preserve and use its heritage in this plan is mediated by a tourism development plan done by the local planning and design research institute. It has been noted that in this document historic sites are considered tourism resources and an integral part of the Old City. Secondly, Quanzhou's planners ceased using the term “old (i.e. obsolete) city redevelopment” (\textit{Jiucheng Gaizao}) and instead spoke of “old (i.e. historic) city preservation and construction” (\textit{Gucheng Baohu Jianshe}) (Abramson et al., 2002). The municipal government responded promptly to these changes by renaming their Old City Redevelopment Headquarters.

New planning processes and ideas for the historic districts of Quanzhou adopted small-scale, house-based conservation and rehabilitation that had been introduced to the Old City of Beijing, and were then considered appropriate. In this regard Tsinghua University, which had long-term research and applied experience in both Beijing and Quanzhou, played a key role. Another contribution of Tsinghua to the historic district conservation work in Quanzhou was to help the city obtain financial support from the National Famous Historic Cultural City Foundation of the Ministry of Construction in 1997 for a pilot project in the \textit{Jiu Guanyi} neighborhood close to the \textit{Xi Jie} area. The

\(^2\) The \textit{Xi Jie} Conservation and Rehabilitation Plan and Design was finally finished by the Planning and Design Institute of Tongji University in July 2002 (Quanzhou Planning Information 2002b).
impressive comprehensive urban conservation plan in the following year for a one-mile stretch of Zhongshan Road illustrated how tourism development connects with urban heritage conservation. The Min Nan style historic arcaded commercial road was constructed as early as the 1920s. Starting from March 1998, many buildings on this Road were restored according to a conservation plan to protect the urban heritage for a national tourism fair held in Quanzhou in December 1998. In addition to funding from the Ministry of Construction, Quanzhou’s efforts towards urban historic district conservation obtained further support from the central government. Li Ruihuan, Chairman of the China Political Consultant Committee, visited Quanzhou during the 1998 national tourism fair. Without comment on the redevelopment project he visited, Li highly praised the façade renovation along Zhongshan Road. He then remarked about the Xi Jie area where the famous Kaiyuan Temple is located that, “the environment around the temple should be a transition between new and old so as to build up expectations for visitors” (Nilsson and Tan, 2001). His comments made the municipal government finally give up the original street-widening plan and initiate a conservation and rehabilitation scheme for that neighborhood instead.

This return to the earlier concern with conservation opened up good opportunities for new historic district conservation strategies. Not only were physical aspects considered, the focus of previous research, but more importantly social aspects of preservation / restoration such as the public’s understanding and appreciation of urban historic district conservation. A whole range of activities has been arranged as joint efforts between municipal authorities, domestic and international scholars and local private professionals to explain and advocate local heritage conservation to the general
public. One event of this kind was the "Retrospective Exhibition on Preservation and Construction in the Old City of Quanzhou" held in early 1999 by the Municipal Planning Bureau. At the end of 1999, a community participatory planning project, arguably the first one ever done in a mature Chinese urban environment, was initiated jointly by Tsinghua University, UBC and Quanzhou Municipal Planning Bureau.

_Qing Long Xiang_ of *Cheng Nan* (South City), one of the three designated conservation neighborhoods in the city, was chosen as a "laboratory" because it was a good illustrative example of the need for new planning processes to solve conflicts between modernization and conservation. Although the planning authorities were unwilling to share ultimate decision-making power with the community through this pilot project, it nevertheless represented a remarkable change in attitude among both residents and government officials towards the possibility of direct citizen engagement in policy or planning issues. Based on the constructive outcome of such _Qing Long Xiang_ project activities, the experiment in participatory, community-level historic district conservation was enlarged to embrace a wider range of issues and interests in a larger physical area. The *Cheng Nan* area surrounding _Qing Long Xiang_ was chosen in this regard for three reasons:

- The area has not yet experienced any large-scale redevelopment and is comparatively well preserved.
- The neighborhood has strong sense of community identity.
- A few non-state associations are already in place, and there is potential for others.
The Study Area—Cheng Nan

The most important historic districts defined in Quanzhou’s master plan could be understood as “three areas and one road” (San Pian Yi Xiari). Three areas refer to the Cheng Bei (North City) area (including Kaiyuan Temple), the Cheng Zhong (Central City) area (including Qingjing Mosque) and the Cheng Nan (South City) area (including Sea Goddess Temple). One road refers to Zhongshan Road, a north-south arterial that roughly connects the three historic districts (Fang, 1997). All the three areas and one road are situated in the 6.71 square kilometer Old City of Quanzhou. Kaiyuan Temple, Qingjing Mosque and Sea Goddess Temple, the only three nationally designated heritage sites in the Old City, lie at the core of each of the three historic districts respectively.

The officially designated Cheng Nan conservation area is approximately 40 hectares with a population of 8,000 including a 1,200 migrant population (QMUPDI and IAUS, 2000), and is home to 22 heritage sites or relics of varied importance. The general economic and demographic situation in the Cheng Nan area is similar to that of the larger Linjiang subdistrict and Quanzhou as a whole (Abramson and Leaf, 2001b). Since the migrant population has more employment opportunities in newly developed areas such as the eastern city and suburbs, migrants are few in the Cheng Nan area. Therefore, the Cheng Nan area is a largely community-oriented retail and residential area with Jubao Street, Wanshou Road and South Zhongshan Road as its main commercial streets, and

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3 Jubao Street, historically called Nan Men Wai (“outside Southern City Gate” in English, because it was just outside the old city wall), was very prosperous during the Song Dynasty and the Yuan Dynasty. There was a large international trade market mainly for jewelry along the street, from which the Chinese name Jubao comes.

4 Wanshou Road was a street for residences of foreign (and Taiwanese) businesspersons as well as for warehouses from the Song Dynasty until the 1950s. Both Jubao Street and Wanshou Road have well-preserved traditional Quanzhou houses, and heritage sites from different historic periods starting from the Ming Dynasty.

5 South Zhongshan Road is the southern non-restored segment of Zhongshan Road, whose restorations underwent the renovation of façades in 1998. It was officially designated as a miscellaneous daily-use goods wholesale market in 2000.
Figure 10: Traditional Businesses in Cheng Nan
(Source: Author)

Figure 11: Traditional Houses in Cheng Nan
(Source: Author)
the well-preserved traditional residential lane *Qing Long Xiang*. The area historically was the most prosperous in Old Quanzhou because of the port and the bridge that connected it with the other Golden Triangle City—Xiamen. A new bridge connecting the Old City to Xiamen built in the early 1990s has now made traffic by-pass the *Cheng Nan* area completely. This is consistent with the overall shift of focus within the municipal urban strategy, with its intention to well protect the Old City, to develop the eastern part of the city and suburbs. However, the high rate of housing production in these areas not only pushes the urban boundary outward, but also encourages the rapid abandonment of older homes located in inner city areas like *Cheng Nan*, and along with it incurs damage to the traditional small business community’s vitality.

The municipal government’s response to the situation of the *Cheng Nan* area has been a series of conservation and rehabilitation plans, particularly for *Qing Long Xiang*, the residential neighborhood, and later for *Jubao* Street and *Wanshou* Road, the traditional commercial district. The ultimate goal of the plans is “to re-illustrate the wealth of history and culture, the delicate vernacular architecture and prosperous commercial tradition in the area”, and “to combine preservation and renovation with tertiary and tourism development of the city” (Quanzhou Municipal Urban and Rural Planning Bureau, 2000). As such, the *Cheng Nan* area is in need of conservation as well as economic revitalization strategies.

Collaborative Conservation

Localization of urban planning is an important outcome of Quanzhou’s agenda to pursue urban environment upgrading and modernization on the one hand, and simultaneously to initiate an appropriate historic district conservation strategy on the
other. Conflicts between modernization and conservation in Quanzhou planning practice calls for, "a balance between local household desires and broader collective visions of the future city in that so many of the ongoing changes in the city are the aggregate results of initiatives by households and other non-state actors" (Abramson et al., 2002).

Localization of urban planning practice thus asks for the engagement of various interest groups in the historic district conservation process. Collaboration for conservation is required between various local government agencies, as well as between local authorities and non-government actors. This is also important for avoiding mistakes in decision making, creating better cooperative relationships, and gaining public and professional support for the whole program (Nilsson and Tan, 2001).

Zhongshan Road Conservation and Renovation Project

Zhongshan Road conservation and renovation project illustrates an effective collaboration among different interests. 70-year old Zhongshan Road is the primary historical and cultural arterial of “three areas and one road” of the Old City. It is now a busy commercial street with 948 traditional style shop-houses with arcades along the street. In order to protect the traditional architecture and revitalize the road’s commercial function, its renovation was necessary. At the same time, the project was also considered an academic exercise that would progress knowledge on local historic district conservation measures. The project was begun in March 1998 and ended in November 1999.

During the project period, the local governments, the public, the private sector, planners and the developer cooperated closely and set up an effective implementation system so as to ensure the success of the project. The planners cooperated with the local
authorities to organize the project, liaised with the property owners and managed relationships between city reform departments (UNESCO, 2002). In addition to setting design guidelines for the project, planners also facilitated communications between the local government, the public and the developer. The role of the planners here was similar to Wu's “three-in-one” model\(^6\). The public had the right to speak, comment on proposals, give feedback to planners and local government, and supervise project implementation. The developer was under the supervision of the government, the public and the planners.

Since collaborative conservation was new to Quanzhou Municipality, the decision was made to carry out a test section first, take stock of the experience, and then proceed with development gradually in order to anticipate and pro-actively resolve problems.

The project cost for the renovation of Zhongshan Road was more than 18 million RMB, of which 10.71 million was paid by homeowners, 4.15 million by the government, and 3.45 million by municipal government departments (UNESCO, 2002). The concept of “beneficiaries share the cost” was adopted, which meant that property owners had to pay for repairing or rebuilding their houses, while the government paid an allowance, and the balance was shared between relevant departments. The costs for conservation management, design and plant/building removal were the responsibility of the government, while the various departments shared the infrastructure costs. The municipal and district administrations divided the governmental part of the costs at a ratio of one to one.

As an Award of Merit winner of the UNESCO Asia-Pacific Heritage Awards for Culture Heritage Conservation in 2001, Zhongshan Road Conservation and Renovation Project received very positive reviews from UNESCO. “The initiative of the local

\(^6\) See Chapter 2 for a detailed discussion of Wu’s “three-in-one model”.

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Figure 12: Same Segment of Zhongshan Road: Before and After Conservation and Rehabilitation
(Source: QPIN)

Figure 13: A Segment of Zhongshan Road after Conservation and Rehabilitation
(Source: QPIN)
government and active support from the private sector, which exemplify collective responsibility for heritage conservation”, (UNESCO, 2002) in particular were highlighted in the judge’s citations. The success of Zhongshan Road Conservation and Renovation Project has made the municipal government understand that collaboration among various interest groups is an essential step toward striking a balance between them, and has given the government more confidence in further developing participatory neighborhood planning processes in the Old City.

The Zhongshan Road Project has a number of policy implications for the proposed collaborative conservation and rehabilitation of Cheng Nan, particularly its three commercial streets. However, the current situation of Cheng Nan differs considerably from that of Zhongshan Road both from the perspective of the built environment and socio-economic characteristics. Likewise, the reasons for its downturn are dissimilar from the Zhongshan Road experience. Therefore it is necessary to examine the various interests in Cheng Nan before any policy recommendations for the area could be drawn. The interest groups in Cheng Nan can be categorized as:

- Local state agencies involved in the conservation and rehabilitation planning and administration, which include not only the municipal government and lower-level administrations such as districts and sub-districts, but also relevant departments and local developers considered parastatal organizations in that they are more or less tied to the local state.

- The private sector, including local citizens who either own property or rent it, and a small number of rural migrants who basically rent space for business use.
• The general public mainly in the form of groups, such as the four neighborhood committees, a few temple associations and the Elders Associations in the area as well as groups organized to facilitate interactions between the local residents and their overseas relatives.

• Professionals, namely architects, consultants, planners, cultural relics specialists and so on.

Three unique factors—low state investment, strong connections with overseas Chinese, and a high degree of private ownership—imbue the various categories of interests in heritage conservation in Quanzhou with their distinct character (Abramson et al, 2002).

Local State Agencies

As a result of a series of changing attitudes towards Quanzhou’s urban built environment, a preservationist local government has emerged in recent years, which is taking a hard line in the restriction of physical change in the built fabric (Abramson et al., 2002). The municipal planning bureau is the principal state agency delegated by the municipality to execute the tasks of conservation planning and implementation. However, the municipal leaders maintain key decision making powers, which is typical in the context of Chinese cities, where top officials at all levels of government below the central state are appointed and assessed by upper bodies and mayors are required to set up an agenda to accomplish development schemes. To facilitate ongoing conservation efforts in the Old City and horizontal collaboration between the relevant local state agencies, the municipal government established the Quanzhou Famous Historic and Cultural City Conservation and Construction General Headquarters in 1996. This is an administrative unit which cuts across agency boundaries between the planning bureau, the cultural relics
bureau, the construction commission and so on. The headquarters has a branch in *Cheng Nan* that interacts with the relevant district and sub-district agencies, to some extent providing a communication channel to the community, but primarily for implementation not decision-making process.

Self-initiated construction by non-state actors in *Cheng Nan* has in recent years come to be accepted by the local state instead of being condemned and triggering only stronger restriction. The municipal planning bureau has proposed guidelines and regulations for use or compliance by individual property owners in *Cheng Nan*, specifically in the conservation plans of *Jubao Street*, *Wanshou Road* and *Qing Long Xiang*, rather than an overall plan requiring sweeping property expropriation and resident relocation. The *Cheng Nan* branch of the Quanzhou Famous Historic and Cultural City Conservation and Construction General Headquarters has proposed a series of policies to help local residents comply with municipal rehabilitation guidelines and regulations, including:

- The planning bureau simplifies the procedures for property ownership applications and renovation/maintenance applications, and waives some kinds of related fees.
- The local government offers to assist financially strapped property owners with façade rehabilitation by helping them obtain loans and governmental subsidies.
- The local government allows the deferment or (partial) waiver of construction matching fees for property owners with financial difficulties, and provides subsidies to them for the renovation of dilapidated housing.
• The local government plans to buy some privately owned vernacular residences of historical value when its economic situation allows, and use them as loci of publicly accessible traditional culture.

To ensure the results of self-help rehabilitation or self-help renovation, design is supposed to be organized by licensed design units who have a wealth of experience in ancient/traditional building design work. Moreover, a professional ancient/traditional architecture construction team established by the municipal construction administration is proposed to execute the rehabilitation and renovation work. The engagement of professionals experienced in the sector makes self-help rehabilitation and renovation a tolerant but strictly guided approach to historic district conservation.

In the case of Cheng Nan, as same as for the whole of Quanzhou Old City, besides building guideline enforcement, the other ongoing concern of the local state is how to finance the conservation and rehabilitation. The official recognition of legal self-help renovation means property owners (most of who in a survey of Cheng Nan, indicated that they could afford to renovate or rehabilitate their own properties\(^7\)) have been a major contributor to conservation funding. The other primary sources of funding adopted by the Cheng Nan branch are loans, government subsidies, business (especially developers) financial contributions and/or collective work unit donations, overseas Chinese sponsorship and so on. In order to use the funding effectively, the local state has considered the establishment of an Old City Conservation and Construction Fund\(^8\), an

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\(^7\) It is helpful to learn how the property owners plan to use various resources to invest in self-help rehabilitation. Among 38 interviewees in the Qing Long Xiang neighborhood, 15 believed they could pay for it through personal savings, 7 would resort to help from friends or family locally, 5 would consider help from family overseas, 6 would consider loans, and only 4 would ask for government subsidies (Abramson and Leaf, 2001a). The Cheng Nan community is as wealthy as other areas of the Old City, although the appearance of the built environment there may sometimes suggest otherwise.

\(^8\) This idea was proposed by the vice director of the planning bureau in a meeting in Quanzhou on July 6, 2001.
administrative organ, which would raise and comprehensively manage funds. The Fund is particularly imperative for large-scale ancient or traditional residential building conservation work such as that required in the Cheng Nan area because it is comparatively easier to obtain financial support for cultural relics and temples from specific agencies, e.g. the local cultural relics bureau or temple associations. However, the selection criteria for financial support from the Fund for property owners and the accompanying supervision mechanisms are presently still unclear.

*Private Sector*

One of the most interesting characteristics of the residents in Cheng Nan is the diversity in age, education, employment, household income level, property rights and occupation. From interviews with the residents\(^9\), it has been noted that despite all the complaints about living conditions, most households still prefer to remain in the area whether or not it was renovated. Their reasons for their staying are:

- Some residents prefer sub-standard housing in the urban centre, with its better access to amenities, in contrast to new buildings on the urban periphery. The convenience of the urban centre far outweighs the poor housing conditions.
- Most households have been living in the same area for a long time, or even generations, which has gradually shaped a strong personal attachment to the neighborhood and the place and a strong sense of community identity.
- Some households have rather good living conditions because they can afford to renovate or reconstruct their houses from time to time with either their own financial resources or support from overseas relatives, thus they have no reason to

\(^9\) The interviews with private sector were conducted by the author from July 20, 2001 to August 7, 2001.
move outside the area. Also they often make money from extra space by renting to local people (typical in Jubao Street and Wanshou Road) or newcomers from other cities or the countryside (a few in South Zhongshan Road) or running small businesses.

One of the common characteristics among houses in Cheng Nan is a considerably high degree of private housing ownership\textsuperscript{10}. More negotiations and compromises between the local residents and the local authorities are therefore likely during the historic district conservation and rehabilitation process, compared to other Old Cities where the percentage of private housing ownership is much lower\textsuperscript{11}. Interviews in Cheng Nan conclude that to be effective a conservation strategy needs residents’ approval and support, and finally, implementation by residents.

Another striking characteristic of the residents in Cheng Nan revealed by the survey is the high proportion of elderly persons. After living in this area for so many years, senior residents are the last ones to leave such a familiar environment. Married children have gradually moved out to new districts such as those in the east city, leaving the unmarried and aged in the old neighborhoods. Seniors play an active and important role in the neighborhood communities of Cheng Nan. The neighborhood committees are mainly composed of seniors, for whom the neighborhood committee job provides an extra income as well as opportunities to mix with their neighbors, and others. Societies such as the Qing Long Gong Temple Association (whose members are mostly seniors)

\textsuperscript{10} The survey in Jubao Street indicates that 76.5 percent of the properties are private owned, and in Wanshou Road the percentage is 66.6%. The actual percentage might be even higher given that 16.9% and 26.3% respectively in the two streets are categorized as “unclear ownership” (Quanzhou Municipal Urban and Rural Planning Bureau, 2000). An unofficial survey in Qing Long Xiang indicates that 44 out of 47 properties are private ones (Abramson and Leaf, 2001a).

\textsuperscript{11} For instance, private housing ownership in Beijing’s Old City today does not exceed 10 percent.
and the *Qing Long Xiang* Elders Association are active in the neighborhoods as well. One example is that the members of the *Qing Long Xiang* Elders Association and a neighborhood committee were among the pilot project task force of the *Qing Long Xiang* community participatory planning project. Another is that seniors are always active participants in public workshops and meetings involving local residents.

Unique to Quanzhou's urban space is the organization of retail use into individual storefronts (Abramson and Leaf, 2001b). Private business is the typical and dominant type of enterprise in the three commercial streets in the *Cheng Nan* area. Most of the private businesses are small-scale and local customer oriented with limited registered capital (*Zhuce Zijin*). Food retail, small restaurants and miscellaneous daily-use goods have comprised the greatest proportion of all business types on those commercial streets except for South *Zhongshan* Road which is dominated by wholesale building materials and household electrical small appliances due to its recent zoning as a miscellaneous daily-use goods wholesale market. Preliminary inquiries indicate that the owners of the buildings run about half of the shops and that rents are very low (averaging 300-500 RMB per month) for rented space in either *Jubao* Street or *Wanshou* Road. The officially designated market in South *Zhongshan* Road makes the situation there quite different in that very few property owners operate businesses preferring instead to rent their properties at a higher average rate of 1000-2000 RMB per month. The business situation

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12. July 2001 data from the Licheng District Industry and Commerce Bureau of Quanzhou indicate that 60 out of the 71 registered businesses and 49 out of the 52 registered businesses in *Jubao* Street and *Wanshao* Road respectively are private.

13. The same data source as above indicates that the registered capital average of private businesses in *Jubao* Street is only 3,665 RMB with a range from 30,000 RMB to 350 RMB, and the average in *Wanshou* Road is 4,724 RMB with a range from 50,000 RMB to 200 RMB.
in all three commercial streets is unfortunately not encouraging and property owners switch business types or their leaseholders frequently.

General Public and Local Non-governmental Organizations

Neighborhood committees are the most active community organization in the Cheng Nan area. As non-governmental agencies, neighborhood committees nevertheless have the closest relationship with the local government among all the local non-governmental organizations. Official policies influencing grassroots constituencies usually require the involvement of neighborhood committees for citizen mobilization, where neighborhood committees play a mediation role between the different community interests, and also provide a communication channel for those interests to the local government. The four neighborhood committees of Cheng Nan are typical in these regards. They not only assist local authorities like the planning bureau in the built environment conservation process around issues such as property ownership clarification, rehabilitation/renovation applications and supervision and resident relocation, but also foster community economic development (revitalization). For instance one of the neighborhood committees significantly advanced establishment of the miscellaneous daily-use goods wholesale market on South Zhongshan Road by suggesting, along with the sub-district government, several effective initiatives to local authorities. Based on the long existing interaction between neighborhood committees and communities, the role of the former in participatory planning process will remain significant. The questions

14 Those approved by the local authorities are: (1) an office led by the sub-district government would coordinate the community traffic police, the industry and commerce bureau and the revenue bureau at sub-district level; (2) the same office would be responsible for the free services of industry and commerce license registration, and tax registration for newly established enterprises; (3) the sub-district industry and commerce bureau waives the industry and commerce management fee for the first 2 years for new enterprises in the market; and (4) if property owners on the street could
are how to provide a mechanism for their participation in planning particularly in the
decision making process in addition to policy implementation, and how to integrate
neighborhood committees with other community organizations to best serve as social
advocates.

*Cheng Nan* has an array of traditional non-state community societies, including
kinship associations, folk musical associations, temple associations and associations
organized for cooperation with overseas Chinese. The temple associations, as providers
of charity, financial credit and health care to the community, are one of the most active
non-state social organizations in *Cheng Nan*. Temples are vital spaces of public ritual and
one of the focal points for any community or physical community centre in Fujian
province. A great deal of Quanzhou’s preservation work has focused on temples and been
funded through temple associations; similarly neighborhood temple restoration in *Cheng
Nan* is a significant part of conserving the area’s urban landscape. The potential for
temple associations in *Cheng Nan* to play a strong role in planning processes is
nevertheless under question. Residents approach temples as a public ritual place for their
own welfare, but the by-products of temple-related activities in urban environment,
except for temple renovations, are extremely limited.

Commercial associations of shopkeepers in the West are often amongst the
strongest advocates of improving public space and shop facades in an organized and
relatively unified manner, as they are aware that a pleasant environment will attract more
customers (Abramson and Leaf, 2001b). The present situation in *Cheng Nan* however
does not look encouraging since there are almost no trade organizations or business

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not start their businesses by a specified date, the office has the right to lease the street front room at a fixed rate on behalf of the owners.

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associations. Interviews with shopkeepers in the commercial streets of Cheng Nan suggest they are optimistic about adopting commercial associations as one method for conservation and revitalization. Some of them (around 2/3 of 20 interviewees) would however hesitate to join a commercial association immediately mostly because of uncertainty regarding government attitudes and policies respective to business associations, including future relationships between such associations and the local state. The current weak financial capacity of most of the businesses is also a concern although most of the interviewees do not mind paying a modest annual fee on the condition that the local state shows a clear commitment to conservation and revitalization in the Cheng Nan neighborhood.

Last, but not least, the presence of learned and cultural societies in the area is a good source of valuable historical information (e.g. cultural relics, neglected heritage sites) within the community as well as members’ insights into heritage conservation.

The municipality and planning bureau have gradually recognized the importance of citizen participation, as is observable in their changing attitudes toward Old City conservation. The municipal planning bureau is reforming the organizational structure of plan making. An idea for greater citizen participation in planning is proposed in addition to the specialist/expert consultation and review process. Plans might be revised, supplemented and improved based on meaningful public suggestions and comments (Quanzhou Planning Information, 2002a). The first steps have been two hotlines: one to the planning bureau is for complaints on planning issues, and the other direct connection to the mayor’s office is for Old City conservation supervision.

15 The interviews were conducted by the author from July 28 to August 7, 2001, with 20 shopkeepers in three commercial streets.
Professionals

Quanzhou's urban conservation to a certain extent reflects the maturing professionalism of Chinese urban planning. As a medium-sized but comparatively wealthy city, Quanzhou has been able to hire renowned professional or academic architecture and planning agencies from elsewhere. This trend is apparent from the early engagement of Tianjin University in the beginning of the 1980s through the involvement of Southeast University and Tsinghua University during the 1990s and to the recent collaboration with Tsinghua University, the Chinese Academy of Urban Planning and Design (CAUPD) and the hiring of a UBC architecture graduate student. Their work covers a wide range from temple restoration, to the historic area conservation plans, to the master plan of the city. The advice of planners from those nationally renowned institutions to influential local leaders has carried more weight in debates over planning policy than similar viewpoints expressed by local factions (Abramson et al., 2002). Expert advice has sometime even come from international institutions, such as Canadian, French, and Norwegian universities. There are at least three outside units currently involved in the conservation work of the Cheng Nan area: CAUPD, the School of Architecture and Planning at Tsinghua University and the UBC Centre for Human Settlements. In all the cases, cooperation has always existed between those units from outside Quanzhou and local professional agencies. The latter have included the Overseas Chinese (Huaqiao) University, Quanzhou Urban Planning and Design Institute, and Quanzhou Municipal Urban and Rural Planning Surveying and Mapping Services Centre, which is a professional arm of Quanzhou Municipal Urban and Rural Planning Bureau.
The latest plan for the Old City (QMUPDI and IAUS, 2000) suggests the municipality establish an exclusive old city conservation expert consultative agency to maintain the compatibility and continuity of conservation work. This long-term institution has been a further step away from the architecture specialist model (hiring one or two senior specialists specifically for the project) used in the rehabilitation of Zhongshan Road (Fang, 1997). The agency consists of those who have urban heritage conservation experience and/or those who have been trained in this field. The expert team manages planning and design work consultation as well as other technical consultative services. Rehabilitation proposals for those most important traditional residences, usually categorized as “absolute preservation needed” in the old city conservation plan, and officially designated cultural relics are supposed to be reviewed by the delegated senior specialists before they go to seek approval from the municipal planning bureau. Comments from members of national academic societies in particular have a strong influence on local leaders’ decision making about conservation planning. For instance, after hearing recommendations for Cheng Nan from a senior member of the Academic Committee of Famous Historic and Cultural City Planning under the Ministry of Construction, the local authorities have turned their planned focus away from Qing Long Xiang to Jubao Street and Wanshou Road.

Conclusion and Policy Recommendations

Supportive local government attitudes are essential to urban development and conservation even in a place like Quanzhou, where the government’s role in society is more limited than in most Chinese cities. The vicissitude of the city’s historic core from the early 1980s until now clearly demonstrates this point. The local political economy of
the urbanization process is shaped by three intertwined factors—low state investment, strong connections with overseas Chinese communities, and a high proportion of private housing ownership. The current political agenda favored by the local state is preservation, behind which are several forces:

- The preservation-oriented attitudes to the Old City’s future of some local municipal government leaders, like the current vice mayor, as well as local state agencies, such as the municipal planning bureau.
- International agencies doing research and advocating new approaches to preservation, such as community participatory planning.
- Advice from scholars and professionals from both inside and outside Quanzhou.
- Individuals, particularly respected community members associated with neighborhood committees, with an interest in the history of their own homes and neighborhood.

Furthermore, the city also possesses a very favorable institutional context in which to undertake progressive practices in historic district conservation.

Decentralization has been the most influential administrative reform in urban China. Localization of planning practice argues for the development of more inclusive forms of planning, which can actively engage the various relevant interest groups in the normative process of shaping the future city (Abramson et al., 2002). All the rapid changes happened in such an historical and cultural urban context as Quanzhou over the latest decade have made conflicts between the interests of different actors a crucial concern in urban conservation. There is a need to think carefully about the interaction and collaboration between those varied actors involved in the urban conservation process, as
the examination of the case of *Cheng Nan* illustrates. A constructive set of measures should include a common forum for interested players but rules and procedures acceptable to them can only be determined after considering the functions and interests of all actors. Presently the municipal planning bureau is working towards that direction and has recognized the importance of the involvement of individual households and non-government organizations that represent and communicate with local residents. *Qing Long Xiang* project of the *Cheng Nan* area has clearly stated such intentions of the local government. Quanzhou’s future agenda for conservation needs to be fundamentally based on broad collaboration for historic area conservation, which could capitalize on its current encouraging endeavors.

For the local state agencies, inter-departmental collaborative relationships have not had enough emphasis. Besides dialogues with community representatives and non-governmental organizations, the municipal planning bureau should also initiate communications with the local tourism administration given the city’s tourism development strategy in the master plan. Funding for conservation could come from sources linked with tourism, including those businesses that profit from the tourist industry. A financial mechanism is needed to get the tourist industry to contribute to heritage conservation. Local authorities should also adopt other strategies clearly involving stakeholders who benefit from heritage assets. A heritage resource fee charged to developers might be levied on all new building permits. Thus when a new building is finished in newly developed area of the city, the developer would be required to pay this fee as a contribution to the conservation of the Old City. This would serve to connect the Old City with the new.
A collaborative approach is especially important to involve local residents in the whole conservation process, to let them express different views and avoid misunderstanding at an early stage, apart from resorting to them for financial contribution (in the form of self-building). Since participatory approaches are just being introduced to the city, individuals and groups often need help to determine their own interests. Local government should not confine their understanding of citizen participation only to mobilization and implementation when they propose more participatory initiatives. Likewise, the characteristics of commercial streets in Quanzhou offer opportunities for participatory planning process. Besides their financial contributions to historic district conservation, as experienced in the Zhongshan Road project, the private business sectors should also be encouraged to participate more actively in the conservation process, because they are likely to provide economically feasible suggestions for the conservation and revitalization of a commercial and residential district like Cheng Nan. Their unique insight into the local market, business viability and entrepreneurial ideas is an asset to use in conserving and revitalizing commercial streets. This is particularly important when local authorities pragmatically hope to use the revenue from successful economic revitalization of the commercial streets to subsidize residential neighborhood conservation, as in the Cheng Nan area. Involvement of the private sector might be realized by broadening the current specialist advisory agency to include the interests of more non-state actors.

With respect to non-government organizations, neighborhood committees are the prominent one among others. Their role in conservation would probably be more

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16 Leaders of the Quanzhou Municipal Planning Bureau expressed this idea, when the author was in a meeting with them on July 6, 2001.
effective if they could arrange for a position in charge of conservation issues, even a temporary one just during the conservation process. Neighborhood committees need to keep the community better informed and involved with conservation policies. The possibility of establishing commercial associations depends on the financial and organizational capacities of local businesses and the government’s attitude to the associations. The local state therefore will need to come up with initiatives both for comparatively stagnant businesses and for organizations, fundraising mechanisms and the regulation of commercial associations. Similar commercial associations in the West may be good models but careful adaptations\textsuperscript{17} are definitely needed. Although temple associations play a very limited role in current conservation, these groups should be used to tap into global linkages with overseas Chinese religious and commercial leaders, which to date have greatly benefited the city’s efforts in urban conservation.

\textsuperscript{17} One such kind of adaptation pertains to taxation. Commercial associations in the West usually collect association annual taxes based on the member’s property value to raise funds for the association. This may not be workable because of the absence of property taxation in urban China, but an alternative such as collecting fees based on the linear front along the street as well as the shop area might work.
Chapter VI. Conclusion

The path Quanzhou has taken in its urban transformation during the reform period from an early concern with large-scale urban redevelopment to current recognition of the importance of historic district conservation can be set in the wider context of urban China. After an evolution characterized by the urban renewal processes of demolition, redevelopment and conservation in its variety of forms, the country is currently at a stage where it is starting to recognize the importance of reclaiming its urban heritage. Historic district conservation, functionally a substantive practice only after the mid-1990s, is faced with the challenge of complex and changing political economic and social realities as China moves from command to market economy, as well as inadequate legal, institutional and administrative frameworks to regulate and guide conservation projects in cities. As such urban China’s historic district conservation agenda has been a search for an institutional and administrative framework with legislative backing that can reconcile the contradictory goals of rapid urban development and heritage conservation.

The political ideology of state-socialist China approaches historic district conservation as a state-led activity. Weaknesses of the elitist nature of heritage conservation in China have become apparent in practice, especially when historic district conservation means the conservation scope has extended from renowned ancient monument to everyday neighborhood of local importance, because the state alone is unable to shoulder the heavy conservation burden in a variety of aspects. Administrative and fiscal decentralization and urban planning localization have made the local state the lead actor in urban conservation. It is local government that is gradually recognizing the
obstacles, especially funding and processes for implementation, to successful conservation and is experimenting with conservation initiatives involving multiple actors in pilot projects. Collaborations for historic district conservation between the local state and property owner/occupants are one example of this kind of initiative. Such arrangements effectively resolve local government funding shortages, but typically they restrict the input of property owner/occupants to implementation. Experience with historic district conservation from the West suggests that local governments need to involve more local interest groups in the form of non-government organizations rather than individuals under comprehensive and mature legal, institutional and administrative frameworks to ensure citizen participation in conservation decision-making as well as implementation processes. Current historic district conservation practice in urban China is moving in this direction but has long way to go.

The introduction of local versus national legal frameworks for historic district conservation may give local authorities considerable freedom to develop their own policies towards designation and enhancement of conservation areas that reflect the regional political, economic, historic and cultural diversity of Chinese cities. Historic district conservation administrative units at different levels with clearly defined mandates capable of comprehensively planning and coordinating responsibilities still do not exist. Moreover, a non-administrative local conservation management agency is needed to help accumulate and arrange capital for historic district conservation. Non-government organizations such as Conservation District Advisory Committees could facilitate state to non-state communication thus enabling deeper and more extensive non-state involvement in conservation processes. As identified in this study, municipal government, the private
sector, the general public and professionals each have potential roles in historic district conservation. Collaborative conservation calls for careful analysis of each interest group, especially non-state actors and different government agencies, in order to grasp their respective contributions to conservation. Municipal government, the key initiator and only purveyor of urban heritage conservation under the command economy, will change from its conventional role to a guide or coordinator under the new market economy where non-state actors are adopting increasing responsibility.

Issues in urban historic district conservation around the intersection and collaboration of state and non-state embody broader cultural, historical, political and social interactions. Legacies of the past, the pluralities of the present, cultural politics and even democratic ideologies are all implicated. The search for an urban historic district conservation agenda in China is therefore much more than urban design and must reach far beyond the physical perspective conventionally addressed.

Future research should focus on central-local interactions and relationships because of their common and divergent interests with respect to how historic district conservation should proceed. Intra-municipal relationships, conservation cooperation/networks and shared experiences are potentially rich research areas. At the local level, further research on state conservation policies and popular attitudes may help to clarify the meaning and purposes of conservation, i.e. whose heritage to conserve and which strategies are appropriate. It is also necessary to analyze how different local agencies have different sets of interests that often conflict and hinder good policy formulation and implementation. Furthermore, future potential for new "cultural elites" in the Chinese context is another exciting area. Relevant topics could include new roles for interested
actors, e.g. non-profit organizations and community groups in future decision making, the
transition of developers in urban conservation from their current parastatal status to the
private sector, and so on. Lastly, inquiries into decision-making processes, consultation
and implementation of participatory urban heritage management, would forward the
current state of knowledge on Chinese urban historic district conservation beyond this
study.
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An illustration of “three areas and one road” 
(San Pian Yi Xian) in the Old City

A: Cheng Bei (North City) area  
    (including Kaiyuan Temple)

B: Cheng Zhong (Central City) area  
    (including Qingjing Mosque)

C: Zhongshan Road

D: Cheng Nan (South City) area  
    (including Sea Goddess Temple, or Tianhou Gong)

(Source: Tsinghua University and Quanzhou Municipal Planning Bureau)
APPENDIX B: MAP OF QUANZHOU OLD CITY AND CHENG NAN

(Source: Tsinghua University and Quanzhou Municipal Planning Bureau)
APPENDIX C: INTERVIEW NOTES
A. Interviews with Government Officials, Scholars and Neighborhood Committee Leaders

July 6, 2001. Mr. Chen Nanyang. (Director of Planning Information Centre, Quanzhou Municipal Planning Bureau)

--In his view, it would be unrealistic to use tax measures to raise conservation funding like commercial associations in the West do. He suggests establish a conservation foundation with the possible financial resources such as donations from real estate developers, overseas Chinese, the private commercial sectors and residents. Mr. Chen also recommends the funding measure used in the Zhongshan Road project where the local government shared the costs with residents and business owners/managers.

July 6, 2001. Mr. Huang Shiqing. (Vice Director of Quanzhou Municipal Planning Bureau)

--Jubao Street has already had a preliminary conservation and rehabilitation plan after the preliminary survey done there. He suggests a 'Quanzhou Tourist Crafts Product Street' for that area.
--Government funding could be used to initiate the conservation and rehabilitation work, then the Cheng Nan branch of the Famous Historic Cultural City Conservation and Construction could use commercial measure to seek a capital balance.

July 10, 2001. Mr. Su Guangtang. (Consultant to Quanzhou Municipal Planning Bureau)

--The main reasons for Cheng Nan's downturn are: the new bridge built in the early 1990s has changed the direction of traffic flow; government policies favor the development of the east City; the average age of the residents in Cheng Nan is relatively old, and the main customers of the businesses there are elders; although there is a miscellaneous daily-use goods wholesale market, customers are much fewer than expected.

July 13, 2001. Mr. Guo Yufeng (Director of Xinqiao Neighborhood Committee)

--The proportion of large-scale businesses dropped while small businesses have not changed very much, the main customers have been the local residents.
--He expects that the development of the waterfront segment of South Zhongshan Road will benefit the other part of South Zhongshan Road; he also proposes some initiatives such as partial tax waiver, waiver of commercial and industrial management fee for the first two years for new businesses, more flexible management methods for migrant population; he also suggests that neighborhood committee should apply for business licenses on behalf of the new businesses in its neighborhood.
--He raises parking space problem that has been a restraint for the miscellaneous daily-use goods market, there is no enough space for unloading.
--There is no conflict between residents and businesses, one of the things neighborhood committee can do is to encourage some of the residents to leave street front rooms for business uses.
--Government officials could be consultants to the suggested (by the author) commercial association.
--The businesses in Jubao Street and Wanshou Road are mainly run by locals, while there are some non-locals running businesses in South Zhongshan Road.
--He asks for more government subsidies for rehabilitation and renovation other than for demolition.
--The most supportive interviewee I have met.

July 19, 2001. Ms. Huang (Director of Ainan Neighborhood Committee)

--She suggests façade renovations for those old properties; she also mentions the sewage and green space problems in her neighborhood.
--Hopes the revitalization in Cheng Nan can resolve some of the unemployment problem.
--Food and drink are the main businesses in her neighborhood.
--Aging problem.
--Compatible relationships between neighbors, conflicts are very few.
July 19, 2001. Mr. Zhang Weizhi. (Urban Construction Section of Linjiang Sub-district Administration)

--The trend of Quanzhou's urban development is toward the east part, many businesses and enterprises have moved to that part of the city.
--Sub-district administration does not have enough decision-making power, it nevertheless mainly coordinates the various interests within sub-district. He expects more than coordination.
--He complains that current renovation and rehabilitation procedures take too much time and they are too complicated.


--There is a decoration business association in Licheng District, but it is not influential.
--He imagines a semi-governmental business association acting as a communication channel between the private sector and local government. He is not optimistic with the annual fee paying alternative instead of tax measure for business association funding as most of the businesses in Cheng Nan are small-scale who will be unable to afford that.
--Sub-district administration and neighborhood committee should be the major forces for community services.

July 20, 2001. Mr. Liang (Civil Affair Bureau of Licheng District)

--The 'hardware' of the community services is inadequate.
--He suggests share the resources among different communities.
--Developers have not provided the offices to neighborhood committees as they promised.
--Current property ownership situation is complicated; it has been a barrier to self-help renovation.
--He reserves his comments on the Xi Jie conservation project.
--The houses in Cheng Nan are too dense, Cheng Nan needs more public space.

August 2, 2001. Mr. Chen Shaomu (Overseas Chinese University)

--He suggests develop family run hotels, exhibition places and restaurants, to take advantage of the vacant houses after some resident relocation.
--The old port/customs house relics near the new bridge should be developed as a tourist attraction.
--He opposes the rehabilitation methods for Xi Jie and Tumen Jie. Meanwhile, he suggests use original materials and traditional styles to rehabilitate the old houses.
--An independent old city can exist outside the redeveloped area of the city.
--Conservation should have priority over development in the old city.

August 2, 2001. Mr. Wang Lianmao (Curator of Quanzhou Maritime Transportation Museum)

--The southern part of South Zhongshan Road has the potential to resume its traditional businesses, and it is more valuable than Wanshou Road in terms of conservation.
--He opposes the rehabilitation methods for Xi Jie and Tumen Jie.
--The relocated residents can be accommodated at an area specifically designated for them.
--The exotic sense of the Cheng Nan area could be resumed in future conservation work.
### B. Interviews with Local Residents and Small Businesses

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Date of Interview</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous daily-use goods, china</td>
<td>July 22, 2001</td>
<td>his family has run these businesses for 64 years; the by-passing of the traffic because of the new bridge; development of other parts of the city attracts the businesses away; the property is his own; as to commercial association, he agrees in general but expects the clarification of the proposed annual fee.</td>
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<tr>
<td>(Wanshou Road)</td>
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<tr>
<td>Plastic product</td>
<td>July 22, 2001</td>
<td>some businesses from outside Quanzhou have threatened the local businesses; ground transportation replaced the sea transportation, so Cheng Nan lost its advantage; eastern part of the city has been the focus of its urban development; 2/3 of the original residents left this area; he expects that government should revitalize economic situation first and then it is time to consider establishing a commercial association; he has concern about how much the commercial association can replace some of the functions now executed by the local state.</td>
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<tr>
<td>(Jubao Street)</td>
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<tr>
<td>Electrical appliances</td>
<td>July 22, 2001</td>
<td>started the business in 1992; the local businesses are not stable; business runners never think about any association; they have limitation in terms of organizational and financial capacities; there is no leading business in the area willing to organize such kind of commercial association; worries a lot about government’s changing policies; business runners/owners are mainly native people.</td>
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<tr>
<td>(South Zhongshan Road)</td>
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<tr>
<td>Food</td>
<td>July 23, 2001</td>
<td>rents the room at the rate of 200RMB/month, the tax is about 200RMB/month; has run the business for more then a decade, it dropped three years ago; some people laid off from the state enterprises started small businesses which are competitors with his business; suggests redevelop this area into a new residential district; his property ownership is clear; very unsatisfied with the government policies.</td>
</tr>
<tr>
<td>(Jubao Street)</td>
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<tr>
<td>Medical Service</td>
<td>July 24, 2001</td>
<td>Chinese medicine practitioner; business is stable; owns the property; has run this business for ten years; property ownership is clear; it is not necessary to establish a commercial association; willing to invest in rehabilitation in collaboration with the local state; has a house of more than 200 m².</td>
</tr>
<tr>
<td>(Jubao Street)</td>
<td></td>
<td></td>
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<tr>
<td>Cooking utilities</td>
<td>July 24, 2001</td>
<td>rents the two floor house at the rate of 500RMB/month; has been running this business for 1 year; was laid off from a state enterprise; the main customers are local residents; too many people run same businesses; because redevelopment is not allowed, the property owner bought house in a new district and moved away; agrees with conservation; confident</td>
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Rice shop
(Wanshou Road) July 25, 2001
the shop used to belong to the local food bureau, it was contracted to the runner in 1993, but the house is owned by the state; wealthy residents have moved away to the east city; agrees to establish a commercial association, but does not want to pay annual fee until a new plan really changes the community in a certain degree; the rent is between 200-300RMB/month.

Pigeon food shop
(Wanshou Road) July 25, 2001
started this business 2 years ago; business situation is not good; clear housing ownership; residents do not want to communicate with each other; optimistic with commercial association; expects wide road and more green space.

Stationary/book rental
(Jubao Street) July 26, 2001
agrees with conservation; has run the business for 20 years, the business situation is getting worse year by year; has 400m² house; suggests government deal with property ownership clarification right away; the residents here are wealthy enough to afford self-help renovation; it is too early to think about commercial association, had better think about it after built environment improvement; suggests such a design so that Jubao street can be seen from Tianhou Gong.

Bike repair shop
(South Zhongshan Road) July 27, 2001
started food retail as early as 1978 just shifted to bike repair shop; owns the 70 m² house; local residents like to move out of this area to new district; transportation condition needs improvement; suggests that the proposed commercial association should collaborate with district industrial and commercial bureau and sub-district administration; not interested in tourist and cultural street development.

Barbershop
(Jubao Street) July 28, 2001
started the business in 2001; the current rent is 300 RMB/month; the area is quiet and 'remote' from the city centre; customers are mainly local residents; the road is too narrow; expects more street light; suggests improve the public space; agree to the commercial association idea, and can adopt it right away.

Stationary
(Jubao Street) July 29, 2001
the area is residential dominant and 'remote'; the road is too narrow, which brings traffic congestion; expects infrastructure improvement; suggests to change the business types in the area and improve business managerial capacity; expects public space improvement; agrees with the idea of establishment of a commercial association.