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Urban renewal and redevelopment: Social justice and property rights with reference to Hong Kong's constitutional capitalism

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ABSTRACT

Within a framework that connects the various disciplines and key concepts of “urban renewal,” this paper reviews the relevant research publications, as found in the literature going back to 1960 in terms of its: (i) diverse meanings and means; (ii) espoused reasons for government-led urban renewal; and (iii) the notion of holding out. It then discusses the feasible roles the state can play when planning for urban renewal in terms of property rights, which is a dimension of social justice (which has yet to be explored) and an expression of subsidiarity. It will demonstrate these roles in a study on Hong Kong and report a statistical test on the effect of urban renewal on neighbouring properties. It should show that government-led urban renewal in Hong Kong is oriented towards exploiting development potential and infringes on private property rights, while other espoused objectives are secondary. A statistical test will show that government-led urban renewal has not always led to positive externalities, as expected.

1. Introduction: theoretical background

This paper was motivated by two observations. First, although urban renewal as a matter of government intervention in the urban land market has a history of over 60 years, few works on it actually contained a section that was dedicated to a survey of the literature, which spans a wide stretch of time.¹ Second, the recent heightened interest in social justice in urban affairs, including urban renewal, has paid little attention to the attenuation of private property rights as a violation of social justice.

As a theoretical contribution to the property rights approach to urban renewal in terms of social justice, the rest of this paper has four main sections. Section 2 is a dedicated literature review of the English language literature that examines the meanings and means of “urban renewal,” the rationale behind it, and the question of property rights, as found in the literature since 1960. Section 3 discusses the feasible roles the state can play when planning for urban renewal in terms of social justice and property rights. It stresses that private property rights can be an essential dimension of social justice, especially when they are purchased from the state as commodities.

Section 4 is an exposition of the nature of government-led urban renewal projects in Hong Kong under the Land Development

Corporation (LDC), now the Urban Renewal Authority (URA), by stressing social justice and property rights concerns. Section 5 is a statistical test that will evaluate the effect of a URA project on its own terms, in which adding new property stock can have a positive economic impact on a neighbourhood. Section 6 discusses the findings and concludes the paper.

Fig. 1 presents a framework, as an aspect of housing, within which various dimensions of urban renewal (Boxes A to C) and some relevant theoretical/disciplinary arenas (Boxes X, Y, and Z) that illuminate the discussion in the paper are interconnected. The literature review in the next section deals with Boxes A1 and A2. The authors cited in this paper for various accounts are shown in their respective boxes.

2. Literature review: the meanings and means of urban renewal

In an excellent synchronic literature review on renewal, Carmon (1999) identified three historical epochs in urban renewal thinking and policies. The first one he described as “the era of the bulldozer ± physical determinism and emphasis on the built environment”. The second was “neighborhood rehabilitation ± a comprehensive approach emphasising social problems”. England's urban renewal policies of the 1970s, for instance, did not involve demolition. The last was

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¹ This was established by a keyword search for the expressions, “literature review,” “review of the literature,” and “survey of literature”. The only work that has pinpointed a literature review was that of Baldwin (1968). For those works that contained these key phrases, no actual dedicated literature review could be identified. Some good exceptions are Carmon (1999), Kleinhans (2004), and Ferrari (2007, 2012).

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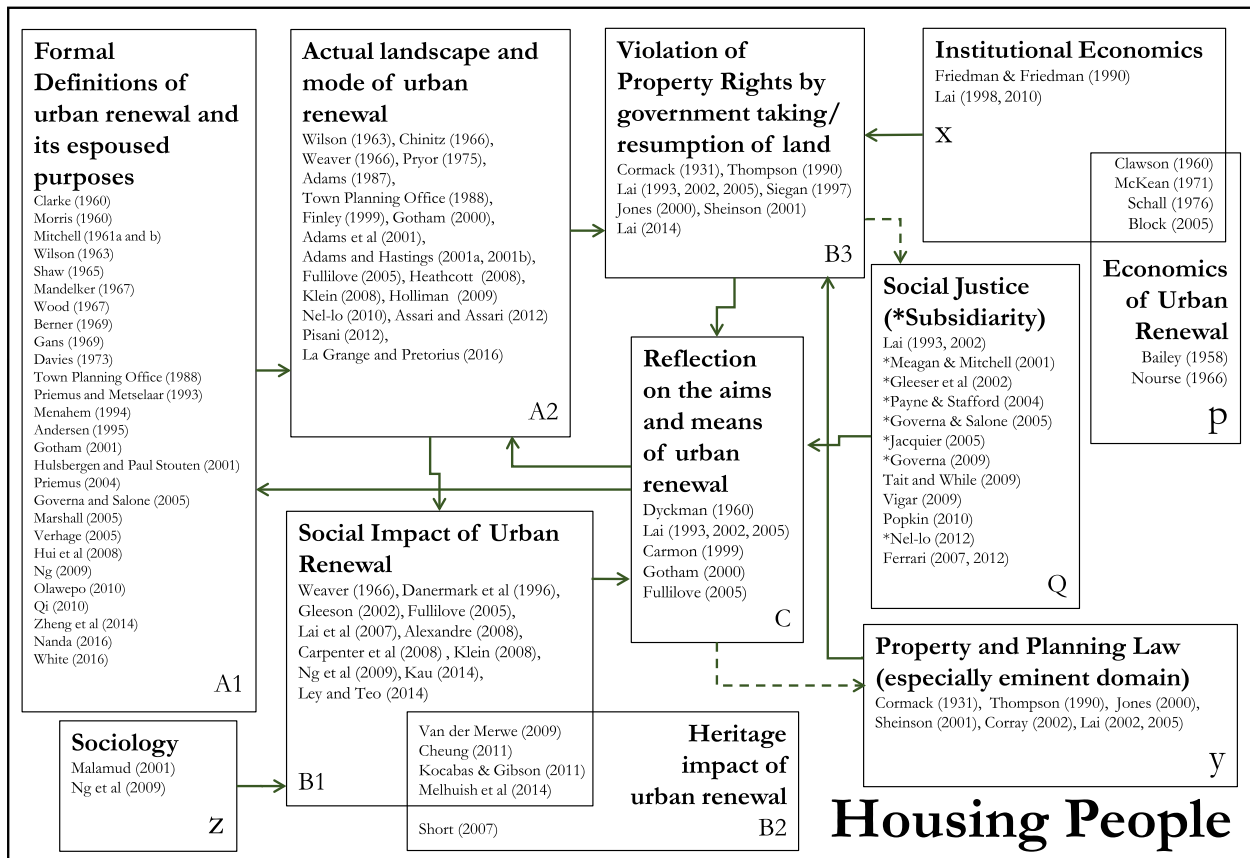


Fig. 1. Mapping research on urban renewal.

“revitalisation, especially in city centers ± a business-like approach emphasising economic development”. It can be said that the world is generally still in the last period Carmon described, during which the emerging research and policy lines have consisted of the use of housing vouchers (Popkin, Levy, Harris, Comey, & Cunningham, 2004), social planning (Vigar, 2009), heritage conservation, and social justice, as mentioned by Ferrari (2007, 2012) and Tait and While (2009) for Britain. In addition, they included market alternatives to housing assistance (Popkin, 2010, for the U.S.) in the context of globalisation. The time is ripe for re-examining the fundamental notion of urban renewal as it appeared in published works.

The term, “urban renewal,” as a policy is different from “re-development” because the former sounds friendlier. But upon closer analysis, it is actually **redevelopment** – the *en bloc* demolition of buildings on designated sites followed by the erection of new buildings on these sites. Any serious study of the subject must begin by asking what urban renewal, as a kind of regeneration, should mean before examining some definitions used by governments, scholars, and the urban renewal literature. Following that, any standpoint informed by the concept of social justice to interpret urban renewal as a state-involved activity for the common good should be explained.

2.1. Authentic urban renewal

What is urban renewal? Like Plato comparing a polity to a human body, a human analogy may be drawn for urban organization. As the human body renews itself physically through metabolism, it may be argued that the replacement of old by completely new buildings is renewal from a society’s point of view. It is like new cells replacing old cells. However, renewal by way of metabolism is natural, rather than by surgical operation, and, in any case, does not replace one person with another. The “body” in urban renewal is the community’s original

inhabitants.

Urban renewal can produce social evils, as Fullilove (2005) pointed out in the U.S., where many people are naturally, emotionally, and economically attached to the areas in which they grew up or lived for a long time. The dislocation of residents and businesses impacts their health (Danermark, Ejstrom, & Bodin, 1996) and is, therefore, a major social justice issue that calls attention to in situ rehousing and relocation as a matter of housing supply.

Suffice it to say that urban renewal stemmed from a “housing” field, in which few would consider housing as merely buildings or a process involving residents. When Australian town planner Clarke (1960) traced the term, “urban renewal,” to U.S. President Dwight Eisenhower’s 1954 Housing Act, he praised the extent of “citizen participation” in U.S. urban renewal schemes. Demolition was certainly not the sole measure for implementing urban renewal, as the 1954 Act anticipated clearance, conservation, and rehabilitation. The message is that for urban renewal to be authentic, it has to benefit persons who are long-time residents of a place. Getting them involved in the process and retaining them after it is finished is imperative on the grounds of subsidiarity, if not also private property rights. As Zukin (2009: p.31) correctly put, “defending the right of “residents, workers and shops - the small scale, the poor, and the middle class - to remain in place, ...It is this social diversity, and not just the diversity of buildings and uses, that gives the city its soul.”

When such new buildings, invariably taller and more spacious, are built on land seized using eminent domain (“taking” or “land resumption” in what may be called “government-led urban renewal”), a serious social injustice involving an undue invasion of private property rights may arise, as demonstrated in Section 4 below.

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