

## Underlying Concepts

### Governance

We use governance as an analytical category for investigating how a city is governed. In the case of development and redevelopment of old industrial districts, governance is investigated by analyzing the relationship between different actors and stakeholders (governing relations), the way decisions are taken (governing logic), the importance of key decision makers, and the fundamental political objectives.

### Clusters

Clusters are understood to be geographic concentrations of interconnected companies and institutions in a particular field. Cooperation and networking, often building on informal ties, are essential for the success of these clusters. China has a very long tradition of clustered industries. Therefore, one of our main questions is how clusters, such as the Zhongda textile district are redeveloped or creative spaces, such as the 1850 Creativity Zone are newly developed.

### Urban informality

Formality and informality in newly industrialized countries give a complex picture. Ananya Roy argues that informality is “a mode of metropolitan urbanization”. The Chinese party-state tolerates, promotes and utilizes informality when it serves the development and when it produces new strategic knowledge.



Sketch of Guangzhou 1850 Creativity Zone



OCT Contemporary Art Terminal in Shenzhen

## Contact



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# megacities - megachallenge



Guangzhou Zhongda Textile cluster under heavy redevelopment

## Research Project

# The Governance of Spatial and Economic Restructuring

## Informal Dynamics of the Maturing Mega-City



DFG Priority Programm 1233  
Megacities - Megachallenge  
Informal Dynamics of Global Change

Phase III

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[www.megacities-megachallenge.org](http://www.megacities-megachallenge.org)

## Introduction

Our project has a focus on the investigation of urban development and redevelopment strategies in the Pearl River Delta (PRD), PR China. It is part of the research program on “Megacities - Mega-challenge: Informal Dynamics of Global Change” funded by the German Research Foundation (DFG). The project team from the University of Hamburg cooperates closely with the University of Kassel, Germany and with the Department of Building and Real Estate at Hong Kong Polytechnic University.

The PRD witnesses a massive shift in its economic structure. Low-end and labor-intensive manufacturing is replaced by knowledge-intensive and brand-based industries. Guangzhou and Shenzhen are more and more developing into a region we call “maturing mega-urban region”. The global financial crisis can be seen as an important catalyst for the redevelopment of existing urban fabrics, such as derelict manufacturing sites.

## Overall objectives

The main objective of our project is to explore the governance of urban restructuring processes. Restructuring processes are investigated as an interplay of physical redevelopment and economic upgrading policies of various stakeholders in the course of China’s transition. From an analytical governance perspective we are exploring how economic clusters and creative spaces in Guangzhou and Shenzhen are either restructured or newly developed.

## Results

The findings will contribute to a more specific understanding of the governance of urban development and redevelopment strategies in maturing megacities. Derived from this we finally aim at contributing to the theoretical debate about informal dynamics and the role of global change.

## Key Research Questions

1. How do global, national and regional influences contribute to spatial economic restructuring and what are the consequences of these upgrading policies?
2. Which stakeholders are involved in the governance of spatial economic restructuring strategies and what modes of governance can be identified?
3. What kind of changes regarding the governance of economic restructuring can be observed over time?
4. What are structural parameters describing a maturing mega-urban region and what is the role of informal dynamics within this?

## Case Studies

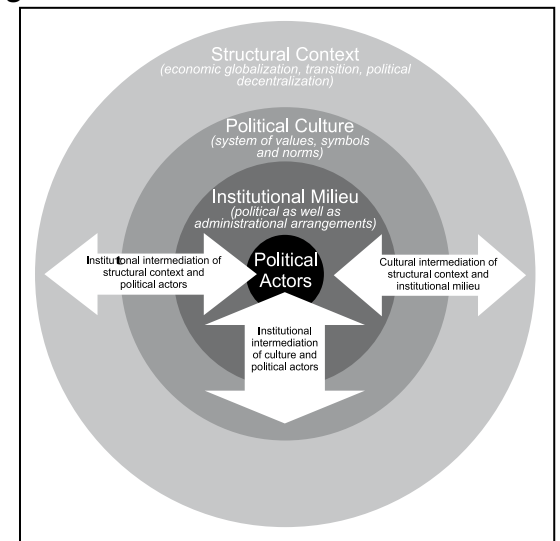
Our research is based on the results produced in funding periods I and II. We proceed to investigate the Guangzhou Zhongda textile district, an area that is re-establishing its role in both national and international textile industry. The restructuring process is conducted in a densely-populated and almost completely built-up area. A further assemblage of case studies focuses on derelict manufacturing and warehouse complexes that are increasingly re-used for a very diverse set of “creative” industries both in Guangzhou and Shenzhen representing the trend away from an economy based on low value-added manufacturing.

### Guangzhou Zhongda Textile Cluster



In case of this area, we investigate the governance of the ongoing restructuring process of a comparatively established industry. Due to increasing global and local competition, local stakeholders have initiated a massive shift from traditional knitting and assembling towards the erection of huge wholesale malls combined with housing. Of special interest here is the economic dimension of this process.

## Integrated Framework of Urban Governance



according to a model by DIGAETANO/STROM 2003; modified

### New Spaces of Creativity



New creative spaces are currently being developed on derelict manufacturing or former warehouses sites, often along the waterfront. The Guangzhou Taigu warehouse area (picture) or the 1850 Creativity Zone are boosted by the local government. A concentration of design and media companies as well as amenity spaces for the emerging urban middle class population with their specific lifestyles can be found there.