



City profile

City profile: Taipei



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ABSTRACT

Taipei experienced rapid development and came to play an important role on the world stage as the capital of Taiwan, one of the Asian Tigers. It has undergone a major political, economic, and urban restructuring over the past two decades, under contexts of globalization, neoliberalization, and democratization. The past mode of governance led by the developmental state has been replaced with public–private partnerships propelled by the rising power of business and social groups, leading to the rise of entrepreneurial governance. In recent years, Taipei has had to deal with a number of challenges associated with the slowing down of economic growth, declining urban areas, and escalating housing prices. This paper aims to unveil how the city government deals with recent challenges given its development history and the changing governance regime.

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1. Introduction

Taipei, literally meaning the North of Taiwan, is the capital city of Taiwan (Fig. 1). Situated in the middle of Taipei Basin, the city is surrounded by mountains and has a total area of 271.8 km². Geographically, the jurisdiction of Taipei City is surrounded by New Taipei City (renamed from Taipei County). Taipei City and New Taipei City are two different cities with separate administration systems, but are undergoing a regional integration process and have formed a twin-city living environment connected by transportation networks. Taipei is one of the world's most densely populated cities, with an average population density of 9942 people per square kilometer.

Taiwan, officially the Republic of China (ROC), is an island of approximately 36,000 km², situating about 180 km off the southeastern coast of mainland China. Following the Chinese civil war, the Communist Party of China took control of mainland China and founded People's Republic of China (PRC) in 1949, while the Chinese Nationalist Party (Kuomintang) relocated the ROC government to Taiwan. Taiwan is known as one of the Asian Tigers that have undergone a dramatic economic boom in the 1970s, led by the developmental state. As the economic, political, and cultural center of Taiwan, Taipei has experienced rapid development. Nonetheless, compared with other Asian Tiger capital cities of Hong Kong, Seoul, and Singapore, Taipei seems to be increasingly marginalized in the East Asian Region. In the past two decades, Taipei has faced a number of challenges, including the slowing down of economic growth, declining urban areas, and escalating housing prices. To deal with the challenges, substantial political, economic,

and urban spatial changes have taken place in Taipei, which are situated within the broader global and local contexts associated with the globalization, neoliberalization, and democratization process. These changes include urban governance restructuring from centrally controlled to entrepreneurial governance that actively seek partnership with private sectors, economic restructuring towards a knowledge and creative economy, and a significant urban spatial restructuring through the extensive urban renewal and gentrification process. This paper aims to unveil the urban governance, economic, and spatial restructuring process in Taipei to deal with various challenges over the past two decades, with special attentions to the most recent urban strategies and policies of the newly elected mayor, who appears to have very distinct styles from former mayors in addressing urban problems.

2. Historical development of Taipei

There are three phases in the urban development of Taiwan in general and Taipei in particular, leading to a unique culture that reflects the legacies of the traditional Han Chinese migrants, the Japanese colonial era, and the Kuomintang governance. Before the eighteenth century, Taipei remained an uncultivated plain as the residence of an indigenous ethnic of Taiwan: the Ketagalan. The Han Chinese began to migrate to Taipei in the early eighteenth century. The majority of migrants are Minnan people from Fujian Province while a minority are Hakka people from Guangdong Province. They were the first developers of Taipei in terms of city building. The immigrants brought their own culture into Taipei, including language and architecture styles. The economic, political, and culture functions of the city had close ties to and were influenced by the mainland. Economic transactions of tea, rice and camphor were actively conducted between Taipei and mainland China, shipped through the Tamsui River. The river port area of Dadaocheng and Mengjia in the

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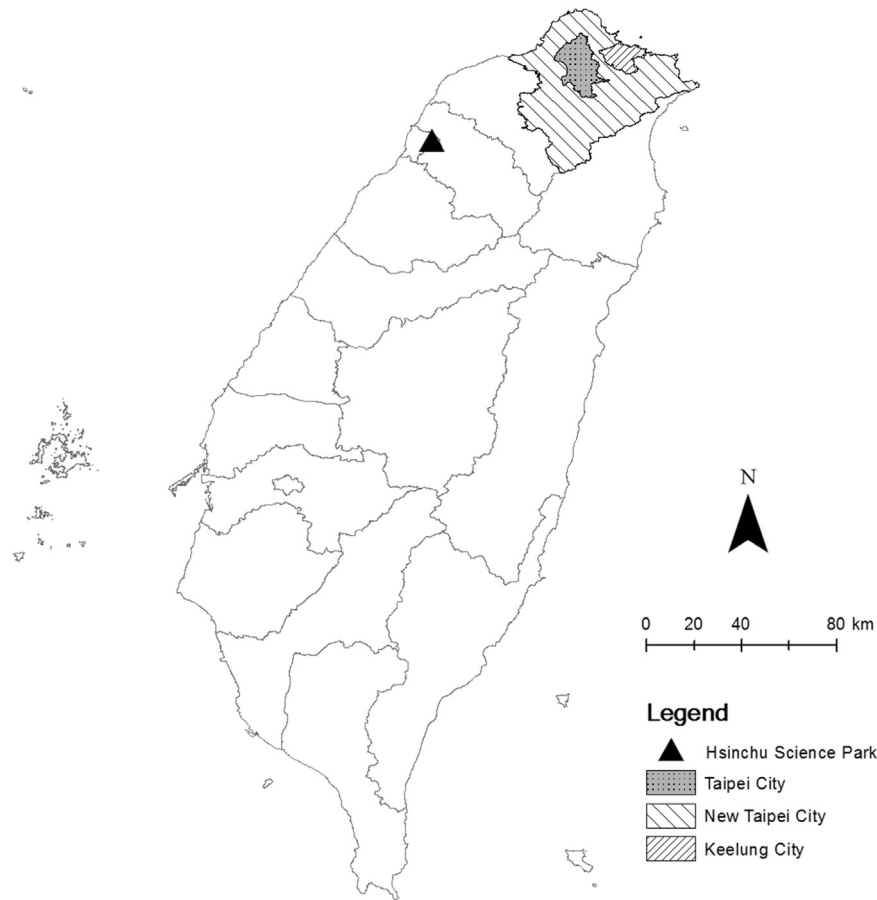


Fig. 1. Location of Taipei City within Taiwan.

Western part of Taipei became the commercial center (Chou, 2005). The history of the formal development of Taipei City dates back to 1875, when the Taipei Prefecture established by the Qing Dynasty, and Taipei became a provincial capital at the periphery of the Qing Dynasty. It was also during this period that the first 'walled' city of Taipei was built near Mengjia and designated as the administrative center. The Western area later became the heart of the city.

The second phase of urban development began when Taiwan became a colony of Japan in 1895. The Japanese chose Taipei as the capital and set the Governor-General's Office there, which made Taipei the political, economic, and cultural center of Taiwan. During the Japanese-occupied era from 1895 to 1945, the economy was a typical colonial economy. Natural resources were exported to support the development of Japan. Because Taiwan was Japan's first colony, the Japanese were determined to build it as a showcase to demonstrate their governing capacity to the world. A modern planning framework was introduced into Taiwan by the Japanese colonial government and laid the groundwork for city planning in Taipei (Huang, 2005). The city of Taipei was expanded to the east, south, and north, with improved urban infrastructure. The Japanese demolished the Taipei city wall, built roads, expanded streets, and improved drainage in Taipei City. The commercial functions were still concentrated in the western areas and a new CBD was built in 1914 in the West Gate area (Ximending) (Chou, 2005). Many office buildings, public spaces, and transport systems in present Taipei are Japanese colonial legacies, including the current Presidential Office Building that was built as the Governor-General's Office in 1919.

After Taiwan's retrocession to China in 1945, Taiwan was designated as a province, and Taipei a provincial municipality. Following the defeat by the Communist Party, the Kuomintang (KMT) government relocated to Taiwan in 1949 and designated Taipei as the "provisional capital at wartime". Taipei experienced a dramatic population explosion, as

around one million Chinese mainlanders fled to Taiwan with the KMT government, including the soldiers of the Nationalist Chinese Army, government employees, and their dependents. In 1967, Taipei was elevated to the status of special municipality, directly controlled by the Executive Yuan, and became the de facto capital city. The KMT Government soon imprinted the urban landscape of the capital city with their own Chinese nationalist ideology, as the government intended to use the urban form to legitimize its governance (Liu, 2013). In cultural terms, the new administration tried to eliminate the Japanese colonial culture and redirect the national identity towards the KMT's version of Chinese tradition, that is, the Chinese nationalism culture established by Sun Yat-Sen (Leitner & Kang, 1999). Such ideology was manifested in urban landscapes: new public buildings were constructed in traditional Chinese architectural style, while existing streets, public squares and buildings were renamed after nationalist terms, KMT figures, or places of the Chinese mainland (Leitner & Kang, 1999; Liu, 2013). Many symbolic buildings and landmarks, such as the National Dr. Sun Yat-sen Memorial Hall, in memory of the national founding father Sun Yat-Sen, were planned and constructed during the 1960s and 1970s (Fig. 2). In this period, Taipei experienced rapid economic development and urbanization. It was engaged in global economic restructuring and experienced the impact of western culture, particularly the U.S. culture. By this time Taipei had become a diversified international city with unique urban qualities. Its history has left a lasting imprint on its urban landscapes and cultural life.

3. Restructuring of urban governance: democratization, neoliberalization, and public participation

Urban governance in Taipei has restructured from a centrally controlled to an autonomous local state through a democratization process



Fig. 2. The National Dr. Sun Yat-sen Memorial Hall.

that fought its way during the 1980s and 1990s. Until the mid-1980s, Taiwan was under an authoritarian one-party rule that the central state played a dominant role over the local state in the planning and development of Taipei. The mayor was appointed and supervised directly by the central state and the local state has very limited autonomy. During the authoritative years, the party-state government officials developed close ties with private sector business leaders through numerous state-sponsored industrial associations, presenting a complex web of clientelistic relationships (Ng, 1999). However, since the mid-1980s, the authoritarian central state has confronted many crises from both the global and the local level. Globally, as Taiwan increasingly participated in the global economy, intense global economic competition called for liberalization and internationalization. Domestically, with thirty years of rapid development, a new rising middle class demands political participation and institutional reforms. The formation of the opposition Democratic Progressive Party (DPP) in 1986 marked the beginning of a democratic transition. Against such background, the city of Taipei became a legal person under the “Self-Governance Act for Executive Yuan-governed Municipalities” in 1994, and the mayoral election was restored after nearly 30 years of suspension. Chen Shui-bian, a member of DPP, won the first 1994 mayor election and took office as mayor of Taipei.

Since democratization, Taipei's urban governance has been reshaped by intergovernmental relations, public private relations, and citizen participation. The city's development is strongly influenced by vertical intergovernmental relations between the central state and local state, as the central government can exert direct influence on Taipei through budget allocation as well as other resources it controls. In the 1990s, the central government played an enabling role to support the city's strategic planning and development, but the situation changed after 2000 because of party politics (Wang, 2006). From 2000 to 2008, the central government was ruled by President Chen Shui-bian from DPP while the Mayor of Taipei, Ma Ying-jeou, was from the opposition KMT party. Because of the political conflicts, the central government intentionally suppressed the development of Taipei by cutting its budgets and devoting national resources to the South of Taiwan where DPP voters concentrated, resulting in the weakening of city competitiveness (Wang, 2004). This situation has been improved since 2008 when Ma Ying-jeou took presidency and the former Mayor of Taipei, Hau Lung-bin, who took office in 2006 was also from the KMT. However, the incumbent Mayor Koh Wun-che was elected in 2014 as an independent candidate. With Tsai Ing-wen from DPP won the 2016 presidential

election, it remains to see the future development of Taipei under a new political sphere.

Globalization and democratization on both the global and the local scale led to the transformation of public private relations, characterized by the roll back of the state in welfare provision and the roll out of neoliberal urban policies to seek partnerships with private sectors, which is similar to the transformation from managerial urban government to entrepreneurial urban governance in the West (Hall & Hubbard, 1998; Harvey, 1989). Before the 1990s, urban policies under the developmental state mainly aimed at serving the needs of a low-cost route to economic development, catering to its export-oriented economy (Wang, 2004). Influenced by the neoliberal ideology in the West, the desire to foster local growth on one hand, and election politics that need to seek support from business groups on the other, has propelled the government to relax formerly restricted measures to create a business friendly environment and encourage investment. These include a major expansion and improvement of urban infrastructure, releasing state-owned land for massive construction projects, financial reforms to liberalize interest rates, exchange rates, and deregulation of the financial system (Wang, 2004). Increasingly, votes and financial support of key local politicians and businesspeople became crucial to local policy making and implementation, as the state's control over policy outcomes was diminished (Hsu, 2011; Ng, 1999). This realignment of public private relations has significant implications on the large-scale private-led urban renewal projects, to be discussed later.

The democratization process also led to the rise of the civil society as voters started to exert their influence on public affairs with their rising political power. During the authoritarian era, people's participation in public affairs such as city planning was impossible because the decision-making process was highly centralized and excluded the general public. With democratization, citizens began to take collective actions to demand institutional access to decision-making process, which put tremendous pressure on governments at all levels as they can no longer afford ignoring community demands in the era of electoral competition. In the realm of urban planning and development, community residents are particularly keen to preserve social bonds, place-specific identity, and environmental quality by demanding a voice in community planning and fighting against unwanted development projects (Hsiao & Liu, 2004). Social movements and protests propelled government to provide resources and opportunities for citizen participation. Gradually, participatory planning was institutionalized into the urban planning framework, which

significantly changed local planning culture (Huang, 2005). New mechanism of a “community planner system” was introduced to assist local residents in participatory planning by the government, through which community planners work for the local communities and bridge the gap between the government and city residents in improving public space. NGOs were formed to help urban residents fight for their rights to the city and solve community problems, the most famous being the Organization of Urban Re-s (OURs), formed by socially oriented professionals from architecture, urban planning and other fields. Professionals working in NGOs have played key roles in community planning in Taipei, especially in saving communities, the environment and heritage (Ng, 2014). However, participatory planning is unequal to different social groups as the middle-class communities are in a better position with more bargaining power and better knowledge compared with the poor communities (Hsiao & Liu, 2004; Huang, 2005). Furthermore, it mainly focuses on neighborhood-level planning, while has minor significance in issues at the city planning and strategic planning level (Huang, 2005; Wang, 2006).

4. Restructuring of economy: from manufacturing to high-tech or creative industries

The biggest event of economic development in Taiwan was industrialization in the 1960s, when the Island joined the global economy by embarking on low-tech and labor intensive manufacturing and assembly work with its cheap labor pool. Taipei served as the national node and the major economic center for the export-led economy, connecting Taiwan to the world market through its dominant role in the service sector (Wang, 2004). At the beginning of the 1980s, an acute shortage of cheap labor and land, together with the competition from rising Southeast Asian industrializing countries and mainland China, propelled an industrial upgrading process in Taiwan. The information technology industries grew rapidly, and in particular, semiconductor manufacturing has occupied a pivotal position in the global market. For Taipei, the economy evolved in two ways: one was upgrading from labor-intensive manufacturing to technology-intensive industries such as personal computer and integrated circuit industries; the other was a rapid growth of producer services (Ching, 2005; Hsu, 2005). Currently the city's industrial structure, as shown in Table 1, consists largely of tertiary industries as more than eighty percent of the workforce is employed in this sector, showing that it is undoubtedly service oriented. Manufacturing industries have been steadily declining in the city as its share of annual gross output value has decreased from 62% in 1971 to 36% in 2011, and the share of employment decreased from 42% to 15%. The finance, insurance, real estate and business service sectors gained substantial growth in the 1980s, making Taipei the core of the producer service in Taiwan (Ching, 2005). Finance and insurance has become the second largest sector in providing jobs and contributing to

output value. However, compared with other regional global cities such as Hong Kong or Singapore, the producer service sector has not been developing fast or become predominant in the economy. Producer services in Taipei are more oriented to the local market rather than to serve the Asian-Pacific regional or global market (Wang, 2004).

The successful industrial upgrading was attributed partly to the establishment of Hsinchu Science Park (HSP) in 1980. Straddling the city and county of Hsinchu, it was located 70 km from Taipei and occupied an area of 6.5 km² (see Fig. 1 for the location of HSP) (Hsinchu Science Park, 2015). As the first science park in Taiwan, it aimed to build a high-tech industrial base that would attract high-tech professionals with a quality environment for working, living, and R&D activities. The park played a significant role in cultivating a high-technology city region in the global market and promoting the high-tech industry explosion in Taiwan. Currently, it mainly houses semiconductor and optoelectronics ventures, accommodating more than 520 tenant companies with over 150,000 employees (Hsinchu Science Park, 2015). Since the 2000s, the HSP has led the Hsinchu-Taipei region to become an interface region that connects the technology hub in Silicon Valley to China's market, linking global flows of technology and capital (Hsu, 2005). Top-down state intervention in strategic promotion, such as granting preferential policies and establishing the Electronic Research Service Organization (ERSO) for technology transfer, was critical to the development of HSP and the high-technology industries it hosted (Hsu, 2011).

After the Asian financial crisis in 1997, the economic growth rate in Taiwan slowed down and became negative in 2001, while the unemployment rate rose to a historical high point (unemployment rate increased from 2.6% to 4.6% during 1998 to 2002). To upgrade Taipei's status within the global high-tech commodity chain and boost the city's economy, since the 2000s, the central government and the city government have been promoting the development of high-tech industries by establishing high-tech parks within Taipei. The creation of the “Taipei Technology Corridor” is thus at the core of local government agenda. The government planned the 20-kilometer high-tech industry belt, extending from Nangang Software Park (NGSP) in the east, through the industrial districts along the Keelung River, to Neihu Technology Park (NHTP), and the Beitou Shilin Technology Park (BSTP) (see Fig. 3 for their locations). This technology corridor is expected to create efficient industrial clusters and strongly enhance the high-tech industrial development of Taipei City, in order to reposition Taipei in the international division of labor and the world-city system (Wang, 2006).

The industrial data of NHTP and NGSP is shown in Table 2 and Table 3. In NHTP, the tertiary sector was in the dominant position in 2014 as it contributed to 66% jobs and 58% annual revenues. Retail and wholesale, finance and insurance, information and communication, were the major subsectors of the tertiary sector that contributed most to employments and annual revenues. However, the importance of

Table 1
Taipei's industrial structure (2011).
Source: Industrial and Commercial Census Data (2011), Executive Yuan (in Chinese).

	Registered firms		Employees		Annual output value	
	Number	Percentage	Number	Percentage	NT million	Percentage
Total	186,447	100	2,223,006	100	10,636,634	100
Manufacturing	7704	4	335,744	15	3,819,716	36
Construction	7898	4	89,182	4	402,969	4
Retail and wholesale	83,955	45	598,987	27	1,387,401	13
Transport and storage	15,436	8	142,468	6	661,261	6
Hotel and catering	14,794	8	132,230	6	199,382	2
Information and communication	6170	3	134,539	6	695,073	6
Finance and insurance	6367	3	332,571	15	2,100,677	20
Real estate	5472	3	44,033	2	234,006	2
Professional, scientific, and technical service	14,761	8	100,019	4	287,396	3
Art and recreational service	2559	1	20,114	1	31,754	0.3
Other	21,331	12	293,119	14	816,999	7.7

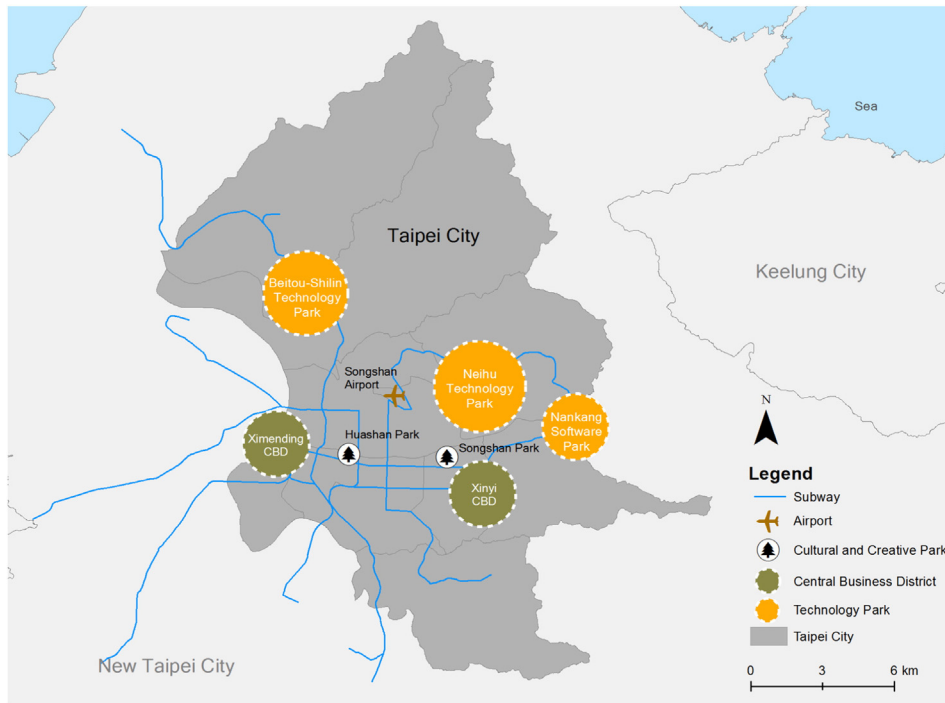


Fig. 3. Locations of technology parks, creative parks, and CBDs in Taipei City.

the manufacturing sector cannot be neglected as it contributed to 32% jobs and 41% annual revenues, ranking first among all subsectors. The scale of the NGSP is much smaller compared with NHTP in terms of number of firms, employees, and annual revenues. It shows a similar pattern in the dominance of the tertiary sector. Nonetheless, the information and communication sector and the professional, scientific and technical sector are more significant in NGSP, showing that it is more specifically oriented to the high-tech industries. The Neihu and Nangang parks have made a significant contribution to Taipei's economy. They have successfully attracted over 4000 enterprises and provided more than 160,000 jobs, with revenues exceeding NT\$4 trillion (US\$122.7 billion) by 2013, accounting for 20% of total industrial revenue in Taiwan (Taipei City Yearbook, 2014).

Taipei was hit again by the financial crisis in 2008 and unemployment rate rose to 5.8% in 2009. To cultivate new economic strengths for the city, the most recent economic development strategy is to promote a knowledge-based economy by developing a creative city. Cultural strategies and creativity have been widely employed in the

West as a new driving force of economic growth, by which post-industrial entrepreneurial cities seek to enhance their competitive position (Miles & Paddison, 2005). As Taipei aspires to build a creative city with a “creative atmosphere”, the city government has made an effort to learn from Western developed countries. In particular, they even invited Charles Landry, author of *The Creative City: A Toolkit for Urban Innovators*, to visit Taipei and make recommendations on setting up creative platforms in order to keep creative talents (Taipei City Yearbook, 2013, 2014). Holding world-renowned cultural and creative related events is another effort to put the city on the global creative map. The International Flora Expo held in 2010 and the Taipei World Design Expo held in 2011 have successfully attracted large amount of international visitors and increased the city's global visibility. Creative spaces, such as “cultural and creative neighborhoods” and “creative industrial clusters”, have been materialized through urban renewal projects. Cultural and creative industrial zones are developed in obsolete industrial lands as the key arena to cultivate and inspire creativity. Examples include the development of Huashan 1914 and Songshan Cultural and

Table 2

Industrial data of Neihu Technology Park (2014).

Source: Survey of Taipei Technology Parks (2014), Department of Economic Development, Taipei Municipal Government (in Chinese).

	No. of firms		Employees		Annual revenues	
	Number	Percent (%)	Persons	Percent (%)	NT million	Percent (%)
<i>Total</i>	4420	100	136,269	100	3,954,412	100
<i>Secondary sector</i>	765	17	46,122	34	1,671,441	42
Manufacturing	624	14	43,305	32	1,605,626	41
Other	141	3	2817	2	65,815	1
<i>Tertiary sector</i>	3655	83	90,147	66	2,282,971	58
Retail and wholesale	1743	39	40,654	30	1,180,377	30
Transport and storage	154	3	5164	4	30,216	0.8
Hotel and catering	90	2	2043	1.5	50,514	1.2
Information and communication	434	10	19,230	14	124,624	3
Finance and insurance	477	11	6336	5	786,421	20
Real estate	213	5	1551	1	20,495	0.5
Professional, scientific, and technical service	332	7	10,178	7.5	48,562	1
Other	212	6	4991	3	41,762	1.5

Table 3

Industrial data of Nangang Software Park (2014).

Source: Survey of Taipei Technology Parks (2014), Department of Economic Development, Taipei Municipal Government (in Chinese).

	No. of firms		Employees		Annual revenues	
	Number	Percent (%)	Persons	Percent (%)	NT million	Percent (%)
<i>Total</i>	419	100	23,930	100	395,556	100
<i>Secondary sector</i>	91	22	9571	40	103,390	26
Manufacturing	80	19	8137	34	83,893	21
Other	11	3	1434	6	19,497	5
<i>Tertiary sector</i>	328	78	14,359	60	292,165	74
Retail and whole sale	108	26	5642	24	125,938	32
Transport and storage	7	2	436	2	38,112	10
Hotel and catering	15	4	359	1.5	4307	1
Information and communication	92	22	4279	18	44,289	11
Finance and insurance	47	11	1123	4.5	70,880	18
Real estate	8	2	178	0.5	174	0
Professional, scientific, and technical service	37	9	1218	5	5448	1
Other	14	2	1114	4.5	3017	1

Creative Park, which were originally an old Taipei brewery and a tobacco factory constructed under the Japanese Government (see Fig. 3 for their locations). The incumbent Mayor Koh Wun-che put cultural and creative industry development as one of his key policy agendas. Rather than focusing directly on the growth of the cultural economy sectors, Mayor Koh adopted a people-oriented approach that aims at offering a friendly and equitable creative environment, especially to the young artists. Recognizing that young artists in Taipei are under tremendous pressure as they are excluded from the social welfare system and have to fight with unaffordable rent for a space of living and working, Mayor Koh's new policy proposed three approaches to create "Taipei Cultural DreamWorks", including to secure the medical and retirement welfare to cultural workers and artists, to provide more affordable space for living, working, and performance, and to give more opportunities to young artists in cultural procurement.

The economy of Taiwan in general and of Taipei in particular, can no longer be examined separately from the Greater China region. Taiwanese firms began to relocate their operations to the emerging new industrializing countries in the 1980s, in search for cheaper labor and land. Mainland China became the main destination for Taiwan's capital investment after 1993, because of the great potential opportunities in China's emerging market as well as affinity in culture, kindred and language (Chou & Lin, 2007; Wang, 2004). As Taiwan became increasingly connected with the Greater China region through outward investment, Taipei's position as a regional hub was enhanced (Wang, 2004). However, the economic development of Taipei is heavily influenced by the cross-strait relations. In the mid-1990s, when the cross-strait relations were intense, Taiwan's investments in China were strictly controlled and Chinese investments in Taiwan were prohibited by the state. Cross-border links of communication, trade, and transport were not permitted. Even strait flights between Taiwan and mainland China were not allowed. These policies negatively affected Taipei's ability to develop the global connections needed for it to serve as a regional center coordinating the Greater China economic arena (Ching, 2005). The cross-strait relations improved when President Ma Ying-jeou from KMT took office in 2008, who has been actively promoting cross-strait economic cooperation. Direct flights between Taipei Songshan Airport and mainland Chinese cities were established at that time. In the new political sphere, in order to boost the economy, Taipei has actively engaged in communicating and attracting capital inflows from the mainland with its matured business environment. Mainland China has become not only the destination for Taiwanese investment, but also the source of capital investment in Taiwan, particularly in Taipei. For example, the Taipei City Government organized an Economic and Trade Delegation in 2010 to Shanghai economic exchanges, in order to "attract Mainland China's enterprises to pour money into Taipei City" (Taipei City Yearbook, 2011).

5. Restructuring of urban space: urban renewal, gentrification, and challenges to affordable housing

The economic restructuring to knowledge-based economy with construction of new technology parks and business districts led to urban spatial restructuring with the rise of the eastern part of the city where Neihu and Nankang Park and Xinyi business district locate, while the traditional urban center in the western part declined (Fig. 3). With fifty years of rapid development, many old buildings were inadequate for living and public functions, becoming a potential threat to public safety, while old factories became obsolete, posing challenges to urban environment and functions. The city of Taipei was in real need of urban renewal to improve quality of life and enhance city competitiveness. Hsu and Hsu (2013) identified three stages of urban renewal in Taipei: from the 1950s to mid-1980s, urban renewal in Taipei adopted a state-led mode because the developmental state saw it as their responsibility to initiate and finance urban renewal projects to improve the quality of urban space and living standards of citizens; from mid-1980s to mid-1990s, under the contexts of neoliberalization, Taipei city government started to encourage private participation in urban renewal projects in order to alleviate public financial burdens and win political support from private developers. Significant gentrification took place during this period as the inner city neighborhoods were turned into high-end gated communities while the original lower class residents were displaced from the city core; since the late 1990s, the state has been more aggressively pushing urban redevelopment projects to build international competitiveness, which has led to a significant urban spatial restructuring through a series of government policies and programs, such as the earlier i-Taiwan 12 project and the more recent Taipei Beautiful project.

Rather than viewing urban renewal as a public responsibility, since the 2000s, the government continued and expanded their effort in attracting private capital into the program. With business people becoming more influential in urban policy-making and development, urban renewal had shifted to property-led urban regeneration, as a tool for economic development. In addition to providing fiscal incentives, the government also actively facilitated urban redevelopment projects by simplifying procedures, assisting land appropriation, and providing incentives through Floor Area Ratio Bonus and Floor Area Ratio Transfer. In essence, the urban space was commercialized and financialized for profit seeking and capital accumulation in this process (Yang, 2013). A pro-growth coalition between the public and private sectors is formed around urban renewal projects, as the government seeking financial and political support from the private developers, and the developers seeking landed interests and opportunities to expand their businesses. It resembles a growth machine that emphasizes the exchange value of land rather than use value (Logan & Molotch,

1987), and thus has propelled intensified gentrification process in Taipei. Under such circumstance, urban renewal led by private sectors only focuses on those areas that can extricate most value from urban space to facilitate speculation in the city center while the majority of dilapidated neighborhoods and buildings left out (Hsu & Hsu, 2013). Examining the gentrification process of Yong Kang, Qingtian and Wenzhou neighborhoods, Jou, Clark, and Chen (2014) argued that it is an example of revanchist urbanism in Taipei, characterized by speculative rent-seeking, entrepreneurial form of governance, and dystopian/utopian imagery building. Gentrification, while led by developers and facilitated by the government, also propelled by the rising middle class who has a bigger voice in community planning. Yong Kang neighborhood renewal project was one of the earliest and most well known success of participatory planning mobilized by local residents to preserve local trees, park, and street (Huang, 2005). However, demand's for social and environmental 'order' and 'cleanliness' among local residents led to the expelling of street vendors and promoted commercial gentrification, turning the neighborhood into high-end consuming space (Jou et al., 2014).

With the large-scale urban renewal and gentrification, affordable housing has been steadily replaced by luxury housing for the rich, and housing prices in Taipei have been escalating due to speculation. By 2014, Taipei had an average home price of TWD 686,000 per ping (US\$6400/m²), with a home price to income ratio (PIR) of 15.01, ranking first in the world (Global Property Guide, 2015). The housing affordability problem is particularly keen for disadvantaged groups, including low-income and young people. High housing prices have roused public protest against the government. In particular, the recent wave of housing movement called for changing the speculative housing system and advocated for social housing (Chen, 2011).

Unlike the other Asian tigers such as Singapore and Hong Kong that have an extensive public housing program, state interventions in housing have been very limited in Taiwan (Chen, 2011; Chen & Li, 2011). Since the late 1980s, the government has gradually changed their housing intervention from the supply to the demand side, using mortgage subsidies to promote housing consumption rather than directly providing housing construction. Assisting the housing market and promoting homeownership have been the dominant goal of housing policies since the end of 1990s, while little attention was paid to housing for low-income people. By 2010, there were only 3833 public rental housing units in Taipei, accounting for 0.64% of the housing stock for the entire city (Taipei City Yearbook, 2012). The lack of public rental housing, together with the skyrocketing housing prices, led to a social rented housing movement whereby the Social Housing Promotion Alliance was established in 2010 to push the government to enact major reforms in the housing sector.

As housing affordability came to be a major concern of voters, addressing housing issues soon became an important government agenda and a heated debate in election politics. Public housing policy inevitably became a focal point in the 2014 mayor election. In particular, the policy agenda of newly elected Mayor Koh has been radically different from his predecessors. Criticizing the government's retreating role, Mayor Koh attempted a reorientation towards public-led urban renewal and public housing provision, rather than relying on private sectors. For urban renewal projects, he advocated the role of the government in site selection, public facility provision, and securing equitable benefit distribution. He also proposed an active role of the city government to alleviate the housing affordability problem, with policies to expand the rent subsidies to cover more residents, to build public housing for renting rather than selling, and to act as the principal tenant, renting the 80,000 vacant housing units from private owners, responsible for renovation and management, and leasing them out to the public. In particular, he put forward a bold and inspiring plan to develop 50,000 public rental housing units by the government, on public owned land with no land charges. However, as pointed out by Hsu and Chang 2013, the profit-driven urban renewal policies

were triggered by the political competition in the city election and the neoliberalization trend. Under such contexts, the outcome of the new mayor's recent attempt in public-led urban renewal and large-scale public housing projects has yet to be seen.

6. Concluding summaries

Taipei has undergone a dramatic economic, political and urban spatial transformation over the past two decades. Under global and local forces of globalization, neoliberalization and democratization, the authoritarian developmental government gradually transformed to entrepreneurial governance, characterized by prioritizing economic growth, seeking public-private partnerships, and intensified commodification of urban space. The city government played an important part in promoting industrial upgrading to the high-tech and creative economy, through strategy formulation, policy learning, spatial reinvention, as well as expanding cross-strait collaborations with mainland China. In the urban planning and development sphere, the dominant role of the authoritarian one-party state has given way to the market and society due to increasing democracy, as business and social groups play an expanding role in participating and shaping urban development. However, the entrepreneurial discourse in seeking capital accumulation and competitive edge in the neoliberal milieu led to 'revanchist urbanism' with intensified gentrification and acute problem of housing affordability. Developers are eager to extricate exchange value from urban land development, while the role of local community participation is only limited in battling this trend because it's more difficult for the voice of the most disadvantaged social groups to be heard. However, the most recent urban policy in Taipei under Mayor Koh seems to present a shift from his predecessor as he advocates a more people oriented approach in urban development rather than spatial or economic oriented, and tries to re-engage the government in shouldering major responsibilities rather than relying on private sectors. Nonetheless, under the complex inter-governmental relations and state-market relations that shape the urban politics, the outcome of the new urban policies and strategies remains to be seen.

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