

**STATE, GUANXI NETWORKS AND SOCIAL CAPITAL:  
THE POLITICS OF LOCAL GOVERNANCE IN  
SHANGHAI**

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## TABLE OF CONTENTS

<b>CHAPTER ONE: STATE, GUANXI NETWORKS AND THE TRANSFORMATION OF LOCAL GOVERNANCE IN URBAN CHINA .....</b>	<b>1</b>
<i>Introduction.....</i>	<i>1</i>
<i>The Existing Explanation of Local Politics in Communist China .....</i>	<i>15</i>
<i>An Alternative Preliminary Model: Quasi-civic Community.....</i>	<i>21</i>
<i>Overview of the Thesis.....</i>	<i>36</i>
<b>CHAPTER TWO: RESEARCH METHODOLOGY .....</b>	<b>37</b>
<i>Introduction.....</i>	<i>37</i>
<i>Research Methods: Survey and Comparative Case Study.....</i>	<i>37</i>
<i>Case Selection and Background of the Neighborhood .....</i>	<i>39</i>
<i>Operationalization of the Research .....</i>	<i>45</i>
<i>Data Sources.....</i>	<i>49</i>
<i>Fieldwork.....</i>	<i>53</i>
<b>CHAPTER THREE: COMMUNITY BUILDING AND THE FORMATION OF LOCAL PRO-IMAGE COALITION IN URBAN NEIGHBORHOODS .....</b>	<b>61</b>
<i>Introduction.....</i>	<i>61</i>
<i>Social Transition and China's Local Regime .....</i>	<i>62</i>
<i>Community Building and the Transformation of Local Governance in Urban China.....</i>	<i>63</i>
<i>Guanxi Networks and the Formation of Local Pro-image Coalition in Neighborhoods.....</i>	<i>82</i>
<i>Case study: Property Management and the Domination of Local Pro-image Coalition .....</i>	<i>85</i>
<i>Interest-based Society and the Formation of Local Pro-image Coalition.....</i>	<i>94</i>
<i>Conclusion .....</i>	<i>98</i>
<b>CHAPTER FOUR: COMMUNITY BUILDING AND THE PERFORMANCE OF NEIGHBORHOOD GOVERNANCE.....</b>	<b>100</b>
<i>Introduction.....</i>	<i>100</i>
<i>A Quantitative Measurement of performance of Neighborhood Governance ...</i>	<i>101</i>
<i>A Quantitative Explanation of Neighborhood Difference of Governance.....</i>	<i>116</i>
<i>Conclusion .....</i>	<i>134</i>

<b>CHAPTER FIVE: SOCIAL CAPITAL, COMMUNITY MOVEMENT AND THE</b>	
<b>ENHANCEMENT OF CIVICNESS .....</b>	<b>136</b>
<i>Introduction.....</i>	<i>136</i>
<i>The Study of Collective Resistance in Contemporary China.....</i>	<i>137</i>
<i>A Story of the North Green Neighborhood: A Ten-year Community Movement</i>	
.....	<i>140</i>
<i>The resistance against the estate developer: the origin of a community movement</i>	
.....	<i>140</i>
<i>The enhancement of social capital within the community.....</i>	<i>148</i>
<i>Collective resistance against the local government: the highlight of the</i>	
<i>movement .....</i>	<i>151</i>
<i>Social Capital and the Dynamics of Ordinary Social Movements .....</i>	<i>172</i>
<i>Mass dissatisfaction, the “split” within the administration system and civil</i>	
<i>resistance .....</i>	<i>172</i>
<i>Social capital as a weapon of powerless citizens in the community movement.</i>	<i>174</i>
<i>Conclusion .....</i>	<i>183</i>
<b>CHAPTER SIX: CIVIL ASSOCIATIONS, FACTION POLITICS AND NEIGHBORHOOD</b>	
<b>GOVERNANCE.....</b>	<b>188</b>
<i>Introduction.....</i>	<i>188</i>
<i>Housing Property, Civil Associations and Local Politics .....</i>	<i>190</i>
<i>Homeowners’ Committees and Local Governance in Green Neighborhood ....</i>	<i>192</i>
<i>Case Study: the Evolution of the No.1 HC in GI.....</i>	<i>207</i>
<i>Homeowners’ Committees, Community Development and Quasi-faction Politics</i>	
.....	<i>215</i>
<i>Conclusion .....</i>	<i>221</i>
<b>CHAPTER SEVEN CONCLUSION: STATE, GUANXI NETWORKS AND “QUASI-CIVIC</b>	
<b>COMMUNITY” .....</b>	<b>223</b>
<i>Introduction.....</i>	<i>223</i>
<i>Community Building and the Formation of “Quasi-civic Community” .....</i>	<i>224</i>
<i>“State-society Synergy”, Linking Social Capital and Local Governance in China</i>	
.....	<i>241</i>
<i>Conclusion .....</i>	<i>245</i>
<b>BIBLIOGRAPHY .....</b>	<b>248</b>

## Summary

Local governance is highly relevant to the social welfare of citizens and the legitimacy of a polity. Previous research tends to examine how cooperation among citizens and bureaucratic organizations helps to develop social capital to facilitate local governance and community development. But these studies have ignored the other side of community life—social conflicts and their implications for local development. And little attention has been paid to the potential negative influence of social capital on local governance.

A longitudinal study conducted in Shanghai from 2000 to 2005, this research combines qualitative field research and quantitative survey to examine the consequences of community building and to explore the main institutional and cultural factors that affect local governance and democratization. In particular, this study probes the dynamics of neighborhood governance by investigating community building projects in the context of China's rapid socio-economic transformation. Since the 1990s, with post-Mao urban reforms and the decline of communist ideology, the command economy-based work-unit (*danwei*) system, with which the party-state used to control citizens, has been gradually dismantled. To maintain a stable society, the state launched comprehensive community building projects to revitalize the territorial administrative system constituted by neighborhood-based organizations. The projects included neighborhood renovation, the reconstruction of local management bodies and grassroots democratic reforms. The state also encouraged commercial organizations and citizens to cooperate with local authorities to promote

governance. Consequently, this renewed effort of state-making has had great impact on neighborhood governance and community power structure.

Unlike existing studies focusing on one aspect or the other of local politics in China, this thesis adds to the literature by comprehensively examining neighborhood politics in Shanghai. Specifically, it examines the domination of local pro-growth coalitions of local government and business groups, collective resistance from citizens against the coalitions, elections of civil associations, and local faction politics.

The study finds that the political structures of Shanghai's neighborhoods range on the continuum from total domination by local authorities to relatively autonomous bodies that I call "quasi-civic communities", which can resist the absolute power of local authorities but face the problem of oligarchy of a few privileged residents. Both formal state institutions and informal social networks have differential and contextual influence on the performance of local governance. Furthermore, this study finds that the shared experiences of citizens participating in social conflicts or collective resistance against political forces outside their community could result in the enhancement of positive social capital within the community. This research thus proposes a broader and more inclusive approach incorporating social conflicts into the conventional approach which merely focuses on social cooperation in governance studies.



**List of Tables:**

Table 2.1 Socio-economic characteristic of the respondents in GI and GII.....	53
Table 3.1 2004 Budget for Part of Neighborhood Management Items of the W Street Office	96
Table 4.1 Residents' perceptions to social services for the aged .....	103
Table 4.2a Residents' perceptions to property management .....	104
Table 4.2b Residents' perceptions to safety situation in their sub-neighborhoods .....	105
Table 4.3a Residents' Satisfaction with the RCs.....	106
Table 4.3b The relationships between residents and the RC staff.....	107
Table 4.4 Residents' evaluation of neighbor relationships.....	108
Table 4.5a The rate of residents' community participation.....	109
Table 4.5b The contents of community participation.....	109
Table 4.6a Residents' subjective sense of empowerment .....	110
Table 4.6b Residents' sense of local decision-making .....	110
Table 4.7a Residents' satisfaction with their sub-neighborhoods .....	111
Table 4.7b Residents' willing to live in their sub-neighborhoods for longer time.....	112
Table 4.7c Residents' confidence of their sub-neighborhoods.....	112
Table 4.8 The consistency of the indicators .....	113
Table 4.9 Independent Samples Test of Performances of Community Building .....	114
Table 4.10 Rate of the resident families participating in community donation.....	115
Table 4.11 Residents' satisfaction with the HCs.....	117
Table 4.12a Residents' knowledge of laws .....	119
Table 4.12b Residents' view of the governing rule for community building.....	119
Table 4.13 The frequency of neighborhood interactions.....	121
Table 4.14 Residents' understanding of local public affairs .....	121
Table 4.15 Residents' reaction to government policies.....	122
Table 4.16 Correlations among indicators and civicness .....	123
Table 4.17 Independent Samples Test of Civicness .....	124
Table 4.18 OLS Regression Results on Residents' Perceptions to Social Services for the Aged .....	125
Table 4.19 OLS Regression Results on Residents' Perceptions to Property Management...	125
Table 4.20 OLS Regression Results on Index of the Penetration of RC .....	126
Table 4.21 OLS Regression Results on Neighbor Relationships .....	127
Table 4.22 Reasons for Residents' Participation in Community Activities .....	128
Table 4.23 OLS Regression Results on the Sense of Empowerment of Residents .....	130
Table 4.24 The correlations between education level and civicness .....	131
Table 4.25 OLS Regression Results on the General Perceptions of Residents to Their Communities.....	132
Table 4.26 The Contents of Neighbor Interactions .....	133
Table 4.27 Social Support Networks of Residents .....	133
Table 5.1 the attitudes of local residents to the project described on the letter .....	167
Table 6.1 Influence of the RC and the HCs on the everyday life of residents .....	200

**List of Charts:**

Chart 2.1 The map of Green Neighborhood .....	42
Chart 3.1 Administrative Hierarchy in Urban China before the Reform .....	67
Chart 3.2 Administrative Hierarchy in Urban China after the Initiation of Community Building .....	81
Chart 5.1 Sample Picture of the Planning Park .....	167
Chart 6.1 A Section Sketch of the High Buildings.....	201

## Chapter One: State, *Guanxi* Networks and the Transformation of Local Governance in Urban China

“No development will more deeply affect global peace and prosperity in the twenty-first century than the outcome of democratic reform in the People’s Republic of China...one crucial ingredient in the performance of democratic institutions is the vitality of grassroots activity by ordinary citizens in civil society.”--Robert D. Putnam (2001: pp.i-ii)

### Introduction

Ms. Long Jun, a 52-year old former factory cadre, was appointed Secretary of the Party Branch (*dang zhibu*) in Green Sub-neighborhood I (GI hereafter) in the beginning of 2001. She was very reluctant to accept this appointment. To take the position meant that she would have to, on behalf of the local government, supervise the Residents’ Committee (*jumin weiyuanhui* or *juweihui*, RC hereafter) and to be responsible for governance in this sub-neighborhood. Before the new appointment, she held the same position in Green Sub-neighborhood III (GIII hereafter). The situation of governance there was quite good. Few residents challenged the authority of the Party branch, and she could manage the neighborhood smoothly. Therefore, she enjoyed working in GIII, and was going to spend the rest of her career life there before retiring three years later.

However, the new appointment crushed her wishful thinking. In contrast to GIII, governance in GI was “disorderly”: residents there launched a large-scale community movement to resist attempts by the local government to occupy their community park. Civil associations like Home-owners’ Committees (*yezhu weiyuanhui* or *yeweihui*, HCs hereafter) always led their followers to challenge the authority of the local management agencies including the RC. The leader of the

community movement was one HC head. Therefore, the local government agency called Street Office (*jiedao banshichu*) was dissatisfied with the performance of the former Secretary at the GI Party Branch. Consequently, the Party Secretary of the Street Office instructed Ms. Long to restore “order” in GI. Ms. Long realized it was going to be a tough task, having heard that residents in GI were “fierce”, and she felt that the new position placed her in a very uncomfortable situation.

Ms. Long believed that she had been appointed to this new position because the Party Secretary of the Street Office wanted to take revenge on her-- the Secretary was in bad relationship with her husband, who had been a former official in this Street Office. However, since her husband had been removed from the Office, Ms. Long was not in a position to argue against the powerful Party Secretary, and had to accept the appointment. Over the next three years, she struggled greatly to manage the sub-neighborhood of GI. She complained, during my interview on 9 March 2004, that compared to the situation in GIII, it was really hard to manage GI because there were many conflicts in this sub-neighborhood and residents here reacted quite differently to local authorities from GIII residents. She believed that the main factor responsible for such a difference was the “quality” (*suzhi*) of residents: there were many well-educated residents in GI, who used to argue with local authorities by citing laws and state policies in order to represent their interests; in contrast, most residents in GIII were not so well-educated, and they did not know how to employ laws and state policies to challenge local authorities.

Actually, the problems that Ms. Long faced were not unusual to her counterparts. In recent years, urban neighborhoods have become increasingly unstable; and these sub-neighborhood “governors”, most of whom were formerly low-level factory managers, have found it much harder to perform management duties in these

neighborhoods. According to them, while in factories, they could use their positions to influence workers by distributing rewards and imposing punishments; in contrast, in neighborhoods, they did not have such power; they had to gain cooperation from residents through their personal networks (*guanxi*) with them. Generally, most of them attributed their problems to a changing external “situation”, which made the power relations in neighborhoods too complex for them to handle. What these local management call “the changing external situation”, especially its influence on urban neighborhood governance and local power relations in urban China, is the subject of this study.<sup>1</sup>

### ***Community Building and the Transformation of Local Governance***

Globalization and market-oriented reforms have greatly affected socio-political life in urban China. Under the pressure led by institutional inefficiency and the collapse of communist regimes worldwide, the party-state has initiated many new institutional changes to improve efficiency and to consolidate its rule. These huge social transformations have greatly impacted China’s urban politics, triggering heated academic exploration on local governance and related issues like civil society, social movements, democratization and modernization (e.g. Davis et al. eds 1995; Perry and Selden eds 2000; Saich 2001; Wu 2002).

Local governance is an important dimension of contemporary socio-political life because it is highly related to the concerns and interests of both the state and citizens. The situation of local governance affects the legitimacy and stability of the

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<sup>1</sup>The concept of “governance” here refers to “the mode of conduct of specific institutions or organizations with multiple stakeholders, the role of public-private partnerships, and other kinds of strategic alliances among autonomous but interdependent organizations” (Jessop 1998: 30).

regime on the one hand, and the social welfare of citizens on the other. Therefore, most countries do their utmost to attain “good governance” in grassroots communities.<sup>2</sup> The achievement of local governance is affected by community power structure. Within a pyramid-type power structure where a few elites monopolize power, it is difficult for the powerless citizens under the lowest layer to cooperate earnestly with the ruler to promote governance. Only within democratized and shared community power structures can good governance be realized. Existing influential research suggested that large quantity of social capital can promote governance and democracy (e.g. Putnam 1993a, 1993b, 1995, 2000). However, this neo-Tocquevillean propose has also been criticized (e.g. Berman 1997a, 1997b).

In contemporary China, constructing political order for good governance in cities is high on the national agenda. Cities are the focus and the engine of China’s modernization. Since the 1990s, there have been fundamental changes in social environments. Before the 1980s, economic decline and social disorder caused by the former Maoist development strategy, which was characteristic of command economy and class struggle, radically undermined the legitimacy of the Party-state. Some new China Communist Party (CCP) leaders, especially Deng Xiaoping, tried to build legitimacy on “performance”, such as promoting financial development and raising living standards, instead of political ideology, since the end of the 1970s (Tang 2001). The state no longer sought to remake the society with class struggle and communist ideology; instead, it initiated economic reforms. To promote economic development and to consolidate the regime, the state hoped to maintain a stable and governable

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<sup>2</sup> According to the World Bank, "Good governance is epitomized by predictable, open and enlightened policy-making, a bureaucracy imbued with a professional ethos acting in furtherance of the public good, the rule of law, transparent processes, and a strong civil society participating in public affairs." See <http://www.gdrc.org/u-gov/governance-understand.html>

urban society. Furthermore, having personally suffered from the Cultural Revolution, which was one result of the charismatic rule of Mao Zedong and Maoist class struggle, Deng also favored a legal-rational rule. The state began to propagate and emphasize the policy of “rule by law” instead of Maoist class struggle since the early 1980s.

The fundamental change of the modernization strategy of state has greatly influenced governance and community power structure at the base level.<sup>3</sup> Economic reforms had not only led to rapid economic growth, which has further changed the formation of the urban landscape and neighborhood environments, but they have also greatly influenced neighborhood governance. In particular, due to the 1990s economic reforms, the command economy-based Work-unit (*danwei*) System, through which the Party-state carried out urban administration and control over citizens before the 1990s, gradually disintegrated. The governing capacity of the state in cities through work-units has thus been greatly weakened. Consequently, as Wu Fulong puts it, “The changes in the organization of people, capital, production materials, infrastructure and space fundamentally demand new urban governance” (Wu 2002: 1071). To maintain its close control over urban society, and to provide some services to citizens, the state revitalized territorial organizations such as urban districts, Street Offices and RCs instead of ‘hierarchical’ work-units (e.g. Hua 2000; Xu ed 2000; Read 2000; Wu 2002). Specifically, the state launched comprehensive community building projects in

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<sup>3</sup> Community power structure usually refers to the relatively stabilized power relations or interaction patterns, or the hierarchy of social positions, which reflects the distribution of power among political actors within a given community. According to Dennis H. Wrong (1993: 13), there are mainly two kinds of power structure: interscursive power and integral power. “The term interscursive power has been suggested for relations characterized by a balance of power and a division of scopes among the parties. It is contrasted with integral power in which decision making and initiatives to action are centralized and monopolized by one party alone. Interscursive power exists where the power of each party in a relationship is countervailed by that of the other, with procedures for bargaining of joint decision making governing their relations when matters affecting the goals and interests of both are involved.” In the interscursive power relations, actors control others in some scopes and are controlled by them in other scopes. However, in integral power relations, the power holder retains an irreducible autonomy, but his/her power can be negatively limited in various ways (ibid.).

neighborhoods to strengthen the territorial system instead of using the work-unit System as the main pillar of its grassroots management after the mid-1990s.

The core contents of community building are as follows. First, the state endeavors to penetrate grassroots communities, and it restructured local bureaucratic agencies, especially Street Offices, in neighborhoods and granted them much more power than before so that they could reinforce management in grassroots communities. Secondly, to utilize market forces to promote local development, the state encourages commercial organizations, such as estate development companies and property management companies, to participate in development and management programs. Thirdly, the state also encourages citizens to participate in local governance through formal channels and ways outlined by the government. In other words, the state requires local governments, commercial organizations and citizens to cooperate with them in neighborhood governance.

Community building in contemporary urban China resembles modern European state making in the eighteenth century and the Chinese version in the early twentieth century in the following important respects: the impulse towards bureaucratization and rationalization of local administration and the drive to extract financial resources from local communities, which have resulted in the rise of collective resistance and the formation of new power relations in grassroots communities.<sup>4</sup> The community building can be traced to the earlier attempts at state

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<sup>4</sup> Prasenjit Duara (1988) was the first to compare the state making of China in the early twentieth century with that of modern Europe in the eighteenth century in these aspects.

The concept of “state” generally refers to a set of institutions that has the authority, which is granted by the constitution, to rule the society. According to Max Weber, the state has a “monopoly on legitimate violence” within a particular territory. In the broad sense, the state is composed by “such institutions as the armed forces, civil service of state bureaucracy, judiciary, and local and national councils of elected representatives (such as a parliament) (Marshall ed 1998: 635). In the narrow sense, the state usually refers to the central government, which is in contrast to the local government agencies. In terms of local governance, the interests of provincial and municipal governments are relatively in accordance with those of the central government. Therefore, I will also regard the municipal

making initiated by the CCP regime after the 1949 Revolution. But the current ways of implementing it are unlike those adopted by the state before the Reform. Early state making practices were characterized by brutal coercion. For instance, in the 1950s, to consolidate its rule, the CCP regime launched many political campaigns to purge and liquidate a large number of “anti-revolutionary elements”, including former Kuomintang agents, gangs, and religionists who had been in charge of neighborhood administration during the Kuomintang regime (Zhang 2004). In present community building, the government employs much softer means to implement its policies. Therefore, with Reform and Opening, the state has turned to new means to dominate society.

The reforms had also led to changes in social values, which in turn influenced grassroots governance. In particular, to promote economic reforms, the state has actually declared preference for utilitarianism instead of communism, as is typically expressed in Deng Xiaoping’s influential words: “A cat that can catch rats is definitely a good one, regardless whether it is white or black” (Deng 1993:211). The propaganda of the state and the commercialization practices promoted the rapid change of the main values of China society towards utilitarianism. As one consequence, the communist ideology has been on the wane (Walder ed 1995b). There is also evidence that utilitarianism has gradually prevailed and become the primary criterion for social evaluation; and people are increasingly becoming materialistic or interest-oriented in their own actions and their interactions with

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government agencies as the representative of the state in this study. In other words, in this study, state power refers to the government authority fulfilled by the central government and the municipal government agencies. Thus this study employs the concept of “state” in its broad sense and narrow sense alternately.



others.<sup>5</sup> Consequently, as Zheng Yongnian (2001) argued, that Chinese society has been transformed into an “interest-based society”.

The propaganda of “rule by law” and the citizens’ increasing communication with Western liberal states through many ways like personal visits and internet have also greatly enhanced their consciousness of rights (Pei 2003). In addition, with economic reforms, there are an increasing number of channels for people to access economic and other kinds of resources. Together, these new social conditions made people less afraid of government authorities as before; consequently, in present-day China, citizens respond to the authorities very differently from how they did in the past. Therefore, the changed social values and the new reaction patterns also affect neighborhood governance (discussed later).

The initiation of community building has led to great changes of political scenario in urban neighborhoods. It has also brought about new elements for neighborhood governance: firstly, the restructuring of the local bureaucracy and the grassroots administrative system; secondly, the rise of commercial organizations and their involvement in local development programs; and thirdly, the new reaction patterns of citizens to the authorities and the grassroots politics. During the process of community building, besides previous government agencies – such as the Street Office, the police station, the estate and property management office (*fangchanban*), the mass associations under government supervision such as the RCs and women

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<sup>5</sup> According to a survey of 3000 Shanghai citizens conducted by the Social Investigation and Consultation Center of Shanghai Academy of Social Sciences in June 2000, many citizens have realized the problem with communist ideology. The survey results showed that even more than a half (54.0%) CCP members agreed with the view that “our understanding of communism in the past was partly impractical”, the percentage of ordinary citizens was 58.3% (Yin ed 2001a: 66). The survey results also revealed that nearly a half of citizens (48.7%) agreed that “Presently, human relationships in the society are generally money-oriented and of mutual utilizing, and there is less and less love among people” while only around a quarter of them (25.9%) disagreed with this view (ibid: p72). The survey results also revealed that nearly a quarter of (25.1%) Shanghai citizens were dissatisfied with social morality while only 35.7% of them were satisfied with it (Yin ed 2001b: 306).

unions, new commercial organizations (e.g. estate development companies, property management companies), formal civil associations (e.g. HCs), as well as informal citizen groups, such as chorus teams and physical exercise teams, have emerged in neighborhoods. Some of them are exclusive to local residents; others are inclusive. They have different governance functions that address most aspects of community life. The state expects these organizations, associations and groups to cooperate with one another to achieve good governance. In interacting with one another, these actors also develop all kinds of networks and ties among them. These organizations, associations and informal networks constitute what I call “local governance web”, which makes up the organizational foundation for neighborhood governance.<sup>6</sup> Most of these organizations and associations are by-products of contemporary state making in terms of their origins, although some of them also reflect citizens’ expectations. “Local governance web” also includes personal ties among neighbors, friends and factions, which substantially affect neighborhood governance (e.g. Read 2003a). These organizations and associations, informal networks and personal ties interact and intersect with one another. They not only help community members communicate with one another within their community and the outside world, but also provide channels for the state to penetrate neighborhoods. Through its agents in this web, the state attempts to impose control over urban neighborhoods. To maintain their interests and exercise power, other actors also spare no efforts to expand their influence in this web. The power structure within this web is subject to the interactions among the main political forces. By analyzing the specific operation of this web, we can probe the power relations in it and their influence on neighborhood governance.

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<sup>6</sup> The invention of the concept of “local governance web” and related analysis were inspired by Pransanjit Duara’s (1988) concept of “cultural nexus of power”.

Against this background, this study looks at the performance of community building in terms of grassroots governance, e.g. whether or not its initiation would lead to good governance and democratization in grassroots communities. The study explores the dynamics of neighborhood politics in urban China. In particular, it shows how grassroots political order is reconstructed and how power relations in neighborhoods are changed under the context of the macro social changes. In the following sections of this chapter, I first discuss the concerns of political forces and their reactions in neighborhoods towards community building in order to provide the setting for further analysis. Next, I review previous studies on communist administration at the base level and examine the relevance of these theories to present practice. Finally, I will introduce my research perspective and theoretical hypothesis.

### ***The concerns of main actors and their interactions in the local governance web***

Community building involves the substantial interests of political forces in neighborhoods. Their reactions and their interactions with others are subject to their concerns. Primarily concerned with economic development and social stability, the state currently prefers to achieve its objectives through “soft” means, such as propaganda and implementing laws instead of coercion. Since local officials in China obtain jobs from superior officials rather than from local elections, they are generally concerned with demonstrating good “political performance” and meeting the expectations of higher government officials (Zhang 2002: 498). In the reforms related to community building, Street Offices are allowed to share tax revenue with the state . They thus endeavor to promote local economic growth to enhance income. Because local democratization may impose constraints on their self-interested actions, few

Street Offices are really willing to support the implementation of democratic reforms in neighborhoods; many Street Offices even clandestinely manipulate the reforms. As commercial organizations, the main objective of estate development companies and property management companies is to make profits in neighborhoods.

According to the law, RCs are self-governance associations comprising residents, and should therefore be concerned with serving other residents. In reality, since they rely on Street Offices for resources, RCs have to work mainly for the Offices. Especially, with the initiation of community building, the state has empowered Party branches in sub-neighborhoods to be in charge of their governance. Since each Party branch shares offices with the RC, it can thus closely supervise the latter. Therefore, the RC has nearly been transformed into the executive arms of the Party branch, and it has to follow the directives from both the Street Offices and the Party branch. In recent years, many cities have conducted RC elections to restore their autonomy. Some RC members elected by residents are thus quite concerned about residents' interests. However, since RCs are still under the supervision of Party branches that are themselves under the leadership of the Street Office, the RCs still have to primarily deal with the task distributed to them by local government agencies (Read 2003a; Shi 2005).

Since the mid-1990s, many HCs have been established in Shanghai neighborhoods. The main obligation of these civil associations is to manage the housing management funds of their respective buildings and to ensure that property management companies provide good services. The HCs are supposed to represent the interests of home-owners, who constitute the largest component of residents. Since housing is the most important property for most citizens in China, efficient HCs can mobilize much support from residents in their neighborhoods. Because HCs are

financially dependent on the interests produced by the facilities attached to their residential buildings, such as car parks and bicycle parks, they do not need to rely on government agencies for financial support. Therefore, some HCs would challenge local authorities that force management arrangements upon residents (Read 2003b). A few HCs have even tried to prevent Street Offices from establishing new RCs in their residences, claiming that they could adequately represent the interests of residents, and that they did not need RCs that would only serve local government agencies. HCs have also served as the main channel by which citizen protestors have mobilized other residents in some forms of local collective resistance (Read 2003b; Cai 2005). Furthermore, since the environments of neighborhoods affect the value of local estate and conditions of life as well, many HCs are beginning to care more about the surroundings of their neighborhoods.

Before the 1990s, social status of citizens and the quality of their life depended on their work units. They, as well as the rise and fall in the value of citizens' houses, are now closely related to the socio-economic changes in their neighborhoods due to the initiation of community building and the reform of housing property. Therefore, many residents care more about the development of their community. But their specific concerns, which depended on their social affinity and status, vary considerably. Some of them are interested in sociability, while others just care about environmental improvement. Due to the changes in social conditions, citizens have been able to voice their concerns by initiating "boundary-spanning contention" including collective resistance and elections against local government agencies which have gone against their interests, sometimes through civil associations<sup>7</sup>. Local

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<sup>7</sup> The so-called "boundary-spanning contention" refers to the resistance "not prescribed or forbidden, but tolerated (even encouraged) by some officials, and not tolerated by others. It is a form of contention

governments are quite worried about the contentions. They believe that civil associations like HCs will challenge and threaten their authority. Since local governments are not empowered to intervene in the operation of HCs, which are legally autonomous organizations, they tend to employ other means to control the latter, thereby triggering more conflicts.

Because of community building, all political forces are increasingly sensitive to the distribution of power in neighborhoods, and are gradually more active in participating in neighborhood activities. To pursue their interests, these actors cooperate, compete and clash with each other, resulting in many unexpected contradictions and conflicts. For instance, to pursue common economic interests, local government agencies and commercial investors have forged alliances and created cooperative partnerships (e.g. Zhu 1999; Zhang 2002), which is similar to the operation of growth coalition among local economic and political elites in western cities (Molotch 1976; Domhoff 1986; Jonas & Wilson ed 1999). However, their interests sometimes clash with those of residents because their business often causes inconveniences to the community, such as noise and rubbish. Furthermore, community building has also led to the redistribution of power and interests among government agencies at different levels, which bring about conflicts within the administrative system. In addition, it also cause some groups of citizens to argue against one another because of different concerns. In sum, the main political forces in neighborhoods are concerned with different interests and objectives, which can cause violent conflicts among them in a social setting where utilitarianism prevails.

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that goes on partly within the state and it hinges on the participation of state actors. It exists in a middle ground that is neither clearly transgressive nor clearly contained.” (O’Brien 2003:53)

*Neighborhood politics: a window of communist governance in urban China*

Due to community building, more and more grassroots political activities have been transferred to neighborhoods from work-units. Neighborhoods have become the main channel through which the state carries out its grassroots administration. Furthermore, they are also becoming a main interest intersection of government agencies, citizens and other political forces. Looking at neighborhoods, we can observe how the state penetrates grassroots communities, how political forces interact and intersect with one another and how power relations at the base level are forged. As existing research (e.g. Walder 1986; Oi 1989) suggests, grassroots politics can function as a window that reflects the foundation of the polity in China. If having been aware of how political actors interact with one another in the field of grassroots politics, one will understand an important foundation of the Chinese national political order in the context of market-oriented economy.

By examining some important political events and processes in Shanghai neighborhoods, this study sought to explore the transformation of neighborhood governance and community power relations under the effects of community building. In particular, the study explores the patterns of interaction and power relations among government agencies, commercial organizations, neighborhood associations and citizens within “local governance web” and their influence on neighborhood governance. Furthermore, it also explores the channels and ways by which power is exerted in neighborhoods. And it addresses the following questions: What are the main characteristics of present neighborhood governance? What are the main factors that affect neighborhood governance and community power relations? How do actors in the field of neighborhood politics interact with one another to pursue their own

interests and to forge power relations with others? Specifically, how do government agencies implement administration and impose control over neighborhoods? How do other social forces, especially citizens, react to governmental authorities--submitting to or resisting the control from them--and why? Will community building promote democratization in neighborhoods and empower citizens? What may be the consequences of the transformation of neighborhood governance to the rule of the Party-state in urban China?

### **The Existing Explanation of Local Politics in Communist China**

Much research has already been conducted to examine local administration practices and power relations at the base level in communist China. Most of them focused on the relations among local authorities and citizens, as representatives of state-society relations. The researchers adopted either a state-centered perspective or a society-centered one, generally assuming a structural dichotomy between the state and society.

Existing research have identified that modern state has great influences on local communities (e.g. Gellner 1983; Giddens 1996). In China, the Party-state has attempted to remake the society, using all kinds of means, since the CCP had come to power. Therefore, when studying grassroots politics in communist China, most scholars used to adopt state-centered frameworks and focused on examining the influence of the state on the power relations in local communities. Some researchers employed the totalitarian paradigm and the clientilism model successively to explain how the state conquered the society with coercion and ideology, or permeated into the society through patron-client networks (see Nee & Stark 1989:3; Read 2003a:18-22). They had found that state agencies monopolized political and economic power, and



had dominance over grassroots communities (Schurmann 1968; Vogel 1969; Whyte & Parish 1984; Walder 1986; Oi 1989; Siu 1989).

After the end of the 1970s, the state initiated market-oriented reforms, which have resulted in great social changes in China. Researchers thus constructed new theoretical frameworks to reflect political development; and most relevant to neighborhood politics are the following two models.

*Local volunteerism and thin reciprocity: the state seeks cooperation from society through informal networks*

With the concept of “Administration Grassroots Engagement” (AGE), Benjamin L. Read sought to explain how the state administers grassroots communities through local quasi-administrative institutions and social networks constructed by these institutions. He investigated the case of China’s urban RCs, focusing on the relations between urban citizens and these neighborhood organizations. Scrutinizing the perceptions and motivation of individuals for cooperation, Read generalized the motivations of the residents who provide active, ongoing supports to the RC with the concept of “local volunteerism”, while describing the relations among RCs and those who only provide weak and occasional support as demonstrating “thin reciprocity”.

The concept of local volunteerism explains the reasons for persistent and substantial cooperation among RCs and some resident activists who positively assist the RCs and serve the neighborhood as citizen volunteers. It suggests that the latter “take part out of a desire to contribute their time and energy to what they consider an honorable and socially valuable undertaking, and in order to enjoy the pleasures of spending time with like-minded people and winning their moral approval.” (Read

2003a:207) Therefore, this kind of cooperation relations differs from patron-client ones because residents help RCs mainly due to their psychological and social motives instead of interest seeking; such relations would neither be at the cost of other residents nor trigger resentment from them.

The concept of “thin reciprocity” underscores the occasional cooperation among RCs and most residents who have a generally positive orientation toward the RC but only interact with and support it occasionally. It suggests that such cooperation is based on the low-level reciprocal relations that RC staff develop among themselves and residents, “including a degree of personal familiarity and occasional exchanges of small favors and assistance.”(ibid, p30) Therefore, according to Read (2003a), the networks among RCs and their constituents which are based on local volunteerism and thin reciprocity are responsible for their obtaining residents’ cooperation to administer neighborhoods. Read also pointed out, “because constituents may choose whether or not to respond to and participate in these institutions, AGE also shapes and sometimes limits what the state can do” (ibid,p7); however, this institution does not equal “civil society”, because the state sets up their objectives and controls their operation. Therefore, according to him, the RC is primarily a tool for the state to administer urban neighborhoods. Although many domestic Chinese researchers highlighted the influence of newly-conducted RC elections on local democratization (see Xu ed 2000; Liu 2005), Read argued that such influence was rather limited (ibid.).

However, the RC-constituent relations that Read examined is just one dimension of local governance. The models of “local volunteerism” and “thin reciprocity” fail to identify other types of civil participation and community interaction. Therefore, they provide only limited insight into the complicated power

relations in neighborhood politics. Besides, these state-centered models generally focused on looking at the cooperation between citizen groups and local authorities (e.g. Whyte & Parish 1984; Walder 1986; Oi 1989; Read 2003a). However, since the 1990s, there have emerged increasing number of civil resistance in grassroots communities (see Dai & He 2000; Perry 2001; Cai 2002; Cai 2005). The state-centered models can not convincingly explain the new elements of local politics.

*The civil society paradigm: society resists the state*

In the recent decades, the concept of “civil society” has been revitalized to reflect a kind of state-society relation that an relatively autonomous society, characteristic of vibrant civil participation and the existence of large number of social associations like churches and unions, is able to negotiate with and resist the state. Most researchers also believed that a strong civil society can promote democracy (e.g. Gramsci 1957; Habermas 1989; Seligman 1992; Cohen & Arato 1992; Walzer 1992; Chambers & Kopstein 2001).

With the decline of communist regimes in East Europe in the 1980s, the theories of civil society have been also employed to explain fundamental political changes in post-communism states, which were claimed to be a result of the emergence of independent and spontaneously organized civil society groups which could resist the totalitarian state and compete for political power in these countries (Arato 1981; Walder 1999:66).

With the initiation of China’s economic reforms, many civil associations have been established. Most importantly, there emerged several large-scale social movements, including the 1989 Tiananmen Movement. Assuming a binary opposition

among the state and society, many scholars believed that, with economic development, the China society has been beyond the strict control of the Party-state. They thus dismissed the state-centered frameworks and turned to a society-centered perspective in explaining China's social changes. This has led to ardent academic debates on the formation of "civil society" in China, resulting in the popularity of this model in explaining state-society relations in contemporary China (Deng & Jing 1992; Chamberlain 1993; Madsen 1993; Deng 1996; He 1997; Walder 1999; Wang 2001). Many researchers believed that the social transformations in China had enabled citizens to establish new civil associations and expand social spaces, which could help them resist state intervention. Social associations and middle class were seen as dynamic elements in the building of a civil society (e.g. Whyte 1992; White 1993a, 1993b; Davis et al eds. 1995).

When studying local political development and the changes in power relations, the researchers concerned with the theories of civil society focus on examining the specific socio-political transformations that facilitate citizens' actions to fight for their rights and to develop their autonomy. They found that many new forms of contentions or "rightful resistance" against local authorities had emerged (O'Brien & Li 1995; O'Brien 1996), and there were "organized vessels for the expression of group interests" in local political fields (Walder 1995: 16), such as trade unions (White 1993b; Pearson 1994), entrepreneur associations (Zhou 1999) and HCs (Read 2003b). These researchers suggested that the emergence of "organized vessels", and collective resistance against local authorities imply the rise of civil society and prospect for local democratization. As far as community building is concerned, some researchers believe that it will lead to the development of civil society in China (Wang 2001; Derleth & Koldyk 2002).

However, this model is overly optimistic. It not only overlooks the ability of the state to maintain control, but also pays little attention to the splits within citizen groups themselves, which prevent them from uniting as a whole to fight for citizens' rights. The researchers also overestimated the desire of China's citizens, especially the middle class, for a democratic polity (see Chen 2002).

Aimed to explain political development and power relations in China, the research guided by various theories from the totalitarian model to the civil society model partly reflect the gradual evolution and transformation of Chinese society under the communism system. However, there are many limitations to these models. As many researchers argued, some concepts based on Western societies such as "civil society" do not match with China's socio-political settings (Perry 1994; Walder 1999; Zhang 1999). Furthermore, the evidence presented to support these models are often disputed (Walder 1995:16). Consequently, these models created confusion for us to understand social changes in China. As Elizabeth Perry (1994:707) pointed out, the civil society model suggests that there are fundamental changes of Chinese politics towards the direction of democracy while the clientilism model concludes that social and political development is still constrained by communist institutions. These contradictions imply that both state-centered and the society-centered models make overly broad generalizations. One problem with these models lies in their underlying assumption of a structural dichotomy between the state and society.

Existing research suggest that neither the state nor society acts as a coherent actor (e.g. Migdal et al 1994; Sun 2000; Migdal 2001). Joel Migdal (1994, 2001) thus advocated a "state-in-society" approach. According to him, the state is part of society, and is embedded in society. In reality, it is a dis-unified organizational system, whose

different components are embedded in diverse social circumstances. These state components interact with the scattered elements of society with various forms, characteristics, speeds and consequences. In these interactions, state components usually encounter different levels of pressures, and they may respond according to their own interests. Therefore, the state seldom “convey successfully a coherent system” (Migdal 1994:17). Kenneth Lieberthal (1992) describes the administrative system in China as demonstrating “fragmented authoritarianism”. Within the system, government agencies at different levels compete and conflict with one another for their respective interests. As a result, few government agencies actually represent the will and interests of the central state in their actions. Therefore, when studying government actions in China, we should follow the approach of “anthropology of the state” (Migdal 2001) and analyze the behavior pattern of government agencies at different levels.

On the other hand, as Joel Migdal (1994: 3) pointed out, society is composed of social forces which have different concerns, and they interact with state components in different ways “contingent on specific empirical conditions.” Students of China have already found that subordinates are not unified groups whether at work-units or in neighborhoods (Walder 1986; Read 2003a). Since many studies have found that the boundary between the state and society is flexible and fluid, the contradictions and confusions require us to move beyond the simple state-centered and society-centered perspectives to understand power relations within China’s local communities.

### **An Alternative Preliminary Model: Quasi-civic Community**

This study examines the dynamics of neighborhood politics by looking at the outcomes of community building. Since China is still an authoritarian state, and

community building is initiated and pushed forward by the regime, much attention should be paid to the role of the state in neighborhood governance. One approach addressing this question is to examine the formal administrative systems in neighborhoods and the actions of local government agencies. The formal systems define the structure of neighborhood politics and grant some actors official power; they are thus very important in the political order. As agents of the state, local government agencies are empowered to govern grassroots communities, their actions should be one main dynamic of neighborhood politics. Therefore, this study pays attention to the formal administrative systems in neighborhoods and the actions of local government agencies, especially Street Offices and quasi-administrative RCs.

Aside from using local government agencies, the state also affect local governance through other ways, such as law enactment and propaganda. In community building, the state not only attempts to penetrate neighborhoods through local government agencies, but also grants citizens some rights through passing new laws and formulating new policies. For instance, some laws empower citizens to elect, or be elected, the members of RCs and HCs in their neighborhoods. Some China observers such as Kevin O'Brien and Li Lianjiang highlighted the influence of laws and state policies on local governance in rural China by examining "rightful resistance" and other "boundary-spanning contention" (O'Brien & Li 1995; O'Brien 1996, 2003). They found that laws and policies affect local governance not because local governments enforce them in grassroots communities, but because villagers employ the laws to restrain local governments from abusing their public power. Therefore, to fully understand the influence of the state to grassroots governance and local power relations, we have also to pay attention to the role of laws and policies in terms of their influence in "local governance web".

In examining formal institutional changes, we assume that institution is an independent variable and explore how the changes of institutions affect neighborhood governance, community power relations and the behavior pattern of neighborhood actors. However, focusing on formal institutions can not fully explain the differences among grassroots communities in terms of local governance where the communities face the same formal institutional context. Therefore, the examination of formal institutions is not enough for us to understand local governance and power relations. This requires us to pay attention to the informal aspect of grassroots politics.

Many previous studies on contemporary China politics have reminded us to pay close attention to “the role of informal groups and rules, interpersonal ties and relationships, and the decision-making processes that involve negotiating, bargaining, conflicts compromises, and stalemates” (Tsou 1976:98; also see Nathan 1973; Pye 1981; Walder 1986; Oi 1989). Therefore, this study focuses on actual interactions in “local governance web” that can reflect the informal side of neighborhood politics and the operating state of power in neighborhoods more amply. As Robert D. Putnam (1993a) pointed out, the performance of an institution is subject to the influence of civil culture under which the institution operates. Therefore, by regarding institutions as a dependent variable, this study also explores the main socio-economic factors or local culture that affects the performance of community building.

Pierre Bourdieu (1992) argues that, to understand the dynamics of a certain field and the power relations within it, it is most important to explore the role of the key capital in this field. A certain kind of capital may be very efficacious in a given field, “both as a weapon and a stake of struggle.” The actor who possesses this capital can wield power and exert influence on others. In a given field, the force and the struggle strategy of an actor depend on the amount and structure of the capital that it



possesses (Bourdieu & Wacquant 1992: 98-99). During the times of command economy, economic capital (economic resources and employment opportunities) was the most important factor in neighborhood politics. Due to economic reforms, the efficacy of economic capital gradually decreased as it became easier to access this kind of resource in the market-oriented economy. Therefore, the key capital in contemporary neighborhood politics needs to be explored. As Ray Forrest and Ade Kearns (2001:2130) suggested, when one studies neighborhoods, it is important not to “see the neighborhood as just a territorially bounded entity but as a series of overlapping social networks....the difference among neighborhoods may perhaps best be understood as the differences among the form and content of social networks.” Contemporary China studies have also highlighted the important role of social networks in the field of politics although their role in neighborhood politics has not been systematically examined yet. Therefore, social networks including formal civil associations and informal personal connections may be one key capital in neighborhood politics. To understand the dynamics of local governance, we have to explore the nature of these networks and the ways that they are utilized by actors to pursue interests. Therefore, this study investigated the ways that individual or group actors employ social networks to influence local decision-making and to forge power relations among one another. It also explores how actors build networks with others.

This study probes power relations among neighborhood actors as reflected by their interactions and networks, ranging from the individual level such as the relations among neighborhood activists to the group level like the interactions among local government agencies and citizen groups. It not only examines the interactions among different group actors, but also pays attention to power relations within these groups, which affect the group interactions and influence neighborhood governance by

themselves, making power relations in neighborhoods more complex. Moreover, the study investigates how the above power relations influence the exercise of public power within “local governance web”, which defines the rights and obligations of neighborhood actors and the distribution of public resources in neighborhoods. In addition, this study also addresses the channels and ways by which power is produced and exercised. Finally, it will further examine the link between the formal institutional structure and the power relations among the main actors.

Community building does not only lead to cooperation among neighborhood actors, but also brings about many conflicts among them. Existing research tends to examine how interactions and cooperation among citizens and bureaucratic organizations help to develop social capital to facilitate good governance (Putnam 1993a; Evans 1996; Woolcock 1999, 2001). But these studies have ignored community conflicts and their influence on local development. They have also failed to identify the potential negative influence of social networks on local governance. In reality, community life and interactions are not merely constituted by cooperation and cohesion, but also include social conflicts and tension among actors. Furthermore, cooperation does not necessarily lead to good governance while community conflicts may also result in diverse consequences. Some cooperation among certain actors could be at the cost of others’ interests and thus result in conflicts among them and the latter. On the other hand, Some conflicts could lead to social splits that adversely affect local development while others may result in the enhancement of social integration within certain citizen groups themselves and thus the improvement of local governance (Cosser 1956). Therefore, community conflicts should be examined in order for us to understand local governance. This study thus proposes a more

inclusive approach in which we not only pay attention to community cooperation, but also explore the influence of social conflicts on local development.<sup>8</sup>

To systematically study community power relations, we need to examine the interactions among actors both in everyday life and in non-routine “events”. As Fan Ping pointed out, actors build social networks in everyday life, and they utilize these networks in events. By examining everyday interactions among actors, we can explore how social networks are built; by examining their interactions in events, we can further explore the quality, quantity and the utility of these networks (Fan 2000). Therefore, except for paying attention to everyday life, this study examine some events of cooperation and conflicts in neighborhoods to disclose the state of local governance and community power relations.

Following the above theoretical perspectives and approaches, I hypothesize that the formal institutions that the state has set up regarding community building is one determinant factor in neighborhood politics; but local governance is also greatly influenced by the state of civicness and informal social networks to a great extent. Neighborhood governance in present-day China is in a dilemma. In particular, on the one hand, some local government agencies and commercial organizations have formed alliances among them through informal links in order to exercise control over neighborhoods (Zhu 1999; Zhang 2002). On the other hand, in some sub-neighborhoods, social networks including civil associations and informal connections among citizens have also developed well and facilitated the cooperation among them; and there is prospect for them to promote autonomy to some extent with these networks (Gui 2001; Read 2003b). However, due to the prevalence of utilitarianism, the networks may fail to involve high-level trust. Therefore, within “local governance

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<sup>8</sup> I thank Vedi Renandi Hadiz for kindly reminding me to clarify this idea.

web”, people contest power and interests by utilizing informal networks, which not only shape the interactions among different group actors but also affect power relations within these groups. In other words, informal networks influence community power relations and neighborhood governance to a great extent. I would refer to this kind of neighborhood as “quasi-civic community” in terms of the state of governance. The formation of this concept is inspired by Robert D. Putnam’s classic study on local governance of Italy. He labeled those communities where citizens trust and cooperate with one another which result in good governance as “civic communities”; he also describes those communities where citizens do not trust and cooperate with one another and Mafia bully around as “uncivic communities”. Specifically, in an ideal “civic community”, citizens are actively engaged in public affairs; they share equal political rights and obligations; people trust and cooperate with one another through horizontal networks; they abide by laws; and there are a large number of vibrant civil associations. As a result, the administration of local government is effective, and citizens are satisfied with their life. In sum, civic community is based on a large quantity of “social capital” which promotes governance and democracy.

However, the model of “civic community” fails to identify the influence of the state on local governance; as well, it fails to recognize the passive influence of social capital on governance and democracy. The model of “quasi-civic community” pays much attention to the role of the state in terms of its influence on grassroots politics. It aims to describe the state of local governance, community power structure and the prospect for local democratization under an authoritarian regime. It differs from the model of “civic community” in that it suggests that group interactions within communities are based on “*guanxi*” networks instead of positive social capital (the

connotations of these two concepts will be discussed later). In particular, the model of “quasi-civic community” constitutes the following suppositions.

*Community power structure is changing from the integral one to an interscursive one*

As China researchers observed, before the Opening and Reform, the state and its local agencies almost monopolized all public resources. In the local communities like work-units and neighborhoods, “there was a nearly complete fusion of political and economic powers,” and local officials had both “a formidable political apparatus at their disposal” and wide discretion in distributing all kinds of resources (Walder 1989:411). This integral hierarchy of community power structure was characteristic of strong state domination and weak citizen influence, and it was based on strict coercion, communist ideology, the state’s monopoly on political, economic and information resources as well as social splits in citizen groups.

With the initiation of economic and other urban reforms, the state “renounced much of its power to dictate social and personal activities” (Davis 1995:17). There have emerged many social associations which have gained opportunities to access resources and to mobilize support to challenge existing authorities, and they can independently wield their influence in neighborhood politics (Cao & Li 2000; Xu ed 2000; Read 2003b). Ordinary citizens have also built “a new network pattern with increasing numbers of social ties that are independent of the workplace, which suggests increasing individual freedom and a potential early step towards a democratic society.” (Ruan et al 1997: 87) Furthermore, as Kevin O’Brien (2003: 58) pointed out, “Certain community members have come to appreciate that unrealized

state commitments can be a source of inclusion, and they are busy exploiting the gap between rights promised and rights delivered.” Some urban citizens have thus been increasingly active in articulating their concerns in neighborhoods. They may launch collective actions such as complaining to higher-level government agencies and blocking roads to resist local authorities that violate their interests (Dai & He 2000; Cai 2002). Presently, similar to rural China, a significant issue in neighborhood politics is the rise of collective resistance against local authorities (e.g. Liu 2004). Therefore, local authorities and social forces have to negotiate with one another in local decision-making sometimes. Hence, community power structure seems to be changing from the integral one to an interscursive one, and some local decisions could be made in democratic ways.

***The degree of neighborhood democratization is still limited***

In “civic communities”, citizens can articulate their interests in democratic ways (Putnam 1993a). In contrast, in “quasi-civic communities”, there is some but limited improvement in local democratization because there are many factors hampering full democracy. Although the state has claimed to develop grassroots democracy, and has enacted some laws to empower citizens to elect civil associations such as RCs and HCs, these laws are not strictly implemented.

Given the limited formal participation channels, social forces in grassroots communities have to turn to informal channels to pursue their interests, which could lead to uncertainty of grassroots politics. This can impede neighborhood democratization and good governance. For example, to facilitate their extracting resources from the neighborhoods, local authorities could exploit gaps in laws and exercise control over neighborhood associations and citizens, thereby impairing

grassroots democracy and the achievements of neighborhood governance (Shi 2005). Faced with control from local authorities, whether neighborhoods can achieve autonomy depends on the solidarity and cooperation among residents, and the amount and quality of the social capital that sustain the cooperation. However, in most China's neighborhoods, there is presently lack of sufficient community participation and positive social capital (Shen 2000; Xu ed 2000; Shi 2005).

Most importantly, even in relatively politically developed neighborhoods with high quantity of social capital, there may be serious problems with civil participation and community solidarity. Many social capital theorists believe that dense community interactions definitely promote local cooperation and governance (Putnam 1993, 2000). However, this is not always the case.

Previous studies remind us of the problem of prevalent factionalism in the politics at different levels in many developed and developing states including China (e.g. Nicholas 1965; Tsou 1978; Pillsbury 1978; Sun & Lu 2000). Faction politics means that a certain political field is dominated by several factions who compete against one another for power; and a faction, according to Ralph W. Nicholas (1965), is a political group recruited by a leader on the basis of diverse principles or ties. Faction is built on personal clientelist ties among relatively powerful leaders and weak followers, and their relationships are based upon the exchange and assessment of mutual self-interests. The relationships reflect the rights and obligations among these two parties (Nicholas 1965; Nathan 1973). However, as Pillsbury (1978: 270) has pointed out, "as they jockey to maintain or gain control of leadership of the total community, each faction attributes to itself only the purest of motives-- the well-being of the community and its members". In other words, factions do not care much about the well-being of the community. They just compete for power. Therefore, faction

politics is characteristic of ceaseless conflicts. Its existence enables a few leaders and enthusiasts to monopolize power and thus impedes local democratization.

***Guanxi serves as the base of community interactions instead of positive social capital***

As mentioned before, contemporary mainstream development studies suggested that good governance should be based on large quantity of social capital in communities. The most important founders of social capital theories are Pierre Bourdieu, James Coleman and Robert Putnam, but they looked at social capital from fundamentally different perspectives. From the neo-Marxist perspective, Bourdieu (1986:248-49) claimed that

“Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. The volume of the social capital possessed by a given agent thus depends on the size of the networks of connections he can effectively mobilize and on the volume of the capital... possessed by a given agent, or even by the whole set of agents to whom he is connected.”

Therefore, he regarded social capital as a personal asset serving those individuals who have connections with others. Based on a liberal-pluralist approach, Coleman (1988S) and (Putnam 1993a, 2000) identified the main elements of social capital as social networks, norms of reciprocity and trust in groups or communities, which can promote solidarity and cooperation among members. Some theorists also divide the concept into “bonding,” “bridging” and “linking” social capital. “Bonding social capital” consists of strong ties connecting family members, close friends and neighbors. “Bridging social



capital” refers to weak ties among people or groups who are of similar economic and political status but in different locations, occupations or ethnic groups (Gittell & Vidal 1998; Putnam 2000). Both of them are based on horizontal ties among people with similar socio-political statuses. In contrast, “linking social capital” refers to the vertical networks “among people who are interacting across explicit, formal or institutionalized power or authority gradients in society” (Szreter1 & Woolcock 2003:6). For a community to achieve good governance, there has to be a large number of horizontal and vertical ties based on the norms of reciprocity and generalized trust within and beyond the community.

For Pierre Bourdieu, social capital is just one of many types of capital. Like financial and human one, social capital can also be utilized to target at either good or bad aims. For him, “the social construction of the content of social capital ...is irreducibly attached to class stratification which, in turn, is associated with the exercise of economic and other forms of exploitation, and the relationship between them.” (Fine 2001: 191). In contrast, James Coleman (1988s) and Robert Putnam (1993a, 1993b) linked social capital with morality, and they claimed that social capital is good for the public benefits of groups of people like families and communities; most later researchers tend to follow this perspective (e.g. Evans 1996; Hofferth & Iceland 1998; Fedderke et al. 1999). However, some researchers have pointed out that there are downsides of social capital: exclusion of outsiders, restrictions on individual freedom and business initiative, and downward leveling norms (Portes & Landolt 1996; Portes 1998). Sheri Berman (1997a, 1997b) also criticized the optimistic attitude of neo-Tocquevilleans, such as Robert Putnam, towards political consequence of social capital. Based on her examination of the experience of the Weimar Republic and observations on contemporary America, she argued that the political institutions

are most important for social capital to promote governance. She further suggests that “under certain circumstances associationism and the prospects for democratic stability can actually be inversely related.” (1997a:401) Robert Putnam (2000) himself, in his later studies, also paid attention to the possible negative consequences of social capital. Therefore, the social capital that serves “civic community” and lead to good governance should be positive in nature. However, in this study, I employ the concept of social capital to refer to the networks and norms, which could be both positive and negative.

The concept of social capital has been introduced to Chinese studies. In contrast, the most relevant Chinese concept of *guanxi* refers to private and informal ties that are based on the norms of reciprocity and trust, and can be utilized to obtain desired goods from others (Huang 2003:12). Generally, *guanxi* is instrument-oriented, by which two persons exchange favors, but it also involves personal affection (*ganqing*). According to Andrew Walder (1986), *guanxi* relationships range on the continuum from the pure expression of friendship to ceremonialized bribery in terms of the extent that personal affection is involved (also see Yan 1996:17). In the traditional Chinese society, as many research have implied, “particularism”-based *guanxi* was the hidden dynamics that facilitate cooperation among social members (Fei 1947; Parsons 1949; Liang 1963; Hwang 1987). In contemporary Chinese studies, some scholars considered *guanxi* as social capital (e.g. Luo 2000). However, Huang Qihai (2003) pointed out that there are many differences between these two concepts. Regarding *guanxi* as individual ties that are based on the norms of reciprocity and trust between two persons, he finds that the elements of social capital and *guanxi* overlap. For instance, both of them encompass social networks, the norms of

reciprocity and trust. Furthermore, both are invoked to facilitate cooperation among actors. However, there are also essential differences, the most significant of which is that *guanxi* is based on interpersonal or special trust while social capital at community level is based on generalized or institutional trust (Huang 2003).<sup>9</sup> Moreover, *guanxi* is only personal connections in character and is associated with the realm of private benefits (e.g. Yang 1994; Yan 1996; Bian 1994, 1997). In contrast, social capital can be both private goods (Bourdieu 1986; Burt 1992, 1997, 1999; Astone et al 1999), and “public goods” (Putnam 1993a; Fukuyama 1995a, 1995b; Evans 1996; Huang 2003). In addition, in contemporary China, some public communication and participation channels such as the mass media can be utilized to connect ordinary citizens to the state and to facilitate collective action (later discussion, see Chapter Five). This type of “public vertical network” is beyond the connotation of *guanxi*, but is included under the rubric of “linking social capital.” Therefore, the concept of *guanxi* does not cover all the horizontal and vertical networks and generalized trust that facilitate collective cooperation. Actually, existing research has identified that the connotation of *guanxi* is most close to Bourdieu’s notion of social capital although it also overlaps with those of Coleman and Putnam (Huang 2003:21). This implies that the deployment of *guanxi* by different actors for the same target may result in the exercise of certain kinds of exploitation, and thus conflicts among them.

As mentioned above, in present urban neighborhoods, actors usually tend to utilize informal social networks to participate in local politics and neighborhood governance. But most of such networks may be *guanxi* instead of positive social capital in nature. In particular, the networks between local officials and businessmen

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<sup>9</sup> institutional trust refers to citizens’ trust to stable and satisfactorily performing institutions (Luhmann 1979; Mishler and Rose 2001)

more often reflect the exchange of power and financial resources instead of generalized trust among them (Wank 1995, 1999; Brunn 1995). RCs actively build networks with resident activists just to get assistance from the latter to facilitate their management in sub-neighborhoods (Read 2003a). Many residents participate in neighborhood governance because of “thin reciprocity” with RC staff. Due to the prevalence of utilitarianism, these networks are more interest-oriented rather than affection-oriented. Consequently, it is hard to develop these social connections into positive social capital. Therefore, the model of quasi-civic community hypothesizes that neighborhood politics in authoritarian China is *guanxi*-based.

In sum, this model aims to describe and explain the state of neighborhood governance and power relations at the base level as a whole. It hypothesizes that, generally, there are much more interactions among neighborhood actors than before; in some sub-neighborhoods with high civicness or large quantity of social networks, citizens develop autonomy and are empowered to some extent. However, such social networks that promote the development are *guanxi* ties instead of positive social capital in nature, and they may unfortunately impede neighborhood democracy and good governance. Therefore, this kind of relatively developed neighborhoods are “quasi-civic community” instead of “civic community” in character. Most China’s neighborhoods still range on the continuum from the complete domination of local authorities and integral power structure to “quasi-civic community”.

Since very few studies systematically examined power relations in neighborhoods and the dynamics of neighborhood governance, this study is meant to fill this gap. The present study could lead to a better understanding of citizens’ political life at the neighborhood level in contemporary urban China and local political development in urban society.

## Overview of the Thesis

The next chapters are as follows: Chapter Two introduces the fieldwork sites and discusses the methodology. Chapter Three focuses on examining the process of community building and the formation of local pro-image coalition in neighborhoods. It describes the formal institutional changes initiated by the state. It further explores the ways that local authorities manage neighborhoods and establish their domination together with business groups. Based on a survey conducted in two neighborhoods, Chapter Four gives a quantitative description of the differences of the neighborhoods in terms of governance performance. It then provides a preliminary explanation for such difference with the state of civicness, which is shaped by the quantity and quality of social capital in the community. Chapter Five examines a case of community movement, which represents civil participation in informal ways. Examining the ways that residents employed social capital to mobilize support to affect local decision-making, it displays the complex interaction relations between the state, local authorities, business groups and citizens. Chapter Six identifies the performance and problems of local democratic reforms of civil associations. It discusses both the positive and negative influences of these associations towards local governance. Chapter Seven summarizes the findings in this research and highlights the relations among the state, *guanxi* networks, social capital and neighborhood governance.

## **Chapter Two: Research Methodology**

### **Introduction**

The past decade has witnessed drastic transformation of contemporary China's neighborhood politics. To understand the dynamics of local governance, we need to conduct in-depth investigation on the complicated power relations among government agencies, commercial organizations, citizen associations and ordinary citizens in urban neighborhoods.

The primary aim of this research is to identify the main factors affecting neighborhood governance and their operating mechanisms by investigating the consequences of community building projects. Hypothesizing that state authority and social capital are two main factors affecting local governance, this study probes the impact of the formal institutions set up by the state regarding community building, and the state of civicness, which is shaped by the quantity and quality of social capital in the community, on neighborhood politics. In particular, it examines the specific interactions among local political actors and explores the main factors that influence such interactions in four sub-neighborhoods over an extended period of time from 2000 to 2005.

In the following sections, I first discuss my research methods. Next, I explain the case selection and operationalize the study; and, finally, I discuss my data sources and fieldwork experiences.

### **Research Methods: Survey and Comparative Case Study**

As Andrew Bennett (1999) pointed out, a convincing explanation of causal relations should include the clarifications of both causal effects and causal

mechanisms.<sup>10</sup> Among many research methods, survey and comparative study excel in identifying causal effects and enhance the reliability of research. In contrast, case study is suitable to be used to explore those factors that are not obviously identified and may be ignored otherwise. It can also be used to shed light on the complicated causal mechanisms among various factors. Another advantage of using the method of case study is that researchers can employ many kinds of data such as interview, secondary literature and field observation. A case study usually has high validity. In other words, the methods of comparative study and case study can enhance the causal explanation of a phenomenon from different aspects (see Lijphart 1971; Bennett 1999; Bennett & George 1997, 2000). Therefore, the method of comparative case study can be employed to integrate the advantages of comparative study and case study, and to resolve their respective limitations. In particular, the method of comparative study can be utilized to identify the main social factors affecting research objectives while the method of case study can be employed to display the specific causal mechanisms and interaction traces among social factors or variables (Bennett & George 1997; Bennett 1999).

Existing studies suggest that, except for macro socio-political conditions, the policy of local authorities, the formation of residential buildings, the socio-economic characteristics of local population and social networks usually influence local politics (Read 2000; Oliver 2001; Leyden 2002). Thus, to explore the role of social capital, there is a need to conduct a comparative study in neighborhoods which have similar environments, residential patterns, the same local governmental policies, and demographic characteristics, so that these factors can be controlled.

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<sup>10</sup> “Causal mechanism” refers to “the causal processes and intervening variables through which causal or explanatory variables produce causal effects.” (Bennett & George 1997:1)

Further, in order to explore the causal effect and causal mechanisms among neighborhood governance, civicness, and state authority and social capital in this research, I combine the methods of survey investigation and comparative case study. In particular, on the one hand, I conducted a survey to evaluate the performance of neighborhood governance and the state of civicness in urban neighborhoods, and to obtain some clues about the relations between them. On the other hand, this study relies more on qualitative investigation to explore the dynamics of neighborhood politics; and, I adopt the method of comparative case study to examine the causal mechanisms among these main social factors. By comparing the governance performance of two sub-neighborhoods with each other, we can control the effects of minor factors and concentrate on main factors that affect neighborhood politics.

### **Case Selection and Background of the Neighborhood**

In China's urban territorial management system, sub-neighborhood (*xiaoqu*) is the basic unit for the state to implement local administration. Through the RC in every sub-neighborhood, the state and its agencies regularly interact with the citizens. As residents in the same sub-neighborhood are generally bonded with one another, there are many opportunities for them to participate in collective action together. For example, they collectively vote in the RC election and participate in entertainment activities organized by their RC. Therefore, I look at a sub-neighborhood as the unit of analysis for this study of urban grassroots politics.

I chose a Shanghai neighborhood constituted by four sub-neighborhoods for my fieldwork because of the following reasons. On the one hand, as the biggest city and the economic center of China, Shanghai has been leading the country in urban renewal and community building practice since the mid-1990s; its experiences have also been learned and followed by many other cities in China. A study based on



Shanghai can help us better understand drastic social changes and the impact of community building on urban grassroots governance in China. On the other hand, Shanghai is the place of origin of the Chinese Communist Party. The study of the transformation of the grassroots governance in Shanghai can help us better understand the changes in communist practice in urban China.

Since the mid-1980s, Shanghai has initiated large-scale urban renewal projects. The city has built many new houses to resettle the citizens who were shifted from the downtown area; these homes for resettled residents are called “resettlement homes” (*dongqianfang*). Estate developers also constructed many new housing complexes for sale. Some of them were bought by individuals on the emerging housing market, which are called “commodity homes” (*shangpinfang*); many others were collectively purchased by state-owned work units for their employers, which are called “work-unit homes” (*danweifang*) (also see Cao & Li 2000; Read 2003b:39). Therefore, these new residential neighborhoods include residents from different employers and socio-economic backgrounds. Unlike the old-style Shanghai lanes, most of the residential neighborhoods developed in the 1980s and the early 1990s feature relatively integrated design and are composed of a group of apartment-blocks. These neighborhoods are called “new villages” (*xincun*). Since the mid-1990s, the city has initiated the privatization of public-owned houses, and it has encouraged the occupants of “resettlement homes” and “work-unit homes” to buy their homes, usually at very low price (also see Wang and Murie 1996). All these privatized homes are called “sold public homes”. Besides, since the mid-1990s, estate developers have begun to develop many well-designed condominium complexes for sale on the market at very high prices.

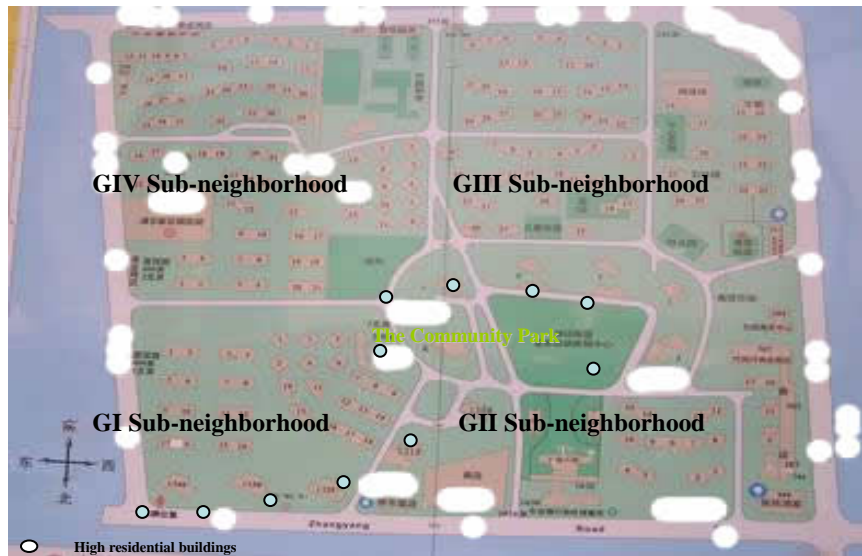
Therefore, residential neighborhoods in Shanghai can be generally classified into “three worlds” (Gu 2000). “The first world” refers to the new neighborhoods with condominiums that were developed after the mid-1990s; they are generally of high quality. In these neighborhoods, there are professional property management companies that provide services such as sanitation, security, maintenance and ground-keeping for the residents. “The second world” refers to those neighborhoods constituted by “sold public homes” and early “commodity homes” that were developed in the 1980s and the early 1990s. Compared to those new condominium neighborhoods, they are relatively out of date in terms of designs. In the neighborhoods of “the second world”, services are provided by some property management companies which were transformed from the former state-owned housing maintenance bureaus. But the services are generally not so good. Before urban renewal, most residential neighborhoods in Shanghai, which are called Shanghai-style lanes, were outmoded and shabby. Residents lived in crowded space with many families sharing toilets and kitchens, and the RCs there were responsible for providing the services to residents. The existing shabby old-style neighborhoods belong to “the third world”. As one RC director told me, in different neighborhoods, residents respond to their RCs differently: “In the first world, they (residents) just ignore you (the RC); in the second world, some would interact and cooperate with you, others not; in the third world, many of them closely interact with you”. The reason is that most residents in “the third world” belong to the low-income group and they have to rely on the RCs for services and social welfare. Those living in “the first world” belong to the high-income groups; they can get services from the property management company, and they do not need a RC at all. Presently, most Shanghai citizens live in neighborhoods that belong to “the second world”. Green

Neighborhood, where I conducted my fieldwork study, is a typical neighborhood of “the second world”.

Before the end of the 1980s, most Shanghai citizens lived in the Shanghai-style lanes, where there were generally few green spaces or plants in neighborhoods. With urban renewal, many downtown residents were resettled to suburbs. They felt both happy and anxious. While they would have had the opportunity to live in more spacious houses and better environments provided by the government and estate developers, most of the new residential neighborhoods were distant from the city center, making it inconvenient for them to go to work. To compensate them, the government provided many newly-built residential neighborhoods for resettled citizens to choose from. Green Neighborhood, developed from the late 1980s to the early 1990s, was one of them. It is located in the W Street, PN district, Shanghai.

As a newly-built residential neighborhood, Green Neighborhood has many green spaces. It is divided into four sub-neighborhoods, two in the north (GI and GII) and two in the south (GIII and GIV). In GIII and GIV are 150 six-storied apartment buildings surrounded by bamboos. In GI and GII, in addition to 64 six-storied buildings, there are twelve twenty-six-storied buildings surrounding approximately 8,000 square meters of open ground, planned for a central community park. Most of the planned park is located in GII.

Chart 2.1 The map of Green Neighborhood



The four sub-neighborhoods are quite similar to one another in terms of living environment. There were 3560 registered residents in GI, 3458 in GII, 4240 in GIII and 3807 in GIV in 2002. The low-building area of Green Neighborhood was mainly composed of “resettlement homes” and “work-unit homes”. As far as the GI high-building area was concerned, 68.0% of the residents living in No.1 High-building and 87.5% of the residents living in No.2 High-building occupied “resettlement homes”. Most homes of No.3 High-building were sold to foreigners, and they were beyond the local administration. In No.4 High-building, there is a mix of “resettled homes” (32.0%) and many “work-unit homes” (44.0%), some of which are occupied by middle-ranking officials. This building is thus called “cadre building”. In No.5 High-building, except many “work-unit homes” (53.8%) and “resettlement homes” (30.8%), there are also some early “commodity homes” (15.4%). In GII high buildings, the composition of homes is broadly similar to those of GI.

Generally, the residents living in GI and GII high buildings are heterogeneous in terms of their career, socio-economic makeup and level of education as well. However, they are distinguished from other local residents living in low buildings,

who are generally at lower socio-economic status and education level. This will be illustrated later. In each sub-neighborhood, there is a RC administering the residents. Since the mid-1990s, some property management companies have emerged to provide housing management and maintenance services for residents.

The main difference between these four sub-neighborhoods could be the state of civiness and social capital, for my investigation suggests that there are different quantity and quality of social networks as well as different levels of trust within them. Furthermore, the political “production” of these four sub-neighborhoods is diverse. For example, there was a ten-year community movement that resisted the attempts by an estate development company and the local government to occupy the community park between GI and GII successively. Residents in these two neighborhoods reacted quite differently to the movement. The larger part of the park is located in GII, and it is therefore expected to be of more concern to their residents. However, most protest activists were residents in GI, and their role was much more important than those in GII.

Another example concerns HCs in these sub-neighborhoods. During the period of the community movement, several HCs were established and well-organized in GI. They always held dialogues with the local government, the housing management company, the Party branch and the RC. They were so influential in the movement that the local government claimed that they would be more threatening to the government authority than the *Falungong* organizations.<sup>11</sup> In the other three sub-neighborhoods where HCs were not well-organized, the service of property management companies

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<sup>11</sup> It is a religious association that emerged in the 1990s and recruited hundreds and thousands of people. It established many grassroots branches in both urban and rural areas. It has proclaimed by the state to be an evil religious organization in 1999; many of its members have been arrested since then (see Lai 2003: 50-52).

were not satisfactory to residents. However, the prosperity of HC activities in GI also led to endless factional conflicts in the sub-neighborhood finally.

As civil associations in GI and its residents' reactions to local political affairs are quite different from those of the other three sub-neighborhoods, this study focuses on the transformation of neighborhood politics in GI in the context of community building. Furthermore, as GII is especially similar to GI in terms of their main internal characteristics such as building types and the socio-economic characteristics of residents, a comparative study of GI and GII will be conducted.

### **Operationalization of the Research**

As mentioned above, I conducted a survey to explore the relations between the performance of local governance and civicism. In the survey, I evaluated the performance of local governance using seven indicators: the penetration of RC in sub-neighborhoods, community participation, the residents' perceptions of community services, property management and safety, neighbor relationships, empowerment and community. I evaluated civicism using five indicators: the vibrancy of associational life, residents' consciousness of laws, social networks among residents, their understanding of local public affairs and their reaction to government policies (the reason for adopting these indicators to evaluate governance performance and civicism will be discussed in Chapter Four). One or two questions were designed to reflect each indicator. An index score for each answer was created, ranging from one point (for instance, "no" influence from the RC) to three points ("large" influence) or from one point (for instance, "very dissatisfied" with something) to five points ("very satisfied"). Regression analysis was conducted to discover the link among these social factors, which is discussed in Chapter Four.

I adopted qualitative methods to examine the role of formal institutions and informal social capital in neighborhood politics and community power structure.

Given the several dimensions of power (Lukes 1974), I evaluated the state of community power by probing the following questions: first, who can shape people's cognition, perceptions and preferences in the field of neighborhood politics? Second, who can manipulate the local political agenda? Third, who can participate in the decision-making processes of important local affairs?

To evaluate the first dimension of community power, I interviewed government officials, leaders of community organizations and ordinary citizens. Specifically, I asked about their viewpoints on certain issues relating to neighborhood politics. To evaluate the second dimension of community power, I extensively observed and interviewed all social groups within the neighborhoods. I explored why some projects and events were featured in the local political agenda while others got ignored. To evaluate the third dimension of community power, I examined both the formal institutions in neighborhoods and the actual decision-making processes of important local affairs that affected the interests of those main actors. By examining the actual decision-making processes, we can identify the "real" power holders and related interaction networks which were responsible for the decision-making. Integrating these three aspects, we can decide who were really influential in neighborhood politics. I also asked some respondents to recall their past viewpoints of certain neighborhood issues and compared them with their present viewpoints to see the changes of local politics.

I paid much attention to how the state attempted to perform its grassroots administration through initiating community building projects; how it establish formal institutions in neighborhoods; and how it enforce its policies through local agencies. I

also attended meetings of local government officials and other neighborhood activities to see how government formally or informally wielded power in the neighborhoods. Eighteen local officials were interviewed about neighborhood issues and their relationships with other actors. Local businessmen, members of civil associations and citizens were also interviewed about their interactions with local government agencies, and their attitudes towards local officials. Local government documents were examined to understand their power practice.

The role of social capital in neighborhood politics was investigated via the decision-making processes of certain important public affairs and how residents utilized both their horizontal networks and vertical ties with others to participate in such processes. Through the open-ended interviews, I learned from local people's recollection of influential community events to gain understanding of their viewpoints on local issues.

Focusing on a few influential political events in the sub-neighborhoods, I examined the informal ways by which actors participated in neighborhood politics. Specifically, I explored how actors interacted with each other regarding the earlier-mentioned movement. Residents succeeded in their resistance against the attempts of the local government to occupy the community park in the end. This movement provides a good empirical case to reflect on the change of community power structure. Historically, it was almost impossible for citizens to win in their collective resistance against government agencies in communist China. I explored the role of the vertical link between some municipal government agencies and the resident protestors by interviewing the main participants of the movement, and I also checked many relevant records and files.



I examined formal channels for citizens to participate in neighborhood politics by investigating their participation in the elections of local civil associations such as RCs and HCs. Other than voting rate, the most important indicators of participation are the extent to which citizens can affect the operation of these civil associations and the extent to which these associations themselves can represent the interests of residents and participate in the crucial local decision-making. Residents were asked: “Are you familiar with members of the RC (or the HC)?” “Did you actually participate in the decision-making of the RC (or the HC)?” I also interviewed members of the RCs and the HCs: “Do you call for opinions of residents before you make a decision on important issues?” To evaluate the extent of which these associations participate in local decision-making processes, I examine the decision-making processes of a few important local events and investigated the role of RCs and HCs in such events, i.e. whether they positively participated in decision-making and articulated the interests of residents.

I also explored the role of social capital in the election of these associations by asking residents the following questions: “If you attended the election before, why did you vote for certain person? Was it because of your personal relations (*guanxi*) with him or her, or something else? Would you expect him or her to return your favor (*renqing*) when he or she holds power?” Members of the RCs and the HCs were asked the following questions: “Did you make use of your *guanxi* to mobilize familiar residents to support you in the election? And how did you do it?” I also observed how members of these associations utilized their networks with residents and colleagues to construct their authority within both the sub-neighborhoods and the associations themselves.

The examination of these community events reflects the actor-actor relations, actor-event relations and event-event relations within these neighborhoods, which could be very helpful for us to understand the community power structure and the dynamics of neighborhood politics.

### **Data Sources**

Many researchers adopt traditional data collection methods like survey and interviews to directly obtain information from research subjects. However, there are some methodological weaknesses with these kinds of methods because they can lead to errors from both respondents and investigators. Specifically, these methods “create attitudes in part because respondents commonly try to manage impressions of themselves in order to maintain their standing in the eyes of an interviewer.” (Lee 2000:2; also see Webb *et al.* 1966; Campbell & Russo 2001: 146-156) Therefore, Webb *et al* (1966) recommended “unobtrusive measures” such as physical traces, archival material and participant observation. They suggested that, except for interviews and questionnaires, researchers can also study the experiences, attitude and belief of people by watching what they do and examining various kinds of physical evidence, written and spoken documents (see Lee 2000:1-2). They also argued that “data collection methods used singly are inferior to the use of multiple methods” (Lee 2000:6). Therefore, these researchers suggested that researchers should combine unobtrusive measures with the traditional methods (Webb *et a*, 1966; Lee 2000; Campbell & Russo 2001).

In studying China, most researchers collected data mainly from the following sources: 1) survey; 2) files and statistics from government agencies; 3) media report; and 4) non-participant observation and interviews. However, many of them use these data sources ignoring the issue of reliability. In particular, it has to be approved and

supported by the authorities. To conduct research in China, many urban researchers then seek the support of local government agencies, usually with the help of RCs, to conduct questionnaire interviews. Although some surveys may be well designed and respondents are randomly sampled, the RCs, as many RC staff told me, seldom bothered to follow the random principle. Instead, they usually asked any residents available to answer questionnaires. Therefore, it will be misleading to generalize the finding of such surveys. Government statistics, as Yongshun Cai (2000) convincingly demonstrated, are usually seriously manipulated. Since the government still imposes restrictions on the mass media, the latter usually have to follow official instructions; and many media reports are thus distorted. As one of my interviewees, who is a journalist in *Jiefang Daily* in Shanghai, told me, “The media always follow the government; you can not always believe their reports.” However, since the 1990s, strict government control over the mass media has been relatively relaxed. With government’s permission, some media began to report social events as they really are. But the reliability of such reports still needs to be carefully ascertained.

As to interviews, especially those that involve sensitive topics, their reliability is dependent on many conditions. There was a typical debate on this issue. Mayfair Yang (1994), based on her long participant observation, claimed that Chinese people employ “*guanxi*” in almost every aspect of life. However, Douglas Guthrie (1999), based on his interviews with many businessmen on public occasions, argued that, with the policy of Opening and Reform, Chinese businessmen relied primarily on official means instead of informal “*guanxi*” in their business practice. Therefore, he concluded that “*guanxi*” practice was declining in the economic life of Chinese people. Obviously, as Mayfair Yang pointed out, there is a serious reliability problem with Guthrie’s interviews. In public occasions, few Chinese people would admit that they

employed *guanxi* because such practice has always been discouraged by the government and are thus a sensitive topic (Yang 2002). Therefore, a researcher who utilizes these data sources, should be very cautious of the potential reliability problem with them.

Keeping these facts in mind, I collected data for this study mainly from the following four sources. The first one was my direct observations and experiences in Green Neighborhood. To deeply understand the social life in a community, it is necessary to do long non-participant observation. Non-participant observation not only makes us familiar with community members and obtain their cooperation, but also helps us see the actual interactions among actors in the community. Through non-participant observation, we may find out how social networks, trust and norms are constructed and utilized in the field of neighborhood politics. I lived in Green Neighborhood for more than one and a half years. During this period, I attended all kinds of neighborhood meetings, festivals and other activities; I observed networks and human relationships amongst residents on these occasions. I also participated in the activities of local organizations such as the Street Office, RCs, HCs and property management companies in Green Neighborhood in order to observe how they interacted with one another. Through non-participant observation, I learned a lot about the power relations among these community actors, which also helped me evaluate the reliability of my interviews.

The second source is in-depth interviews. To understand the past events in the community as well as people's attitudes and motivations of participating in local affairs, we have to extensively listen to their representations of these events and interactions. With non-participant observation, I identified important informants for further open-ended interviews. They included officials of various ranks, media

reporters, leaders of neighborhood associations such as RCs and HCs, and ordinary residents. Based on my familiarity with them (more on this later), I interviewed them about their experiences with and attitudes towards with past community events. Due to the sensitivity of some topics such as personal relationships or power contest among community actors, most of the interviews were conducted in private places such as my home or the interviewees' homes. In these interviews, they talked to me about many influential local events. These open-ended interviews allowed me to gain a perspective on all parties' behavior and helped me understand them from an insider's stance. I compared the interviews about the same events against one another to judge the reliability. In addition, having worked for two RCs and a Street Office in the past five years, my wife knew very well about the reality of neighborhood governance in Shanghai; her experience helped me greatly in my fieldwork study.

The third source is relevant official documents and media reports. From personal entails, I managed to network with some local officials in order to access many government documents about community building and influential events within Green Neighborhood. The materials reflect official expectations on these issues. I also collected many relevant media reports, which could partly reflect civil opinions over these issues. I further evaluated the reliability of these materials with my own observations and interviews.

The fourth source is the community survey. In this survey, residents were asked about the period of residence in their neighborhood, educational level, income, human relationships, networks, evaluation of the community, community participation and attitudes to community resistance. With the assistance and introduction from the RCs, the questionnaire interviews were conducted by my friends and myself.

Table 2.1 Socio-economic characteristic of the respondents in GI and GII

		High-building Area (random sample)	Low-building Area (Non-random sample)
Sex	Female	48.6%	46.7%
	Male	51.4%	53.3%
Membership of The CCP	No	73.1%	76.2%
	Yes	26.9%	23.8%
Age	16-29	11.9%	15.9%
	30-44	25.9%	16.8%
	45-59	39.5%	21.8%
	60 and beyond	22.7%	45.5%
Education	less than middle school	3.8%	4.4%
	middle and high school	56.2%	84.5%
	college and beyond	40.0%	11.1%
Family income	relatively high	29.6%	17.5%
	middle	34.1%	25.0%
	relatively low	36.3%	57.5%
Job position	ordinary working staff	61.2%	73.3%
	senior staff	38.8%	26.7%

The survey result shows that there was large variation in terms of socio-economic characteristic of the respondents. In addition, the employed residents in Green Neighborhood included factory workers, private businessmen, teachers, government officials, and entrepreneurs.

### Fieldwork

The Chinese society and political system are quite sensitive to “outsiders”. Any “outsiders” who attempt to learn about the detailed socio-political life of a community are closely watched by the local people, including government officials and residents. Local administrators usually only welcome those “outsiders” who investigate and publicize local achievements such as economic development while

they dislike those who may pay attention to local “downsides”. Therefore, they usually discourage outside researchers from conducting in-depth research in the communities under their jurisdiction in case the latter find “downsides”, especially problems of local administration. Those researchers who fail to get approval to study the communities are often turned away. To avoid potential troubles for themselves, local residents would not talk about relatively sensitive topics such as local politics to outsiders. They usually selectively provide information to researchers dependent on the degree of their familiarity with the latter.

As a result, an “outsider” researcher has to “go into” the community through approved channels and provide good justification for the research activities there. Therefore, it is necessary to build and employ *guanxi* networks with local people, which I managed to do. Since this is a longitudinal study on a neighborhood, I conducted many fieldwork trips in order to follow its changes in the past five years.

### ***The 2000 investigation***

In 1999, the PN district government chose four RCs to conduct the experimental reform of “three-self” RC election (see Shi 2005). The GIV RC was selected for its “successful experience” in community building. Because the reform was regarded as the first experiment of grassroots democratic reform in Shanghai neighborhoods, it received extensive attention.

Interested in community development, I hoped to find out whether this reform would promote grassroots democratization or the emergence of “civil society” in urban China. With the introduction of my former supervisor, who is an influential scholar in Shanghai, I together with one colleague was invited by the Shanghai

Community Development Research Association and the PN district government to investigate the consequences of the reform. We went to Green Neighborhood in January, 2000; I lived there for seven months.

During this period, I gradually got familiar with many local government officials, RC staff and residents. I also helped local community organizations and some residents to do many things, such as dealing with computer documents, taking photos and writing letters for illiterate aged residents. In many ways, I made friends with them and gained their trust. Naturally, they talked to me about the movement which was very influential to the local community but unexplored by “outsiders”. Through the introduction of Head of GIV HC, I got acquainted with the primary leader of the movement, Mr Shen, who was also head of No.1 Building HC. At that time, Shen had been experiencing a series of setbacks in the movement (see details in Chapter Five). He and other movement activists were eager to look for potential audience to publicize their “just” resistance. They were glad to know that I was interested in studying the movement.

Initially, Shen was a little suspicious of my motives in entering the communities due to my “official” background. However, like other local people, after many times of interaction, he understood that I am a neutral researcher who strived for thoroughness in my study of grassroots communities. I also introduced a family teacher to his daughter and many of my friends to him. We became friends and had good “*guanxi*” with each other. We exchanged small presents, visited homes and provided meals for each other. He not only told me the entire story of the movement in detail, but also provided me with all his files. Mr. Shen was proud of what he had done in the community. He asked me to be his “secretary” to record the public events involving him in the neighborhood, to help him remember his contributions to the



community. Due to his introduction, many other activists also accepted my interviews and talked frankly to me about their viewpoints. The local government also permitted me to study the movement because they hoped that I could figure out solutions to this kind of community conflicts. I also attempted to interview many local people including officials, RC staff and residents who had diverse standpoints on this movement.

After the first phase of fieldwork, I returned to my university to finish my master's degree study. After graduation, I got a job as a municipal government official and worked on community building. Therefore, I had the opportunity to read many government files on community building. I also obtain a deeper understanding of local administration including that of Green Neighborhood.

### ***The 2002 survey and fieldwork***

While working for the municipal government, I kept on contacting people in Green Neighborhood. I often attended important local meetings and talked to local people during my spare time. With the help of the GI RC and the GII RC, I also conducted a survey in GI and GII in January, 2002. Due to limited fund and time, it was impossible to conduct a large-scale community survey. Therefore, I limited the sample of this survey to 200 persons. The main objective of this survey was to collect some basic information of local residents and their community life, and to get some clues on possible links among social factors, which could be a guild for my non-participant observation and in-depth interviews. When I initiated my research in Green Neighborhood, the community movement was still going on in GI and GII and primarily involved those residents living in the high buildings near the park. I was very interested in examining the movement and interviewing closed related resident

groups, and thus chose the residents above 16-year old living in the high buildings as my sample. Specifically, there were 1422 GI residents and 1635 GII residents above 16 years old living in the high buildings. I randomly sampled 100 residents in each group. Before conducting the interviews, the interviewers were introduced to the respondents by RC staff or heads of resident groups. We also sent the interviewees small presents to express our gratitude for their cooperation. In the end, I received 185 questionnaires (91 from GI and 94 from GII) that were well answered. To obtain basic information about the residents living in low buildings, I also elicited the support of GI RC and the GII RC to non-randomly interview 30 residents above 16 years old living there with the same questionnaire in each sub-neighborhood.<sup>12</sup> I received a total of 45 questionnaires that were well answered. The surveys enabled me to obtain much background information about the local people before conducting in-depth interviews; they also allowed me to deduce some links among much less relevant social factors. And all tentative conclusions were further examined by my intensive observations and interviews.

I also requested those respondents who would like to talk to me more about their community to write down their contact numbers on the questionnaires. 83 respondents, 45 in GI and 38 in GII, did so as requested. In March 2002, I quit the government job and moved to GI until June 2002. I contacted the 83 residents and finally conducted in-depth interviews with 76 of them one-on-one. Some of them had become my friends, with whom I have kept contacts. I also employed other personal relationships in my field research. For example, when the vice head of 1308 HC happened to know that I was a student of his close friend, a professor in my university, he provided me with much frank information about the community. The main topic of

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<sup>12</sup> The RC staff believed that random investigation was too troublesome for them to conduct.

interviews during my fieldwork at that time was primarily about the community movement. My interviews included three main questions: 1) What did you know about the movement? 2) What did you do, or what are you going to do in the movement? and why? 3) What is your opinion on the movement and those parties involved in the movement? After this phase of the fieldwork, I started my doctoral studies at NUS.

### *The 2003 and 2004 fieldwork*

In recent years, China's urban neighborhoods have been experiencing rapid changes. Especially, as the main civil associations in the neighborhoods, HCs have become increasingly influential in urban grassroots communities. There also have emerged many controversies and conflicts relating to the associations, reflecting the transformation of local politics. In November 2003, I returned to the neighborhood to investigate community development in recent years. I visited local officials, RC staff and residents, sent them small presents, and invited them to tea, lunch or dinner. Most of my respondents answered sensitive questions about local politics frankly in private sessions. For example, some of them always told me: "Because you are our own person (insider, or *zijiren*), I will tell you the truth..."

In 2004, the law on property management and HCs was revised and enforced by the state. Shanghai thus conducted a new round of HC elections. Local governments, Party branches and housing management companies tried to manipulate the elections. Some residents strongly resisted such manipulation. In June 2004, the HC elections was organized in Green Neighborhood; the elections became the focus of neighborhood politics in the following months. I followed to look at the election

procedure; I observed the propaganda of the government about the election, the establishment and operation of election committees in these neighborhoods and the actual election activities.

I also conducted comprehensive interviews to learn the plans of the neighborhood actors for participating in the election of HCs, and the main factors affecting their participation. These intensive observation and interviews enabled me to understand a lot about how the actors competed in the elections and forged power relations with one another.

### *2005 and 2006 interviews*

During my 2004 fieldwork, some HCs in Green Neighborhood were elected under the manipulation of the RCs and the Street Office. However, some former movement activists in GI strongly resisted such manipulation; and the elections of their HCs were delayed again and again. I went back to the fieldwork site in June and July 2005, and February 2006; and I visited some of my main informants and conducted 12 interviews, which helped me learn a lot about the latest political development in Green Neighborhood.

In sum, this is a study based on a few Shanghai sub-neighborhoods. I will not claim that my findings on neighborhood politics are applicable to the whole urban China, even the whole Shanghai. Actually, as other researchers have suggested, due to the varied situations “from city to city and neighborhood to neighborhood” (Read 2000: 807), it is very difficult to make generalizations about neighborhood politics in urban China. The primary aim of this study is, through detailed description of local political changes, to display some scenarios of neighborhood governance and,

furthermore, to develop a theoretical framework of urban grassroots politics. This may help us to understand more of the social and cultural dynamics of neighborhood politics.

## **Chapter Three: Community Building and the Formation of Local Pro-image Coalition in Urban Neighborhoods**

### **Introduction**

As Andrew Walder (1995b) suggested that in post-socialist states, including China, changes within political systems themselves should be primarily responsible for social transformations and the expansion of public space. Therefore, to understand the dynamics of neighborhood politics, we have to first look at the local regime and the changes within political systems. However, the way that local regime implements its management policy and achieves domination over neighborhoods under the context of urban reforms is presently unclear.

Generally, formal systems define the boundary of a certain political field. However, existing research has reminded us of the influence of informal politics and the role of personal networks in Chinese political field (e.g. Nathan 1973; Walder 1986; Dittmer 1995; Wank 1995; Brunn 1995). Therefore, this chapter examines the formal institutional changes of urban local administration on the one hand and the informal channels that the local regime utilizes to construct its domination on the other. In particular, it addresses the following questions: How have urban reforms, especially the community building, affected the functions of the local regime and its administration? How does the local regime establish its domination? In the following sections, first, I examine the existing research on local regimes. Next, I describe the transformation of grassroots governance from the era of command economy to market economy in order to provide the setting for further analysis of local regimes in urban China. Finally, I will examine the impact of the reform on the interests and concerns

of local authorities and economic elites, leading to the discussion of their behavior pattern regarding neighborhood management.

### **Social Transition and China's Local Regime**

Since the 1980s, socialist China has been experiencing the transition from a command economy towards a more market-oriented economy, thus greatly affecting local governance. Many studies have examined the transformation of the functions of local governments and their behavior pattern in the context of this transition. Before the mid-1980s, many local governments were primarily concerned with enforcing state policies and promoting balanced community development (Blecher 1991). However, later formal institutional changes like decentralization and fiscal reform allowed local governments to share “profits” of local economic development, like tax revenue, with the central state. They thus became more concerned with economic growth rather than social development and attempted to attain economic resources with their administrative power (Yang & Su 2002). Researchers have also developed a number of models to explain the mechanisms that local states are involved in economic activities. Jean Oi (1992, 1995, 1999) explored the relations between local governments and the enterprises auxiliary to them. She found that local governments have characteristics of modern corporations. Local officials behave like trustees, and they intervene in the operation of enterprises, utilizing the political and financial resources under their control to support the latter. Therefore, these enterprises grow rapidly. She termed this type of symbiotic unity between local governments and enterprises as “local corporatism”. Lin Nan (1995) paid much attention to the role of informal networks in local political economy. Using the concept of “local market socialism”, he highlighted the role of family networks in facilitating the operation of political and economic institutions at the grassroots level. Drawing on the perspective

of regime theory, some other researchers investigated the redevelopment of China's cities. As Tingwei Zhang (2002) pointed out, in western liberal polities like America, business groups dominate in local politics while, in China, there is a strong government involvement in development programs at various levels, which often assumes the leadership of bureaucracy. His study further "reveals features of the socialist pro-growth coalition in Shanghai in the transitional era: a regime characterized by a strong local government followed by cooperative nonpublic sectors with excluded community organizations." (ibid, p475)

Unfortunately, while most of these existing research focused on the involvement of local pro-growth coalition in promoting economic development, very little attention has been paid to the way in which local regimes facilitate their domination in routine management. This chapter therefore examines how and under what conditions local governments and other social forces cope with routine management in neighborhoods within the context of Chinese urban reform.

## **Community Building and the Transformation of Local Governance in Urban China**

### ***The local management systems and community power structure in neighborhoods in the era of command economy***

Grassroots community is one location where the state directly interacts with social forces, especially citizens. To consolidate the regime and to accomplish its development strategy, the Party-state endeavored to stabilize and control grassroots communities. After the 1949 Revolution, the Party-state attempted to permeate grassroots communities and organizations, and gradually established a set of systems in the urban society: Party-state System, Household Registration System, Work-unit



System and Neighborhood System. Wu Fulong has pointed out that before economic reforms, the former three systems were pillars of socialist urban governance:

“The leadership of the Chinese Communist Party (CCP) is guaranteed by the hierarchical party system which is parallel to the administration system. Party branches exist at all levels of government, institutions and workplaces, and play a leadership role in these organizations. Household registration (*hukou*) effectively requires the registration of the place of residence with the public security agency. Tied with food rationing, employment permission and other welfare benefits that were not purchasable, the system effectively prevented rural peasants from moving into the cities” (Wu 2002:1073)

Among them, the most important was the hierarchical Work-unit System, by which the state mobilized citizens to strive for socialist industrialization. Before the 1990s, most urban citizens were integrated into state-owned or collectivity-owned work-units such as factories, shops, schools, hospitals and government agencies at different levels. Each work-unit was called a *danwei*. As many previous studies found, these work-units were not only work places, but also main channels by which the state served, and imposed control over, urban citizens. In particular, the members of work-units were granted a lot of privileges and welfare denied to peasants such as secure jobs, nearly free housing, free medical care, subsidies for many items and good retirement pensions. But the work-units also imposed strong political control over their employees because the party branch and the security department at every work-unit closely monitored their activities, granting rewards to encourage political loyalty and sanctioning punishments for politically unacceptable behavior (Lu & Perry 1997:3, also see Whyte & Parish 1984; Walder 1986; Lu 1989; Shaw 1996). Thus, work-units played both political and economic roles in cities and became the center of urban social activities. This system resulted in citizens’ “organized dependence” on

their work-units which could thus effectively manage and control citizens (Walder 1986). Therefore, the 'hierarchical' Work-unit System was the main pillar of the routine management of the Party-state in cities (e.g. Hua 2000; Wu 2002).

The Party-state also utilized neighborhood organizations as the secondary governing system to manage the citizens who either did not belong to any work-units or had retired from work-units. The administrative system of China's big cities usually includes two levels of government including the municipal government and district (*qu*) governments. Every district government usually set up a few Street Offices as its local branches to administer sub-districts (*jiedao*), each of which usually includes several neighborhoods. In contrast to the sociological concept of "community" which highlights the common sense of identity, China's "neighborhood" is a more geography-oriented concept. It refers to a geographical area which includes hundreds of buildings and is surrounded by some natural boundaries such as rivers or broad roads. However, its scale varies from one city to another. In Shanghai, a neighborhood may include several lanes (*linong*) or a new-style urban village (*jumin xincun*), and some public facilities such as schools, shops as well. Usually, for a neighborhood of *jumin xincun*, the population is around several hundred thousand.

To facilitate their administration, Street Offices usually divide a neighborhood into several sub-neighborhoods (*xiaoqu*) and establish a RC in every sub-neighborhood to help it oversee residents. Each sub-neighborhood is often roughly separated from others by walls or fences, and its population ranges from several hundreds to several thousands. By the end of 2002, excluding its rural suburbs, urban Shanghai comprised 18 district governing 99 Street Offices, which in turn oversaw 3393 RCs. According to the law, RC is "base-level autonomous organization of

residents”, whose obligations are mainly to serve residents and to help Street Offices advertise state policies. Its members should be elected by, and from within, its constituents. As one branch of the district government, Street Offices should provide operation fund and other forms of support, but has no power to give any order, to RCs under its jurisdiction.<sup>13</sup> However, Street Offices and police stations in neighborhoods actually supervised the operation of RCs and utilized the latter help them to implement state policies, to monitor citizens’ activities in neighborhoods, to organize a few residents who did not belong to any work-units for regular political study, and to provide a few services to residents as well (Whyte, Vogel & Parish 1977: 186; Whyte & Parish 1984; Read 2003a). Therefore, Street Offices have actually integrated RCs into part of the grassroots administrative system, which was called the Neighborhood System (Xiang & Song 1997).

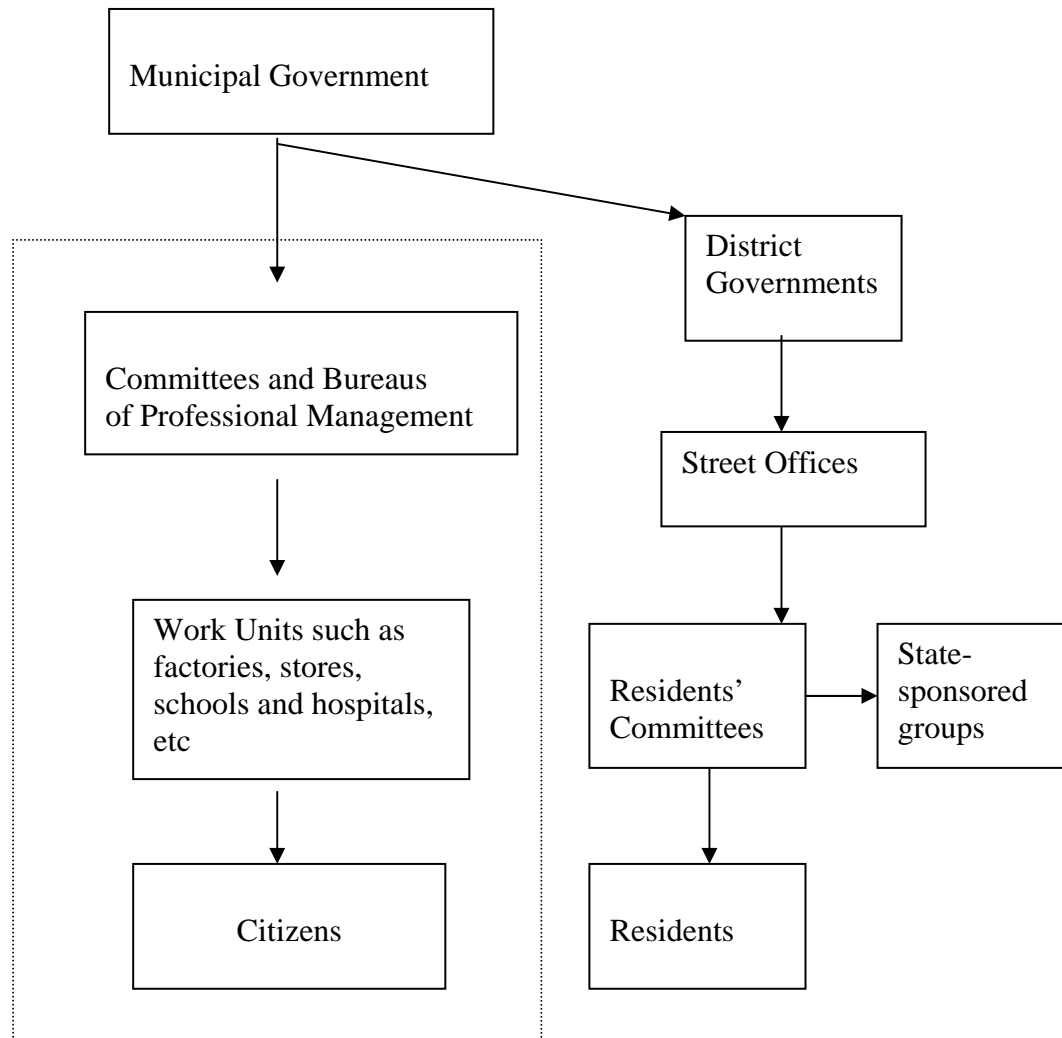
The four systems constituted a tight government control network to supervise all citizens. As China researchers observed, “In both work-units and in neighborhoods, efforts are made by authorities to ensure conformity with official standards of behavior.” (Whyte and Parish 1984: 240) Such “administered mass organizations” like trade unions and women unions in work-units and RCs in neighborhoods help a lot to organize citizens, making China working like a “conscription society” (Kasza 1995). During the era of command economy, these administrative systems were highly effective in terms of social control. Compared to other world cities, “Chinese cities after 1949 became remarkably orderly.”(Whyte & Parish 1984: 247) The strict state control also resulted in a clear integral hierarchy of community power structure in every urban neighborhood, with Street Offices and other government branch

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<sup>13</sup> See <Regulations of Urban Residents’ Committee >(1954), <Constitution of the People’s Republic China>(1982) and < Urban Residents’ Committee Law of the People’s Republic of China >(1989) for details.

agencies, such as police station, housing maintenance bureau, food bureau handling all important matters, often with assistance from the RCs (Read 2003b:54; also see Whyte & Parish 1984).

Chart 3.1 Administrative Hierarchy in Urban China before the Reform



***Community building and the reconstruction of grassroots governance under market-oriented reforms***

The implementation of market-oriented urban reforms in the 1990s, including those of state-owned enterprises, fiscal system, housing and land, and labor market has had imposed great impact on the former urban governing systems, especially the

Work-unit System. First, after the initiation of market-oriented reforms, many state-owned enterprises were unable to compete with private sectors due to their low efficiency.<sup>14</sup> Many went bankrupt; others not only dismissed many workers they did not need any more, but also reduced the services offered to existing employees to cut down management cost. Many workers thus lost their jobs. In Shanghai, the number of workers who were laid off from 1991 to 1996 was 1.091 million (Sun et al 1999:16). Therefore, the Work-unit System characteristic of full employment and full social services has been gradually crippled.

Second, since the 1990s, a new tide of urbanization has arisen in China; many cities have initiated urban renewal projects. In 1992, the state decided to push forward the opening of Shanghai and to develop it into an international metropolis. With the support of the central government, the Shanghai government started to reconstruct the city on a large scale. They proclaimed that Shanghai would be improved significantly every year and substantially every three years in terms of its image (*yinian yige yang, sannian da bianyang*). Governments at different levels have not only invested heavily to reconstruct the infrastructure, but also invited domestic and international investors to develop real estates in Shanghai. With the large-scale city renewal, many citizens had to be moved from their former residences affiliated to their work-units to newly-constructed neighborhoods; the total number of resettled families was more than one million in the 1990s.<sup>15</sup>

Third, with the labor market reform and economic development, more and more citizens worked for private and foreign enterprises instead of state-owned work-

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<sup>14</sup> According to Janos Kornai (1992), due to the system of “soft budget”, socialist state-owned enterprises under command economy are deemed to be in low efficiency in terms of their economic efficiency. In the 1990s, over half of state-own enterprises made financial losses in China(Wu 2002: 1076)

<sup>15</sup> <http://unn.people.com.cn/GB/14748/3249670.html>

units. Economic development also attracted a large number of citizens moving from rural areas and small cities to developed cities to look for jobs or to conduct business; they are called “floating population” (Solinger 1999). In Shanghai, there have been millions of “floating population” since the mid-1990s. Therefore, due to urban reforms, many former work-unit employees (*danwei ren*), particularly workers, lost their links with the state-owned workplaces. Together with citizens who work in private sectors and the “floating” population, they have become simple members of the society (*shehui ren*) that are beyond the control of the Work-unit System (Hua 2000; Xu ed 2000; Wu 2002). Furthermore, as Wu Fulong pointed out, the foundations of the Party-state System in work-units and the Household Registration System have also been shaken by reforms. Specifically, to increase efficiency of state-owned enterprises, the state implemented the system of “manager responsibility” to shift more executive discretion from Party branches to professional managers in work-units. The Household Registration System aiming to confining rural-urban migration and intercity migration was previously related to the provision of welfare and jobs through work-units. With the disintegration of the Work-unit System, the Household Registration System was also gradually relaxed. Migrants can purchase a *hukou* or acquire it through buying “commodity housing” (see Wu 2002: 1074).

With the governing capacity based on these systems greatly weakened, the Party-state then shifted its main pillar of grassroots management from work-units to residential neighborhoods because neighborhoods have “the jurisdictional capacity to regulate all activities within the area regardless of their affiliation” (Wu 2002:1080). The state required these local territorial agencies to take more management functions to regulate new activities taking place outside work-units and to administer citizens who are beyond the control of work-units (Tang & Parish 2000; Xu ed 2000; Hua

2000; Yang 2002; Wu 2002). However, before the mid-1990s, local governments and RCs had inadequate economic and political resources to fulfill such difficult tasks, since the former Neighborhood System was the secondary administrative system. Therefore, there were great potentials for social unrest to occur, which would have threatened the rule of the Party-state. In many big cities such as Shanghai, there was increasing number of citizens complaining (*shangfang*) to all levels of governmental agencies of losing their jobs or being forcibly resettled, which was regarded by the Party-state as an indication of social unrest.

To cope with these challenges, the Party-state launched extensive community building projects in big cities to strengthen the Neighborhood System as the main control channel. The central government encouraged local governments to explore new models of Neighborhood System that suited their local social conditions. Therefore, the Shanghai Municipal Government started community building in the early 1990s. In particular, the main projects are as follows:

(1) Providing social services, promoting reemployment and poverty reduction

Before economic reforms, work-units were responsible for providing comprehensive social services to most citizens, taking care of them almost “from the cradle to the tomb”. Street Offices and RCs only provided services to a few citizens who did not belong to any work-unit, and the tasks including baby-sitting, barbering, or helping the aged to shop, were much less than those provided by work-units. Therefore, the services provided in neighborhoods were few and small of coverage; only a few staff of Street Offices and RCs were involved. With the disintegration of the Work-unit System and the rise of non-state sectors, more and more citizens could not obtain social services from their work places, and so they turned to their

neighborhoods for services. To maintain social stability and regime legitimacy, the state required Street Offices and RCs to be responsible for providing comprehensive social services to the citizens under their jurisdiction. Since the 1992, the Shanghai municipal government has regarded “developing community services” as a focal point of local administration. Except for state investment, the municipal government also required local governments and social organizations to provide fund for developing social services. Since then, there has been great enhancement of social services provided in neighborhoods, such as everyday health check, barbering, parking, small maintenance, consultancy, arts training, professional training and provision of information. Many service facilities have also been established. For instance, in each neighborhood, the government has established at least one big center providing social services to all local residents and several life-care institutions for the aged. Furthermore, many Street Offices staff and RC staff have been engaged in this project.

As mentioned above, since the beginning of the 1990s, a large number of workers have been laid off every year. By 2002, the cumulative number of laid-off workers was 1.6 million, which was nearly one third of the number of employers in state-owned work-units (Yin ed 2004:86). Furthermore, most of these laid-off workers have little education, and their skills are outdated for the new economy. It was hard for them to find jobs in the labor market by themselves (see Sun et al 1999). Being laid-off has thrown many urban families into extreme poverty, which has also threatened state legitimacy and social stability. Therefore, the state has initiated many reemployment projects in cities. Local governments are required to organize skill training programs for laid-off workers, and they enlist RCs in organizing these programs, introducing laid-off workers to new jobs and providing job information to the latter.



The state also implements policies of poverty reduction in neighborhoods. Specifically, it provides relief subsidies to very poor families; schools also reduce the tuition fees of students from poor families. These families can apply for all kinds of relief subsidies from local government agencies, while the latter usually expect the RCs to investigate whether the applicants are actually poor and to distribute the relief subsidies to those approved. According to state policies, local governments should distribute relief subsidies to all poor families. However, in reality, due to limited fund, many local governments do not approve all applications even if they are well justified.

## (2) Conducting “spiritual-civilization building” project

In the large-scale urban renewal of the 1990s, many neighborhoods were reconstructed, residents were resettled, and social networks in old neighborhoods were destroyed. As a result, residents did not know one another in new neighborhoods. While some fought over small issues, few residents cared about public affairs. Citizens were psychologically isolated from their neighborhoods. There also emerged a large number of neighborhood criminals. Urban life was thus in relative disorder. Consequently, citizens were dissatisfied with local authorities (see Xu ed 2000). Therefore, the municipal government was eager to promote community integration to keep neighborhoods stable and to enhance their own legitimacy. Besides, the orientation towards an international metropolis also caused the government to care much about the image-building of neighborhoods. After expansion of social services in neighborhoods, the municipal government decided to further launch “spiritual-civilization building” projects to reconstruct environments in neighborhoods. The aims are to restore social order, to improve physical environments, and to build social networks among residents, which could be utilized by RCs to govern them.

Specifically, the government set up five main criteria to evaluate the performance of community building, or “spiritual-civilization building” projects, in particular: good public orders, neat and tidy environments, comprehensive social services, harmonious neighbor relationships and abundant entertainment activities.<sup>16</sup> In 2005, the government set up another new criterion--high satisfaction of residents with their neighborhoods.<sup>17</sup> These criteria have also been quantitatively operationalized into small items that can be measured. Sub-neighborhoods which meet these criteria at different level are be granted municipal-rank or district-rank honor titles of “Model Quarter” (*wenming xiaoqu*).

To promote the enthusiasm of local governments in developing develop “Model Quarters”, the municipal government established “committees of ‘spiritual-civilization building’” at various government levels, constituted by heads of all government departments to supervise the implementations of the project. Furthermore, it regarded the number and the rank of “Model Quarter” as one main criterion for evaluating the management performance of local governments. Therefore, many Street Offices invested significantly to build “Model Quarters”. They not only endeavor to improve neighborhood environments such as planting greeneries, building service facilities, establishing enclosing walls and fences around sub-neighborhoods to enhance security, but also enthusiastically organize exercise teams and host entertainment activities to show how peaceful and harmonious neighborhood life is under their jurisdiction. Especially, since the breaking out of the *Falungong* movement in the end of 1999, the state has attached more importance to “spiritual-civilization building”. It claimed that local governments should “guide the citizens to

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<sup>16</sup> see [http://www.godpp.gov.cn/cjzc/2003-12/13/content\\_1336847.htm](http://www.godpp.gov.cn/cjzc/2003-12/13/content_1336847.htm)

<sup>17</sup> see <http://wm.eastday.com/jianbao6.htm>

live a healthy life” and make sure they do not join “evil religious organizations” like the *Falungong* association.

### (3) Strengthening Street Offices and RCs

In the age of command economy, the municipal government, representative of the state, had control over almost all power and resources; government agencies at the district level and Street Offices could only passively perform directives from the municipal government, which seriously impaired their capability and enthusiasm to positively promote local development. Due to rapid social changes, there have been increasing administrative affairs to be dealt with, which were beyond the management capability of the municipal government. The latter thus had to entrust the district governments to take over many management functions. Especially, after having initiated the community building plan, the municipal government had insufficient financial resources to implement these projects, which needed a large amount of investment, by itself.<sup>18</sup> The government then had to rely on local governments, particularly Street Offices that directly take care of public management at the neighborhood level with the assistance of the RCs. Therefore, the municipal government set up a city administration mode of ‘two levels of government, three tiers of management and four levels of networks (the municipal government, district governments, Street Offices, RCs) and granted Street Offices much power to stimulate their enthusiasm.

After 1996, the municipal government not only raised the ranks of main leaders of the Street Offices, but also empowered the latter to be in charge of the socio-political and economic development of the neighborhoods under their

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<sup>18</sup> For instance, it will cost millions of *yuan* to develop a “Model Quarter”.

jurisdiction. Most importantly, the government has enforced the policy of “refunding business tax”. That is, the government refunded large percentage of the tax levied on those enterprises registered in a certain neighborhood to the local Street Office so that it would have enough resources to promote local development. The more enterprises register in a neighborhood, the more economic resources the Street Office will have. Since then, the performance of Street Office officials and their personal income have been highly tied to local economic development. As a result, “the combination of new market elements and decentralized state apparatus has given rise to the entrepreneurial endeavor of China’s governance” (Wu 2002:1071). Street Offices not only set up their own businesses, but also make every effort to attract external enterprises to register in the neighborhoods under their jurisdiction through all kinds of channels and means including providing investors with various schemes of incentive (e.g. Zhu 1999; Wu 2000). Furthermore, they also welcome estate developers to reconstruct neighborhoods under their jurisdiction. Obviously, once a neighborhood is reconstructed and “updated”, its image is improved and its economic production increases. The local government therefore receives more financial resources and can cut down the budget for poverty reduction since the poor families are resettled away. Thus, local governments spare no effort to encourage and help estate developers. Consequently, with the initiation of community building projects, local growth coalitions have been gradually formed among local governments and businessmen (Wu 1999; Zhu 1999; Wu 2002).

Since the mid-1990s, Street Offices have had more economic resources at their disposal. Some of these resources are spent on community buildings; others are distributed among local officials. Correspondingly, the income and professional reputation of the staff in Street Offices have risen (Sun 1997: 202). In some developed

neighborhoods, the income of the middle-rank management staff can be several times that of the average income of Shanghai citizens; thus many people are attracted to such positions in Street Offices.

To cope with the increasing management affairs shifted to them, Street Offices have set up many branch institutions. Furthermore, they follow the instructions of the municipal government and strengthen RCs to assist them to manage the sub-neighborhoods. Before the initiation of community buildings, RCs played a marginal role in urban management. Most of their staff were retired or jobless residents with little education. To improve the efficiency of RCs, Street Offices recruited middle-aged former management staff of state-owned enterprises who had been laid off to constitute new RCs. In recent years, they have even begun to recruit undergraduates to work as RC staff. Furthermore, Street Offices have also renovated RC office facilities. Since they can decide on the amount of the operating fund distributed to RCs, Street Offices often ignore the law and require the RCs to work mainly for them instead of for residents; and they appoint RC staff to ensure that the latter do their best to serve the Street Offices. As a result, RCs have been transformed into quasi-administrative institutions (Shi 2005).

#### (4) Introducing grassroots democratic reforms

With the influence of globalization, Chinese government faces the pressure of democratization. The government has chosen to develop grassroots democracy to show its efforts in democratization. It has also decided to develop grassroots democracy in cities to promote local governance. Since the late 1990s, some big cities have initiated democratic reforms in neighborhoods, and to conduct elections of some civil associations, particularly RCs and HCs.

### *A, the election of RCs*

Under the control of Street Offices, RCs had to work mainly for them. When there were contradictions among government agencies and residents, the RCs had to be on the side of the former. Citizens were very dissatisfied because the RCs failed to stand for their interest, as required by law. They would often put the blame on the state, which is believed to be responsible for the action of the Street Offices and the RCs, since the latter were agents of the state in neighborhoods. In other words, this former Neighborhood System had resulted in some adverse influence on the legitimacy of the Party-state. Therefore, since the late 1990s, some big cities, such as Shanghai and Shenyang have required local governments to conduct democratic election of RCs to restore the autonomy of the latter. In this reform, high-level governments encouraged residents to fulfill their rights and to elect the members of RCs by themselves and from within residents instead of those appointed by Street Offices so that the new elected RCs would mainly work for residents themselves instead of for local government agencies. This reform was claimed to be the climax of community building by all levels of governments (Xu ed 2000; Read 2000; Shi 2005). Shanghai conducted election in several selective RCs in 1999 for trail and in all RCs in 2000. In 2003, the city conducted RC election again.

### *B, the election of HCs*

The state also initiated the establishment and election of HCs in neighborhoods. In the time of command economy, the state distributed homes to citizens through their work-units, and only charged a small rent from them. It also established Housing Maintenance Bureau (*fanguansuo*) in every neighborhood to

maintain homes for citizens. With the increase in urban population, the state could not afford to provide enough homes to all citizens. Therefore, it decided to initiate the reform of house property and to introduce market forces to construct “commodity homes” after the mid-1990s. The state required citizens to buy homes from it or in the market instead of asking for homes from work-units as before. To promote this reform, the governments at different levels not only established many state-owned estate development companies, but also encouraged private developers to be engaged in estate development (Zhou & Logan 1996; Wang & Murie 2000). Furthermore, the state also transformed Housing Maintenance Bureaus into property management companies. Many estate development companies also established property management companies under their control to be responsible for maintaining the housing they had sold or rented to citizens.

Furthermore, many city governments encouraged citizens who had bought homes to elect their representatives to constitute HCs, whose obligations were to cope with public affairs that were related to residents’ homes, such as managing housing maintenance fund (usually several million *yuan*), and monitoring property management companies. In Shanghai, the Peoples’ Congress enacted a policy in 1997, which required that HCs be established in all new-built residences.<sup>19</sup> Since then, more and more HCs have played an active role in their neighborhoods (Cao & Li 2000; Li & Shi 2002; Read 2003b). In 2004, the central government enacted a law regulating the election and operation of HCs; it also required local governments to initiate HC election in accordance with the new law. By initiating the elections of RCs and HCs, the state claimed to democratize grassroots communities and to regulate them by law.

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<sup>19</sup> See Management Regulations of Residential Housing Property in Shanghai (*shanghaishi juzhu wuye guanli tiaoli*) (1997).

Therefore, “democracy” and “rule by law” have become popular discourses in China’s urban society and have begun to influence neighborhood politics.

#### (5) Strengthening local Party organizations

Like in workplaces, the CCP also set up the Party-state System in neighborhoods—Street Working Committees (*jiedao danggongwei*) parallel to the Street Offices and Party Branches (*dangzhibu*) parallel to the RCs. The disintegration of the Work-unit System and social changes in the 1990s led the Party to believe that it could only consolidate its rule over citizens through neighborhoods. Therefore, the Party initiated “Party-building in community” project and started to strengthen its neighborhood branches to ensure its control. The Party assigned every Street Working Committee, constituted by all heads of government agencies at neighborhood level, to be in charge of governance of the neighborhoods under its jurisdiction; and the Party required that all government agencies at neighborhood level including Street Offices be under the leadership of their Street Working Committees respectively. Since every committee share offices with the Street Office, and the head of the Office is also appointed the primary vice-secretary of the Committee, the Party organization is actually integrated with and has actual control over the Street Office. In turn, the Party also assigned every Party Branch in sub-neighborhoods to be in charge of governance at the base level and to control the RC.

Furthermore, to reinforce its leadership in neighborhoods, the Party required its ordinary retired members to transfer their membership to, and its employed members to associated themselves with the activities of, the Party branches at their sub-neighborhoods (also see Sun 1997; Wu 2000: 1081). The Party also urged its members to take part in neighborhood associations such as HCs, entertainment teams,

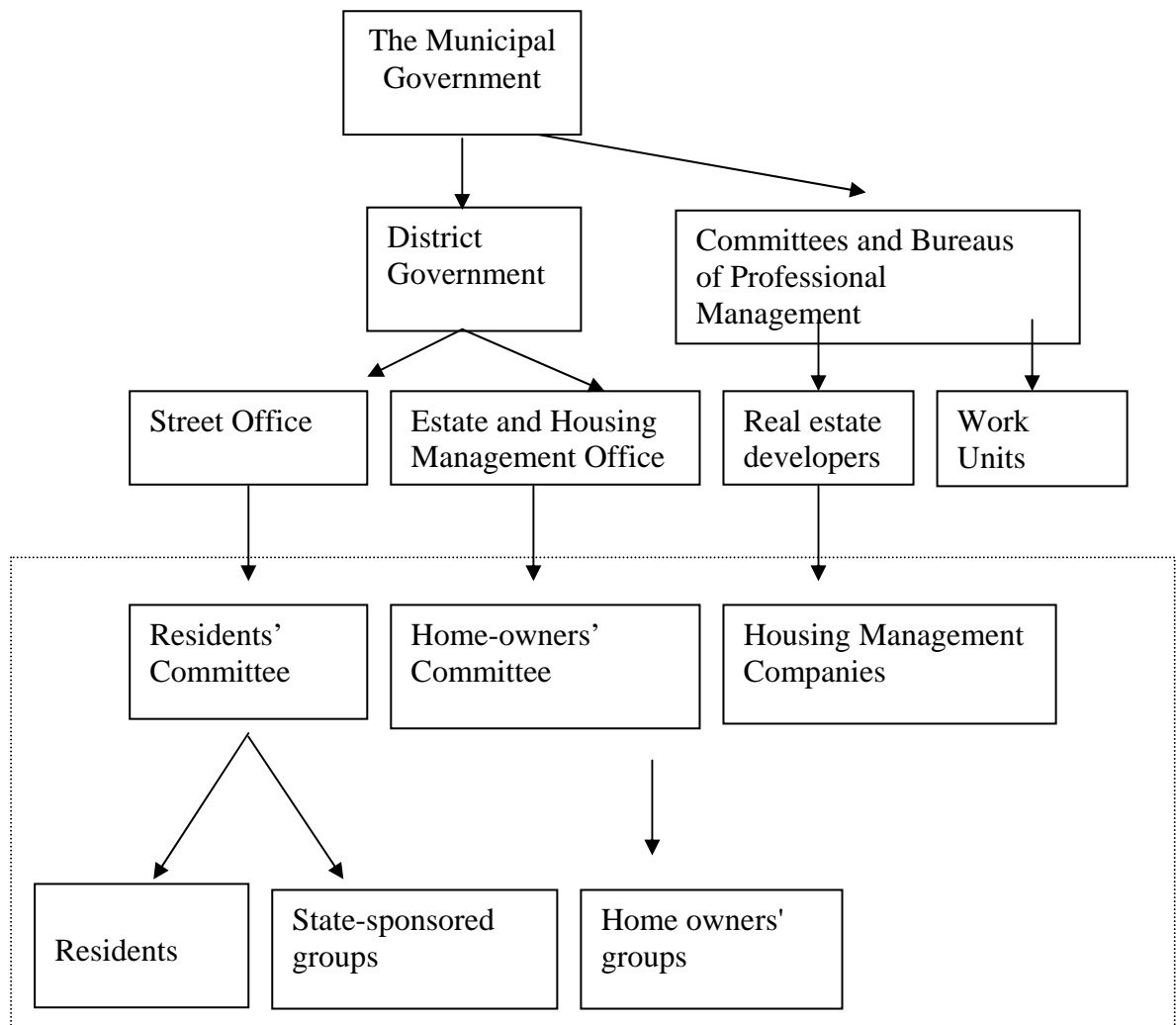


and exercise groups to take over their leadership so that the control of the Party over these civil associations could be smoothly achieved. In other words, due to the declining influence of the Party-state System in workplaces, the Party expects to exercise its authority over the society by revitalizing the Party-state System in neighborhoods. Recently, it even formulated a policy to require Street Working Committees to establish branches in all social organizations, including private and foreign enterprises in the neighborhoods under their jurisdiction, so that the Party could politically influence these organizations.

Therefore, with the disintegration of the Work-unit System and the initiation of community building, more management functions have been shifted from workplaces to neighborhoods. In addition, due to urban development, there have been emerging new public affairs that need to be managed. Hence, the scope and amount of neighborhood management, together with the economic and human capital invested in this field, have been substantially expanded. As a result, the Neighborhood System has been revitalized as one main pillar of urban grassroots governance. In sum, community building “reflected the state’s attempt to reconsolidate its power to create a governable society as well as to cope with practical pressures such as the provision of social assistance to poor and aged residents, re-employment of laid-off workers, and the management of ‘floating’ immigrants.”(Wu 2002: 1071; also see Dai & He 2000; Hua 2000) Due to the limited economic resources and poor management capability of government agencies, the state also encouraged commercial organizations and citizens to participate in local governance. The ideal objectives that the state wanted to achieve in community building are reflected by the slogan of the Shanghai Municipal Government: “the Party must be able to impose strong leadership over communities; the government agencies can orderly administer them; all parties

of social forces should actively participate in community building; citizens should live in peace and enjoy their lives in communities” (*Dang de lingdao youli; xingzheng guanli youxu; gefang guangfan canyu; qunzhong anjuleye*). Therefore, with shifting focus from work-units to neighborhoods, China’s urban grassroots governance is changing towards being more market-oriented (Tang & Parish 2000; Xu ed 2000; Hua 2000; Wu 2002; Yang 2002), which can be reflected by chart 3.2:

Chart 3.2 Administrative Hierarchy in Urban China after the Initiation of Community Building



### ***Guanxi* Networks and the Formation of Local Pro-image Coalition in Neighborhoods**

In community building, the Party state has attempted to maintain a governable society and to improve the image of cities by empowering local regimes. As a result, local governments have been able to play an important role in urban administration. Being concerned with promotion and other interests, local officials endeavor to mobilize political and financial resources to improve the image of the neighborhoods under their jurisdiction to impress high-ranking governments. Given the importance of *guanxi* networks in Chinese society, they often utilize the informal ties in their mobilization efforts.

The primary target for local officials in mobilizing resources is officials in high-ranking government agencies. Since the career prospect of China's officials depends on the impression of their superiors involving both the image of the area under their jurisdiction and the related personal image instead of election by citizens, local officials spare no efforts to impress their superiors. Usually, they seek to establish *guanxi* with high-ranking officials to get their patronage by giving presents like local products, transportation cards, food tickets and even cash gift in envelopes (*hongbao*) with tactful excuses, often at the expense of the public. For instance, when officials in high-ranking government agencies visit lower-level government agencies under their supervision, local officials present transportation cards with much money in the account with words like: "many thanks for coming, we welcome you to visit us in the future to give instructions and help; and the cards are just to cover your transportation fees." Local officials also invite officials in high-ranking government agencies to visit popular scenic sites under their jurisdiction with the excuse of "asking you leaders to take a rest from busy work." As the former head of the W

Street Office told me, “it is normal for us to treat visitors from high-ranking government agencies to something.” Naturally, the officials who accept the offers would help the Office on other occasions in return for their favors.

The mass media is another important channel for local officials to show off their “management performance” and to improve their image. Once a local government agency get praise by the mass media for their performance and image, they can attract the attention of high-ranking officials and investment from businessmen. Many local officials concede, “If you want to impress them (superiors), you have to spend 30% energy on working, and 70% energy on propaganda (*sanfen gan, qifen chui*).” Therefore, they would always like to make friends with media reporters. In Shanghai, some big media, like the municipal-government affiliated *WH Newspaper*, are politically influential; their journalists are very popular among local officials.

The relationship between the W Street Office and media is a typical case. In 1989, Mr. Wang, the then Party Secretary of the Office invited Ms. Ge, a journalist working for the *WH Newspaper* to visit Green Neighborhood and to broadcast their performance on image-building of the neighborhood. Ms. Ge then got her report published on the front page of the newspaper, attracting extensive attention.<sup>20</sup> Since then, the Street Office has become very famous in Shanghai for its performance, which has in turn enhanced the personal political image of Mr. Wang. In fact, he got promoted later. Wang and other main officials in the Street Office built good *guanxi* with Ms. Ge and invited her to visit them and sent her presents. In the following decade, both parties cooperated well with each other. As Ge herself told me, “They (the leaders of the Street Office) attached much importance to broadcasting their

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<sup>20</sup> see the transcript of my interview with Ms. Ge in 2002.

image in the media. Any time when they initiate new projects, they inform journalists about this. ” My personal experience also confirm the attitude of the W Street Office towards the media. I worked for a newspaper as a journalist for a short period in 2001. When I visited the Street Office, they treated me to a big meal and gave me a cash gift. Only then, did I understand why there had been always some good news about the Office on many Shanghai media. To show my friendship to them, I declined the cash gift. However, being experienced, my friend laughed at me saying that I did not really understand the local officials. As he told me, “If you accept their offer, they would believe that you would be on their side in future; otherwise, they would not trust you and tell you the truth.”

Actually, many power holders like officials and media reporters have received too many gifts such as food tickets so that they can not use up these things at all. As a result, outside many supermarkets in Shanghai, there are always a few people asking customers whether they have spare food tickets to sell out in discount. The formation of this kind of black market partly reflects the prevalence of informal favor exchanges in the Chinese administrative structure.

Research indicates that, in the economic field, local officials also attempt to build informal alliance with investors, especially estate developers, to make profits (Zhu 1999; Zhang 2002). The initial success of resource mobilization through informal networks in turn provides local officials more resources to build both neighborhood image and their personal *guanxi*. Therefore, they have gradually forged local pro-image coalitions with high-ranking officials, media reporters, businessmen, controlling many resources. In Shanghai, many heads of Street Offices and their Party Secretaries have the power to allocate millions of *yuan*; and, as mentioned above, their personal income is several times that of ordinary citizens.

Focusing on image building, Street Offices tend to promote social development in a perfunctory manner; and they attempt to dominate the neighborhoods under their jurisdiction so that they can manipulate everything to show off their “prosperous, peaceful and stable image.” On the one hand, the Offices utilize formal institutes like police stations and RCs to manage neighborhoods. They also establish public facilities and organize all kinds of propaganda and entertainment activities to attract residents against the influence of dissident organizations. On the other hand, Street Offices also employ informal networks to facilitate their domination. For example, having control over RCs, they can utilize the personal networks between RC staff and resident activists to influence other ordinary residents (Read 2000, 2003a). Furthermore, they also utilize informal networks to disunite HCs (for a discussion on this, see later chapters). Most importantly, they forge alliances with business groups to facilitate image building and domination over the neighborhoods under their jurisdiction. This can be illustrated by the situation of property management, which is almost relevant to the interests of every resident household.

### **Case study: Property Management and the Domination of Local Pro-image Coalition**

With the further housing reform, the former state-owned Housing Maintenance Bureaus (*fangguansuo*) in every neighborhood have been transformed into independent commercial property management companies. Besides getting less and less financial subsidy from the state, they have to support a large number of staff, most of whom are not well qualified, and were previously distributed to them by the government. Therefore, it is very difficult for them to compete with those newly-emerged efficient private companies. Concerned with profit-making, most of these old

companies choose to focus on taking over management of new neighborhoods of “the first world,” composed of expensive condominiums where the rich residents can afford very high management fees and the companies can make big profits. They usually send skilled staff and invest a lot to manage these new neighborhoods.

In contrast, according to state policies, the companies can only charge low management fees in the old neighborhoods of “sold public homes” like Green Neighborhood. As a result, they do not care much about their reputation among residents there and just send their unskilled staff to manage the old neighborhoods, showing little motivation to improve the environments and services there. Furthermore, since few residents know much about property management, these companies often try to defraud them of several *yuan*. For example, when maintaining the homes of residents, especially public facilities in the neighborhood, they charge much more than the approved fee. Having had many such experiences, residents and HCs in these old neighborhoods are able to see through such tricks and urge the companies to improve their services. But the latter would not invest much to do so, thus dealing with the requirements of residents passively. Some companies even employ rough former prisoners with low salary as guards (*baoran*) to deal with disgruntled residents. As one staff in a property management company privately admitted: “Our general manager told us, it is not worthwhile to provide the old neighborhood with good services. We can employ some rough guys instead of skilled staff. Only they (the former) can handle those disgruntled residents (*diaomin*).” However, concerned with legitimacy and social stability, the state requires property management companies to improve their management. To deal with pressure from both higher-ranking governments and residents, many property management companies tend to seek shelter from the local governments. Being state-owned

institutes before, their management staff had connections with local authorities. Therefore, they tend to utilize the existing *guanxi* and to actively build new informal networks with the officials.

Since Street Office is the grassroots administrative authority that is directly responsible for the routine management of neighborhoods, it is required to promote balanced community development including monitoring the management of property in their neighborhoods. Once some companies fail to provide fundamental services and a protest from residents is triggered, the Street Office monitoring them is also blamed by high-ranking government bodies. As a result, its image and reputation are hurt and thus loses competition against its counterparts. Therefore, the Street Office has strong motivation to provide shelter for the property management companies under its jurisdiction. In fact, a Street Office can assist property management companies in the following ways:

*It can help the companies to monopolize the management of their neighborhoods without competition from other companies.* By law, a HC has the power to dismiss the property management company which has failed to satisfy residents in their neighborhood, and to employ another company. However, in reality, it is very difficult for HCs to exert such power because the Street Office benefited from the present company will not allow them to do so. With administrative power, the local authorities always attempt to intervene in the decision-making of HCs. For example, in 2000, the HC in JQ Sub-neighborhood in the PN district tried to dismiss their non-performing property management company. Another company was found to take over management of their sub-neighborhood. However, the Street Office and the RC in the sub-neighborhood did not allow the HC to do this, as they were afraid that it would result in instability in the sub-neighborhood, thus adversely affecting their



image. Furthermore, they had good relationship with the present company. Therefore, they insisted that the RC was the representative of all residents and it had the power to make the decision. In the end, without the approval of the administrative authorities, the new company had to withdraw. Although this case has triggered much debate in China (see Yang 2000), it is not rare. In Green Neighborhood, some HCs were dissatisfied with the property management company; but they were not allowed to dismiss it. With the support of the Street Office, the company ignored the requirements of residents without fear of being dismissed. Therefore, wielding administrative power, the authorities have imposed arrangements regarding property management upon the HCs and residents, and have deprived them of the power of decision-making.

*The Street Office can help the companies evade state evaluation.* To promote the development of social services, the Shanghai Municipal Government requires to evaluate those professional associations which provide social services to citizens (*hangfeng pingyi*). Relevant government agencies are responsible for inviting ordinary citizens or some of their representatives to evaluate an association in terms of its services on a designed form. The associations that get high scores attain good image and thus have more commercial opportunities while those with low scores get their image hurt or even their business license suspended. Since property management is important to all citizens, considerable attention is paid to its evaluation. The municipal government requires Street Offices to hold evaluation on management companies under their jurisdiction twice in a year. Most companies in old neighborhoods are afraid of this because of their poor management practices, turning to the Offices for help. As mentioned above, once some companies get unfavorable evaluation, the Street Office monitoring them is also embarrassed. Therefore, they

often attempt to cheat together with the companies in the evaluation. Usually, the Office will distribute the evaluation forms to the secretaries of Party branches in sub-neighborhoods and ask them to find some residents with whom they have good personal relationships to write a favorable report of the property management companies on the forms. As a local official said at a big meeting attended by officials of the Street Office, managers of property management companies, secretaries of Party branch and RC heads,

“Now in this room, we are all people on the same side (*zijiren*), and we can tell the truth just between us. To be frank, in the evaluation, our secretaries (of Party branches) and RC heads helped a lot. Your company should appreciate this and express many thanks to them!”<sup>21</sup>

Therefore, by the patronage ties with the local authorities, the property management companies evade evaluation by the state and do not bother to improve their management practice. Ordinary residents are deprived of the power to know the enforcement of evaluation and to resort to high-ranking authorities through this formal channel of public evaluation.

*The Street Office can help the companies in routine management.* Usually, the Street Office requires RCs under its jurisdiction to help property management companies in mediating small disputes between them and residents on issues such as the collection of the fees of property management. The companies usually collect management fees from resident’s households every month. Because they fail to manage the neighborhoods well, some residents do not pay the fees. In such a situation, the Street Office requires RC staff to help the companies collect the fees. Since RC staff are in better relationships with residents, they either ask heads of resident groups to collect the fees or do it by themselves.

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<sup>21</sup> I was allowed to sit in the meeting and to record all the speeches.

*The Street Office can shelter the companies when the latter have violent conflicts with residents.* Due to the irresponsibility of property management companies in old neighborhoods, many residents are dissatisfied and often have conflicts with them. However, local authorities usually shelter the companies from complaint of residents, as illustrated by the following case. On June 7, 2002, Aunt Ho, the then vice head of the No.4 HC in GI planned an outing with her husband, but she could not open the door of her home. She tried to call for help but found that she could not reach anyone. The old couple felt very scared and helpless. On that day, the RC needed to contact her. Although they tried to call her again and again, they failed to reach her. Then they realized that there might be something wrong. The head of the RC went to Ho's home and found that the lock to her door had been stuck by glue and the telephone cable had been cut off. Then he attempted to get the door opened and the old couple released. The next evening, Aunt Ho received a call from a hospital, saying that an ambulance was going to her home to pick up a patient. Ho told them that nobody at her home was sick. But the hospital staff said that her son had just called to ask them to make an emergency rescue of his seriously sick mother. Aunt Ho realized that there must be someone trying to harass her, and she reported to the police. Finally, the police discovered that it was a staff in the property management company who had caused these troubles. This person was unskilled in housing maintenance and often impolite to customers. As the vice head of the HC, Aunt Ho often criticized him, and he thus attempted to take a revenge on her. After the incident, the property management company pleaded to the local police station for the person. Due to the good relationships between them and the local authorities, the man was not severely punished.<sup>22</sup>

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<sup>22</sup> Also see the protesting letter of the No.4 HC to the property management company.

Therefore, Street Offices can support property management companies in many aspects and help them a lot in their business. The Offices do so not only because of their own concern of “management performance”, but also due to the favors they expect in return. Regularly, the companies send presents to officials in the Offices, secretaries of Party branches and RC heads, and offer them meals as well, usually on festivals or meetings, to build networks with these power brokers. As the former secretary of Party branch in GIII told me, “on many big occasions like Spring Festival, the property management company always had something for us, like bed sheets, purses, and a little cash.” Actually, the RCs are aware that residents are dissatisfied with the companies; they are also often upset by the irresponsibility of the latter and sometimes complain of the problems of the companies. But due to the pressure of the Street Office and the presents sent to them by the companies, the secretaries of Party branch and RC heads generally support the companies on official occasions in return for their favors. When asked why they help to cheat, a former secretary of the party branch in GI told me,

“The Street Office expect us to do so. Furthermore, we need their (the company) support sometimes. They also often send us small presents. Since we are so close to one another, there is no reason for us to tell the truth to offend them; otherwise, we will make them lose face and can not get support from them any more.”

Sometimes, the companies also provide payment in response to requests by the local authorities for “donation” to maintain their ties with the latter. For example, the officials in the W Street Office monitoring property management companies established a club to organize some entertainment activities regularly. In this way, they tried to establish *guanxi* networks with other officials and economic elites. To raise fund, they required all the companies under their jurisdiction to join the club and

to pay high membership fees. Similarly, RCs also regularly organize entertainment activities such as short tours for their staff and resident activists who often help them. Since RCs have limited financial resources, they often request support from the property management company in their sub-neighborhood. Although sometimes quite reluctant, the companies pay the fees and provide petty financial support as required in case the local authorities withdraw their support or even cause troubles. The general manager of a property management company in Green Neighborhood complained in a private occasion,

“They (officials of the Street Office) are always asking for something. We have to send them presents like transportation cards and expensive food on big occasions like Spring Festival and Mid-Autumn Festival to solicit their support. These regular items cost us tens of thousand *yuan* every year. In addition, they may help to mediate disputes between us and residents sometimes. As a government agency, this is their duty. But they always regard their mediation as a kind of favor to us, and they expect favors in return. Then we have to send them presents and offer them meals again. Although we believe that it is unfair for them to do so, we can not charge them of committing blackmail or corruption; otherwise, we will be excluded from the business.”

In sum, to deal with counterpart competition and to circumvent pressure of higher-ranking governments and ordinary citizens, the Street Office and property management companies under its jurisdiction have forged an informal coalition between them through informal networks. Property management in the neighborhoods of “sold public homes” is thus embedded in bureaucratic support which is provided by the local administrative authorities. This coalition composed of resource occupants “on the same side” are primarily concerned with economic growth and image-building. Ordinary residents are deprived of their power of decision-making; and the formal channels for them to approach high-ranking authorities like the evaluation

activities are manipulated and blocked. If residents has violent conflicts with property management companies, it is hard for them to get fair mediation. Furthermore, to avoid the monitoring of HCs, property management companies utilize the local authorities to impose constraints on these civil associations. They are also trying to buy off HC members, which will be discussed in Chapter Six. Even when residents try to wield “weapon of the weak” like refusing to pay management fees, their resistance is often weakened by the RCs. As a result, they are in a disadvantageous position to articulate their concerns regarding property management, and are generally dominated by the local pro-image coalition.

With their domination over neighborhoods, the local pro-image coalition tends to ignore the requirements of the state and residents, thus hindering neighborhood governance and resulting in dissatisfaction from citizens. There was lack of systematically precise data to reflect the governance performance at the whole Green Neighborhood. But my investigation suggests that, except GI, governance performance in other sub-neighborhoods was not satisfying. In my 2002 survey in GII, a typical old sub-neighborhood, few respondents were satisfied with property management while most of them experienced dissatisfaction, similar with the respondents’ sense of their neighborhood and their feeling of empowerment (see Chapter Four). One confusing thing about this sub-neighborhood was that it had been granted the title of “Model Quarter” although it failed to meet the expected criteria. It turned out that the head of the GII RC had a brother working for the municipal “committee of ‘spiritual-civilization building’”. Just because of this, the Street Office had employed her as Head of GII, who then asked her brother to help them get the title. This case shows again how the local pro-image coalition mobilizes political resources to cheat the public through *guanxi* networks. In fact, the situation regarding

property management in GII was not rare. In 2003, the municipal government sent teams to investigate social services in every district under its jurisdiction and to rank all the relevant businesses. In the PN district, property management was evaluated to be the worst among all businesses of public services. My investigation also suggests that, in the past few years, the governance situation in Green Neighborhood has been getting worse in some aspects. These findings suggest that the local pro-image coalition should be partly responsible for this.

### **Interest-based Society and the Formation of Local Pro-image Coalition**

This research examines the dynamics of the formation of local pro-image coalitions in urban neighborhoods. It has been found that their domination impedes neighborhood governance, thus adversely affecting both the quality of life of citizens and the performance of state buildings. However, the present social context and institutional arrangements are partly responsible for the situation.

### ***Efficiency-oriented Administrative System and Local Pro-image Governments***

In community building, although Street Offices are officially required to promote balanced community development, their actual management orientation has been distorted by the present administrative evaluation system and social values. With the state seeking to rebuild its legitimacy in management performance and utilitarianism a pervasive factor in the society, “efficiency” has been highlighted in every aspect of social life, including administration. Almost all state institutions are efficiency-oriented in their management activities, but most of them just pay attention to immediate and visible performance. For example, in administrative management, the growth rate of GDP has been regarded as the primary indicator in evaluating the

management performance of governments at various levels; this was also the case in community building. When the municipal government and district governments evaluate the management performance of Street Offices, they generally adopt “hard” indicators such as the rate of local economic growth and image building of neighborhoods under their jurisdiction while ignoring “soft” indicators like the satisfaction of local residents. Furthermore, since high-ranking governments frequently distribute a lot of administrative tasks to every Street Office, the latter have to establish more institutions and recruit new staff to cope with these radically increasing new tasks. For example, it has to establish “committee of ‘spiritual-civilization building’” and to invest a lot in the construction of “Model Quarters”. However, the fund that the state could provide is limited, and even can not cover the salary of the increasing number of staff of the Street Office. In the era of command economy, there were only less than ten staff in a normal Office. However, in 2004, there were nearly seven hundred people in many Shanghai Street Offices including tenured officials and contracted staff. According to the Party secretary in one Office, the allotted fund from the state every year can only cover one sixth of its actual expenditure. In addition, since the whole society is increasingly material-oriented, leaders in Street Offices also face pressure from their subordinates who want their income to be enhanced. As the Party secretary in the W Street Office claimed, “If there is no enhancement of income, they (the officials in the Office) will lose the motivation to work hard.” Therefore, Street Offices have to make every endeavor to promote local economic growth rather than balanced development.

When investing resources in community building, Street Offices focus more on those apparently visible projects like image building and organizing large-scale propaganda activities to show off their management performance; but they care much



less about social welfare, which is relatively invisible to high-ranking governments. In recent years, due to the opening of Shanghai to domestic and foreign investors, there has been great economic growth in the PN district. In 2004, the W Street Office collected more than two hundred million *yuan*, which was four times of the amount in 2001. Unfortunately, they spent most of the income on those apparently visible “image projects” (*xingxiang gongcheng*) under the label of “serving-the-people projects” (*weimin xiangmu* or *shishi gongcheng*) like building many splendid gates in the neighborhoods under their jurisdiction. Not surprisingly, the officials in charge of these construction projects usually received big presents and rebates from the construction companies that they hired.

Table 3.1 2004 Budget for Part of Neighborhood Management Items of the W Street Office

Items	Amount ( <i>yuan</i> )
Propaganda	494,430
Social welfare and poverty reduction	343,766
Neighborhood security	325,000
Neighborhood infrastructure	628,872

Source: from the files of the Street Office

Table 3.1 shows that the Street Office invested less resources in social welfare of residents than other items. For example, the regular budget for propaganda was much higher than it. The Office also spends a lot of money to organize other casual propaganda activities. In the 2004 summer, it hosted a large music party and invited many high-ranking officials and media reporters as part of its image building in the neighborhood. This cost about two hundred thousand *yuan*, more than a half of the budget for the social welfare of the whole year. Actually, there were many poor

resident families in the neighborhoods under the jurisdiction of the W Street Office. But the official charge of social welfare at the Office told me that he had insufficient resources to support them because “the leaders (of the Office) do not attach importance to these affairs.” Yongshun Cai (2004a) has pointed out that many such image-building projects were not much about the interests of citizens but involved misuse of public resources, thus hampering community development. Indeed, the efficiency-oriented administrative system and distorted management orientation of local authorities are partly to blame for this.

### ***Urban Reforms and the “Rational Choice” of Property Management Companies***

Due to urban reforms, property management companies in old neighborhoods face many constraints. As mentioned before, in the neighborhoods of “the second world” like Green Neighborhoods, many residents belong to the working class, and quite a large number of them have been laid-off due to the reform of the state-owned enterprises. They can not afford high management fees. Afraid of social unrest, the state does not allow property management companies to raise management fees since many residents are already dissatisfied with the present reform. Due to low profits, the companies naturally have no motivation to provide good services. Furthermore, they can not just dismiss their many unskilled staff. Their poor management has triggered the dissatisfaction of residents, many of whom thus refuse to pay the management fees. With the decline of income, property management companies have reduced their services. As a result, property management of “sold public homes” in many neighborhoods has fallen into a vicious circle. For the companies, it is more economical to seek shelter from local officials by giving presents than to provide

good services to residents. When faced with the pressure from the state and residents, the companies thus seek to establish alliance with local governments which are concerned with boasting their management performance. When I asked some managers whether they could break away from the dependence on the local authorities if they improve property management and thus satisfy residents, they said they would not do so due to much bigger cost. Therefore, they prefer to keep the patronage networks with the local authorities in order to maintain the image and maximize the profits of both parties.

### **Conclusion**

This chapter examines the changes of formal local political institutions in urban neighborhoods on the one hand, and discloses the formation of informal local pro-image coalition between Street Offices and other social forces, especially, business groups on the other. It was found that *guanxi* networks are very important for local power holders to forge coalition and to construct their domination, resulting in passive social-political consequences.

In particular, it illustrates that, with the disintegration of the work-unit system and the initiation of community building, the state has reconstructed the local administrative structure. Street Offices have been thus increasingly important in urban management system. However, they have also become very self-interested and have led to the forging local pro-image coalitions in neighborhoods. Therefore, urban reforms and community building are the structure of incentives for the local pro-image coalitions to emerge. Furthermore, this research also examines the special ways in which local authorities construct coalition and domination in neighborhoods. They utilize informal networks not only to mobilize political resources and build alliance

with local economic elites, but also to impose domination over and exercise exploitation on residents. Therefore, neighborhood politics is dominated by the local pro-image coalition based on *guanxi*.

The formation of local pro-image coalition and its domination in neighborhoods has led to the impasse similar to the devastating impact of what Pransanjit Duara (1988) refers to “state involution” on rural village. He adopted this concept to refer to the under-development of state administration at the local level although the state expanded its local institutions in size; and he regarded the outcome of tax levying on rural households, which was the main concern of the then state, as the primary indicator to reflect the management efficiency of the state. However, the contemporary China state is primarily concerned with maintaining stability in neighborhoods instead of directly levying tax on urban households. Therefore, this study looks at property management and the satisfaction of residents as the main indicators to reflect the management efficiency of the state.

As shown above, the *guanxi*-based local pro-image group of Street Offices and commercial organizations not only attempt to evade state monitoring, but also tend to ignore the interests of citizens, which in turn trigger much dissatisfaction from citizens and impair state legitimacy. Their misusing of public resources on image-building and the “rational choice” of property management companies unwilling to improve their management imply one serious consequence of “state involution”: the ceasing or even decline of neighborhood governance. Therefore, this chapter suggests that the situation of neighborhood governance is not as good as expected by the state. In the later chapters, we will specifically examine the performance of neighborhood governance and the ways in which citizens react to the domination of local pro-image coalitions.

## Chapter Four: Community Building and The Performance of Neighborhood Governance

### Introduction

Since the initiation of community building, the Shanghai municipal government has set up six criteria to evaluate governance performance of sub-neighborhoods: good public order, neat and tidy environments, comprehensive social services, harmonious neighbor relationships, abundant entertainment activities and high satisfaction of residents with their sub-neighborhoods. Those which meet these criteria at different degree are granted municipal-rank or district-rank honorary titles of “Model Quarter” (*wenming xiaoqu*). The municipal government has adopted the number and rank of “Model Quarter” as one main criterion for evaluating performance of local governments. It also regards the annual increase in the number of “Model Quarter” as an achievement of urban administration. Consequently, local governments, particularly Street Offices, have put in great efforts “to create ‘Model Quarters’”. They have not only invested heavily to improve neighborhood environments by planting greeneries and renovating public facilities, but also organized entertainment activities at the local level. Until 2004, out of 3293 Shanghai sub-neighborhood, 2494 of them had attained the status of “Model Quarters”.<sup>23</sup>

Ideally, a sub-neighborhood that has been officially granted the title “Model Quarter” should have achieved good governance and its residents should be satisfied with the community. However, this is not always the case. For example, in Green Neighborhood, the four sub-neighborhoods had all been granted the municipal-rank “Model Quarter”. Yet, the residents differed in their evaluation of governance in their sub-neighborhoods. As well as mentioned in Chapter Two, GI and GII were similar in

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<sup>23</sup><http://www.shanghai.gov.cn/shanghai/node2314/node2315/node4411/userobject21ai106828.html>

terms of the style of residential buildings and socio-economic characteristics of the local population. However, as many GII residents told me: “Yeah, our sub-neighborhood is so-called ‘Model Quarter’, but so what? The administration and services are still bad! I just want to move out!” In contrast, many GI residents were quite satisfied with their sub-neighborhood. Therefore, the honorary title “Model Quarter” or the official criteria are not enough for us to evaluate the performance of neighborhood governance.

This chapter examines the difference between them in terms of performance of neighborhood governance, and explores the factors responsible for the difference using a quantitative measurement. The first section focuses on the quantitative measurement of the development of neighborhood governance. The second section attempts to explain findings from the quantitative measurement. The final section discusses the relation between civicism and neighborhood governance.

### **A Quantitative Measurement of performance of Neighborhood Governance**

In his influential work on Italy’s local governance, Robert D. Putnam (1993a:64) pointed out that any measurement of institutional performance “must meet four severe tests: 1. It must be comprehensive,” e.g. the assessment must encompass the many dimensions of local governance, 2. “It must be internally consistent,” e.g. the assessment must be focused on the entire efficiency of local governance. Therefore, the researcher “must thus look closely at the concordance among [his or her] various operational measures of institutional performance and be alert for signs of ‘multidimensionality’”, 3. “It must be reliable,” e.g. “the institutional performance must be reasonably durable, not volatile,” and 4. “It must correspond to the objectives and evaluations of the institution’s protagonists and constituents.”

As mentioned in the first chapter, the main objectives that the Party-state's initiation of community building were to improve neighborhood governance, particularly, to provide social services for the citizens and to penetrate grassroots communities through RCs, and to introduce democratic reforms to urban neighborhoods as well. The official criteria which are integrated into the indicators for evaluating the performance of neighborhood governance are: a) objective indicators such as greenery coverage, the number of mediation and patrol groups, community service facilities, the number of physical exercise groups and entertainment activities, and b) subjective indicators such as residents' sense of their relationships with neighbors and of their community in general.

Since objective indicators can be easily measured, these items are the focal points of investment of the Street Offices as they seek "to create 'Model Quarters' ". These stringent requirements are usually satisfied. Therefore, to compare the actual situations of governance of two "Model Quarters" at the same rank, the objective indicators are not very useful. For this reason, I adopt some official subjective indicators and other indicators that are in common use to comprehensively evaluate local governance performance of GI and GII. These indicators are divided into seven categories.

### *1, The residents' perception about community services*

One primary objective for the government to initiate community building was to transfer social service functions from work-units to residential neighborhoods (Xu ed 2000; Wu 2002). Therefore, the residents' perception about local social services is an important indicator for local governance. With the fast development of commercialization, most people can buy social services from the market. However, it

is relatively difficult for aged people to do the same because many of them cannot afford the relatively expensive commercial services; furthermore, some are physically weak and are not able to shop. The RCs are required by the government to take care of aged residents. Many respondents commented that the services of RCs for the aged are very important to local residents' families. Only if the RCs take good care of their aged parents, can the young professionals feel comfortable to work, thus contributing to local economic development. In the questionnaire was the question: Please evaluate the social services for the aged in your sub-neighborhood (Q46a).

Table 4.1 Residents' perceptions to social services for the aged

Q46a, please evaluate the social services for the aged in your sub-neighborhood.		Very dissatisfied	Somewhat dissatisfied	(Neutral)	Somewhat satisfied	Very satisfied
GI (n=90)	Percentage of Respondents	4.4%	7.8%	45.6%	34.4%	7.8%
GII(n=94)	Percentage of Respondents	1.1%	7.4%	62.8%	28.7%	.0%

This table shows that the GI respondents differed from the GII respondents in terms of their satisfaction with the social services provided in their respective sub-neighborhoods. In GI, 42.2% of the respondents were “very satisfied” and “somewhat satisfied” while 12.1% of them were dissatisfied. In contrast, in GII, the percentage of respondents who were “somewhat satisfied” was 28.7%. This suggests that GI respondents were generally more satisfied with the social services in their sub-neighborhood. However, the percentage of GII respondents who were dissatisfied was 8.5%, lower than that of GI respondents (12.2%).

## 2, *The perceptions of residents to property management and safety*



Another item that highly affects the everyday life of residents is property management.<sup>24</sup> As mentioned in the first chapter, before the 1990s, the management and maintenance services of citizens' homes were provided by their work units or the local housing bureau. With the housing reform, this task was transferred to commercial property management companies; their management and maintenance services for homes are thus highly relevant to the quality of local residents' life. In the survey was the question: Please evaluate the property management and services in your sub-neighborhood (Q46d).

Table 4.2a Residents' perceptions to property management

Q46d, please evaluate the property management and services in your sub-neighborhood		Very dissatisfied	Somewhat dissatisfied	(Neutral)	Somewhat satisfied	Very satisfied
GI (n=91)	Percentage of Respondents	3.3%	14.3%	39.6%	40.7%	2.2%
GII(n=92)	Percentage of Respondents	20.7%	31.5%	39.1%	8.7%	.0%

This table shows that, in GI, 42.9% of the respondents were “very satisfied” and “somewhat satisfied” with property management in their sub-neighborhood while 17.6% of them were dissatisfied with it. In contrast, only 8.7% of the GII respondents were “somewhat satisfied” while more than a half of them (52.2%) were dissatisfied with it.

The perception of residents regarding the safety of their sub-neighborhoods affects their community identity and social cohesion to a great extent (Suttles 1972:34;

<sup>24</sup> In fact, many other local amenities and items of social services such as schools, day care, health care institutions, and exercise and sports facilities also affect the everyday life of many residents and thus community development (e.g. Putnam 1993a). However, all sub-neighborhoods in Green Neighborhood share these kinds of goods. Therefore, these items cannot reflect the difference between the sub-neighborhoods in terms of local governance.

Forrest & Kearns 2001:2134-2135). Whether people feel safe in their sub-neighborhood is thus one sub-indicator for evaluating neighborhood governance.

With the initiation of community building, local governments were urged to set up grassroots institutions and to establish facilities to enhance the security of neighborhoods. The municipal government also required that the security for a “Model Quarter” to be enhanced greatly so that at least 80% of local residents are satisfied with it. Therefore, local governments not only urged RCs to organize retired residents to patrol in sub-neighborhoods, but also required property management companies to be responsible for guarding the sub-neighborhoods and buildings under the latter’s jurisdiction. Therefore, guarding sub-neighborhoods is included in property management. In the survey was the question regarding residents’ perceptions to safety situation: Please evaluate the situation of safety in your sub-neighborhood (Q46e).

Table 4.2b Residents’ perceptions to safety situation in their sub-neighborhoods

Q46e, please evaluate the situation of safety in your sub-neighborhood.		Very dissatisfied	Somewhat dissatisfied	(Neutral)	Somewhat satisfied	Very satisfied
GI (n=91)	Percentage of Respondents	1.1%	1.1%	30.8%	60.4%	6.6%
GII(n=93)	Percentage of Respondents	1.1%	22.6%	30.1%	44.1%	2.2%

This table indicates that most GI respondents (67.0%) were satisfied with the situation of safety and security in their sub-neighborhood while few of them (2.2%) were dissatisfied. In contrast, 46.3% GII respondents were satisfied while 23.7% of them were dissatisfied. In other words, compared to GII respondents, more GI respondents felt safe and secure within their community.

### 3, *The penetration of RCs in sub-neighborhoods*

The primary aim for the state-initiated promote on neighborhood governance is to enhance state legitimacy and control. The primary mean to achieve this is to revitalize the RCs (see Read 2000, 2003a). Therefore, the influence of the RC in a sub-neighborhood and the relations between it and the residents is an important indicator for neighborhood governance. In this study were two questions: How do you feel with your RC? (Q64c) How is the relationship between you and the RC staff?(Q56)

Table 4.3a Residents' Satisfaction with the RCs.

Q64c, how do you feel with your RC?		Very dissatisfied	Somewhat dissatisfied	(Neutral)	Somewhat satisfied	Very satisfied
GI (n=91)	Percentage of Respondents	.0%	4.4%	39.6%	51.6%	4.4%
GII(n=94)	Percentage of Respondents	2.1%	2.1%	54.3%	40.4%	1.1%

Based on the data from a 1993 China Housing Survey, John R. Logan and Yanjie Bian found that only 34.6% of Shanghai citizens thought that RCs were “quite good” while 5.3% of them thought that RCs were “not very good” (quoted in Read 2003a: 46). But my survey in GI and GII in 2002 illustrates that nearly a half (48.6%) of the respondents were satisfied with their RCs while only 4.3% of them were dissatisfied. This implies that there is improvement in terms of citizens' satisfaction with the RCs. The table also shows that more GI respondents (56%) were satisfied with their RC than GII respondents (41.5%).

Table 4.3b The relationships between residents and the RC staff

Q56, how is the relationship between you and the RC staff?		I do not know them at all	They look familiar to me	I often say hello to them	I'm very familiar with them	I'm in good relationship with them
GI (n=89)	Percentage of Respondents	28.1%	34.8%	18.0%	14.6%	4.5%
GII(n=92)	Percentage of Respondents	45.7%	30.4%	13.0%	8.7%	2.2%

According to Read (2000, 2003a), the administration performance of a RC in the sub-neighborhood greatly depends on the number of resident activists who are in good relationships with the RC staff and the familiarity of RC staff with other ordinary residents. This table shows that most of our respondents (63.0%) knew their RC staff. However, nearly a half of GII respondents (45.7%) did not know RC staff at all; in GI, this percentage was only a little more than a quarter (28.1%). Furthermore, there were also more “neighborhood activists” in GI (4.5%) than in GII (2.2%). In other words, GI residents were generally in better relationships with the RC than their GII counterparts .

Therefore, the findings demonstrated on Tables 4.3a and 4.3b suggest that the GI RC was much more influential and in better relationships with residents than the GII RC. In terms of the penetration of RC in grassroots communities, the former was more successful than the latter.

#### *4, Residents' perceptions to neighbor relationships*

Existing research has found that the relationships among neighbors are highly related to social cohesion (Forrest & Kearns 2001). The government also hopes to enhance relationships among neighbors through community building. In this study the

pertinent question was: How do you think of the relationships among residents in your sub-neighborhood? (Q36)

Table 4.4 Residents' evaluation of neighbor relationships

Q36, how do you think the relationships among residents in your sub-neighborhood?		Very distant	Somewhat distant	(Neutral)	Somewhat intimate	Very intimate
GI (n=91)	Percentage of Respondents	2.2%	22.0%	50.5%	24.2%	1.1%
GII(n=94)	Percentage of Respondents	3.2%	31.9%	46.8%	14.9%	3.2%

This table shows that more GI respondents (25.3%) than their GII counterparts (18.1%) believed that their relationship with neighbors were “somewhat” or “very” intimate. Fewer GI respondents (24.2%) had the opposing feeling than GII respondents (34.1%). In addition, the number of GII respondents who thought that their relationships with neighbors were “somewhat” or “very” distant was nearly double that of who believe that relationships with neighbors were “somewhat” or “very” intimate. These results imply that there should be higher social solidarity in GI than in GII.

### 5, *Community participation*

Community development relies on the active participation of local residents, which should be one indicator for evaluating local governance. Therefore, in the survey the following question was asked: In the community activities listed below, which items did you participate in? (Q79) Each respondent was permitted to tick a maximum of three items, which he or she actually participated in.

Table 4.5a The rate of residents' community participation

The rate of residents' community participation		No	Yes
GI (n=89)	Percentage of Respondents	30.3%	69.7%
GII(n=92)	Percentage of Respondents	41.3%	58.7%

This table presents the actual rate of community participation. It shows that a majority of respondents in both sub-neighborhoods participated in community activities. However, there was a higher rate of community participation in GI (69.7%) than in GII (58.7%).

Table 4.5b The contents of community participation

Community activities	Sanitation	Patrol	Collective entertainment activities	Mediation	Protecting greenery
GI (n=89)	24.7%	9.0%	16.9%	11.2%	11.2%
GII(n=92)	19.6%	6.5%	15.2%	0	15.2%

(continued)

Disseminating science	Neighborhood charity	Helping neighbors with each other	Others
4.5%	15.7%	31.5%	10.1%
6.5%	10.9%	23.9%	16.3%

This table further illustrates the contents of local community participation. Many respondents in both GI and GII indicated that they had participated in “helping neighbors with each other”, “sanitation” and “collective entertainment activities”, and some respondents actually participated in several items.

## 6, *The sense of empowerment of residents*

It is worth pointing out that the state claims to promote neighborhood self-governance and to empower local residents in its community building. To investigate residents' subjective sense of empowerment and of their influence in local decision-making, two questions were asked: a) Do you have the feeling that you residents are

the host of you sub-neighborhood or not? (Q65) b) Who do you think is in charge of making decisions regarding important matters in your sub-neighborhood? (Q67)

Table 4.6a Residents' subjective sense of empowerment

Q65, do you have the feeling that you residents are the host of you sub-neighborhood or not?		No	A little	Certainly
GI(n=88)	Percentage of Respondents	23.9%	60.2%	15.9%
GII(n=93)	Percentage of Respondents	53.8%	44.1%	2.2%

This table shows that higher percentage of the GI respondents (76.1%) felt empowered more or less than the GII respondents (46.3%). Therefore, in terms of subjective self-sense, residents in GI were much more empowered than their counterparts in GII.

Table 4.6b Residents' sense of local decision-making

Q67, do you think who is in charge of the decision-making of important matters in your sub-neighborhood?		The Government	The RC	The residents	The HC	The property management company
GI (n=90)	Percentage of Respondents	52.2%	10.0%	24.4%	11.1%	2.2%
GII(n=93)	Percentage of Respondents	62.4%	18.3%	6.5%	.0%	12.9%

This table illustrates the difference of the residents' subjective sense of local decision-maker and community power structure in GI and GII. Most respondents in both GI and GII confirmed the leading role of the government in local decision-making. However, in GI, there were also many respondents (35.5%) who believed that the local residents and HCs were in charge of decision-making; in other words, they believed that ordinary citizens and civil associations were also influential in their sub-neighborhood. In contrast, in GII, many respondents (31.2%) considered the RC

and the property management company as the local decision-makers while only a few respondents (6.5%) believed that residents and HCs could wield influence.

Therefore, in terms of residents' subjective sense, community power structure in GII was still similar to that in old neighborhoods, with the government and its agencies monopolizing power. In contrast, residents and civil associations in GI could share community power and participate in local decision-making.

### *7, The general perceptions of residents about their sub-neighborhoods*

The state claimed that it had initiated community building so that citizens could live in peace and enjoy life in their neighborhoods (see Xu ed 2000). The degree of community development should be reflected in local residents' satisfaction with, and their confidence in, their community. There were three questions in the survey: What is your general feeling of your sub-neighborhood ? (Q29) Would you like to live in your sub-neighborhood for a longer time ? (Q49) Are you confident of the future development of your sub-neighborhood ? (Q91)

Table 4.7a Residents' satisfaction with their sub-neighborhoods

Q29, what is your general feeling of your sub-neighborhood?		Very dissatisfied	Somewhat dissatisfied	(Neutral)	Somewhat satisfied	Very satisfied
GI (n=91)	Percentage of Respondents	.0%	6.6%	42.9%	44.0%	6.6%
GII(n=94)	Percentage of Respondents	4.3%	22.3%	59.6%	13.8%	.0%

This table illustrates that there was an obvious difference between GI and GII residents in terms of their general feeling of their sub-neighborhoods. In GI, a half of the respondents (50.6%) were "very satisfied" or "somewhat satisfied" with their community and 42.9% of them provided neutral answer; only 6.6% of them were "somewhat dissatisfied". In contrast, in GII, more than a half (59.6%) of the



respondents provided neutral answer; but only 13.8% of the respondents were “somewhat satisfied” while 26.6% of them were “somewhat dissatisfied” or “very dissatisfied”. Therefore, GI respondents were more satisfied with their community than their GII counterparts.

Table 4.7b Residents’ willing to live in their sub-neighborhoods for longer time

Q49, would you like to live in your sub-neighborhood for longer time?		No	(Neutral)	Yes
GI (n=86)	Percentage of Respondents	4.7%	41.9%	53.5%
GII(n=92)	Percentage of Respondents	13.0%	46.7%	40.2%

In accordance with the above finding, this table shows that more than a half of GI respondents (53.5%) would absolutely like to live in their community for a longer time. In contrast, much less GII respondents (40.2%) would like to do so while quite a few of them (13.0%) would not at all.

Table 4.7c Residents’ confidence of their sub-neighborhoods

Q 91, are you confident of the future development of your sub-neighborhood?		No	(Neutral)	Yes
GI (n=84)	Percentage of Respondents	1.2%	25.0%	73.8%
GII(n=91)	Percentage of Respondents	3.3%	50.5%	46.2%

This table illustrates that most GI respondents (73.8%) were confident of the future development of their sub-neighborhood while only less than a half of GII respondents (46.2%) had this kind of confidence.

According to these indicators respectively, the situations in GI was better than in GII. The question to consider is whether these individual indicators are internally

consistent with one another so that the assessment based on them can reflect the entire efficiency of local governance in the two sub-neighborhoods.

Table 4.8 The consistency of the indicators

	Kendall's tau_b	RPSSA	PA	IOPR	NR	CP	SOE	IGPRC
<b>Residents' perceptions to social services for the aged</b>	Correlation Coefficient	1.000						
	Sig. (2-tailed)	.						
	N	184						
<b>Property management</b>	Correlation Coefficient	.246(**)	1.000					
	Sig. (2-tailed)	.000	.					
	N	182	183					
<b>Index of the penetration of RC</b>	Correlation Coefficient	.378(**)	.187(**)	1.000				
	Sig. (2-tailed)	.000	.002	.				
	N	180	179	181				
<b>Neighbor relationships</b>	Correlation Coefficient	.070	.049	.265(**)	1.000			
	Sig. (2-tailed)	.284	.447	.000	.			
	N	184	183	181	185			
<b>Community participation</b>	Correlation Coefficient	.122	-.020	.215(**)	.162(*)	1.000		
	Sig. (2-tailed)	.086	.775	.001	.021	.		
	N	180	179	177	181	181		
<b>The sense of empowerment</b>	Correlation Coefficient	.146(*)	.167(*)	.289(**)	.190(**)	.165(*)	1.000	
	Sig. (2-tailed)	.033	.012	.000	.005	.024	.	
	N	180	179	178	181	177	181	
<b>Index of the general perceptions of residents to their communities</b>	Correlation Coefficient	.244(**)	.334(**)	.352(**)	.151(*)	.172(*)	.438(**)	1.000
	Sig. (2-tailed)	.000	.000	.000	.018	.013	.000	.
	N	169	168	167	170	166	169	170

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

RPSSA= Residents' perceptions to social services for the aged; PA= Property management; IOPR=Index of the penetration of RC; NR= Neighbor relationships; CP= Community participation; SOE= The sense of empowerment; IGPRC= Index of the general perceptions of residents to their communities

In response to these questions, this table presents the results of an analysis of bivariate correlations among seven indicators.<sup>25</sup> The average r of the fifteen

<sup>25</sup> The responses to Q 64c and Q56 are correlated to each other (r=0.36). So I created an index of the penetration of RC to integrate them together; the coefficients between them and the index are 0.66 and 0.86 respectively. The responses to Q24, Q49 and Q91 are also correlated to each other (r=0.27, 0.44 and 0.34 respectively). I also created an index of the general perceptions of residents about their

correlations is 0.207. All but one of them are in the correct direction, while all but four of them are statistically significant at the 0.05 level. Generally, these indicators are internally consistent. It implies that the better were social services for the aged, property management, neighbor relationships, the better was the penetration of RC, and the higher were residents satisfied with their community and feel empowered. Therefore, neighborhood governance in GI was much better than that in GII in terms of these seven indicators together.

Table 4.9 Independent Samples Test of Performances of Community Building

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Social services for the aged	Equal variances assumed	13.567	.000	1.257	182	.210
	Equal variances not assumed			1.247	155.673	.214
Property management	Equal variances assumed	1.854	.175	6.795	181	.000
	Equal variances not assumed			6.798	180.383	.000
The penetration of the RC	Equal variances assumed	.865	.354	2.752	179	.007
	Equal variances not assumed			2.748	176.589	.007
Neighbor relationships	Equal variances assumed	2.191	.141	1.434	183	.153
	Equal variances not assumed			1.435	182.618	.153
Community participation	Equal variances assumed	8.743	.004	1.539	179	.126
	Equal variances not assumed			1.541	178.780	.125
The sense of empowerment	Equal variances assumed	2.721	.101	5.002	179	.000
	Equal variances not assumed			4.982	172.152	.000
The perceptions to the community	Equal variances assumed	2.966	.087	6.410	183	.000
	Equal variances not assumed			6.409	182.656	.000

The independent samples test shows that the difference between these two groups of respondents in terms of more than a half of these indicators (except communities to integrate them together; the coefficients between them and the index are 0.74, 0.63 and 0.67 respectively).

residents' perceptions to social services for the aged, neighbor relationships and community participation) is significant. Therefore, the conclusions based on them can be generalized to all residents living in the GI and GII high-buildings.

These dimensions of neighborhood governance were measured by the survey conducted among the residents living in the GI and GII high-buildings, which were nearly a half of the total population of the sub-neighborhoods. Therefore, I also tested the conclusions drawn from the survey by other sources of data and my intensive interviews with residents living in both the high-building and low-building areas, thus confirming the general conclusion that local governance in GI was much better than in GII. Another source of evidence was the rate at which resident families participated in community charity. In Shanghai, the RC in every sub-neighborhood asked resident families to donate cash to help extremely poor families before every Spring Festival. My interviews revealed that people who donated, regardless of being rich or poor themselves, were generally satisfied with the local administration, neighbor relationships and community development. Therefore, the rate at which residents participated in community donation could be an important indicator that reflects community participation, local solidarity and positive social capital in the sub-neighborhoods.

Table 4.10 Rate of the resident families participating in community donation

	2002	2003	2004	Average
GI (n)	241	257	223	240
Rate	16.33%	17.41%	15.11%	16.33%
GII (n)		179		179
Rate		13.29%		13.29%

Source: from GI RC and GII RC files

This table shows that compared to GII residents, a higher percentage of GI resident families donated to poor families in their community, confirming that there

was higher solidarity and community participation in GI than GII. My intensive interviews in Green Neighborhood in the following years re-confirmed the view that the state of governance in GI was still better than in GII. Therefore, the conclusions based on the survey were generally reliable and valid.

## **A Quantitative Explanation of Neighborhood Difference of Governance**

### *Neighborhood difference in terms of civiness*

Many researchers have argued that civil culture affects the performance of local governance to a great extent (Putnam 1993a, 2000; Evans 1997; Woolcock 1999, 2001). Putnam (1993a) claimed that governance performance in a community depends on the state of citizenship or civiness; and a community with high civiness including civic engagement, political equality, solidarity, trust, tolerance and active civil associations, which can be termed as “civic community”, will achieve good governance. He also measured civiness with indicators such as the vibrancy of associational life, the rate of reading newspaper, political participation and citizens’ attitudes towards honesty, trust and abiding by laws. I test this theory, which is based on empirical facts in a liberal polity, in a communist setting and explain the difference between neighborhoods in terms of civiness. However, I measure civiness in terms of five indicators, a little different from those of Putnam (1993a), because the rate of reading newspaper, which is not the primary channel for citizens to know public affairs any more, is not useful. In particular, the indicators and measurements are outlined as follows:

#### *1, The vibrancy of associational life*

Existing research regards “the vibrancy of associational life” as the primary indicator for civic engagement and the civicism of community life (Putnam 1993a). In the past decade, many grassroots associations such as HCs, choral societies and physical exercise groups, have been established in Shanghai neighborhoods (see Xu ed 2000). Research also indicates that HCs are closely relevant to the substantial interests of local residents and actively engaged in neighborhood politics (Cao & Li 2000; Read 2003b). Findings from my fieldwork also suggested that HCs are important to local governance while most other community associations supervised by RCs were only participated by a few residents who had good relationships with the RCs (also see Xu ed 2000).

Therefore, I focused on the vibrancy and influence of HCs in sub-neighborhoods. In Green Neighborhood, generally, the more one HC was vibrant in neighborhood affairs, the more satisfied residents were with it. Thus, I measured the vibrancy of associational life in a sub-neighborhood primarily using the evaluation of local residents with respect to the HC: How do you feel with your HC? (Q64d)

Table 4.11 Residents’ satisfaction with the HCs

Q64d, how do you feel with your HC?		Very dissatisfied	Somewhat dissatisfied	(Neutral)	Somewhat satisfied	Very satisfied
GI (n=91)	Percentage of Respondents	1.1%	8.8%	33.0%	46.2%	11.0%
GII(n=94)	Percentage of Respondents	6.4%	40.4%	40.4%	12.8%	.0%

This table illustrates the huge difference between GI respondents and GII respondents in terms of their satisfaction with the HCs. More than a half (57.2%) of GI respondents were “very satisfied” or “somewhat satisfied” with their HC while only a few of them (9.9%) were not satisfied. In contrast, only a few GII respondents (12.8%) were “somewhat satisfied” with their HCs while nearly a half of them (46.8%)

were “very dissatisfied” or “somewhat dissatisfied”. This implies that the HCs in GI are much more active and satisfying than those in GII; besides, there was more vibrant associational life in the former.

## *2, Citizens' consciousness of laws*

Charles Tilly (1978) pointed out that modern state-making in Western Europe promoted the process within which many laws were enacted and enforced by the state. With this process, citizens have gradually learned to cope with public affairs in accordance with laws. Many students of China have adopted Tilly's theoretical framework of state-making to explain the transformation of state-society relations in modern and contemporary China (e.g. Duara 1988; Esherick & Rankin eds 1990). However, Zhang Jing (2000, 2001) argued that laws had been ignored in China's administration before, and that these researchers, ignoring the link between state-making and laws enforcement, just paid attention to how the state strengthened its power and control over grassroots communities. Therefore, she questioned the applicability of the framework of state-making in studying China's local politics.

Since the mid-1990s, the China state has enacted many laws and regulations regarding community building which are much relevant to the interests of citizens. Laws have begun to play an increasingly important role in urban local governance. As Mr. Tan, the primary leader of the community movement explained, “Only if we (citizens) know much about laws can we protect our interests by law!” Therefore, this study assumes that the framework of state-making can be applied to neighborhood politics. However, empirical evidence has to be examined to test the assumption. Therefore, I regard citizens' knowledge of the laws as an important indicator of civicness in urban grassroots communities.

There are many laws relevant to community building; it is impossible to examine citizens' knowledge of all these laws in a small-scale survey. The laws on greenery are much about the living conditions of citizens because they touch on how neighborhood environments such as green spaces and parks should be protected. Therefore, a pertinent question in the survey was: Do you know something about the laws on greenery and park? (Q25)

Table 4.12a Residents' knowledge of laws

Q25, do you know something about the laws on greenery and park?		No	A little	Much
GI (n=91)	Percentage of Respondents	9.0%	74.2%	16.9%
GII(n=94)	Percentage of Respondents	12.9%	79.6%	7.5%

This table indicates that both GI and GII respondents knew something about the laws more or less. However, they differed from each other in terms of their knowledge. More GI respondents (16.9%) knew “much” about the laws than GII respondents (7.5%); less GI respondents (9.0%) knew “nothing” about the laws as compared to their GII counterparts (12.9%). This implies that GI residents were more knowledgeable about the laws.

In the survey concerned the role of laws in community building: What do you think that community building should be performed in reference to? Each respondent was permitted to tick a maximum of three items.

Table 4.12b Residents' view of the governing rule for community building

Residents' view of the governing rule for community building							
	Laws	Administrative orders of local government	Attitudes of the RC	Attitudes of HCs	Attitudes of the property company	Attitudes of residents	Others
GI(n=84)	58.3%	1.2%	6.0%	16.7%	2.3%	50.0%	1.2%
GII(n=92)	41.3%	5.4%	5.4%	4.3%	1.1%	57.6%	2.2%



This table shows that most respondents in both GI and GII believed that community building should be performed in reference to laws and the attitudes of residents instead of the administrative orders of local government agencies and the attitudes of the other local groups. This implies that many citizens recognized the importance of laws in local governance. On the other hand, few respondents in GI or GII approved of the attitudes of the property company because most of them believed that the commercial organizations are primarily concerned with profit-making instead of the common interests of the community.

The table also illustrates the specific difference between these two groups of respondents. Most GI respondents (58.3%) considered laws to be the reference point for community building while most GII respondents (57.6%) chose the attitudes of residents. In GI, there were also many respondents (16.7%) who preferred the attitudes of HCs; in GII, quite a few respondents (10.8%) considered the administrative orders of local government and the attitudes of the RC. Therefore, for GI respondents, the main reference points for community building were laws, the attitudes of residents and the attitudes of HCs in the order of importance; for GII respondents, the main reference points for community building were the attitudes of residents, laws, the administrative orders of local government and the attitudes of the RC in the order of importance. Finally, the fact that there was a higher percentage of GI residents than their GII counterparts who believed in laws was generally in accordance with the fact that the former knew more about the laws.

### *3, Informal networks among residents*

Many social capital theorists argue that informal networks produced by the interactions within communities promote community solidarity and thus affect local

governance to a great extent. A pertinent question in this study concerned the networks among residents: How often do you interact with your neighbors? (Q32)

Table 4.13 The frequency of neighborhood interactions

Q32, how often do you interact with your neighbors?		Seldom	Sometimes	Frequently
GI(n=89)	Percentage of Respondents	24.7%	66.3%	9.0%
GII(n=94)	Percentage of Respondents	40.4%	50.0%	9.6%

This table indicates that, compared to rural communities (Fei 1947; Yan 1996), interaction networks among residents in the sub-neighborhoods were generally quite thin. It also illustrates that more GI residents (75.3%) “sometimes” or “frequently” interacted with their neighbors in everyday life than their GII counterparts (59.6%), implying that there were denser informal networks among residents in GI than in GII.

#### 4, *Citizens’ understanding of local public affairs*

Before citizens effectively participate in local public affairs, they should know something about these matters. Therefore, understanding public issues in a certain community is an indicator of local civiness. In this survey the relevant question was: Do you know important public affairs (such as the RC election) in your sub-neighborhood? (Q39)

Table 4.14 Residents’ understanding of local public affairs

Q39, do you know important public affairs (such as the RC election) in your sub-neighborhood?		No	A little	Much
GI (n=91)	Percentage of Respondents	42.9%	56.0%	1.1%
GII(n=94)	Percentage of Respondents	53.2%	46.8%	.0%

This table shows that 57.1% of the GI respondents knew “much” and “a little” of public affairs in their community while only 46.8% of the GII respondents knew “a little”. There was higher percentage of GI respondents who knew more about their local public affairs than their GII counterparts.

### 5, Residents’ reaction to government policies

In their study of Chinese cities in the early 1970s, Martin K. Whyte and William L. Parish (1984:290) found that, due to strict coercion, residents seldom dared to speak out against governmental agencies and local cadre, and they had little influence on their neighborhood environments. Therefore, I also investigated residents’ present reactions towards government authority. In this survey, the follow question was asked: If any government agencies implement policies that violate your interests illegally (for example, to levy too much tax), will you consider doing something to urge the government to change them? (Q73)

Table 4.15 Residents’ reaction to government policies

Q73, if any government agencies implement policies that violate your interests illegally (for example, to levy too much tax), will you consider doing something to urge the government to change them?		No	Not very sure	Certainly
GI(n=90)	Percentage of Respondents	4.4%	48.9%	46.7%
GII(n=92)	Percentage of Respondents	13.0%	63.0%	23.9%

This table indicates that ordinary citizens in contemporary urban China react to the government authority in a different way from the past; many would voice their concerns publicly. GI respondents also differed from their GII counterparts in this aspect; nearly a half of GI respondents (46.7%) indicated that, once any government authority violated their interests illegally, they would certainly resist it while only a

few of them (4.4%) indicated that they would not. In contrast, only 23.9% of GII respondents indicated that they would do so while quite a few of them (13.0%) said that they would not. Traditionally, like most GII respondents, Chinese citizens always follow government authorities subconsciously and seldom dare to resist the latter (Pye1992; Zhang 1994). But many GI residents have departed from this tradition in terms of their reactions to the authorities.

To accurately illustrate the difference between the neighborhoods in terms of civicism, I also examined the correlations among these five indicators and integrated them into an index.

Table 4.16 Correlations among indicators and civicism

	Kendall's tau_b	HC	LOG	IN	UOCA	RGA	CIVIC-NESS
<b>Home-owners' committee</b>	Correlation Coefficient Sig. (2-tailed) N	1.000 . 185					
<b>Laws on greenery</b>	Correlation Coefficient Sig. (2-tailed) N	.156(*) .019 182	1.000 . 182				
<b>Informal networks</b>	Correlation Coefficient Sig. (2-tailed) N	.064 .332 183	.178(*) .011 180	1.000 . 183			
<b>Understanding of community affairs</b>	Correlation Coefficient Sig. (2-tailed) N	.139(*) .040 185	.231(**) .001 182	.376(**) .000 183	1.000 . 185		
<b>Responding to government actively</b>	Correlation Coefficient Sig. (2-tailed) N	.171(**) .010 182	.168(*) .017 180	.036 .605 180	.106 .138 182	1.000 . 182	
<b>Index of civicism</b>	Correlation Coefficient Sig. (2-tailed) N	.584(**) .000 178	.434(**) .000 178	.436(**) .000 178	.512(**) .000 178	.431(**) .000 178	1.000 . 178

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

HC= Home-owners' committee; LOG= Laws on greenery; IN= Informal networks; UOCA= Understanding of community affairs; RGA= Responding to government actively; CIVICNESS= Index of civicism.

This table presents the results of an analysis of bivariate correlations among these five indicators and the index of civicness. The average  $r$  of the ten correlations among the five indicators was 0.16. All of them were in the correct direction, and all but one of them are statistically significant at the 0.05 level. Therefore, these indicators are internally consistent. In other words, civicness among GI respondents was higher than GII respondents. This implies that the more networks there are among them, the more vibrant associational life is in the community, and the more residents react actively to the policies of government agencies.

Table 4.17 Independent Samples Test of Civicness

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Civicness	Equal variances assumed	2.112	.148	6.715	176	.000
	Equal variances not assumed			6.695	170.720	.000

An independent samples test shows that the difference between these two groups of respondents in terms of the state of civicness is significant. Therefore, the conclusion of the neighborhood difference in terms of civicness or civil culture can be generalized to all residents living in the GI and GII high-buildings.

### ***Civicness and neighborhood governance***

The above survey results illustrate that there was a big difference between GI and GII in terms of both governance performance and civicness. Was the difference in respect of the two issues relevant to each other? In the following section, I report the findings from a regression analysis conducted to explore the link between civicness and governance performance reflected in each indicator. In particular, adopting the

indexes of the indicators of governance performance as the dependent variables, I use the OLS regression analysis to explain the performance of neighborhood governance together with civicness and other socio-economic factors. The regression analysis indicates whether performance of neighborhood governance is influenced by civicness or other factors.

Table 4.18 OLS Regression Results on Residents' Perceptions to Social Services for the Aged

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.326	.612		3.799	.000
Female	-.064	.115	-.041	-.555	.579
Age	-.104	.070	-.129	-1.485	.139
Education level	.012	.025	.045	.475	.635
Party member	-.261	.135	-.152	-1.936	.055
Income	-.115	.060	-.158	-1.910	.058
Civicness	.145	.031	.336	4.645	.000

a. Dependent Variable: residents' perceptions to social services for the aged

b. Shaded variables are significant at the .05 level. Number of observations: 171.  $r^2 = 0.174$ .

This table illustrates that civicness is positively correlated to residents' perceptions about the social services. In a sub-neighborhood with relatively high civicness like GI, respondents knew much about laws, government policies and local public affairs. They also actively and effectively reacted to the action and policies of government agencies through informal networks among them or vibrant civil associations like HCs in their community. Therefore, they could urge the local agents of the state like the RC to improve social services, which would thus satisfy them more than those in a sub-neighborhood with low civicness like GII.

Table 4.19 OLS Regression Results on Residents' Perceptions to Property Management

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.859	.790		2.352	.020

Female	.044	.149	.022	.296	.768
Age	-.102	.089	-.100	-1.143	.255
Education level	-.040	.032	-.117	-1.225	.222
Party member	-.415	.174	-.188	-2.382	.018
Income	-.018	.078	-.020	-.237	.813
Civicness	.166	.040	.302	4.135	.000

a. Dependent Variable: residents' perceptions to property management

b. Shaded variables are significant at the .05 level. Number of observations: 170.  $r^2 = 0.164$

This table also shows that civicness is positively correlated about residents' perceptions to property management. In a sub-neighborhood like GI, residents knew much about their community and relevant policies, and they could thus establish well organized HCs to supervise the property management company. The latter thus had to improve its management practices and services. The result was that residents were generally satisfied with property management. On the contrary, in a sub-neighborhood with low civicness like GII, few residents bothered to meet together to put pressure on the property management company, or to establish HCs to supervise the latter. This partly accounted for the bad property management in it.

On the other hand, the Table 4.18 also shows that Party membership is negatively correlated about residents' perceptions to property management—this finding was least expected. A preliminary explanation is that the citizens with CCP membership used to receive much privilege from the state, and they thus had higher expectation to receive good property maintenance services than others. Therefore, as a result, many of them were dissatisfied with the property management in a neighborhood of a “second world” like Green Neighborhood, which was not good enough for them.

Table 4.20 OLS Regression Results on Index of the Penetration of RC

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.515	1.038		1.459	.146
Female	-.124	.208	-.041	-.595	.552

Age	.228	.127	.143	1.800	.074
Education level	-.014	.142	-.009	-.099	.921
Party member	.411	.244	.123	1.684	.094
Income	-.153	.110	-.107	-1.392	.166
Civiness	.373	.057	.443	6.559	.000

a Dependent Variable: Index of the Penetration of RC

B. Shaded variables are significant at the .05 level. Number of observations: 169.  $r^2 = 0.293$

This regression analysis presents some unexpected results. If clientilism model is still applicable in explaining the relationships between state agents and citizens, one would expect family income to be negatively correlated to the penetration of the RC because poor families would seek to establish patron-client networks with the RC and rich families would not. In community building, the state urged CCP members to cooperate with the RC in administering their sub-neighborhood. One would expect that the RCs would be generally in better relationships with the residents with Party membership than others. In everyday life, many people believe that the RCs mainly deal with females, old residents or those residents at low level of education, and have a better relationship with them than others. However, Table 4.19 shows that the expected effects of these socio-economic factors, except for age, on the penetration of RC were not confirmed by this survey.

Table 4.19 also shows that civiness positively correlates with penetration of RCs. In a sub-neighborhood with relatively high civiness like GI, due to the pressure from citizens and civil associations, the RC had to improve its management and services. It thus in turn received more support from residents and was thus able to forge better relationships with the latter than its counterparts in GII. Therefore, in grassroots communities with higher civiness, the RCs could be more influential than their counterparts in other sub-neighborhoods.

Table 4.21 OLS Regression Results on Neighbor Relationships

	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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	B	Std. Error	Beta		
(Constant)	2.951	.679		4.349	.000
Female	-.082	.128	-.050	-.639	.524
Age	-.089	.078	-.105	-1.144	.254
Education level	-.023	.028	-.084	-.839	.403
Party member	.014	.150	.008	.094	.925
Income	-.082	.067	-.108	-1.226	.222
Civiness	.080	.035	.177	2.307	.022

a Dependent Variable: Neighbor relationships

B. Shaded variables are significant at the .05 level. Number of observations: 172.  $r^2 = 0.061$

This table also shows that civiness positively correlates with residents' evaluations of neighbor relationships. In a sub-neighborhood like GI, residents interacted with one another relatively frequently. They did not only communicate with one another about laws and local public affairs, but they also reacted to government authorities together. As a result, there was cooperation and trust among the respondents; they naturally believed that the relationships among them were harmonious.

Table 4.22 Reasons for Residents' Participation in Community Activities

	Mobilized by the RC	Mobilized by the HC	Mobilized by other community associations	Mobilized by neighbors	Concerned with individual interests	Concerned with common interests	Others
GI (n=54)	20.4%	22.2%	3.7%	9.3%	3.7%	33.3%	11.1%
GII (n=50)	26.0%	.0%	6.0%	10.0%	6.0%	28.0%	26.0%

This table illustrates the reasons for residents' participation in community activities in north Green Neighborhood. The biggest group that participated in community activities in both GI and GII explained that they were motivated to do so because of the concern of common interests of their communities. This partly confirms our early presumption that there may be many residents participating in community activities due to their concern for others or of community development.

Many respondents reported that they participated in community activities due to the mobilization of the RC. There were also quite a few residents who were mobilized by neighbors, implying that they could participate in community activities due to their concern with “face” or of relationships with their neighbors. Furthermore, a few residents participated in community activities due to their concern with individual interests, suggesting that they might care much about power and interests. Therefore, we can conclude that residents could be generally classified into several groups in accordance to their motivation of participating in community activities (more discussion later).

Table 4.21 also shows that HCs have developed as an important channel for community mobilization while some other community associations such as chorus clubs and physical exercise groups were not so influential in neighborhood politics in terms of their influence of community mobilization.

Most importantly, this table also illustrates the huge difference between GI and GII in terms of the motivation of residents’ participation. A higher percentage of GI residents (33.3%) participated in community activities due to their concern with common interests than GII residents (28.0%). Furthermore, the secondary group in GI (22.2%) participated in community activities because of the mobilization of HCs while fewer residents (20.4%) did so because of the mobilization of the RC. In contrast, the secondary group in GII (26.0%) participated because of the mobilization of the RC; and nobody did so due to the mobilization of HCs. Therefore, the state-sponsored RC still wielded great influence in GII while autonomous civil associations of HCs were more influential than the RC in GI. This table also shows that there was higher percentage of GII residents (6.0%) that participated in community activities

due to their individual interests than GI residents (3.7%). All these findings suggest that there was higher civicness in GI than in GII.

Therefore, in contemporary urban China, the state-sponsored RC cannot monopolize community mobilization any more. Our findings also suggest that China's citizens do not participate in community activities always because of their desire to cooperate with the RC or to contribute to the interests of their community. This implies that the model of local volunteerism and thin reciprocity (Read 2003a) is limited in explaining community participation in present urban China. Instead, these findings confirm that citizens may participate in community activities due to their diverse concerns.

Table 4.23 OLS Regression Results on the Sense of Empowerment of Residents

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.374	.464		.807	.421
Female	-.064	.088	-.051	-.726	.469
Age	.089	.053	.136	1.663	.098
Education level	-.045	.019	-.208	-2.339	.021
Party member	.031	.103	.022	.302	.763
Income	.064	.046	.109	1.404	.162
Civicness	.144	.024	.410	6.009	.000

a. Dependent Variable: the sense of empowerment of residents

b. Shaded variables are significant at the .05 level. Number of observations: 170.  $r^2 = 0.268$

As Robert D. Putnam (1993a) argued, citizens in a community with low civicness will feel exploited by others and excluded from local politics. This table confirms the link between civicness and the sense of empowerment of local residents, which are positively correlated to each other. The more local residents know about laws and public affairs, the more they dare to actively react to governance policies, the more local civil associations are vibrant, the more can residents influence public affairs and feel empowered.

Surprisingly, the level of education is negatively correlates with the sense of empowerment of local residents. Usually, people may believe that the more a person is well-educated, the more he or she gets to know about laws and positively reacts to government policies. However, my survey suggested that this is not always the case.

Table 4.24 The correlations between education level and civicness

	Kendall's tau_b	EL	LOG	IN	UCA	RGA	HC
Education level	Correlation	1.000					
	Coefficient						
	Sig. (2-tailed)	.					
	N	185					
Laws on greenery	Correlation	-.142(*)	1.000				
	Coefficient						
	Sig. (2-tailed)	.034	.				
	N	182	182				
Informal networks	Correlation	-.058	.178(*)	1.000			
	Coefficient						
	Sig. (2-tailed)	.381	.011	.			
	N	183	180	183			
Understanding of community affairs	Correlation	-.052	.231(**)	.376(**)	1.000		
	Coefficient						
	Sig. (2-tailed)	.448	.001	.000	.		
	N	185	182	183	185		
Responding to government actively	Correlation	-.090	.168(*)	.036	.106	1.000	
	Coefficient						
	Sig. (2-tailed)	.176	.017	.605	.138	.	
	N	182	180	180	182	182	
Home-owners' committee	Correlation	-.141(*)	.156(*)	.064	.139(*)	.171(**)	1.000
	Coefficient						
	Sig. (2-tailed)	.025	.019	.332	.040	.010	.
	N	185	182	183	185	182	185

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

EL= Education level; LOG = Laws on greenery; IN = Informal networks; UCA = Understanding of community affairs; RGA = Responding to government actively; HC = Home-owners' committee.

The table shows that the level of education is negatively correlated to civicness. My interviews suggested that due to utilitarian concerns, many local residents with good education were just busy with their careers and businesses, and did not bother to spend time learning specific laws; they neither interacted with neighbors nor engaged themselves in local public affairs. Therefore, few of them felt empowered in the neighborhood. However, the modest size of the coefficient (-.140)

between level of education and the sense of empowerment of local residents suggests that this explanation receives only weak support.

Table 4.25 OLS Regression Results on the General Perceptions of Residents to Their Communities

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.274	.603		2.114	.036
Female	-.087	.113	-.054	-.768	.444
Age	.040	.069	.049	.586	.559
Education level	-.018	.025	-.066	-.731	.466
Party member	-.061	.133	-.034	-.455	.650
Income	-.013	.060	-.017	-.213	.832
Civiness	.204	.031	.455	6.579	.000

a. Dependent Variable: the general perceptions of residents to their communities

b. Shaded variables are significant at the .05 level. Number of observations: 161.  $r^2 = 0.314$

This table shows that civiness positively correlates with the general perceptions of residents about their communities. In a sub-neighborhood with relatively high civiness like GI, where residents knew much about laws and local public affairs, they established HCs to represent their interests; they could positively affect local decision-making. They could also get better services from local management agencies. Thus they felt empowered. Of course, the result was that most of them became more satisfied with their community and confident with its future; and they would live there for a longer time than others. In contrast, in a sub-neighborhood like GII, low civiness could hinder governance, resulting in the residents bad perceptions about their sub-neighborhood in general.

Generally, the above findings provide some evidence for our preliminary model of grassroots politics in relatively politically developed sub-neighborhoods. Firstly, Tables 4.6a and 4.6b suggest that community power structure in sub-neighborhoods like GI was changing from an integral one to an intercursive one. Secondly, even in GI, there were still many residents who did not feel empowered or

did not believe that they could affect local decision-making. This implies that the degree of neighborhood democratization was still limited. Thirdly, there were problems with the quantity and quality of social capital. Table 4.9 shows that the average rate for GI resident families to donate in the past three years was 17.79%, indicating that most residents failed to show kindness to neighbors. This implies relatively low solidarity in the community. Furthermore, Table 4.12 shows that there were still nearly a quarter (24.7%) of GI residents who “seldom” interacted with their neighbors. Presumably, there was lack of neighbor networks among these people. Fourthly, this study also investigated the contents of neighbor interaction.

Table 4.26 The Contents of Neighbor Interactions

Q33, what kind of contacts do you have with your neighbors?	Saying hello to each other	Chatting	Consulting with each other on interesting affairs	Borrowing stuff from each other	Becoming close friends with each other	Others
GI(n=84)	54.8%	8.3%	14.3%	15.5%	3.6%	3.6%
GII(n=88)	65.9%	5.7%	11.4%	11.4%	5.7%	.0%

The table shows that only a few respondents in GI interacted with their neighbors closely. This implies the social networks among the residents were not so good in terms of “quality”. In accordance with this, Table 4.4 shows that there were also nearly a quarter (24.2%) of GI residents who felt that their neighbor relationships were “somewhat” or “very” distant. In addition, I also investigated the social support networks of residents in the survey.

Table 4.27 Social Support Networks of Residents

Q35, among the following groups and institutions, who is the first you would like to request help from when you have problems?	Relatives	The street office or the RC	The work-unit	Friends	Neighbors	Nobody	Others
GI (n=89) Percentage of Respondents	42.7%	9.0%	3.4%	12.4%	11.2%	20.2%	1.1%

GII(n=92)	Percentage of Respondents	47.8%	10.9%	3.3%	14.1%	2.2%	16.3%	5.4%
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The table shows that the networks among neighbors were much more important to GI residents than their GII neighbors (11.2% vs 2.2%). However, even to GI residents, neighbors were not as important as relatives and friends outside of the community in terms of position in social support networks; and quite a few of residents (20.2%) would not request for help from anybody when facing problems. This implies that there was lack of high trust among neighbors even in GI. Therefore, the above findings suggest that, in relatively developed sub-neighborhoods like GI, the quantity and quality of social capital were also quite limited, let alone in other sub-neighborhoods like GII. Therefore, neighborhoods like GI should belong to “quasi-civic community” instead of “civic community”.

### **Conclusion**

Community building has promoted local governance in some aspects. Generally, neighborhood environments have been improved; social services and welfare have been provided; the state-sponsored RCs have been strengthened; and most residents have been generally satisfied with, and had confidence in, the development of their sub-neighborhoods. In politically developed sub-neighborhoods like GI, there was some improvement in local democratization. However, the big difference between GI and GII implies that even for those sub-neighborhoods labeled as “Model Quarter”, there is substantial variation among them in terms of actual community development.

In the past decade, there have also been some structural changes in urban neighborhoods in terms of civicness, or citizens’ political attitudes and actions. In some neighborhoods, citizens are more knowledgeable about laws than before; they

have established vibrant community associations; and they have begun to respond to governmental policies actively. This implies that civicism and social capital in these neighborhoods has been enhanced.

With the comparative method and elementary quantitative analysis, I further explored the link between governance performance and civicism in sub-neighborhoods. My findings have generally confirmed Robert D. Putnam's (1993a) claim that civicism is crucial to the performance of new institutions. We can conclude that, due to the growth up of civicism in politically developed sub-neighborhoods like GI, local governance performance has been promoted and social space has been expanded. However, the difference between GI and GII in terms of the state of civicism and the way by which civicism was developed in GI requires further studies.

Moreover, Tables 4.6b and 4.11a have indicate that the state still wields great influence in neighborhoods through both local agents and law enacting. Given the rising influence of civil associations and citizens, one may tend to conclude that the model of civil society can be utilized to describe the power relations in neighborhoods. However, as mentioned in the second chapter, the methods of comparative study and quantitative research are appropriate in exploring the causal effects among variables, though not adequate in explaining the causal mechanisms among them. Therefore, there is need to explore how state authority and civicism in neighborhoods affect local governance performance. Will a relatively developed sub-neighborhood like GI definitely move towards grassroots democratization and good governance so that most residents can benefit from it? Or will it grow up as an ideal "civic community". These questions are discussed in the next chapters.



## Chapter Five: Social Capital, Community Movement and the Enhancement of Civicism<sup>26</sup>

### Introduction

As shown in previous chapters, since the 1990s, neighborhoods, instead of work units, have gradually become a main site where the interests of government agencies, commercial organizations and citizens are negotiated. Facing the domination of the local pro-growth coalition between the former two groups, citizens have begun to launch collective resistance at the neighborhood level to defend their interests and rights. Unlike large-scale political movements such as the 1989 Tiananmen Movement (e.g. Calhoun 1994; Pei 2003), grassroots resistances are mainly directed at local authorities or commercial organizations, focusing on specific economic or social problems; for example, protecting their neighborhood environments instead of abstract socio-political notions. Despite being small in scale, grassroots resistance exerts considerable impacts on local governance. Furthermore, they also reflect the state of community cohesion and civicism. As Ray Forrest and Ade Kearns suggested, the simplest observable measure for recognizing a socially cohesive neighborhood “would be of groups of people who live in a local area getting together to promote or defend some common local interest” (2001: 2134). To understand neighborhood politics and the socio-political order of contemporary China at the base level, we have to explore the mechanisms of these grassroots movements.

In the following sections, I first review existing research on collective resistance. The next section discusses the main concept of social capital employed in

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<sup>26</sup> The earliest draft of this chapter was presented at Asia Research Institute conference: “Social and Cultural Change in Asia: Past and Present,” 16-17 October 2003, National University of Singapore; see Shi (2003). Part of it also appears differently in my one co-authored article; see Shi and Cai (2006). I thank Yongshun Cai for his kind cooperation.

this project. Then I describe the movement's history. Finally, I examine the link between social capital and ordinary social movements.

### **The Study of Collective Resistance in Contemporary China**

When studying China's collective resistance, there is a need to classify different types of social movements in terms of characteristics and dynamics, as each type faces different conditions and constraints (Perry 2001; Pei 2003; Liu 2004). According to Liu Neng, since the 1990s, collective protests by cross-class citizens, referred to as "ordinary social movements", and the rights defense movements by "weak" citizen groups are the two types of collective resistance that break out most frequently (see Liu 2004:67).<sup>27</sup> These two types of movements constitute "ordinary resistance". As Pei Minxin (2003:28) writes, these resistances "seek redress of routine instances of injustice for which victims hold the government and its agents responsible." However, according to Liu Neng, ordinary social movements differ from rights defense movements in participants and orientations. In particular, their participants include citizens from different class backgrounds. Except for specific economic problems, ordinary social movements also deal with certain social issues including environmental protection, property rights, etc; and they aim to promote the interests of all citizens in given communities instead of those of particular groups (Liu 2004:65). Furthermore, ordinary social movements sometimes claim rights which are granted to citizens by law in principle but never actually delivered to them, for example, the rights to organize a free demonstration. Therefore, compared to reactive

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<sup>27</sup>What is called a "right-defense" movement (*weiquan yundong*) refers to the collective efforts of certain citizen groups to defend their own rights or interests. This type of movement generally focuses on specific economic issues faced by weak groups, such as asking for compensation for resettlement, protesting against over-levied taxation, etc; and they are usually reactive and defensive. Most of their participants are of similar socio-economic status (Yu 2004). In contemporary China, some citizen groups such as rural peasants, rural-urban immigrants and urban workers are "weak" in terms of their socio-economic and political status.

rights defense movements, ordinary social movements utilize a greater degree of proactive resistance<sup>28</sup>.

Until now, the dynamics of ordinary social movements in the new context of urban governance have not been well understood. Mainstream theories on social movements focus on resource mobilization and political process models, examining the mechanisms of collective resistance (McCarthy & Zald 1973, 1977; Tilly 1978; McAdam 1982; Kitschelt 1986; Tarrow 1994; McAdam, Tarrow & Tilly 2001) while new social movement theories highlight the social meaning and significance that contemporary collective resistance represents (Touraine 1981, 1988; Castells 1983; Offe 1985; Habermas 1987; Melucci 1989; Johnston & Klandermans eds 1995). These theories appear inadequate to explain the dynamics of ordinary social movements within an authoritarian context.

Most existing studies on China's ordinary resistance focus on examining rights defense movements; and suggest that improved legislation and the relative tolerance of high-level government to civil resistance against local authorities could serve as the "political opportunity" for citizen action (O'Brien 1996; Li & O'Brien 1996; Cai 2002; Yu 2004). This framework cannot adequately explain the different consequences of collective resistance in different neighborhoods under the same "political opportunity structure". Previous studies on both social movements in other countries and China's rights defense movements suggest that social networks should be responsible for the mobilization of collective action (e.g. Snow, Louis & Sheldon 1980; Klandermans & Oegema 1987; Dieter & Gern 1993; Lee 2000b; Ying 2001; Cai 2002); however, most

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<sup>28</sup> According to Charles Tilly (1978), reactive movements generally aim to resist against agents of the state to defend group rights and privileges which have already been possessed by citizens while proactive movements aim to claim for new rights.

of them focus on examining the role of horizontal networks among citizen protesters themselves without looking at the support they may receive from high-level government agencies. As Mayer Zald (1992:339) pointed out, most social movement researchers ignore the influence of the inner workings of government on collective action. Therefore, it remains a question why some citizen protesters succeed in getting support from higher-ranking authorities in China while others fail. More recent studies suggest that personal vertical networks are important channels for China's citizens to informally participate in politics in order to pursue their individual interests (Walder 1986; Oi 1985, 1989; Lieberthal 1992). This infers that some citizen protesters may also utilize personal vertical networks between themselves and the high-ranking officials who are close to them to facilitate civil resistance. Clearly, we need to explore the role of vertical networks in collective resistance. Fourthly, as many researchers pointed out, there was few existing research identifying how collective action reshapes a polity's institutional structure (O'Brien 2003:59 ; also see McAdam 1996:36); and "comparatively little is also known about the biographical consequences of contention; in particular, how it affects the values of activists" (O'Brien 2003:59). Therefore, we need to explore biographical consequences of collective resistance to further understand contentious politics.

This chapter examines the dynamics of such collective resistance in Green Neighborhood. Specifically, it addresses the following questions: 1) why are citizens in certain neighborhoods more active and successful in launching collective resistance than citizens in other neighborhoods who face similar problems and situations? 2) How do they undertake collective action using horizontal and vertical networks with other people and/or organizations? 3) What strategies are adopted by different actors

in the movement in order to outwit their opponents? 4) What is the impact of such kind of community movements on local political order?

### **A Story of the North Green Neighborhood: A Ten-year Community Movement**

Since the 1990s, many of China's cities have launched large-scale urban renewal and estate development projects to promote local economic growth and to improve urban images. However, local governments and estate developers are usually very rushed in making progress and profits; and they often push forward projects that may adversely affect citizens' living environments in neighborhoods. This has resulted in accumulating mass dissatisfaction among citizens and significant civil resistance. This study examines a case of citizens' collective resistance against the occupation of their community park by an estate owner and the local government in succession in Green Neighborhood.

With the development of PN district, the land value of Green Neighborhood has been steadily increasing due to its good geographic location. Many local power holders coveted and attempted several times to occupy part of the land of the community park. Therefore, from 1993 to 2003, residents in the north Green Neighborhood launched a community movement that intermittently lasted ten years to protect their community park from being occupied. The first phase of this movement was against a particular estate development company, and the second was directed at the local government.

### **The resistance against the estate developer: the origin of a community movement**

#### ***The lack of trust and the failure of the initial collective resistance***

In July 1993, an estate developer, which was a state-owned development company and auxiliary to the municipal government, occupied part of the open

ground to build a twenty-six-storey residential building for sale. This project upset Mrs Fang, a retired teacher living in GII, because this new high building would shade many homes including hers from sunshine; and it would occupy a lot of land intended for a community park. Fang first expressed her concern through administrative channels, specifically to the GII RC and the W Street Office, which are supposed to represent residents' interests. The latter would not risk offending the powerful estate development company and warned Fang not to "make trouble." Angered by this, Fang was determined to lodge collective complaints (*jiti shangfang*) to higher level government because this is usually the only economical and effective way for powerless citizens to combat local power holders who violate their interests (see O'Brien & Li 1995; O'Brien 1996; Cai 2002). To mobilize other residents to participate in collective resistance, Fang had to solicit trust and cooperation from the community. Before this event, there was little collective action in GII and residents did not know each other. Therefore, Fang got acquainted with some heads of residents' groups in the north Green Neighborhood to persuade them to mobilize residents to join in her resistance. At the outset, few people believed in her because they did not know her. Fang explained to them that she needed their participation simply because a collective complaint would be more effective; and she also assured them repeatedly that she would lead the future resistance and take on any potential risk herself. Due to Fang's insistence and in view of the common problem residents would face, some residents finally agreed to participate in collective resistance.

One day in September 1993, Fang led 37 residents to the PN District Government to complain about the project. However, the security guards at the government building refused to let them in. Fortunately, Fang happened to see one of her former students, a high-ranking official in the district government, in the yard. She

told the official their problems; and the latter then ordered the guards to let Fang into the government office to express their appeal. Therefore, by her individual vertical ties, Fang succeeded to voice their concern to the District Government.

After a few days, one of the top leaders of the Government instructed that the project should be canceled because it occupied the ground for greenery. This greatly inspired those resident protesters. More residents thus believed they also should participate in the struggle for their community interests. However, because the estate development company was affiliated to the Shanghai Municipal Government, the management did not treat the instruction of the PN District Government seriously at the beginning; and they went on constructing the project. Then, Fang and other residents lodged complaint to the Shanghai Municipal People's Congress. Encouraged by Fang's initial success, more residents attended the collective complaint. One leader of the People's Congress instructed that this matter should be investigated in case it would trigger unrest in the neighborhood.

Due to the pressure from the high-level authority, the development company started to deal with the resistance seriously. On account of the importance of Fang in the movement, the development company attempted to prevent her from organizing collective resistance again. They believed that if they successfully disintegrated the residents' protest, both the Municipal People's Congress and the district government would turn a blind eye to their illegal occupation of the open ground since the company was a state firm of the municipal government. Therefore, they requested help from the W Street Office; the latter then ordered the GII RC to monitor Fang's action. Meanwhile, the company attempted to discredit Fang in the community. They pretended to negotiate secretly with Fang herself, promising that they would provide her with a new suite of apartment in another neighborhood if she stopped organizing

resistance. It was said that Fang, due to the pressure of the RC and the temptation of new housing, agreed to concede. However, the company also spread a rumor that Fang was willing to compromise with them secretly because she had accepted big gifts from them. Due to their unfamiliarity with Fang and shaky trust in her, many GII movement participants were convinced of the rumor. Greatly angered at Fang's "betrayal," they declined further participation in collective resistance. As one former participant in GII told me, "I didn't know her (Fang) before. She just came to my home and told me that the project would block our homes from sunshine. I worried about this. So I joined them (to the government). But later I heard that she just utilize us to make deal with the company. I was very angry. When she came to my home again to talk about this matter, I just told her to go out. After that, I didn't participate in such thing any more." Although Fang found that she had been cheated by the company and tried to organize resistance again, nobody would join her. Therefore, Fang had to withdraw from collective action since then. Furthermore, many activists in GII felt very disappointed and would not engage themselves in collective action again. The collapse of trust between movement activists and the leader in GII had resulted in the decline of social capital and the absence of further collective action in this sub-neighborhood.

### ***The transference of leadership in the community movement***

Before Fang's final failure, some activists did not trust her very much. The latter realized that a reliable and able leader was most important for a successful resistance. Then, a protest activist from GI recommended one "trustworthy" neighbor, Mr. Tan, to lead their resistance. Tan was a low-ranking administrator of a plaza in his forties at that time. In the high No.1 Building in GI where this activist lived in, many



residents including Tan had been collectively resettled from the same downtown area there (*jiti dongqian*) by the government. Before moving to Green Neighborhood, these former neighbors had lived in one outmoded Shanghai-style lane, where the bad living conditions and the common requirement obliged neighbors to interact and cooperate with one another. As former researchers pointed out, the more people connect and cooperate with one another, the more they will trust one another (Gittell & Vidal 1998:15). In this instance, the long-term successful interactions and cooperation made neighbors know one another very well; they had thus gradually cultivated trust and dense networks of interaction among themselves. When Tan and his neighbors moved to Green Neighborhood, they still kept close interactions with one another frequently. This activist believed that Tan would be a good leader for their resistance, for Tan had experienced collective action many times during the Cultural Revolution; and he had many friends including some government officials who might be helpful in their future action. In addition, Tan was enthusiastic about helping others. The activists visited Tan and requested him to lead the movement. Actually, Tan moved to Green Neighborhood primarily because he had wanted to live near to a big park. He had a good friend who was a high-ranking official in the Shanghai Municipal Construction Planning Bureau (Planning Bureau), which was in charge of approving all construction plans under the jurisdiction of Shanghai City. This official told him the construction plan of Green Neighborhood before. Therefore, Tan knew that the developer's project was not included in the construction plan. However, he was quite busy and was not involved in the movement at the outset.

Persuaded by his neighbor activists, Mr. Tan agreed to lead the movement. He was very confident in getting support from his old neighbors in the future action. But he also realized believed that they needed stronger evidence to argue against the

developer. He discussed the development project with his neighbors. One of them, an estate expert, would assist him in organizing resistance. The resistance team found that the project might not conform to construction laws. Since the 1980s, the state has begun to emphasize the policy of “rule by law.” Like protest activists in rural China (see e.g. O’Brien & Li 1995; Ying 2001), these resistance leaders understood the importance of law and policy for ordinary citizens, in order to make salient claims against power holders. They believed that if they could provide strong evidence proving that the estate developer had violated the construction law or the neighborhood plan, they could urge high-level authorities to punish the developer and to suspend the project. Essentially, their strategy was similar to the strategies adopted by China’s rural protestors, a kind of protest labeled as “rightful resistance” (O’Brien 1996) and “struggle by law” (Yu 2004). Tan approached his friend in the Planning Bureau for help. He also attempted to utilize his connections with old neighbors to mobilize local residents to participate in the resistance. As Tan pointed out when he spoke to me about their struggle strategy, “laws and ‘public relations’ (*gongguan*) are the most important things to resistance. If we can find evidence that local power holders violate laws, we will argue against them by citing the laws; if we cannot find such evidence, we will mobilize resistance though ‘public relations’ instead.”<sup>29</sup> Tan also took many courses to learn more about laws and the skills of practicing “public relations” in the follow years. Actually, for these protesters, laws were only employed to legitimize the movement and to put pressure on government agencies while social

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<sup>29</sup> Chinese people usually relate “public relations” to the concept of *guanxi*. Actually, what Tan refers to here is the utilization of social networks. These networks include not only such “*guanxi*” as personal ties between relatives, colleagues, and friends, but also “public networks” like the mass media. Furthermore, for Tan and other activists, it is good thing to utilize personal connections for community and public benefit; this is essentially different from the action that people take for personal interests through *guanxi*. In other words, the concept of *guanxi* cannot cover the horizontal networks and vertical networks that Tan employed in collective action. These components are part of social capital.

capital was the main means through which they constructed their resistance. I will discuss this further in my description of the movement history.

Due to Tans' persuasion, many residents living in No.1 Building, especially his old neighbors who knew him well and trusted him very much, agreed to join him and became his loyal supporters during the later ten-year community movement. Some residents even contributed money to the leaders as movement funds. Therefore, networks among these old neighbors constituted the initial social capital to facilitate mobilization. A few GII activists also participated in the action launched by GI residents. Furthermore, with the help of a friend in the Planning Bureau, Tan got a copy of the original construction plan of Green Neighborhood, which proved that indeed the project was not included in the official plan.

### *Collective action and the success of the resistance against the developer*

The movement activists reported the evidence to the district government agency in charge of construction administration; but the latter chose to shelter the development company because it was an auxiliary of the municipal government. On the evening of June 15, 1994, Tan and a number of activists demonstrated in the north Green Neighborhood. They informed residents through loudspeakers that they had obtained evidence proving the project was illegal, and they called on residents to destroy the project's underground construction. More than one thousand residents joined the action and demolished the construction into pieces. To prevent the developer from resuming the project, residents also urged high-level authorities to revoke the project once and for all. They lodged complaints to the mass media, especially *The WH Newspaper*, and requested the paper to highlight the illegal nature of the project and its potential harm to the community environment. Since the 1990s,

government control on the mass media has slackened. The mass media can report some social problems including those involving local authorities. Such reporting may influence public opinion and thus provoke high-level government agencies to deal with such problems because of concerns about legitimacy or criticism from superiors. Certain media affiliated to high-level authorities even have power to require local government agencies to assist in investigating influential events; they may report these events in their “internal reference” (*neican* or *qingkuang huibao*), which are only distributed to high-ranking officials to spotlight important issues. Therefore, many people may petition the mass media to get attention from high-level authorities when they suffer injustices. Since the Shanghai Municipal Government had highlighted the importance of environmental issues before, the municipal-government affiliated *WH Newspaper* and other media investigated the project and broadcast its illegal nature. With the help of his official friends, Tan also obtained information on the responsibilities of the Planning Bureau’s departments and their work schedules. In the following days, he organized residents to swarm the Planning Bureau’s important departments repeatedly accusing the developer of its illegal project. Pressured and almost paralyzed by these citizens who held strong evidence, the head of the Planning Bureau promised to investigate the project as soon as possible.

Although the development company tried to discredit Tan as they did to Fang before, residents did not believe rumors spread about Tan. Under pressure of the protestors and the media, the Planning Bureau conducted a quick investigation of the project and revealed it in early July 1994. Further official investigation revealed that the company had bribed some municipal officials through *guanxi* ties; and two

management staff of the company were thus arrested and put into prison<sup>30</sup>. This case clearly shows that through horizontal networks among neighbors and vertical networks with friends in government agencies and the mass media, these citizen protestors succeeded in their collective resistance against local economic elites.

### **The enhancement of social capital within the community**

The success of the resistance against the estate development company greatly inspired movement activists and other residents, and they believed that they deserved a big celebration for it. When the construction team of the company withdrew from the open ground, many residents set off a lot of firecrackers; and the whole north part of Green Neighborhood was filled in the atmosphere of joy. The success also convinced many residents of the low risk of such kind of collective resistance; and many residents believed that community public affairs were under their control. Although the estate development company had retreated from the open ground, the plan to construct a community park was not implemented for a long time. Some local organizations, such as the primary school of Green Neighborhood and the Street Office also tried to occupy part of the ground for their use with different excuses in succession. Due to their experience of resisting the developer, Tan and other movement activists frustrated all such attempts; and they also repeatedly complained to the mass media of such situation again and again. Some influential Shanghai media such as *WH Newspaper*, *Xinminwanbao*, *Laodonbao*, concurrently broadcasted on the circumstances of the north Green Neighborhood. The media warned that the open

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<sup>30</sup> also see *Jiefang Daily* 4 Aug 1994

ground should not be a piece of “Meat of Tang Monk (*tangseng rou*)”<sup>31</sup> to be occupied by anyone; and urged the local government to carry out the plan to build the community park. Under the demands of residents and the pressure from the media, relevant PN district government sectors finally constructed the planned community park in May 1995, planting a large field of grass and a bamboo forest within it. In the following two years, this beautiful park proved to be an excellent public space for local residents to spend their leisure time.

The first phase of the community movement greatly affected community life. It improved various social relationships in the north Green Neighborhood, especially in GI, and promoted community solidarity. Specifically, the success of the collective resistance promoted the level of trust and cooperation within the community. Because Tan showed his leadership and efficiency in a series of collective action, many residents trusted him very much. At numerous community activities later, it could be seen that any viewpoints or directions articulated by Tan were accepted and followed without being questioned.

Since many residents were involved in a series of collective actions, they gradually became familiar with one another and developed the sense of “groupness”, which gave rise to greater trust and cooperation among them on other matters. In the course of collective resistance, activists also formed informal networks in the community. In nearly every residential building near the park, a few activists of different class backgrounds emerged, which included engineers, teachers, white-collar workers, ordinary workers, house wives and retired people. They were not only very

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<sup>31</sup> “Tang Monk (*tangseng*)” is the protagonist of a classical Chinese literature of “The Buddhism Trip to the West (*xiyouji*)”. He was sent to request for Buddhism literature to the Buddha by the emperor of the Tang Dynasty. It was said that people who eat the meat of Tang Monk would never die. So many evil spirits tried to catch and eat him, but all of them failed finally. “Meat of Tang Monk (*tangseng rou*)” is thus used as a metaphor in China for extremely valuable things.

active in collective action, but also willing to be under the leadership of Tan as well. There were many more activists in GI than in GII. These informal networks allowed Tan to easily mobilize residents for collective action. In No.1 Building where Tan lived, the number of activists was the most outstanding.<sup>32</sup> In 1996, when the government called on residents to elect their representatives to constitute homeowners' committees (HCs), residents in No.1 Building actively established the HC of No.1 Building (the No.1 HC), and elected Tan as its head.<sup>33</sup> This position provided him more opportunities and legitimacy to organize collective action.

Through the various collective activities, the norm of community participation gradually took shape and be consolidated. A "tradition" of rights defense by law was thus constructed in Green Neighborhood, especially in GI, and many of its residents regarded their participation in collective action as duty<sup>34</sup>. As some GI residents told me, "to participate in the things (collective action) is good for the interest of all people including myself!" Most importantly, through a series of collective complaints, Tan succeeded in seeking support from some media and high-level authorities, and he henceforth managed to establish personal networks with some officials and journalists.

As Robert D. Putnam (1993) pointed out, such social capital as trust, norms and networks have the tendency to strengthen themselves. Such successful cooperation will develop networks and trust among people which in turn facilitate their future cooperation on other matters. A series of successful collective action led

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<sup>32</sup> Among nearly six hundred residents in this building, there are more than forty core activists who frequently participated in collective action (I managed to interview sixteen of them). And many other residents also participated in the movement occasionally.

<sup>33</sup> Since the middle of the 1990s, the state began to implement home property and required residents to buy homes themselves instead of asking for homes from work units as before. Those who had homes allocated to them by their work-units before were required to pay for the property, usually at a very cheap price (See Wang and Murie 1996; Cao and Li 2000).

<sup>34</sup> According to the survey, 7.0% GI respondents reported that they would participate in collective actions in their community due to the group pressure from neighbors. In contrast, no GII respondents said that they would participate in collective actions because of community pressure.

by Tan resulted in the emergence of new networks among movement activists themselves, of vertical connections between Tan and some municipal officials and journalists, and of the norm for community participation. This reinforced trust and cooperation among resident protestors themselves, and between resident protestors and outside supporters. Therefore, these collective actions contributed to the enhancement of both Tan's individual social capital and collective social capital of the north part of Green Neighborhood, especially of GI, which constituted the dynamic of future cooperation among residents. The networks among protest participants themselves and the norm for community participation are "bonding social capital" while the vertical connections between protest activists and municipal officials and journalists are "linking social capital" in terms of characteristics.

### **Collective resistance against the local government: the highlight of the movement**

#### ***The contest between administrative power and citizen rights***

At the end of 1997, without any proper authorization, the PN District Government decided to encroach on the park to construct an entertainment center for its senior cadre. In contemporary China, senior cadre is an exclusive social group. Unlike those who started work after the 1949 Revolution, they can not only receive preferential retirement benefits from the incumbent government because of their contribution to the communist revolution, but also be able to exert great influence to incumbent officials by their links with former subordinates. Therefore, they are very influential in Chinese politics at all levels. To some incumbent officials, being connected with influential senior cadre means great chances to be promoted in the near future. In this case, because senior cadre of the PN district liked the geographical



position of Green Neighborhood, several relevant departments of the district government undertook this project together with the W Street Office. The district government would provide the funding; and the latter was responsible for the construction. The Street Office had a strong incentive in the project for several reasons. First, it was not rational for it to offend the district government, which was its direct superior authority. Second, it would benefit from the project because the district government would make an investment of 10 million *yuan* on this project. Once constructed, the entertainment center would be counted as an important achievement of community building of the Street Office because it will be under the jurisdiction of the Office. In addition, the senior cadres were generally very old; the Street Office would retain the facilities after all those senior cadres have passed away. Actually, there was already a recreation center for elder residents of the neighborhood within the community park, which occupied approximately a space of 135 square meters. The government's construction plan was to dismantle the recreation center and to build their entertainment center, which would cover 1300 square meters of the park and be only for the use of senior cadre. The Street Office then sent a construction team, which was said to bribe officials to get the construction contract, to destroy part of the park, and to build the planned entertainment center.

Many residents in north Green Neighborhood were upset by this project. First, this project would adversely affect their neighborhood environment because it occupied part of the park. Since relevant laws had regulated that parks are not allowed to be demolished without legal approval, these residents believed that the local government should not destroy the park at will. Secondly, they believed that this project would violate their estate property rights. Due to housing reform, many residents owned the property of their homes. With reference to relevant laws, they

held that the park was part of the public facilities auxiliary to their residential buildings, and should be the common property of local residents. Therefore, they maintained that the local government had no authority to occupy the land without legal approval. Furthermore, many residents believed that once the local government used the facilities for commercial purposes in future, the neighborhood would be turned into a business district and the quiet environment would be destroyed. In addition, Tan and other former movement activists believed that it was unfair for the local government to occupy the park because the latter had not supported the residents when they prevented the estate developer from occupying the ground.

Therefore, Tan and other activists decided to launch resistance against the local government to defend their “rights of property and environment.” At the beginning, they voiced their concerns directly to the Street Office. But the latter just ignored them. The government agency claimed that the park was owned by the state; and that, as a representative of the state, the local government had the power to encroach upon the park. The Street Office also warned that those who dare to obstruct the project would be regarded as disturbing social order and be seriously punished. These activists recognized that their opponent this time was the enormously powerful local government<sup>35</sup>, and that any rash action would put them at risk. Their actions had to be justified. However, past success in earlier resistance granted great confidence to Tan and other activists. Given the fact that this project violated regulations about residents’ housing property rights and greenery in public space, they believed that

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<sup>35</sup> In China’s administering system, bypassing their immediate superiors, some local government officials tend to establish direct links with higher ranking authorities by informal networks. If they succeed in doing this, they could ignore the authority of their immediate superiors and thus have more independence. In the case of the PN district, it is special in Shanghai in terms of its status. Since its opening, its district government has been granted much more power than other district governments. The central government instructed that public affairs should be dealt with in special ways in the PN district. Therefore, even some municipal governmental sectors, without the support of top leaders of the municipal government, have no authority to give orders to the PN District Government, and the latter often ignores the regulations of the former in reality.

success was possible if their strategies were appropriate. To eliminate residents' fear of the local government, the activists comprehensively propagated relevant laws and regulations in the neighborhood and attempted to convince residents of the correctness of fighting for citizen rights. They hung many banners on high buildings, using slogans such as "protect our park and greenbelt by law," "we can survive without meat, but we cannot live without the greenbelt." Their claims convinced many residents,<sup>36</sup> and the latter thus strongly supported collective action.

### ***Drastic civil resistance and coercion from the local authority***

At that time, nine HCs, including the No.1 HC, were already established in the Green Neighborhood, and six of them were in GI and well organized. To enhance the legitimacy of their protest and to reduce the risk of being labeled as "mobs," Tan decided to launch collective resistance under the name of these formal associations. He visited important members of the other HCs one by one and invited them to participate in the resistance. Tan was very eloquent, and he articulated many laws and regulations about relevant issues. Most main members of the other HCs were convinced by him. An informal alliance was thus established among these HCs, and their leaders often discussed struggle strategies and tactics together and coordinated collective action. Tan also visited *The WH Newspaper* to complain against the local government and its illegal project, and delivered the petition letter endorsed by the nine HCs. *The WH Newspaper* then reported the case to the municipal government on 18 Feb 1998. Concerned with the stability of the area, the latter ordered the local government to suspend the project.

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<sup>36</sup> When I conducted fieldwork in Green neighborhood, many people including some old residents with little education told me that "according to law, this park belongs to us residents; Tan told us of this."

The Street Office then requested to negotiate with the HCs in April 1998. Both parties reached a consensus that the local government could continue the project; but the building should be open to both senior cadres and local residents, and that the occupied land area of the park should not exceed 650 square meters. However, the District Government nullified this agreement in December 1998. Without informing residents, they set a new construction plan that would build entertainment facilities only for senior cadre. It was to occupy 2000 square meters of the park. In April 1999, the Street Office restarted the project. One movement activist had a cousin working in the local government who secretly told him that the government had broken their negotiated agreement. The movement activists felt deceived and were very angry. They not only lodged complaints to high-level authorities but also reported the treachery of the local government to the mass media. *The WH Newspaper* hence restarted its investigation of the case again; and the Street Office had to release their real plan to its journalist on 20 May, 1999. However, ignoring the prohibition against the plan, by the Municipal Planning Bureau, the local government continued construction.

The movement leaders realized that if they just voiced their resistance through conventional channels and this did not stop the construction, it would soon become a *fait accompli*; but if they engaged in violent conflicts with the local government, high-level authorities would treat it as a serious event threatening local stability. The local government might very well be forced to concede to residents. Thus, residents decided to take more challenging action. On the evening of 25 May 1999, Tan led more than forty activists to destroy the construction foundation. At the beginning, the boss of the construction team was going to command the workers to fight the residents. Then, a female movement activist, in her early forties, with “manly” figure

grasped him on the collar and shouted at him: “how dare you fight us residents!” The angry boss tried to hit her. But the residents just bellowed out: “you cannot hit a woman!” The boss then realized that it was a woman! And he gave up.<sup>37</sup> The protest activists destroyed the construction foundation without damaging the construction equipment. According to the report of the construction company, the immediate financial loss in the event was more than 100 thousand *yuan*. Actually, before the action, Tan had discussed the plan with a public safety officer who was also an intimate friend. The officer advised that they might not be strictly punished by high-level government as long as they did not damage the equipment, because high-level government officials usually interpreted the action of damaging equipment as “damaging state property.” The protestors remained within this boundary of action.

After this event, the Street Office spread word to the public that the collective action was destructive by nature, comparable to the 1989 Tiananmen Event. The Street Office also threatened to arrest Tan and other activists. The latter then decided to lodge complaints to the Shanghai Municipal Government and to request it to prevent the local government from exerting vindictive action. By consulting his friends in government, Tan understood the importance of timing for the success of collective complaints. Usually, collective complaints launched on important political occasions such as National Day or the people’s congress, will draw the attention of high-level authorities, and be addressed quickly. At that time, the fourth of June was near. Due to the social memory of the 1989 Tiananmen Event, the dates close to 4 June every year are sensitive ones. Any events happening on these dates would attract high attention from high-level government. But if the protestors went to the municipal government in the daytime or on dates too close to 4 June, the impact might be too

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<sup>37</sup> In China, it is shameful for a man to hit a woman in public.

great, which would disgrace and infuriate the Municipal Government. Therefore, they must choose an optimal time so that the complaint would attract high attention from the government, but would not threaten its authority. The movement activists chose a relatively sensitive time to lodge a complaint to the municipal government's Complaint Office - the evening of 1 June.<sup>38</sup> This tactic turned out to be very effective. The Office immediately notified the local government about the complaint and urged them to deal with the matter carefully. Given the timing of the residents' complaint, the local government was furious and scared because they could be blamed by high-level authorities for their "inability to cope with local problems and to keep the local stable". On the second day, several local officials accompanied by police visited the homes of the movement leaders, and warned them against lodging any more complaints to the municipal government. The home visit accompanied by police intensified the anger of movement activists. To prevent them from launching more collective complaints before 4 June, the local government had to order a number of officials and police to keep watch at the front of both No.1 Building and the municipal government. The Party Secretary of the PN district also instructed ambiguously that the controversy should be "dealt with according to the regulations of laws".

Since the collective resistance was organized under the name of HCs, the local government claimed that the type of citizen associations were becoming a "third force" threatening the authority of local governments and the rule of the party-state because they were well organized and advocated interests important to citizens. The local government concluded that HCs could be more dangerous than *Falungong* organizations. However, *The WH Newspaper* investigation report argued that the conflict was the fault of the local government, and the municipal government would

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<sup>38</sup> There were people on duty in the Office at night

thus not believe the excuses of the latter. Therefore, the local government did not dare to punish movement activists and resume the project. But they were not willing to quit either. Because of Tan's leading role in the movement, the local coalition tried to trap him into troubles. The boss of the construction team requested negotiating with Tan, promising to offer him a large sum of money, and the local government would arrest Tan once he accepted the money, which would be claimed to be the evidence of his blackmail. However, being cautious of such trap, Tan rejected the offer.

***The local government's "soft" tactics and the splits within the community***

The local government understood that the networks among residents and their trust in Tan sustained the collective resistance. Therefore, the government tried all means to disrupt such networks and trust to crush the movement. Its officials sent presents to journalists and asked the latter to broadcast their claim that they were going to construct this building in order to provide entertainment facilities for local elderly residents. The Street Office also spread the rumor that Tan impeded the project because he wanted to blackmail them into allowing his friends to get the construction contract. They incited the GII RC to mobilize some elderly residents loyal to the RC to sign a petition letter to higher authority requesting to resume the project. Furthermore, the Street Office closed the whole park, which had been the main place for local residents to practice their physical exercises, to agitate the latter against movement activists. The leaders of the Street Office also attempted to build personal ties with several activists by giving them presents, and to draw the latter to their side. Moreover, they urged the RCs to disintegrate the alliance of HCs by fomenting discord between other HC leaders and Tan. In addition, the local government invited relevant municipal government officials to dinner and asked them

to modify the construction plan of Green Neighborhood to adapt their project. By this, they tried to refute Tan's claim that their project was an illegal one.

Some of these tactics took effect. Due to the propaganda of the RCs and some media, many elderly residents in high-building area believed in the local government, and were thus very resentful of Tan and other movement activists. Most residents in the low-building area also agreed to let the local government resume the project, which was relatively far from their buildings and would not shade their homes from sunshine. The collective petition of elder residents gave the local government the excuse to claim that the majority of residents hoped to resume the project; that the objection of Tan and his supporters was unreasonable; that he just tried "to incite one group of the mass against another", and that he should be responsible for the instability in the neighborhood. Due to the lure of the Street Office, several former activists including the vice head of the No.1 HC who always trusted government agencies turned around to speak well of the local government. They not only criticized Tan for his "radical" position publicly but also exposed his plan of action to the local government clandestinely.

In September, 2000, the local government was going to resume the project. Tan asked two journalists in Shanghai TV Station to secretly investigate the matter and to report it on the news. If that was realized as planned, great pressure would be exerted on the local government. However, an anonymous former activist released this plan to the PN District Government secretly. The latter then requested the Propaganda Department of Shanghai Party Committee to prohibit the journalists from publishing the investigation report. This hit and frustrated Tan heavily. Hence after, he became more careful in organizing collective action. Furthermore, the relatives of some activists also opposed their continued participation in the resistance. Most



importantly, Tan did not ask for agreement from most of other HC heads when he led in the collective action of destroying the construction framework in May 1999. Mrs. Li, the Secretary of GI Party Branch who had worked in the sub-neighborhood for many years and built personal connections with most HC heads told them that Tan and his partners had violated law and would be charged in court.<sup>39</sup> She asked them not to participate in the collective resistance organized by Tan any more. Due to her persuasion, most of the HC heads withdrew their participation in the resistance, believing that Tan was too radical. When Tan was going to initiate new collective complaints to high-level government agencies, they refused to endorse the complaint letters with the seals of their HCs. Therefore, the alliance between them and Tan collapsed.

As a result, community solidarity was in a crisis. There were many conflicts and contradictions in the community due to this issue. Some elder residents often scolded Tan and other movement activists and refused to listen to the latter's explanations. As one aging retired worker, Mr. Yang, who lived in No.1 Building, complained when he talked about the matter to me: "the government care about us elder people, and it was going to construct entertainment facilities for us. But those guys (Tan and other movement activists) just stopped the project because they wanted to blackmail the government. We are just a few old people; we cannot fight these young guys. I just do not understand why the government does not arrest them! The government is too weak!" Mr. Yang even frequently quarreled with his son, who was also a Tan's supporter. In one squabble about this matter, the son could not help shouting at him: "you fool old guy, do not you understand that the government is just

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<sup>39</sup> Usually, heads of RCs tend to built *guanxi* networks with community activists to facilitate their administration in neighborhoods (see Read 2003a).

cheating you? The project will shade our building from sunshine!” But like many other elder residents, Mr. Yang insisted on believing in what the RC told them. Therefore, community solidarity had been seriously impaired, and Tan lost a number of supporters. This was a blow to the movement.

### *The countermeasures of protestors*

Most movement activists, especially Tan, would not give up. As the leader of the movement, Tan worried about not only his personal reputation at stake, but also the interest of his supporters. As he told me in an interview, “if I quitted and lost the struggle, our resistance would be defined as illegal one, and they (the local government) would take revenge on me and other activists. We could not be able to live here any more. Furthermore, some journalists and officials supported us a lot in the struggle. If we lost, they would be believed to be on the wrong side by their supervisors and colleges...so, I could not quit and disappoint them. I also believed, if I insisted in the struggle, they would still support me! and we might win in the end.” Fortunately, unlike Fang, even facing the tough situation, Tan still had ten plus loyal neighbors in his building who always trusted and followed him in the movement. They would not quit either. As one housewife told me, “we are neighbors for many years. We trust him (Tan), he is always right!” Another engineer put his words in this way, “I know him very well. He always deal with this kind of matters according to law. So it should be not very risky to follow him in the action. If I quitted, I would lose my friendship with him and others (activists). So I just went on attending the action.” As Michael Schwartz and Shuva Paul (1992) pointed out, the primary groups of protestors based on their face-to-face interactions could be one key factor sustaining social movements when in difficult situations. Due to the close connections

among these neighbor activists, they encouraged one another, and were determined to fight back. Some of Tan's friends in government agencies would also help him in collective resistance. Since the alliance among the formal HCs had disintegrated, Tan and other activists sought to construct resistance through informal networks. On the one hand, they attempted to put pressure on the Street Office. After consulting their friends in government agencies, the movement activists realized the W Street Office had been concerned with its image very much. Its head was a relatively young political star in the District and would have great promotion opportunity in near future. The release of its scandal to the mass media and residents would destroy the reputation of the Street Office, which would impose heavy pressure on its leaders. Therefore, through vertical networks with friends in government agencies, Tan and other movement activists collected many documents about the real plans of the local government. Then, Tan released this evidence to journalists and local residents, and they refuted the claims of the Street Office. Having unmasked the "lies" of the local government, the movement activists accused it of violating relevant laws on environment and property rights. They also claimed that the local government did not represent the state on this issue; that residents should follow laws instead of the orders of the local government. They affirmed that their resistance was not to challenge the state, but to help it restrain the local government from engaging in illicit activities. Tan also claimed that, as head of the No.1 HC, he had the obligation to defend citizen's rights which had been granted by law.

The fighting back of the movement activists against the Street Office seriously damaged the reputation of the latter. Some journalists like Mr. Ge who had supported the local government before turned around to criticize it and express support for the protestors through the media. As a result, head of the Street Office paid a high cost.

Being a new political star, he was expected to get promoted in near future. But media disclosure of the illegal construction project led to a negative image of him. The media coverage also convinced many residents of the “rightness” of the resistance. Furthermore, some movement activists frequently flooded into the Street Office to urge the latter to withdraw the project. One day, “Small Li” led some activists to the Office again. They happened to see that its head was going out. “Small Li” then stopped his car and required him to resolve the problem right then. The head said that he was attending an urgent meeting, and he would have a dialogue with them later. But “Small Li” would not let him go. Bored of the issue and provoked by this “manly” woman, the young head could not help being furious. He got out of the car and shouted at the movement activists that it was the instruction of one high-rank Party official from the PN district that the project should be continued. His impoliteness and the information let out, together with the evidence displayed by Tan raised residents’ antipathy to the local government. Since then, deep disappointments and distrust to the local government had been pervasive among residents in the north Green Neighborhood. As many residents put it, “they are government agencies, but they deceived us on earth! We will never believe in them any more.” The fighting back of the movement activists discredited the local authorities successfully and won back more support for themselves. This constituted a strong basis for them to urge the municipal government to cancel the project.

Through the network of activists, Tan also called 266 residents to sign another complaint letter in mid-September 2000. Through a friend, Tan delivered the letter to a vice head of Shanghai People’s Congress, who in turn required the head of the PN District Government to take care of this case. Movement activists also lodged collective complaints to high-level government agencies repeatedly. As head of No.1

HC, Tan drew on some of its financial resources to fund the movement<sup>40</sup>. Meanwhile, Tan's journalist connections introduced him to the Shanghai Branch of the *Xinhua* News Agency (*Xinhua* Branch). The *Xinhua* Branch investigated the matter and believed what Tan had told them, and they warned the top municipal leaders that they would report this affair to the central government if they ignored residents' complaints. Through his vertical networks, Tan also got their complaint letters sent to several central government agencies, and the latter instructed the Shanghai Municipal Government to deal with the matter seriously.

### ***Intervention from high-level government agencies***

In the movement, some municipal government sectors, such as the Planning Bureau and the Shanghai Municipal Garden and Forestry Management Bureau (Garden Bureau) supported citizen protestors considerably. Actually, there were contradictions between the deeds of some municipal government sectors and the PN District Government. Because the latter were granted much privilege, they often ignored the regulations of municipal government sectors. Therefore, these sectors were quite unsatisfied with the local government. Through their friends in "high places", the movement leaders realized, and attempted to exploit such "splits" within the administrative system. In one instance, the local government placed its title in front of the position of the Planning Bureau on the project poster, a clear display of disrespect to the authority of the latter.<sup>41</sup> Tan took photos of this poster and sent them to the Planning Bureau. The Bureau was outraged and petitioned the local government,

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<sup>40</sup> Mr. Tan also utilized part of the income to cover the fee for him to mobilize the movement, such as the tax fee for movement activists to lodge collective complaints.

<sup>41</sup> Normally, In China's official culture, the "position" on circulars should be strictly identical with the authority of individuals or organizations in reality. Images located behind other images, or on the back of a circular implies lesser or impaired authority.

urging the poster be changed. In the movement, the activists also claimed that they launched the resistance against the local government to defend the authority of high-level government bodies. Resentful of the fact that their authority had been impaired by the local government, some municipal government sectors thus stood on the side of resident protestors.

In Feb 2000, due to the influence of Tan's leading the long-term movement of protecting the park, one leader of the Garden Bureau, who was also Tan's friend, proposed to grant him the honorary title of "the Guardian of Greenery." This title has been annually granted to ten selected Shanghai citizens who have contributed greatly to the protection of greenery. Many TV stations and newspapers in Shanghai broadcasted the movement and Tan's leading role, which made Tan more influential in the local scene. The encouragement and support of high-level authorities and the mass media greatly inspired Tan and other activists, and also granted the resistance a greater level of legitimacy. As some officials in the local government admitted: "Because they granted Tan the title, we could not use force against him directly".

Because of the pressure from the central government agencies and the *Xinhua* Branch, and of the support of some municipal government sectors to citizen protestors as well, a top leader of the municipal government required the heads of the Planning Bureau and the Garden Bureau to resolve the "problem" once and for all. The latter then went to the PN District Government together and had a meeting with its Party Secretary and administrative head in late-September 2000. As the result, the administrative head of the district signed an agreement to cancel the project.

*The challenge of local government to municipal authorities and the splits within itself*

However, although having signed the agreement with the municipal government sectors, the local government was not willing to carry it out. Instead, to confront the pressure from above, it turned round to play the card of “opinions of the mass.” Under the pretext of “Party organization”, the Street Office asked Aunt Ho, a retired factory cadre and an active old Party member living in No.4 High Building in GI, to organize elder residents to appeal for the resumption of the project. Because of her high education and active involvement in local public affairs, Aunt Ho was respected and trusted by some elder people in the neighborhood. Loyal to “the calling of the Party organization”, she mobilized more than 100 elderly residents to sign a petition requesting the continuation of the project to the Planning Bureau in November 2000. The top leader of the PN District Government thus argued that part of the project at least should be constructed. Tan was awfully angry with Ho’s action and the capriciousness of the local government. Therefore, together with other activists, he mobilized 427 residents to sign another complaint letter against the local government. The Garden Bureau was also very upset and strongly supported the residents’ protest. Its head indicated their determination to deal with the matter according to law and never to allow the construction of the apparent illegal project. In March 2001, the Bureau again conferred on Tan the honorary title, “the Guardian of Greenery”.

Then, the local government tried to resume the project with other excuses. In October 2001, the Street Office distributed a public letter about the project

and attached a well-printed sample picture of the design (see chart 5.1) to every family in GI, GII, part of GIII, and part of GIV with the assistance of the RCs.

Chart 5.1 Sample Picture of the Planning Park



In the letter the Office asked for the residents' opinions (approval or disapproval) towards the project. The RC-constituents relations (see Read 2003a) helped the local authority a lot in this event. At the first glance, the sample picture on the letter looks very well. With the propaganda and persuasion of the RCs, most residents in Green Neighborhood believed that the project was well designed this time, and they thus supported the resumption of the project, as shown in Table 5.1.

Table 5.1 the attitudes of local residents to the project described on the letter

Q: do you support to resume the project?		Letters distributed (n)	Letters retrieved (valid percentage / n)	YES (valid percentage / n)	NO (valid percentage / n)	Neutral (valid percentage / n)	Not retrieved (n)
GI	Total	1363	100% (1299)	87.8% (1140)	7.0% (91)	5.2% (68)	64
	Low-building area		100% (691)	93.2% (644)	1.4% (10)	5.4% (37)	
	No.2 & 4 & 5 Buildings		100% (498)	94.0% (468)	1.0% (5)	5.0% (25)	



	No.1 Building		100% (110)	<b>25.5%</b> <b>(28)</b>	<b>69.1%</b> <b>(76)</b>	5.4% (6)	
GII		1149	100% (1139)	<b>93.1%</b> <b>(1060)</b>	<b>4.3%</b> <b>(49)</b>	2.6% (30)	10
GIII		889	100% (889)	98.3% (874)	1.7% (15)		
GIV		232	100% (232)	98.3% (228)		1.7% (4)	
		Total	100% (3559)	92.7% (3302)	4.4% (155)	2.9% (102)	

Source: files from the W Street Office and the GI RC

This Table displays the diverse attitudes of local residents towards the project. Actually, such attitudes were highly relevant to their interests and their relationships with the local authority. To most residents living in the low-building area, No.2, No.4, No.5 high buildings in GI, and in GIII and GIV, the project was relatively far from their residential buildings and would not protect their homes from sunshine (see the map in Chapter Two). Therefore, they did not care much about its adverse effect and just supported the RCs and the local government in this matter. On the other hand, for most GII residents, the project was just near their buildings. However, as our survey indicated, there was low civicness within this sub-neighborhood (see Chapter Four). Although a few GII residents (4.3%) objected to the project, most of them (93.1%) supported the local authority in this matter. However, the attitudes of GI residents living in No.1 Building were greatly unlike those mentioned above. Many movement activists ignored the letter. For those who replied to the letter, 69.1% of them objected to the project and 5.4% of them kept a neutral position although 25.5% supported the need to resume the project. This table also reflects the split between residents living in No.1 Building and other residents in Green Neighborhood, and the split within the former group.

Referring to the statistical result of the feedback, the Street Office claimed that the problem had been resolved in a democratic manner, given that more than 98% of residents in Green Neighborhood supported the resumption of the project. In addition, the Office claimed that this was an important project relevant to the local community building. These claims put Tan and other movement activists in an awkward position. The result was that many residents in the GI low-building area and other sub-neighborhoods blamed them for their “unreasonable” objection to the project.

On his part, having carefully studied the public letter and the sample picture attached to it, Tan believed that the local government had played a trick on this issue. With background knowledge of construction, Tan judged that the Street Office could have intentionally drawn the sample picture with an unbalanced proportion, thus hiding the real construction plan; that the facilities would occupy a large piece of ground of the park once they were built according to the picture. Furthermore, in the picture, there was a long corridor outside the entertainment center. But Tan claimed that it was not necessary to build such a corridor and that the local government could convert it into business shops. Tan also argued that the authoritative rule guiding the construction of community buildings should be laws instead of “the opinions of the masses”; that is, as agent of the state, the local government should deal with the matter according to law. He blamed the Street Office for “inciting one group of the mass against another”, warning that they should be responsible for the instability in the neighborhood. Tan not only publicized his study in the neighborhood, but also complained to the municipal government agencies by citing laws. This was a blow to the local government.

The persistent resistance of movement activists led to splits within the local administrative system. Due to the evidence displayed by Tan, many residents

including some local Party members realized that they had been cheated by the Street Office again; they were thus resentful of the Office and the RCs. The relations between residents in No.1 Building and the GI RC became strained. As Secretary Li told me, “some Party members just blamed me: ‘Secretary Li, you should not cheat us residents in this matter!’” A RC staff also reported that many residents in No.1 Building would scold them once they walked in this building. Some heads of the residential groups in the building also became Tan’s supporters. Therefore, the RC could not exercise its effective management there. Although Secretary Li succeeded in collapsing the alliance among the HCs, she failed to disintegrate Mr. Tan’s personal networks with other movement activists; as she told me: “it is difficult to win over residents in No.1 Building. Tan always won struggles and was very popular among them. Party members there supported him instead of our Party branch! ” The Street Office was quite dissatisfied with Secretary Li’s inability to deal decisively with disgruntled activists. Party Secretary of the W Street Office complained when she talked to me about Mrs. Li:

“She does not have good thoughts about her job, and she is not qualified for neighborhood management under the new social context. As a secretary of Party Branch, she lacked political responsibility, and was negative in this issue (the residents’ unrest); and she always tried to withdraw from the conflicts between us and the resident protestors. If it is always we Street Office that directly confront residents, there will be tension between us and them. If the grassroots Party Branch and the RC had taken some responsibility, the situation would have been better. But each time we needed her to do something, she always declined...she was just scared of resident protestors like Tan!”

However, Mrs. Li was aggrieved for the RC and herself because she believed that the local government should be responsible for the illegal construction. She

claimed that she would not support the Street Office in this issue any more. The contradiction between the two parties resulted in her job transfer at the beginning of 2001, with Mrs. Long being appointed to take her place.

But Tan and other movement activists persisted in their resistance. The Garden Bureau maintained their support for the activists and granted Tan the honorary title of “the Guardian of Greenery” in spring 2002 for the third time. Under pressure from many parties, the Street Office had to negotiate, and to compromise, with movement activists. However, the PN District Government was dissatisfied with their inability to complete the project, leading to the job transfers of the vice head of the Street Office who took care of this project, and later the young head himself as well.

#### ***Compromise among the both parties***

The contradictions between the local administrative system and residents, together with the splits within both groups themselves, resulted in the decline of neighborhood governance. The continuing poor state of the project adversely affected the neighborhood environment and undermined residents’ trust in the local government. The dissatisfaction and non-cooperation of many residents with the GI RC led to a serious decline of local governance in GI. Not surprisingly, it was deprived of the honorary title of “Model Quarter” in April 2001. Very much worried about the situation, the Street Office decided to concede to the demands of the movement activists. As the new vice head of the Office who took care of this project told me: “We did not care about face or interests any more. We just want to negotiate with them and resolve the problem once and for all!” On the other hand, Tan who also faced huge pressure from some residents supporting the local government deciding to compromise with the Street Office. On 13 November 2001, with the help of the GI

RC, several officials of the Street Office had a meeting with Tan and other HC heads. They negotiated and reached an agreement on several issues: the local government can resume the project; the building will be open to all local residents; the occupied land area should not exceed 670 square meters; the corridor around the building should not be built. According to the memorandum of the meeting, “(The officials of) the Street Office were sincere (in the meeting); the RC staff were enthusiastic at it; and Mr. Tan was reasonable...” Afraid of residents’ complaints again, the District Government approved this agreement in May 2005. After obtaining legal approval, the Street Office started the construction at the end of 2002 and rebuilt the park by June 2003. Therefore, the movement activists won the resistance in the end.

### **Social Capital and the Dynamics of Ordinary Social Movements**

In contemporary China, there have emerged many collective resistances against local authorities, and this has become an important issue in grassroots politics.

#### **Mass dissatisfaction, the “split” within the administration system and civil resistance**

The existence of widespread dissatisfaction among citizens is the prerequisite for the emergence of civil resistance. One main source for discontent is the reform of state-owned enterprises which has caused many workers to be laid off, resulting in dropping in the standard and quality of living for workers and their families (Lee 2000b; Chen 2000; Liu 2004). Another is the conflicts between citizens and local political and economical power holders, which is primarily reflected in urban renewal and home resettlement projects.<sup>42</sup> Many citizens with different class backgrounds are

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<sup>42</sup> According to an investigation report, the main problems that China citizens presently complain of to the central government are laid-off by state-owned enterprises, forced resettlement by local governments and estate developer in cities, and over-levied taxations in the rural (see Song & Zhou & Cui 2005).

involved in such conflicts. The aforementioned problems are often related to the corruption of local officials (eg. Lu 1999; Chen 2000), and resulted in the general reduction of citizens' trust in local authorities.<sup>43</sup> If this trend continues, it may make many urban citizens psychologically inclined to participate in protest.

The rationalization of administration along with social transformation provided the "political opportunity structure" for citizen protestors to exploit for their resistance. Almost all movement activists admitted that they would never win the resistance against the local government if the socio-political situation was like that of the Maoist era, and that they would not dare to participate in such resistance at that time since the coercion from the state would be very strict. Furthermore, the "split" within the administration system also presented opportunity that could be exploited to facilitate collective resistance. In contemporary China, there is institutional necessity and feasibility for powerless citizens to employ informal means of social capital. Due to the authoritarian nature of the state, the legal system within it does not work well. Usually, when power holders break laws or state regulations, they are seldom punished in accordance with the law (Lubman 1999; Bao & Lu 2004). Therefore, in this movement, when facing local power holders who had violated citizens' interests, it was difficult for powerless citizens to resolve their problems in court.

The fragmented nature of the administrative system provides "opportunities" for citizens to utilize social networks to generate support from within the state. This case shows that the intervention of high-level government had great impact on the process and consequence of the movement against local authorities. As Lieberthal (2004:187) has suggested, although the Chinese regime is still a highly authoritarian

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<sup>43</sup> There is a Chinese saying spread in many areas: "the central government is citizens' benefactor; the province government is like citizens' relatives... the local government is citizens' enemy"(also see Ying, 2002:105). This saying vividly reflects the citizens' high distrust in local authorities.

state, it is not monolithic, and its “actual authority is in most instances fragmented.” Due to the diverse concerns of government agencies at different levels, there are a lot conflicts and gaps within the administrative system (Lieberthal & Lampton 1992; Bernstein & Lu 2000; Ying 2001). In time of reform, due to the redistribution and renegotiation of interests, the number of conflicts has increased, thus, local government interests are not always identical to those of high-level government sectors, especially in situations where the projects of the former violate the regulations of the latter. Therefore, the “gaps” among government agencies at different levels allow powerless citizens to mobilize at least some high-level government agencies to support resistance in local contexts (Shi & Cai 2006). However, not all civil protesters can exploit such “splits” because it is usually hidden from ordinary citizens, or citizens do not know how to exploit it even if they know it exists. Therefore, citizens need links and intercessors through which they can know the existence of such “splits,” and learn to exploit these weaknesses. Through personal vertical networks with government officials, the movement activists in GI were very aware of, and hence fully able to exploit the gaps between municipal government agencies and the local government. The support from the municipal government agencies not only instilled confidence in the protestors, but also led to the withdrawal of the local government from its project in the end.

### **Social capital as a weapon of powerless citizens in the community movement**

#### ***The differences between neighborhoods towards the movement***

The community park was the focus of the movement. Actually, the larger part of this contested park was located in GII, and it was therefore more relevant to the interests of GII residents. However, residents in these two neighborhoods reacted

quite differently to the community movement. Furthermore, the collective resistance in GII was short lived and failed while that of GI lasted and succeeded in the end. In other words, the success of the movement was mainly due to the efforts of GI residents. In comparing these two sub-neighborhoods to each other, it becomes apparent that social capital accounts for the discrepancy between them. Firstly, as mentioned in Chapter Four, there were sparse networks and weak trust among the GII protestors, as a consequence their resistance was easily disintegrated by the developer. This also resulted in their indifference to further collective action and cooperation, which also impeded possibilities of building social capital in this sub-neighborhood. In contrast, many GI protestors had been old neighbors with one another before they moved to GI, and the networks and trust among them were very strong due to long-term interactions and cooperation, and they were thus more active in the movement. The early success in the resistance against the estate developer promoted the increase of social capital in GI, which further sustained the movement against the local government for many years. Secondly, another significant difference between GI and GII was the number of HCs in them. In GI, there were six well organized and active HCs, which facilitated the mobilization of and granted legitimacy to the collective resistance. In contrast, there were only two HCs in GII, and they were not so well organized to lead any collective action. Thirdly, compared to Fang, Tan not only had stronger horizontal connections with movement participants, but was also more “skillful” in employing vertical networks to muster support from high-level authorities and the mass media. His leadership was important for the resistance. However, strong leadership alone was not enough for the success. As Tan himself highlighted in my interviews, without the high solidarity among his neighbors and the support from high-level authorities to their “just” resistance, they could not succeed at



all. His leadership was important for the resistance. However, strong leadership alone was not enough for the success. As Tan himself highlighted in my interviews, without the high solidarity among his neighbors and the support from high-level authorities to their “just” resistance, they could not succeed at all. Therefore, because there was a greater quantity of bonding social capital (horizontal networks and HCs) and linking social capital (vertical networks) in GI, and residents could wield social capital better than GII residents, the former were thus more active and successful in the movement. In other words, social capital fuels collective action, and its quantity influences the consequences of resistance.

***Bonding social capital and linking social capital in residents’ construction of their resistance***

Existing studies on rights defense movements highlight the pivotal role of leaders in such collective action, who emerge due to various reasons: concern for their own interests, a sense of justice, community pressure and self-confidence; and these studies also suggest that horizontal social networks are very important in mobilizing ordinary citizens to participate in collective action (O’Brien & Li 1995; Li & O’Brien 1996; Lee 2000b; Ying 2001; Cai 2002). In this community movement, Tan’s leading role was very important for its success. However, except for his neighbors’ request, Tan agreed to lead the movement also because he believed that they could succeed. He had confidence in the dense networks and high-level solidarity among neighbors. In fact, Tan’s success in mobilizing residents was very much dependent upon the existence of these networks. Therefore, horizontal networks are responsible not only for mobilizing citizens to participate in ordinary social movements, but also for promoting the leader’s emergence.

The fact that horizontal networks play an important role in ordinary social movements is also one consequence of social change in urban China. Before the 1990s, the basic unit of China's grassroots governance was the work-unit in which most members were of similar economical and social status. Citizens were integrated into different work-units and their collective action was based on and bounded by these work-units (Walder 1986; Lu & Perry 1997). Therefore, there was little interaction and cooperation among citizens from different work-units or class backgrounds. However, with the disintegration of the work-unit system and the shift to neighborhood governance, both the state and citizens attach greater importance to residential neighborhoods, and more and more collective action has come to be neighborhood-based. Neighborhoods have residents of different economic and social statuses, and people can participate relatively equally in community life. This promotes cooperation and trust, and the growth of horizontal connections among residents across classes (Dai & He 2000; Xu ed 2000). When ordinary social movements break out, these horizontal connections serve as the main dynamic of community mobilization, and the movements can incorporate members from different classes.

Vertical networks between citizen protesters and officials also affect ordinary social movements significantly because they help the former generate support from within the state in several ways. This case shows that, firstly, such networks could serve as bridges for protestors to approach state agencies to express their concerns. In this movement, due to the help from friends in government, the protestors had access to municipal government agencies, the *Xinhua* Branch and central government agencies. Secondly, vertical connections can be utilized by protestors to seek advice on resistance strategies and tactics. This case shows that protestors employed vertical

networks to find out, and to exploit, the “boundaries” of collective resistance. In contemporary China, although civil resistance is relatively tolerated, there are certain boundaries that are not allowed to be crossed, such as when it is believed to lead to political instability or to disgrace high-level government. However, such boundaries are usually flexible. Therefore, it is very important for citizen protesters to be aware of such boundaries and to make sure that they do not overstep them. However, with appropriate tactics, citizen protestors can also exploit the boundaries to exert pressure on their local target to facilitate collective action (Ying 2001; Cai 2002), as was the case in this movement. Thirdly, personal vertical networks may be employed to enhance the legitimacy of civil resistance. Due to the proposal of his friend, a leader at the Garden Bureau, Tan was granted the honorary title of “Guardian of Greenery” three times, which gave him the “authority” to organize the resistance. Fourthly, vertical networks can also be utilized to collect information or evidence to facilitate collective action. With the help of their friends in government, the protest activists collected much important evidence about the illegal projects of the local authorities and their decision making (also see Shi & Cai 2006). The officials and journalists supported the movement due to various concerns, such as a sense of justice, conflicts between their agencies and the local government, personal ties including friendships between themselves and protestors. Furthermore, they provided constant help to the movement activists also because they trusted the latter and believed that the activists had fought for the benefits of the community instead of themselves. Although not willing to confront the powerful local government directly, these officials and journalists supported the protestors in diverse ways. The existence of vertical networks also instilled confidence in the minds and hearts of ordinary participants and thus consolidated horizontal cooperation between themselves and movement leaders

during the duration of the movement.

Except for personal vertical networks, some “public vertical networks” such as mass media can also wield much influence in ordinary social movements. Previous studies have shown that the media is vital for mobilization in social movements (Gamson 1989; Gamson & Meyer 1996). From recent successful cases of collective resistance in contemporary China, we can find that they experienced similar process of struggle to that of this movement: local power holders violated the interests and rights of ordinary citizens; the latter petitioned the mass media to voice their grievances; the media broadcast urged high-level authorities to punish the local power holders for their illicit actions.<sup>44</sup> These cases suggest that the relatively free mass media not only affects public opinion and exerts pressure on local authorities directly, but also works as a vertical network and communication channel that links ordinary citizens with the state.<sup>45</sup> This kind of “public vertical network” can thus serve as linking social capital bridging citizens and the state. Through these vertical networks, the state and citizens may cooperate to restrain local power holders from engaging in illegal activities. Therefore, vertical networks are vital to the success of collective resistance.

Trust is also key in ordinary social movements. There are generally three levels of trust that can contribute to the success of movements. The first is special trust at the individual level (Huang 2003). This movement has shown that individual trust between protest leaders and ordinary participants is indispensable for the former to lead collective action. The second level of trust is among citizen groups of different

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<sup>44</sup> Such as the very influential Incident of the *Jiahe* expropriation and resettlement (.see CCTV *shehui jilu* “social record”: “*Jiahe chaiqian zhi tong*” (The Pain of Expropriation and *Jiahe* Resettlement), 25 May 2004.

<sup>45</sup> Local officials are generally very afraid of media disclosures of facts that they violate citizens’ interests (see Jiang 2000).

class backgrounds (Fukuyama 1995b). In GI, the initial successful collective resistance against the estate developer further promoted the level of trust among local residents of different class backgrounds. The third level of trust can be called institutional trust (Luhmann 1979; Fukuyama 1995b; Mishler and Rose 2001). Specifically, in contemporary China, institutional trust comes from citizens' faith in laws and central authorities (e.g. Ying 2001; Li 2004). In Shanghai, while many citizens are dissatisfied with local authorities due to a lot of specific problems, most of them trust high-level government because of economic and social development.<sup>46</sup> In the movement to protect the park space, protest activists believed that if they followed the law in their actions, they would not be taking on too much risk, and they might even obtain state and mass media support. Therefore, trust promotes the mobilization of ordinary social movements in a variety of ways.

In sum, horizontal networks are helpful in mobilizing movement leaders and participants into collective action; vertical networks facilitate citizens' ability to voice their grievances and to generate support from high-level authorities; trust "lubricates" collective action. Therefore, social capital plays an important role at all "junctures" of ordinary social movements. The nature of the social capital as well as its quantity has the power to greatly influence the mobilization and consequences of ordinary social movements.

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<sup>46</sup> According to the survey conducted by Social Investigation and Consultation Center of Shanghai Academy of Social Sciences in June 2000, 79.8% Shanghai citizens were satisfied with economic development; 87.6% were satisfied with political stability; 87.2% were satisfied with urban renewal (Yin ed 2001b: p306).

### *Consequences of the community movement*

The community movement resulted in both positive and negative consequences for local governance. Its one immediate and obvious positive consequence was that it protected the community park from being occupied. The improvement of neighborhood environment contributed to the rise of the value of local estate. Also, this collective resistance positively affected local decision-making. The active role of HCs in the movement made the local government agencies endorse the important position of this kind of newly-formed civil associations in the local political field. Without doubt, the movement led to the change in ways by which public power was exerted in the neighborhoods and the transformation of community power structure from the integral one to an intercursive one.

Most importantly, the community movement greatly affected the state of civic-ness and the quantity of social capital in Green Neighborhood, especially GI, which would in turn promote local governance. Firstly, the movement resulted in the vibrancy of associational life in the community, which centered on the HCs. Secondly, the movement promoted citizens' consciousness of the laws. Due to the propaganda of Tan and other movement activists, many residents familiarize themselves with laws, particularly those about greenery and property rights. The movement activists' success in using the laws against the administrative orders of the local government also made local residents realize the influence of laws in contemporary socio-political life. The enhancement of citizens' consciousness of the laws not only helps them to protect their civil rights, but also facilitates the efforts of the state to expand its authority in grassroots communities. Thirdly, the success of community movement also promoted the enhancement of social capital in the neighborhood. This study

found that the quantity of social capital in the protestors' communities was affected by the consequences of collective resistance. The successful collective action in turn strengthened the ties among movement participants and contributed to the increase of social capital in GI. Conversely, in GII, the failure of collective action resulted in the reduction of local social capital. The changes of the quantity of social capital in GI and GII were highly related to the situation of the community movement. In addition, the final resolution of the big problem in the neighborhood also helped to reduce the tension among all parties in Green Neighborhood. After the success of the movement, the GI RC began to reconcile with Tan and other movement activists in No.1 Building. Both parties cooperated with each other in many matters relevant to the management of the building and other community building issues, which greatly promoted local governance (more in the next chapter). Susan S. Fainstein and Clifford Hirst (1995:200-201) argued that the greatest impact of urban movements in Western states was to make local decision making more democratic. Unfortunately, increased citizen participation in the movements "has not dramatically changed the outcomes of urban processes beyond decisions on immediately mobilizing issues." However, this case showed that it not only made local decision-making more democratic, but also changed neighborhood politics in many respects.

Aside the positive impact of the community movement, it also brought about some negative consequences to local governance. The experiences of conflict with the local government made Tan and some movement activists tend to distrust the latter. Because of the splits within the community triggered by the collective resistance, some residents disliked one another. Due to the confrontational stance adopted by GI residents, the Street Office located the public toilet attached to the entertainment

center near the residential buildings of GII. Although some GII residents were uncomfortable with this and complained to the Street Office, the latter just ignored them. Given low civicness in GII, the residents failed to initiate a formidable protest; they just remained very resentful of the Street Office. After the entertainment center was built, it was open to all local residents, with a token fee for access being charged. Some elderly residents, especially Mr. Yang, who strongly supported the local government in the movement, found that the latter had reneged on its promise that the center would be freely accessed. Though complained to the RC and the Street Office, they were ignored. Since they were previously against Tan and other movement activists, it was impossible for them to obtain support from the latter. These elder residents were very disappointed and isolated. A typical case was Mr. Yang, who refused to reconcile with Mr. Tan and other movement activists; and, angry with the Street Office, he has never entered the community park. Everyday, he just walked around the roads near to his home. Most significantly, due to the outstanding role of some individual movement leaders like Mr. Tan in the movement, they became more and more self-righteous and bossy in dealing with public affairs and other residents, thus triggering increasing dissatisfaction from the latter. The splits and distrust among these parties have become potential problems to local governance. This will be discussed in the next chapter.

## **Conclusion**

This study examines the dynamics of China's ordinary social movements. It suggests that widespread dissatisfaction among citizens and "political opportunity structure" is not adequate for citizens to take collective action. Social capital, in its various forms, is needed to transform potential resistance into actual movements, and



to pave the way for success. In particular, horizontal networks can promote solidarity within communities and provide financial and social support to movement activists. Without this kind of strong bonding social capital, it is difficult for movement activists to mobilize other residents to put pressure on authorities, and sustain the resistance. Moreover, this study brings to light the key role of vertical networks between citizens and high-level authorities in ordinary social movements. It finds that movement activists could master resistance tactics well by consulting government officials through personal vertical networks. Furthermore, such vertical networks are also helpful for movement activists in approaching state agencies, in collecting information, and in enhancing the legitimacy of their resistance. In other words, vertical networks help citizen protestors excavate channels through which support can be gathered from within the state. Therefore, social capital is vital to the mobilization and consequences of ordinary social movements. The exploration of the role of social capital, especially adding the aspect of vertical networks, in collective resistance and of the biographical consequences of the movement is crucial contribution to current theories on social movements and social capital.

This study also identifies the institutional contexts where social capital functions. It suggests that social capital functions in the above ways because of the authoritarian but fragmented nature of the Chinese state. Specifically, it reveals the necessity for powerless citizens to utilize the means of mobilization outside the formal institutional structures. Furthermore, the existence of “split” within the administrative system makes it feasible for citizens to employ vertical networks to generate support from within the state.

Furthermore, by integrating this study with existing studies on rights defense movements (O'Brien & Li 1995; Li & O'Brien 1996; O'Brien 1996; Lee 2000a,

2000b; Ying 2001; O'Brien 2002; Cai 2002; Read 2003b; Yu 2004), we can conclude that there are some important common characteristics of contemporary China's grassroots movements. These collective resistance face similar "political opportunity structures" such as "splits" within the administration system, the relaxation of government control over the mass media, the gradual improvement of legislation, and the government's relative tolerance of collective resistance. At present, most of them focus on defending specific interests of citizens while there is also a tendency for movements to aim at promoting grassroots democracy. The citizen protestors usually avoid direct confrontations with the central state, but utilize high-ranking authorities to resist local governments. The grassroots movements deploy divergent resources such as laws, formal civil associations and informal networks, etc. to facilitate their collective action. Most of them are limited within the boundary of a single community (village or neighborhood) while some extend to other communities. They are usually under the coordination and leadership of a few activists. Most of their participants are weak groups, but more and more middle-class citizens are coming to participate in collective action. These movements have impacted greatly on local governance; however, whether or not they will affect the social structure at large is yet to be seen. The frequent recurrence of these grassroots movements implies that in present day China, what civil society can do is not to challenge the powerful central state, but to utilize linking social capital to cooperate with the state to resist local authorities who violate citizen's rights. Only in this way, will local public space be expanded, and citizens' rights and interests be defended and enhanced gradually.

This study also explores the consequences of the community movement. It finds that the informal collective resistance not only improved visual neighborhood environment, but also led to the transformation of community power structure in

many dimensions. Most importantly, it greatly promoted the enhancement of civicness and social capital in the community, which would in turn sponsor local governance. Therefore, the community movement could make neighborhood politics more democratic. However, it has also triggered some problems that may adversely affect local governance. Consequently, the kind of collective action changed neighborhood politics itself.

Moreover, this study contains implications for the possible political influence of social capital on macro politics. As discussed above, not only can it be employed to facilitate civil resistance and to promote the expansion of local public space, but it can also be utilized to build bridges between citizens and high-level government. Due to the fragmented administrative authority of contemporary China, the state cannot superintend local governments efficiently. One of the consequences will be that local governments may be engaged in illicit interest-oriented activities at will, which is reflected in a number of reported cases of collective corruption. This will be harmful to the legitimacy and autonomy of the state. Through the use of linking social capital, the state could employ citizens to keep watch on local government agencies. This will facilitate the induction of state constraints on the latter. Therefore, social capital can help promote the legitimacy and autonomy of the state.

The findings of this case study are counter to the totalitarian paradigm and clientilism model that highlight coercion or integral power structure. The significant role of the movement leader and individual ties in collective action also challenges the applicability of the group theory that focuses on functions of political groups and formal channels. Furthermore, the study also disagrees with the civil society paradigm claiming that the society resists the state. It contends that powerless citizens can

cooperate with high-level government to prevent local growth coalition from violating their civil rights.

In addition, this study has also sought to inspire reflection on the approaches to the study of governance. Unlike the existing research on local governance that highlight the link between community cooperation and social capital (e.g. Putnam 1993; Woolcock 1999, 2001), this study contends that the shared experience of participants in conflicts with political forces outside their community could also result in the enhancement of social capital within the community, as shown in the case of GI. In turn, the movement affected local decision-making and thus served as one agent for community development and contributes greatly to local governance. Therefore, community conflicts such as collective resistance should be scrutinized in the study of local governance. This study thus proposes a more inclusive approach in which we not only pay attention to social cooperation, but also examine the influence of social conflicts on local governance.

Furthermore, it seems that the legacy of the movement has greatly influenced on the political situations in relevant neighborhoods. HCs were so influential in the movement that the local government had already required Party branches in the sub-neighborhoods and RCs to make use of their ties with communist activists to intervene in the 2004 HC elections so that the local government could control these civil associations. However, some residents strongly resisted such control demanding that the elected HCs be independent and act on behalf of the interests of residents. The exploration of the role of HCs in neighborhood politics and its political consequences is the subject of the next chapter.

## **Chapter Six: Civil Associations, Faction Politics and Neighborhood Governance**

### **Introduction**

Chapter Five has illustrated the impact of contention politics at the neighborhood level: some citizens may be able to protect their interests by launching collective actions. However, most residents usually tend to express their concerns through formal neighborhood associations like residents' committees and homeowners' committees. In the existing literature on local governance, many researchers highlight the role of civil associations. Robert Putnam (1993b: 90) argued that civil associations constitute the social structure of cooperation and contribute to local governance

“Both because of their ‘internal’ effects on individual members and because of their ‘external’ effects on the wider polity. Internally, associations instill in their members habits of cooperation, solidarity and public-spiritedness; externally ...‘interest articulation and interest aggregation’ are enhanced by a dense network of secondary associations. ”

He suggested that civil associations such as choral societies and bird-watching clubs are equally important to local governance. However, some researchers disagreed with him on the effect of civil associations on local development. Amber Seligson (1999), based on her study on the relations between civil associations and local governance in Latin America, found that only those associations closely relevant to the substantial interests of local residents attract the latter to positively take part in, and thus effectively affect, community governance.

After the 1949 Revolution, except state-sponsored “mass organizations” like RCs, trade unions, communist youth leagues and women’s federations, which were employed by the state to control citizens, independent civil associations in grassroots

communities was banned in urban China. The 1980s economic reform, as Deborah Davis (1995:19) argued, failed to lead to the emergence of societal associations “with the moral and institutional power to limit state coercion consistently rather than at intermittent moments of crisis.” She also claimed that Chinese urban residents should “use their new wealth and autonomy to enlarge the non-state sphere and to develop organizations able to nurture a nascent civil society” in the new era (ibid). As mentioned before, community building has resulted in the revitalization of RCs and the formation of HCs. In contemporary urban China, these two kinds of civic associations are the main formal channels by which citizens participate in neighborhood politics and affect grassroots governance (Read 2000; Li 2001; Li & Shi 2002; Read 2003a, 2003b). However, very little research has been conducted to illustrate how civil associations affect neighborhood governance. In my previous research on the ‘democratic’ reform of several RCs in Shanghai, I found that the reform was manipulated by local government agencies instead of residents. Due to path dependence of institutional change, local governmental agencies actually ‘fix’ the domination relations between them and the RCs. Therefore, the main aims of the RC reform have not been achieved, and it failed to lead to neighborhood democratization and good governance (Shi 2005).

The formation of HCs implies a drastic change in neighborhood politics. Existing research suggest that, compared to the RCs, the HCs which are beyond the direct manipulation of government agencies are more likely to be an engine of neighborhood democratization (Gui 2001; Li & Shi 2002; Read 2003b). Therefore, this chapter examines the role of HCs in neighborhood governance and the mechanisms of their operation. In particular, it provides an empirical description of the evolution of this kind of civil associations in Green Neighborhood in the past few

years, by which the dynamics of their development will be disclosed. This chapter addresses the following questions: How are the HCs formed? Why do people join in the HCs? To what extent do they constitute independent associations? How do they wield power in the neighborhood? How do they express their concerns and interact with other actors in the neighborhood? Do they encourage the participation of many ordinary residents or are they exclusive to the latter? To what extent do they represent the interests of residents? What is their influence on local governance and democratization? Is there any prospect for them to promote the emergence of civil society?

In the next sections, I first discuss existing research on housing politics. Based on a case study in Green Neighborhood, I then examine the processes of HC formation and explore their particular functions in neighborhood politics. Finally, I discuss political consequences of the rise of HCs.

### **Housing Property, Civil Associations and Local Politics**

There have been many research on housing arrangements and homeownership, with researchers engaged in a heated debate on their socio-political consequences, especially on homeowners' everyday social interactions, community involvement and political participation. Some researchers argued that, compared to renters, homeowners are friendlier to, and interact more with, their neighbors (Fischer 1982); and they are more likely to participated in local affairs and community associations (Cox 1982; Blum and Kingston 1984; Rohe and Basolo 1997; Dipasquale and Glaeser 1998). Other previous research also suggested that "Homeowners tend to be more politically active than non-owners," and they tend to participate in politics at various levels, through community activism, civil associations or voting (Read

2003b:41; also see Rossi and Weber 1996; Dietz 2003). Furthermore, a few researchers claimed that housing arrangements affect the initiation and consequences of urban social movements (Castells 1983; Harrison and Reeve 2002).

However, other researchers defied some of the above-claimed socio-political effects of homeownership. They found that renters are more active in interacting with their neighbors than homeowners, and homeownership “was not found to be a significant predictor of the total number of (local) meetings attended.” (Rohe & Stegman 1994:163) Many research also suggested that community attachment and local participation of residents are primarily related to their age, socio-economic status, length of residence, residential stability, family structure, neighborhood networks and local identity, rather than homeownership (Kasarda & Janowitz 1974; Sampson 1988; Reingold 1995; La Grange and Yip 2001).

Till now, there has been little research that has systematically examined the effects of the housing reform and homeowners’ associations on China’s local governance. Benjamin L. Read’s (2003:33) suggested that HCs in new neighborhoods

“vary in the degree to which they genuinely represent homeowners and elicit broad and democratic participation. Nonetheless, their actions show that owners of costly new homes are often not content to accept the management arrangements that are imposed upon them by developers and the state... this illustrates one way in which China’s relatively wealthy strata are beginning to assert themselves, defending their material interests in ways that have important political implications at the micro level.”

He claimed that homeowners are generally prudent when dealing with local authorities (ibid.p,56). And he concluded that “for most residents of Chinese cities, housing reform in the form of privatization of existing housing stocks has so far done



little to change the opportunities for participation available to them.”(ibid. p,42)  
Read’s investigation was, however, limited to the new condominium complexes.

Based on their research on a neighborhood of “sold public homes,” Cao Jingqing and Li Zongke (2000) examined the role of HCs in the management of this kind of neighborhoods which are still main components of the Shanghai city. Contrary to Read’s conclusion about the effects of housing reform on such neighborhoods, they found that some HCs, due to the vital role of their leaders, positively affect local governance. But like Read’s study, their research also focused on the relations between HCs and property management companies. The relations between HCs and other actors in the field of neighborhood politics like government agencies, RCs and ordinary residents as well as the internal operation of this kind of civil associations have not been examined. Therefore, this chapter extensively explores the dynamics of these important newly-emerging civil associations.

## **Homeowners’ Committees and Local Governance in Green Neighborhood**

### ***The Formation of Homeowners’ Committees***

The formation of HCs started with the housing reform in urban China. In 1994, the state enacted a law “Methods for Managing New Urban Residential Neighborhoods” to encourage urban residents who own their homes to form elected associations to protect their interests. According to Read (2003b:43), the authority enacted the law in response to the emergence of spontaneous homeowners’ organizations. However, although HCs were empowered to select property management companies, their independence was limited by the law, which ordered that HCs be formed “under the direction of the housing administrative agencies” and that they should “accept the oversight and direction of the housing administrative

agencies, every relevant administrative agency and the People's Government of the area in which the neighborhood is located".<sup>47</sup> In 1997, the Shanghai housing management authority enforced a regulation that HCs should be established in every property management unit (an independent high building or a sub-neighborhood composed of tens of low buildings, including sub-neighborhoods of "sold public homes") with certain conditions.<sup>48</sup> Every committee was to be constituted by 3 to 7 members and under the coordination of a head. With the enforcement of these laws, the high-ranking governments promoted the extensive establishment of these grassroots self-governance associations and empowered the local housing administrative agencies to direct them. Up to 2004, 5189 HCs have appeared in Shanghai sub-neighborhoods.<sup>49</sup>

In the mid-1990s, few people realized the impact that these civil associations could have on neighborhood governance and community power structure. Property management companies were initially required to be responsible for establishing HCs in the areas under their jurisdiction. They fulfilled this task in quite simple ways. While some companies sent notices to all homeowners and asked them to nominate someone to be one member of their HC by letter, others called on some homeowners to get together to elect HC members on the site. In both situations, residents who were relatively well-known among their neighbors were nominated and constituted HCs. Some property management companies did not bother to notify most homeowners about the matter and just asked a few homeowners with whom they had good relationships to constitute HCs. According to the law, every HC is responsible for

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<sup>47</sup> See Order No. 33 of 1994 of Ministry of Construction (*jianshebu 1994 nian 33 hao ling*).

<sup>48</sup> See Management Regulations of Residential Housing Property in Shanghai.

<sup>49</sup> [http://www.xmwb.com.cn/lst20051118\\_725416.htm](http://www.xmwb.com.cn/lst20051118_725416.htm)

managing a large sum of maintenance fund of the residential buildings under its jurisdiction; it can utilize the maintenance fund and the income from other public facilities attached to their buildings such as car parks. Therefore, HCs can be independent from the local authorities since they do not need any resources and support from the latter. But through the beginning, few HC members knew their duties. Some HCs managed to operate smoothly, holding regular meetings and positively monitoring their property management companies, and their members also learned the relevant laws about property management. However, as Read (2003b: 49) found out, that there should be at least one exceptionally dedicated organizer who need spend much more time, energy and money than others keeping the association working. As a result, few people would take the responsibility of the organizer without receiving wage for the hard work so that many HCs failed to operate regularly. Some HC members seldom attended activities of their associations. After years, they had even forgotten how they were selected to the positions.

In Green Neighborhood, the ways that the HCs had been established and their influence varied in different sub-neighborhoods. In most buildings, the residents moved from different places or work units and knew few of their neighbors. As a result, the property management company manipulated the establishment of the HCs. Because it was difficult to mobilize residents who were not familiar with one another to participate in local affairs, many HCs constituted by them could not operate on a regular basis. The head of one GII HC complained,

“After the first meeting on the day of the establishment of our HC, we (he and other HC members) have never met together again. They just do not care about this matter. I do not know them well and cannot persuade them to work with me .Since I have to be responsible for everything, I’m so tired. I just hope they reorganize the HC and let someone else be in charge of it.”

These were the situation in GII, GIII and GIV. Consequently, most HCs and their members in these sub-neighborhoods were only known to a limited number of residents. During my fieldwork in GII, GIII and GIV in 2000, I found that few residents knew who were the members of their HCs. Even the RCs only knew their heads; and they did not know what the HCs had done after their formation. According to the laws, HCs should be elected every two years.<sup>50</sup> However, the property management companies did not bother to do so. Once a well-organized HC was formed, the companies came under its strict supervision and they then had to work hard. Due to the “break-up” of most HCs in GII, GIII and GIV, residents there suffered much from the inefficiency of their property management companies; and they were very dissatisfied with property management, as disclosed in Chapter Four.

The situation in GI was however quite different from the above. In most buildings located in GI, some residents, more or less, moved from the same downtown area and elected a few neighbors whom they were familiar with to constitute HCs. For example, in No.4 High-building, Mr. Xue Yuan and Mr. Dong Lin, who were middle ranking government officials in the district government, employed their personal relationships with leaders of the district government to get some public facilities such as telephones and gas channels installed in their building earlier than planned. With the support from their neighbors who worked for the same government agency, they were nominated to lead the HC in the building. Although some HC members in GI were not so active by themselves, they were mobilized by their neighbors. As a HC member in No.5 High-building told me, “I did not want to join the HC. But Uncle Lin (vice head of the No.5 HC) insisted that I should join them. I cannot hurt his feeling; so I joined them”. Therefore, social networks were

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<sup>50</sup> See Management Regulations of Residential Housing Property in Shanghai.

important for the formation of the GI HCs. Generally, people joined HCs with diverse attitudes and motivations. Mr. Xue Yuan and Mr. Dong Lin told me, “we just wanted to utilize our ‘*guanxi*’ with leaders of the district government to do something for our neighbors.” A HC member in No.2 High-building expressed his motivation in joining the HC in this way: “I heard that the HC would be closely related to our home interests. I joined it just to see how it works.”

### *The Rising Influence of HCs and the Transformation of Community Power Structure in GI*

As mentioned in Chapter Five, in the community movement against the local government, Mr Tan, Head of the No.1 HC, managed to establish an alliance among local HCs. They agreed to organize a forum and to meet every month to discuss movement strategies and other issues related to property management. Since then, all GI HCs have strengthened their own organizations. They have enacted many self-governance regulations and divided the homes in their buildings into groups. The HC members held meetings every month or every several months and called meetings of homeowner representatives every year to discuss management issues of their buildings. In No.4 and No.5 High-buildings, there were even regular HC elections held every two or three years. Most importantly, the HCs in GI cooperated with one another and closely monitored the property management company. Once residents in these buildings had any problems related to property management, they could report to their HCs, which would discuss the issues with the property management company on their behalf.

The spontaneous cooperation among GI HCs and their active role in the

community movement caused caution and antipathy of the local authorities toward them. As mentioned in Chapter Five, the Street Office had urged Ms. Li Qun, the then secretary of the GI Party branch, to collapse the alliance among the HCs. Due to their good relationships with her and concern with political risk, most of the heads of the other HCs stopped their “illegal meeting” with Tan, and the forum was terminated. However, since she was unable to totally collapse the movement, the Street Office appointed Ms. Long Jun to replace Ms. Li as the secretary of the GI Party branch in early 2001. At that time, partly due to the disintegration of the HC forum, the monitoring of GI HCs on the property management company was relatively relaxed. As a result, the property management in GI was not as effective as before, and there was problem with public sanitation. Therefore, the sub-neighborhood was deprived of the honorary title of “Model Quarter” by the municipal authority, thus disgracing the Street Office. The latter required Secretary Long to improve governance in GI in order to get back the title. To achieve this objective, Ms. Long had to utilize HCs to urge the property management company to improve its work. She proposed to resume the property management forum with the participation of the RC, the HCs, the property management company, and the policemen who would ensure security in the sub-neighborhood. At the beginning, due to the local government’s antipathy to Mr. Tan Xin, Secretary Long decided to exclude him from the forum. However, the head of the No.5 HC, who had had good relationship with Tan rejected Long’s decision, insisting that he would not participate in the forum unless Tan was invited to join them. Secretary Long had to concede and subsequently invited Mr. Tan to attend the forum. Since then, the meetings to discuss property management and other local public issues have been organized among these parties every month.

With the resumption of the property management forum in GI initiated by the

HCs and participated by all influential organizations in the sub-neighborhood, local governance has been greatly advanced in several ways. Firstly, the forum enabled the people and organizations which constitute the “local governance web” to communicate with one another so that they could share knowledge, experience and information about local affairs. Secondly, the forum has promoted democratization of local decision-making to some extent. During the community movement, Mr. Tan and other HC heads urged Secretary Long to voice their concerns on the issue of the community park to the local government on their behalf. Long then requested some officials of the Street Office to attend the forum to negotiate with these HC heads directly. The two parties finally reached the agreement (see Chapter Five).<sup>51</sup> Furthermore, they also regularly discussed important issues relevant to local routine governance on the forum. In many of the meetings that I sat in, I found that every participant at the forum equally discussed these issues and made decisions together, which were usually entrusted to the property management company and relevant parties. The results of implementing these decisions were then discussed in the next meetings.

Thirdly, the forum has also promoted self-discipline of these HCs. In support this point, one member of the No.4 HC commented, “Now we have to be more careful of our management. If we do worse than other HCs, we will be blamed by the residents in our building.” Moreover, due to the pressure from the forum, the property management company had to gradually improve their management and services. Therefore, the residents in GI received better services from their property management company than their counterparts in other sub-neighborhoods. In addition, the HCs in GI have also actively organized to maintain the lifts in their buildings and

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<sup>51</sup> See the memorandum of the property management forum, Nov 13, 2001.

to decorate their buildings, thereby greatly improving their living conditions and community image.

Due to the efficient operation of HCs and their cooperation with other neighborhood organizations, local governance has been greatly improved in GI; residents there were thus quite satisfied with their community. In contrast, in the other sub-neighborhoods, without effective work of HCs, the services that the property management company provided were quite poor, and the buildings looked increasingly shabby. This adversely affected the value of the homes in these sub-neighborhoods, which in turn brought about residents' dissatisfaction with the communities. As a GII resident complained on a local meeting,

“The buildings in GI look very bright and clean, but ours look so shabby. Every time we look at our building from outside, we get discouraged (due to the bad image); when we go inside, we get even more upset because the lobbies and corridors look dark and untidy, and the lifts squeak! Few people want to buy or rent homes in our building.”

Clearly, the rising influence of HCs in GI has led to the transformation of community power structure. The role of GI residents and HCs in the community movement has indicated their influence in local decision-making through informally participating in collective action. The participation of HCs in the property management forum and their equal dialogues with the state-sponsored neighborhood organizations in local decision-making have officially confirmed their status as one pillar of power in the sub-neighborhood. Their rising influence has transformed the integral hierarchy of community power structure from an integral one to an interscursive one. Furthermore, the influence of GI HCs has gradually been expanded to the whole Green Neighborhood. In GII, the RC began to organize regular meetings with the HCs and the property management company in order to discuss with



residents their concerns. In GIV, the heads of the HCs also asked the RC and the property management company to meet with them regularly.

Residents in GI have felt the structural transformation, with many of them of the view that HCs and residents were influential in local decision-making. In my survey investigation on the influence of both the RCs and the HCs on the everyday life of residents, local residents were asked to answer the following two questions: “Is there any influence of the RC on your everyday life?”(Q54) “Is there any influence of the HC on your everyday life? ” (Q58) The following table shows GI respondents’ answers to these questions.

Table 6.1 Influence of the RC and the HCs on the everyday life of residents

	much influence	a little influence	no influence
The RC	10.20%	50.00%	39.80%
The HC	16.90%	53.90%	29.20%

As can be seen in Table 6.1, the percentage of the respondents who believed that the HC affected their everyday life “much” or “a little” was 70.8% while less of them (60.2%) confirmed the influence of the RC. Therefore, in GI, compared to the state-sponsored RC, the civil association of HC was attached with great importance by more local residents.

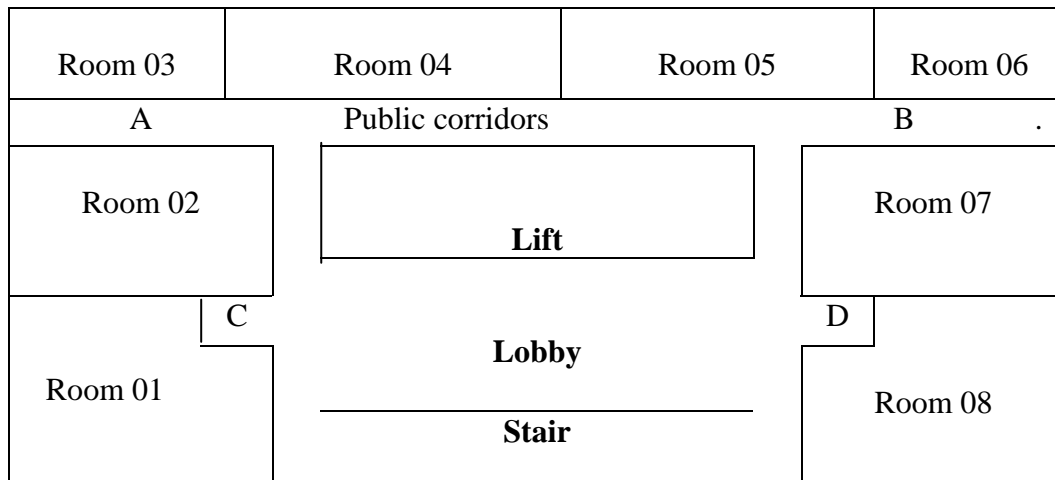
### ***The Problems with Homeowners’ Committees***

Will the rising influence of HCs in some neighborhoods lead to complete democratization of grassroots politics? My investigation showed that the consequences are not so encouraging. With the over-prevalence of utilitarianism in

the society, there are many problems that prevent HCs from becoming an engine of neighborhood democratization. Some HC members are self-interested in dealing with local affairs: they seek their own interests by controlling the associations. For example, some HC members would accept presents from, and make deals with, property management companies. Some HC heads even commit corruption in managing the maintenance fund of their buildings. To maintain their control, many HC heads just try to satisfy only a small number of supporters with favor exchanges rather than to elicit the participation of most residents. For instance, to get support from homeowner representatives to consolidate their power, HC heads sometimes distribute small presents to the latter. In Green Neighborhood, most well-organized HCs used to allocate presents to all homeowner representatives on every annual meeting at the expense of public fund. In addition, some residents who are concerned with power and interests also compete to join the associations, resulting in contradictions in the neighborhoods.

These problems have triggered many conflicts among HC members themselves on the one hand, and between HC members and other residents on the other, thereby impairing community solidarity. One typical issue that underscores this problem is the occupancy of public spaces by HC members. In the high buildings in GI and GII, there are public corridors on every floor as shown in chart 6.1.

Chart6.1 A Section Sketch of the High Buildings



Many residents living in Room 01, 03, 06, and 08 tend to surround some public corridors with iron fences (usually at A, B, C or D points) for their personal use. But some residents living in other rooms oppose this and often complain to the property management company, citing the law that public corridors are not allowed to be occupied for personal use. Usually, in response, the property management company dismantles such fences. However, in GI, all HC heads except Mr. Tan have surrounded public corridors with iron fences. The property management company would not offend them by dismantling the fences. Many other residents then also occupied public corridors. This has resulted in many conflicts among residents, which is a big problem to neighborhood governance.

On the other hand, the rising influence of the civil associations of HCs in neighborhoods makes local state-sponsored organizations and commercial organizations feel that their authority and interests are threatened by the civil associations. In particular, for property management companies, the monitoring of HCs stands in their way as they are unable to reap extra profits. Local government agencies are often upset because the independent civil associations are beyond their manipulation. Many RCs are worried because of the HCs' claim that they represent

the residents better than the RCs. Therefore, there are conflicts between HCs and the local authorities. For example, the active role of GI HCs in the community movement created tension between the civil associations and the local government. The latter has been sensitive to them since then and has begun to cope with the challenge of HCs, primarily through the channels of informal networks.

Usually, property management companies buy off important HC members, especially their heads; they attempt to establish good personal *guanxi* with HC heads so that the latter will not be so strict with them. Chinese people used to establish *guanxi* by sending presents and offering meals (see Yang 1994; Yan 1996; Bian 2001). In GI, the property management company often sent presents to the key members of the HCs and invited them to banquets; its manager often played *majiang* game with some HC heads. It was also said that the company had sold several sets of apartments to the heads of two GI HCs at cheaper price than normal. The company had thus good relationships with most HC heads in GI, who would turn a blind eye to its ineffective management practices; the company then failed in rendering efficient services to residents sometimes. A GI HC member told me: "The property management company just bought them off. They made many deals with the company, got benefits, and relaxed their monitoring on the company in return for favor." Many residents became dissatisfied with the HCs. During my investigation in GI in 2004, there were more residents who expressed their dissatisfaction with their HCs than in 2002 although a few of them were quite satisfied with the HCs before.

To impose control over neighborhoods, local government agencies attempt to divide and rule these civil associations through informal networks. Through residents who have good relationships with the RC, local government agencies are always informed about conflicts among residents and the HCs. They thus attempt to exploit

such situations to control the HCs. This kind of attempt began from 1998 in Green Neighborhood, when the HC-sponsored movement was very popular. The local government was eager to collapse the alliance among the HCs. At that point, there was a problem between some residents in No.4 High-building and the head of their HC. It was said that Aunt Ho, the old lady who was always actively involved in local affairs, had wanted to join in the HC for power, which was denied by its head, Mr. Xue Yuan. Aunt Ho thus resented Xue. Beside the entrance to every high-building in GI and GII, there was a small room for guards to sit inside to watch the building. In the 1998 summer, Mr. Xue and Mr. Dong charged the property management company to build a hut in the entrance lobby of No.4 Building to enable the guards to sit there so that they could watch the building better; the guard room was also to be converted into a small shop. Believing that the HC had the power to make the decision, they just did so by themselves without holding any meeting with other residents. Aunt Ho decided to take revenge on Mr. Xue on this matter. She claimed that the hut would obstruct the pass for fire engines once the building was on fire. So she persuaded about 80 residents, many of whom had good relationships with her, to endorse a complaint letter that was to be sent to local authorities, including the RC. She demanded that the present HC quit and an election of the HC be organized.<sup>52</sup>

Party Secretary of the Street Office then ordered the secretary of the GI Party branch to take this opportunity to control the HC. The former told me:

“At that time, some residents in No.4 Building demanded election of their HC. Then I told her (Ms. Li), ‘As the secretary of the Party branch, you have the responsibility to intervene in the election to control the HC. Only by this, can you stabilize the situation in GI.’”

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<sup>52</sup> see the complaint letter.

Then Ms. Li did as required; she supported the nomination of two residents with the Party membership to be the head and the vice head of the No.4 HC respectively. However, due to Ms. Li's "being scared of movement activists like Tan", Party Secretary of the Street Office appointed Mr. Long Jun to replace her. The Secretary explained to me,

"I distributed two tasks to her (Ms. Long): 'you should manipulate the important affairs relevant to property management; the primary mean of achieving this is to control the HCs and to establish authority of the Party branch among them. But if you are impatient for success, they may not accept your position at the outset. So, you'd better organize some entertainment activities in GI first so that you can win support from the residents.'"

Furthermore, the local government also institutionalized their requirement to control HCs. According to the law enacted by the Shanghai People's Congress in 1997, the election of HCs should be performed by homeowners themselves, with the guidance of professional government agencies. Since they do not have power over HCs directly, the PN District Government then tended to wield authority of "Party organization" with the excuse that "the Party should direct everything." As one important official in the government told me,

"We now face the problem of HCs trying to challenge the authority of RCs. There is no way for that to be allowed. So we have enacted a regulation that grassroots Party branches should positively direct all associational activities of the masses, including the HCs, and they should intervene in HC elections; RCs should play an active role through their networks with heads of resident groups and other activists."

In *Regulations of the PN District Government on Strengthening the Directing and Management of Homeowners' Committees* enacted in early 2001, the government required that Party branches play a leading role in community building at the sub-neighborhood level and be responsible for instructing those Party members who hold HC posts. The W Street Office further required Party branches under its jurisdiction to urge its members to join HCs in order to manipulate the associations.

Following these instructions, Long started her management in GI. She set up several hobby groups under the supervision of the RC and organized many entertainment activities; and she also attempted to penetrate HCs. On the one hand, as mentioned before, she undertook to resume the property management forum; on the other hand, she managed to establish personal networks with different factions among the residents and within HCs. For example, Long not only positively contacted Mr. Tan and cooperated with him in some local affairs, but she also frequently visited those residents in No.1 Building who were unhappy with Tan. Long's tactics were quite effective, and she managed to forge good relationships with many residents in No.1 Building. Furthermore, with the excuse of "protecting the interests of residents", Long also succeeded in manipulating the re-election of the No.2 HC by exploiting the splits among resident factions in the 2003, supporting a Party member to take the place of its former head who had previously sponsored the community movement.<sup>53</sup>

Due to the above problems, the contradictions and conflicts among the factions related to HCs became increasingly sharper, reaching a peak in the 2004 HC election in Green Neighborhood. There were generally two main factions in many buildings, who competed violently with each other in the election through all kinds of

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<sup>53</sup> Source: the resignation letter of Mr. Ding, the former head of the No.2 HC; my interviews and the memorandum of re-election of the No.2 HC.

means. This seriously impaired community solidarity. The No.1 HC to which I next discuss was a typical case.

### **Case Study: the Evolution of the No.1 HC in GI**

When the No.1 HC was established in 1996, Mr. Tan Xin and Mr. Gong Fei were elected by the residents as its head and vice head respectively due to their leading role in the community movement against the estate development company. However, when the movement came against the local government, they differed from each other in their standpoints. As mentioned in Chapter Five, the W Street Office succeeded in dividing the alliance between them by informal networks. Therefore, Mr. Gong seldom participated in HC affairs; neither did other HC members for diverse reasons. Because of the noticeable role of “Small Li” in the movement and her personal character of being “fierce”, Tan sought her help to deal with HC affairs. He utilized her to do unfair things that he would not do in public, by offering her presents like cigarettes, which she cherished; hence, “Small Li” always followed his instructions. As a result, Mr. Tan almost “monopolized” the operation of the No.1 HC including the management of millions of maintenance fund and other income. Besides, he never disclosed the records of the HC bank account to other residents. In the following years, Tan refused to re-elect the HC, maintaining the headship of the No.1 HC for ten years.

Mr. Tan always attributed the importance of the neighborhood environment to the rise of the value of their homes. In 2002, he planned to have a small garden surrounding No.1 Building and to decorate the building in order to improve their “small environment”, with the cost estimated to be more than two hundred thousand *yuan*. Tan also invited some residents in the building and Secretary Long to discuss his plan. However, Tan only told the public of a rough plan and hid some important



details from them. Since residents knew little about construction matters, he convinced them to agree to the plan. Tan then hired a construction company to construct a garden and a high iron railing around it to protect “outsiders” from entering the garden.

It turned out that the construction of the garden led to many conflicts in Green Neighborhood. Some residents in other buildings were resentful because the garden was only open to residents living in No.1 Building, but Tan did not care about such complaints. He argued that the garden was the property of the residents in No.1 Building and thus should be exclusively used by them. Therefore, the issue concerning the garden isolated residents in No.1 Building, especially Mr. Tan, from many other local residents. In February 2004, when the W Street Office was going to organize a congress of residents, it required every RC to nominate two representatives from the sub-neighborhood under its jurisdiction. At that time, Secretary Long was still in a relatively good relationship with Mr. Tan. She and Mr. Hu, the head of GI RC, were dissatisfied with the Street Office on some issues. Thinking that the Office was a little scared of Tan, they appointed him as a representative to articulate their concerns to the congress. Mr. Tan was glad to accept the appointment. However, a resident in one of the low buildings in GI put up a poster in the neighborhood to protest against the appointment, claiming that Tan was too selfish to be a resident representative.<sup>54</sup> Due to the resident’s complaint to the Street Office, Secretary Long and Mr. Hu had to ask residents to elect their representatives. Since many people in other buildings disliked Tan, he lost the election and was annoyed. When he had problem with Secretary Long in the later HC election, he even regarded this event as evidence that she tried to tease him.

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<sup>54</sup> See the picture of the poster.

Mr. Tan and “Small Li” also became increasingly self-righteous and bossy in dealing with public affairs and other residents in their own building. Tan was laid off by his work unit in 2003. He later worked as an insurance salesman. He often boasted of his skill in dealing with his customers and told his neighbors that he had thus had high income. Tan also claimed that all local residents owed much to him because of his great contribution to organizing the community movement and improving the environment of the neighborhood at the cost of his spare time, which he could have used to make a large sum of money. He actually manipulated the management of the HC affairs and millions of *yuan* of the maintenance fund. His flaunting behavior and oligarchy in the HC led to much dissatisfaction from his neighbors. Since he often bought quite expensive presents for his family, they suspected that he could have obtained a rebate from the construction company that had built the garden and that he and “Small Li” had often accepted presents from the person who rented the public facilities of the HC and thus gave privileges to the latter. Therefore, they asked Tan to publicize the records of the HC bank account so that they would know the truth. Furthermore, because of small disputes, Tan also had many problems with a few former movement activists who had always supported him. They complained that Tan was not so easy-going as before, and that the “atmosphere” in the building was increasingly cold. A typical case was Ms. Sun Bao, who was in her seventies, one of the three heads of resident groups in No.1 Building. She tried to persuade Tan to publicize the bank records as required by other residents, but this triggered his antipathy. Another movement activist was angry because Tan had refused to allow him to use a spare room of the HC temporarily while always permitting his own daughter to use the room. In addition, the neighbors living next to Tan’s home hated him; according to Tan, they were jealous of his high income. All these people argued

against Tan on HC affairs, focusing the issue of the bank records. Being resentful of them, Tan refused to publicize the records, explained that he had raised the fund for the garden partly at the expense of government and that the secret would be exposed to residents in other buildings once he publicized the bank records. But Tan's explanation failed to satisfy his opponents, who thereafter had many quarrels with him and his loyal followers like "Small Li". There was rising tension between the two factions.

The formation of factions among residents provided an opportunity for local governments to carry out their divide-and-rule tactics. 2004 was the year when most HCs were to be re-elected. The Street Office decided to manipulate the whole process. In its paper instructions to RCs, the Office required that "this election should be performed under the direction of the Street Office...and Party branches should strictly have control over the policy pass, the election pass and the approval pass (to protect those trouble-makers from being elected)." The Office required all secretaries of Party branches to take charge of the election committees of HCs under their jurisdiction respectively to ensure that the newly-elected HC members, especially their heads, were politically satisfying. In addition, they required that at least 50% of the members of a HC should be Party members. The Office also divided the election process into three phases: the establishment of election committee, the election of homeowner representatives and the election of HC members. Every election committee was constituted by the secretary of the Party branch, two officials of the Street Office and four homeowners, and it was to be responsible for organizing the election of the HC before November 2004.

In May 2004, every RC began to advertise the HC election. Having talked to the residents who were close to the RC, Secretary Long knew about the situation in

No.1 Building. She thought it was a good opportunity for her to reorganize its HC. Both the Street Office and many residents disliked Tan. Once she succeeded in replacing him with a Party member, she would get praise. Long undertook to set up an election committee. In grassroots elections, election committees are very important because they can influence the outcome of elections. In other sub-neighborhoods, the secretaries of Party branches could just appoint members of the election committees. Secretary Long understood that GI residents were quite sensitive to this kind of affairs, so she had to consult Mr. Tan on the matter. Tan thought that the situation was under his control; he recommended Mr. Lu and Mr. Lee, both of whom were close to him, and himself to be members of the committee. Through negotiations, he also agreed to allow Ms. Sun Bao to be a member of the election committee. Secretary Long then publicized the list of names of the election committee in No.1 Building, with Mr. Lee and herself as the vice-head and the head respectively. Mr. Tan found that he was just an ordinary member of the committee and at the last position on the list. He believed that those residents who read between lines would suppose that he had been deprived of power and that he would not be elected the head of the HC anymore if Secretary Long succeeded to manipulate the election.

Mr. Tan decided to fight back by resorting to the laws. He checked all relevant laws and found that the re-election of a HC should be organized by the present HC and that only residents with homeownership have the right to serve on the election committee. He also found out that Ms. Sun did not have homeownership because her home belonged to her husband. Tan attempted to utilize the evidence obtained to collapse the election committee. He showed them to Secretary Long and required her to deal with the election in accordance with the laws. He further instructed “Small Li” to spread rumors that Long wanted to control the maintenance fund of No.1 Building

and that Long appointed Ms. Sun to be a member of the committee so that the latter could take advantage of this position to be elected a member of the new HC. “Small Li” succeeded in fanning up suspicion against Secretary Long and her supporters. Ms. Sun and other Long’s supporters felt huge pressure. Mr. Lee also decided to handover his position as vice-head of the election committee to Mr. Tan so that the latter would not cause troubles any more. Secretary Long agreed to this. However, Tan insisted that “Small Li” should be elected as one of the homeowner representatives. But this was beyond the tolerance of Long and Sun. As it sounded like that Mr. Lee wanted to withdraw his support, Long secretly mobilized support from several other retired officials and Party members living in No.1 Building who disliked Tan.

To put more pressure on Long and his other opponents, Tan promised to convert the corridor of the small garden into several shops to be rented to some laid-off workers in No.1 Building to obtain their support. Furthermore, he also publicized the instructions of the Street Office about the HC election and relevant laws so that residents would understand that there were contradictions between the administrative order of the local government and the laws. Moreover, he organized an assembly to collect donation for a former movement activist living in No.1 Building who had cancer, and to consolidate his relationships with other former activists. Tan and his followers also took the opportunity to express their views about the election. His followers told residents that the RC and the property management company had been trying to replace Tan with a crony. In the meeting with officials of the Street Office and Secretary Long, Tan requested that the election be delayed so that the No.1 HC could organize residents to study the relevant laws. Due to his influence in the neighborhood, the officials agreed to this. Therefore, Tan organized several meetings to criticize Secretary Long and his other opponents. The claims of Tan and his

followers were accepted by many residents. The residents thus blamed Long and other Tan's opponents for their attempt to replace him. In addition, "Small Li" even tried to lead several dogs to scare Ms. Sun and her aged husband, thereby making the couple escape from their home for several days.

In September 2004, believing that he had control over the situation again, Mr. Tan agreed to organize the election. Then the election committee organized residents to elect the representatives of the homeowners. Tan's opponents persuaded Mr. Gong to join them to compete with him. They claimed that it was inappropriate for Tan to continue to manipulate the HC. The election rule that Tan agreed on indicated that eight families on every floor of the building should elect only one representative. Besides, HC members were to be elected from twenty five representatives. Due to Tan's problems with the neighbors on his floor, he only won three votes while one of his neighbors who disliked him won four votes. Therefore, Tan lost the opportunity to be a both representative and a HC member. This was a blow to Tan. He undertook to challenge the election results, claiming that the neighbor wanted to join the HC just to obtain material benefits. He also mobilized 197 residents in the building to sign on a poster supporting him. On 8 December 2004, the election committee called a meeting of the twenty five representatives to elect HC members. Tan and his followers went to protest against the election. At that time, the People's Congress of Shanghai had revised the relevant law with effect from Nov 1, 2004, indicating that the election of a HC be presided by the present HC. Based on this, Tan demanded that the present election committee be dismissed and a fresh election re-organized. He also required the Street Office and the RC not to intervene in the election. Mobilized by Tan and his followers before, many representatives seconded Tan's proposal. Then the election of No.1 HC was delayed again. Some present HC members in No.4 Building and No.5

Building had always consulted Tan also attempted to resist Secretary Long' efforts to manipulate the elections.

Due to the strong resistance from these HCs, Secretary Long felt very depressed and tired; she could not help crying after a failed election meeting. Therefore, she would not continue to manipulate the elections. With the withdrawal of Secretary Long, one faction in No.4 Building that she had supported conceded while the other faction manipulated the election. In No.1 Building and No.5 Building, neither faction conceded. Long then suggested to the Street Office to cope with the matter in accordance with the new law and to allow the present HCs to preside over the elections. Realizing that there was rising consciousness of rights among citizens and that they could use the laws to resist manipulation, the Office agreed to her suggestion.

In May 2005, the Street Office issued a notice that all homeowners in No.1 and No. 5 buildings could volunteer to join the election committees and that the Office and the RC would just ensure that the elections were conducted democratically. This was to be publicized in the main lobbies of the buildings so that all the residents could read it. Tan's opponents ignored the notice at the first place. Later they found that Tan and his followers registered to join the election committee and that the new election committee completely constitute by Tan's faction. Then they complained to the Street Office that Tan had put up the notice on a non-noticeable corner of the building so that most residents had not read it. But they were told that Tan and his six supporters had been appointed members of the new election committee and that they could monitor the election process. Tan's opponents believed that it was unfair to reorganize the election. Mr. Gong commented,

“According to the old regulations, he has lost the election. That was why he sought to deal with the matter in accordance with the new regulations. If the old regulations had been beneficial to him, he would definitely have adopted them. He just considers everything completely in accordance with his own interests.”

Both factions not only put up many big-character posters in the building, attacking each other about all kinds of issues, but were also engaged in physical fights.<sup>55</sup> Therefore, the tension between the two factions in the building has been rising. Now that he is in charge of the new election committee, Tan is likely to manipulate the election. He just attempts to delay the process with many excuses in order to discourage his rivals, and he is going to nominate the members of the election committee to constitute the new HC without election so that he can keep control over the association.<sup>56</sup>

### **Homeowners' Committees, Community Development and Quasi-faction Politics**

This chapter examines the formation of HCs and the political consequences. It is found that, due to the housing reform, residents are concerned with the value of their homes, and many of them have begun to pay more attention to relevant community affairs. The formation of HCs has provided opportunities for them to articulate their concerns. But there are also many problems with these community associations.

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<sup>55</sup> During the period of the Cultural Revolution (1966-1976), Chinese people used to put up big-character posters in public to criticize and attack others. Since the 1980s, it has been regulated that it is illegal to do so.

<sup>56</sup> When I interview Mr. Tan on 10 Feb 2005, the election has not been finished yet.



### *Homeowners' Committees and Community Development*

The emergence of HCs has changed the situation of community participation in urban China. In the neighborhoods where HCs operate well, some active residents tend to utilize these civil associations to participate in local politics, such as improving community management and promoting grassroots democracy, which in turn bring them the feeling of empowerment and community satisfaction. The research also suggests that the formation and operation of HCs is affected by law and social networks. Benjamin Read (2003b) argued that the formation of HCs is a way in which China's middle class have acquired power in their new residential neighborhoods through both their own mobilization and the policies of the central government. This research indicates that the statement can be generalized to ordinary citizens who live in the relatively old neighborhoods of "sold public homes."

Except for the relations between HCs and property management companies, this research also examines their interactions with local administrative authorities like the Street Office and the RC. It finds that, wielding state policies, some of these associations do not hesitate to directly argue with the local authorities to articulate their interests. Based on their "rightful resistance" (O'Brien 1996), well-organized HCs can be positively engaged in local decision-making and officially approved as a pillar of the community power structure, as was the situation in GI. Therefore, this study concludes that housing reform has also begun to affect local participation and community development in old neighborhoods. In addition, it finds that, when dealing with HC affairs, citizens tend to utilize informal networks to realize their mobilization.

### *Guanxi, Homeowners' Committees and Quasi-faction Politics*

As shown above, there are also many problems with vibrant HCs. Existing research has indicated some limitations of civil associations. As Robert Michel (1949) pointed out, although many mass organizations proclaim to promote democracy, most of them will finally shift to the “oligarchy” of a few elites. Benjamin Read (2003b:51) also reminded us that

“Research on homeowners’ associations in American housing complexes—close analogues to the Chinese homeowners’ committees—gives us reason to be cautious about concluding that these organizations are incubators for an engaged, participatory citizenry. According to some studies, the US associations tend to be dominated by a small ‘oligarchy’ of enthusiasts who do little to encourage political activity on the part of ordinary residents. They have also been found to tyrannize over fellow homeowners by rigidly enforcing restrictions on the use of the property, creating conflict and enmity.”

This research confirms that China’s HCs face a similar problem, and they are usually dominated by a few enthusiasts who compete against one another for power. For example, in GI, some residents joined in HCs due to their concerns with personal interests or power; as Mr. Tan admitted when talking with me about his fights against the local authorities and some residents, “I just like to challenge those guys who think that they are cleverer than me!” Generally, enthusiasts like Tan differ from ordinary residents in the following aspects: first, they attach much importance to their power and “face” in the neighborhood, and thus enthusiastically engaged in the contest for the positions in neighborhood associations such as HCs, which can help to legitimize their leadership in the neighborhood. Secondly, they are quite knowledgeable about state policies and local affairs, which is very useful in articulating their concerns and

convincing others. Thirdly, they are quite skillful in communicating and building networks with others. Fourthly, they generally have relatively good job and high social status which get them respect from ordinary residents. With these capabilities, they can call on many followers to form a faction, and, sometimes, get support from the authorities. Therefore, the oligarchy of neighborhood enthusiasts further leads to the formation of quasi-faction politics. Hence, with the development of HCs to some extent, the primary problem facing neighborhood governance has gradually shifted from the conflicts between homeowners and local pro-image coalition towards those among resident factions. These quasi-factions are built on personal networks of *guanxi* among a leader and followers. In the case of No.1 HC, although Tan always tried to resort to laws, he usually adopted the regulations supporting his points of view while ignoring those against his agenda. More often, he tended to utilize informal networks to realize mobilization. Such networks are usually based on common interests or the exchanges of small favors involving little personal emotion. A typical case is the relationship between Tan and his followers like “Small Li”.

The formation of quasi-faction politics has adversely affected neighborhood governance and impeded complete local democratization. Firstly, these quasi-factions are bonded by diverse principles or networks, which leads to the intersection of factions along many lines of different issues. As a result, conflicts among them will result in many social splits in neighborhoods. In GI, those who had had different kinds of problems with Tan bonded them together to form a quasi-faction. Due to the conflicts between them and Tan, the followers of the latter were also involved in the disputes. Therefore, the personal problems have finally resulted in splits among groups. Secondly, factions are not really much concerned with the well-beings of the whole community, and instead they fight against one another for power. As the leader

of one faction in No.4 Building commented, “there will be no faction if everyone is concerned with the benefits of the whole public.” An official in the W Street Office also told me, “they often come to complain about their opponents, but what they highlight are always personal problems among them.” The ceaseless conflicts among quasi-factions make it hard for agreements beneficial to the whole community to be achieved. In the GI HC election, the conflicts and the long delay have resulted in the rising of distrust and splits, and the decline of positive social capital in the community. Thirdly, the existence of quasi-factions makes it feasible for local authorities to adopt a divide-and-rule strategy to impose control, as shown in the election of No.2 HC. Fourthly, those quasi-factions failed in competition cannot equally voice their concerns. In the election of the No.4 HC, the faction had conceded could not participate in HC affairs any more; and the new No.4 HC manipulated by the other faction proved to be not so effective. Hence, there is a dilemma in the development of HCs in urban China. On the one hand, most people will not bother to spend time participating in HC affairs, which results in collapse of this kind of civil associations in many neighborhoods. On the other hand, some homeowners join in HCs just to get material benefits or power, as was the situation in GI. Therefore, in the developed neighborhoods like GI, even though residents are able to resist against local authorities outside of their communities with their own associations, they also face the “inside” problem of factionalism and the “oligarchy” of faction leaders.

### ***Interest-based Society, Small ‘Radius of Trust’ and Civil Associations***

This research also explores the institutional and cultural factors responsible for these problems. With the over-prevalence of utilitarianism and the tendency toward an

interest-based society, few people would care about the public benefits of the community. Furthermore, there was a lack of institutions developed enough to regulate the matters of HCs. As a consequence, in everyday life, actors in the local governance web attempt to pursue their interests through these civil associations by exploiting institutional gaps. In the election, many present HC heads concerned with power and “face” will not withdraw from the associations, which results in the problem of replacement. The competition of interest among these actors will adversely affect the further development of HCs. In addition, HCs also have the problem facing all kinds of associational activity. As Portes and Landolt (1996) pointed out, associational activity can be divisive and exclusionary. Fukuyama (1999) also claimed that there is potential problem with associational activity—low level of trust. According to him, associational activity usually just unites a few like-minded people, and thus has a small “radius of trust”. This study on HCs confirms these findings. Since many people are just concerned with their personal interests, they tend to distrust one another; and they do not believe that others may work for the benefits of the public. As one HC head in GI complained, when discussing with me about whether HCs could lead to good governance,

“No way in neighborhoods like ours. These petty guys (*xiao shimin*) are always making troubles. They find that officials of the government are always committing corruption, then they suspect that HC heads who manage the public property like me are also doing the same things. They never trust that you will work for the community without being concerned with personal benefits; and they always suspect that you are utilizing the post to make money!”

The small ‘radius of trust’ in civil activities will result in the decline of positive social capital and splits in communities. When asked to compare the present

community solidarity with that at the time of the community movement, Mr. Tan maintained that

“At that time, the general situation was good, although there were some residents against us. But the present situation is quite bad. The mass in China are always like this, splits will follow success. Just like the *Taiping* Rebel (of peasants in the Qing Dynasty), there were big splits among those rebelled in the end!”

Therefore, civil activities of HCs in China seem to be characteristic of small “radius of trust” and final divisions.

### **Conclusion**

This chapter looks at the impact of civil associations in neighborhood governance. It focuses on the influence of the housing reform and of related rise of HCs, their achievements and problems in particular, on neighborhood politics. In particular, exploring the dynamics that the governance performance in GI was better than that of other sub-neighbourhoods, it is found that the reform of homeownership has affected community participation to some extent. Especially, it has led to the formation of HCs which play a vital role in local governance in some neighborhoods and have greatly affected everyday life of residents and neighbourhood politics. In many respects, HCs have begun to challenge authority of existing state-sponsored institutions. Those well-organized HCs have developed as a pillar of community power structure and promoted the expansion of social space, which confirms Putnam’s conclusion (1993a) about the external effect of civil associations on the wider polity.

On the other hand, this chapter explores the problems of HCs—the tendency towards ‘oligarchy’ of a few enthusiasts and quasi-faction politics. The existence of small ‘radius of trust’ and splits found in this kind of civil activity contradicts

Putnam's conclusion (1993a:90) about the internal effect of civil associations that they "instill in their members habits of cooperation, solidarity and public-spiritedness". Therefore, even vibrant HCs will not necessarily result in neighborhood democratization. Although their formation has greatly promoted neighborhood autonomy, they may not be able to nurture a civil society in urban China.

## Chapter Seven Conclusion: State, *Guanxi* Networks and “Quasi-civic Community”

### Introduction

This study has explored the dynamics of neighborhood politics and grassroots governance by investigating community building in Shanghai. It provides a detailed description of socio-political changes at the neighborhood level under the context of rapid macro social transformation in urban China. In particular, it examines several main dimensions of neighborhood politics: the domination of local pro-image coalitions of local government and business groups, collective resistance from citizens against the coalitions, elections of civil associations and local faction politics. It focuses on looking at the outcome of community building in terms of local democratization and the rule of the regime: 1. the empowerment of citizen, i.e. whether or not they have “voice” option and “exit” option in neighborhood politics, and how they are involved in neighborhood politics; 2. community autonomy and power structure, i.e. whether or not China’s neighborhoods can be autonomous and represent the interests of residents, and how decisions are made in neighborhoods; 3. state making, i.e. whether or not the state builds up its legitimacy based on the neighborhood system. The systematic examination on these issues also raises reflections on some related bigger questions about the contemporary trajectory of China’s development: how is the transformation of local governance related to macro political development? How does the domination of local pro-image coalitions and civil resistance impact on the rule of the authoritarian state? How does the state deal with the selectively obstinate local pro-image coalitions on the one hand and the increasingly disgruntled citizens on the other? The exploration on these issues should contribute to a better understanding of the conditions for democratization and good



governance in general, and of the contemporary practice and trend of communist rule in urban China in particular. In the next section, I summarize the main findings of this study, and provide preliminary explanations for them. Thereafter, I discuss the prospect for local governance in urban China and its implications for the macro socio-political development. Finally, I will identify the limitation of this study.

## **Community Building and the Formation of “Quasi-civic Community”**

### *The achievements of local governance*

#### *Civil engagement and the empowerment of citizens*

As well as examining changes in formal institutions, this study pays much attention to the agency of citizens' engagement in neighborhood politics. Existing research has shown that active civil participation is necessary for democracy and good governance (e.g. Almond & Verba 1963; Putnam 1993a, 1993b, 2000). Concerning citizens' engagement in grassroots politics, students of China classified urban citizens in work-units and neighborhoods into two big groups of activists and non-activists, depending on their relations with the administrative authorities (Walder 1986; Read 2003a).

However, this study finds that this dichotomy is too vague for us to understand civil engagement in neighborhoods of contemporary China. In accordance with citizens' concerns and their actual involvement in neighborhood affairs, we may classify them into the following groups: 1. The group responsive to the calling of the party-state and government agencies. Most residents of this group have benefited from the communist rule, and some of them are also committed to the communist ideology. These residents usually respond actively to the call of the regime and keenly assist the authorities in local governance. A typical case is the group of residents in

Green Neighborhood who genuinely supported the local government in the community movement. 2. The group committed to help others. They devote their time and energy to help others in need. 3. The group concerned with sociability. They enjoy communicating with others and attending group activities. These three groups of residents, also called “neighborhood activists” by former researchers (e.g. Read 2003a), often cooperate with local government agencies, especially with RCs. Most of them are retired or laid-off workers, and are appointed by RCs to be heads of residents’ groups to help the RCs administer other residents in their respective residential buildings. Their motivation to cooperate with RCs could be generalized as “local voluntarism” (Read 2003a).

4. The group negatively responsive to local affairs. Most of those in middle-age and young residents belong to this group. Some of them may be a little concerned with community development, but have no time to be involved in public affairs. Others are just indifferent to community participation because of their utilitarian calculating of time consumption. Most residents of this group have regular jobs, and they occasionally cooperate with the RC due to their “thin reciprocity” relations with the latter (Read 2003a).

5. The group concerned with “face” and human relationships. They would not voluntarily lend a hand to others; but they seldom refuse to help people who request small favors because they would not like to “lose face” or break up their relationship with the latter. Actually, in the community movement and the later HC election, many residents, once requested, would sign on the posters of both contestants to show their support just because of their unwillingness to offend either party. 6. The group seeking power and interests. The residents of this group are very enthusiastic in being engaged in the contest for positions in neighborhood associations such as RCs and

HCs, or in building networks with local authorities, in order to serve their personal needs and interests. For instance, in the HC elections, a few enthusiasts violently competed against one another for the leadership of the associations. 7. The group concerned with citizens' rights or community development as a whole. Most of them are well-educated, and have relatively high social status. They may not regularly participate in conventional local affairs. But once there is any violation of citizens' rights or anything that adversely affects the community, they spare no efforts to fight for their community. For example, in the community movement, a few intellectuals in GI also actively participated in the resistance.

Generally, with the initiation of community building, more and more citizens were engaged in local affairs. As shown in Chapter Four, more than half of the residents in both GI and GII participated in various community activities either for personal interests or collective welfare. In other words, they had a "voice" option in neighborhood politics. However, there were also many residents who did not participate in any public community activities, which suggests that they had an "exit" option. Contrary to the situation of limited "voice" option and "exit" option in work units before the Reform (Henderson and Cohen 1984), the situation of participation in neighborhoods implies that Chinese citizens have been much more empowered at individual level than before. In the process of community participation, the consciousness of citizens' rights has also been enhanced among them.

However, except for contained community participation such as those mobilized by RCs, citizens also openly launch "boundary-spanning contention" like collective resistance to challenge the existing local authority, which has led to expansion of social space at the community level.

*"Boundary-spanning contention" and the change of community power structure*

Existing research suggested that although citizens in contemporary urban China have personal freedom and “exit” option, they can not affect public affairs (Davis et al 1995). Fulong Wu (2002:1090) also claimed that “the reformation of urban communities on a territorial basis reflects continuity rather than transition” because most of the territorial administrative entities “have their origin in the 1950s, but have been modified during the past two decades”; and the party-state system has also been strengthened in community building.

However, this research finds there have been considerable changes in community power structure. On the one hand, local governments tend to establish pro-image coalitions with business groups. Being self-centered, the coalitions tend to exploit institutional gaps and establish their domination in neighborhoods, which violates the interests of both the state and residents. On the other hand, in some sub-neighborhoods with abundant quantity of social networks like GI, residents are gradually able to influence neighborhood politics by launching collective “boundary-spanning contention” with horizontal and vertical networks. The establishment of civil associations like HCs and the initiation of “boundary-spanning contention” have led to changes in ways by which public power is exerted in neighborhoods, thus transforming community power structure. This can be illustrated by the transition in GI. Before the community movement, local government agencies and the RC dominated local public affairs. Later, due to the existence of initial quantity of social capital in GI, their residents began to actively participate in the movement. In this process, social capital and civicness were enhanced within the community, leading to the success of their resistance against the powerful local government and positively affecting local decision-making regarding the community park.

The community movement also influenced the recognition of the relevant local political actors. Many residents learned many things in the movement and were thus increasingly concerned with laws and citizens' rights in dealing with local public affairs. This in turn enhanced their initiative to react to government policies. These residents realized that they could protect their rights and interests by reacting to government policies positively, and the success of their collective action in turn enhanced their subjective sense of empowerment. The local government also realized that public opinions should be one potential resource of authority. The active role of HCs in the community movement made the local government agencies confirm the important position of this kind of civil associations in neighborhoods. Afterwards, the local pro-image coalition was more careful in dealing with HCs and would have dialogues with the latter on issues relevant to the community and formulate local political agenda, which had been semi-institutionalized, as shown in Chapter Six.

Therefore, community power structure in GI has changed from the integral one to an intercursive one, and the sub-neighborhood has been relatively autonomous from the local authorities. The "boundary-spanning contention", like the community movement, has altered the outcomes of neighborhood politics and operated as an engine for change, thus helping citizen challengers to become polity members (see O'Brien 2003:58). Along with this process, local governance in GI has been greatly improved. Similarly, community building could promote positive social capital among citizens in many neighborhoods, hereby facilitating their autonomy. The state making of modern China in the early twenty century resulted in the dismantlement of "cultural nexus of power" in village communities, which further ruined local governance (Duara 1988). But contemporary community building seems be able to avoid this vicious circle. The empowerment of citizens can prevent local governments

from misusing their public power. Furthermore, the existence of opportunities for citizens to initiate “boundary-spanning contention” at the local level also reduces the risk of individual dissatisfaction towards the authorities, which could develop into large-scale violent social movements (see Zhou 1993).

*The change of community power structure and social transformation*

This research suggests that social transformation in contemporary China is responsible for the change of community power structure in neighborhoods. This is clearly seen in the transition from command economy to market-oriented economy. As mentioned above, during the time of the command economy, the Party-state not only instilled communist ideology into the citizens through propaganda, but also purged dissents through violent means such as class struggle to remake the society. Furthermore, the state monopolized economic resources and career opportunities; it entrusted its local management agencies to control grassroots communities and to demand political loyalty from citizens by distributing the scarce resources. At work-units, management could grant rewards to activists by promoting them. In neighborhoods, although Street Offices and RCs could not directly provide activists with jobs, they could recommend the latter and their relatives to state-owned factories. Without their recommendation and approval, it was hard for citizens to look for jobs in state-owned workplaces by themselves.

At that time, there were many constraints that prevented citizens from initiating collective resistance to voice their concerns. First, since the state monopolized all career opportunities, the cost for citizens to participate in collective resistance, which might result in their being fired by their work-units, was too high for them to afford (Whyte & Parish 1984). Secondly, the state employed many activists at

the grassroots to monitor and to report ordinary citizens' behavior and utterances (Walder 1986; Davis 1995; Read 2003a); this also enhanced the risk for the latter to act. Thirdly, the patron-client networks that the Party-state developed also created social cleavages among activists and non-activist citizens, inhibiting collective resistance against the authorities (Walder 1986). Fourth, because the state monopolized the mass media, ordinary citizens "had little reliable information on which to base potential political action and no intermediary communities to help organize their action even if they had wanted to act" (Whyte & Parish 1984:295). As a result, it was very hard for citizens to initiate collective resistance at that time.

Since the 1980s, there have been fundamental changes in social conditions. With the initiation of economic reforms and the reduction of state control over local governments and society, the latter have acquired their own resources and the ability to negotiate with one another, thus enabling them to forge new power relations. With the initiation of community building and the devolution of state power, local governments have more space to wield influence at the local level. Due to their strong drive to promote local economic growth and image building, many local officials utilize all available channels, including informal ones, to achieve that. As a result, some local governments have possessed many economic resources and the ability to negotiate with higher-level governments. Furthermore, the initiation of community building has also led to the shift of many regulatory functions to local governments. These have made relations between local governments and the state more complicated than before. As Wu Fulong (2002:1087) pointed out, "Rather than responding to commands from 'hierarchical' government departments as it did in the past, the Street Office can now act as a 'comprehensive' and 'territorial' entity". Usually, they bargain with higher-level governments to strive for more beneficial terms when

implementing state policies or directives. Due to the relatively limited capability and constraints of the system, it is quite difficult for the state to ensure close supervision over local government agencies (Lu 1997; Ying 2001; Bernstein & Lu 2003). Therefore, local governments have become more powerful.

Commercial organizations have been operating in the best development environments since the CCP came to power, as the state encourages them to be involved in local development, and local governments support them due to their own drive to promote local economic growth and image building. Many commercial organizations have forged alliances with local governments to facilitate their businesses through *guanxi* networks. Therefore, they also wield much influence in neighborhood politics.

The changes in social conditions have also made it possible for citizens to voice their concerns and to argue against local pro-image coalitions that violate their interests. The constraints on citizens which impeded their ways to initiating collective resistance have been shaken since the 1990s. First, because of economic reforms, there have been increasing career opportunities in cities; some citizens are not so afraid to be fired by their work-units. Second, the gradual disintegration of the work-unit system has resulted in the decline of patron-client networks between local administrative authorities and citizen “activists,” making the informal monitoring system of ordinary citizens less effective than before. Thirdly, there have been more and more accessible information resources for citizens, such as newspapers, radios and internet. Other social changes have also facilitated the citizens’ collective resistance against local authorities. The state prefers to achieve economic development and social stability by legal means instead of brute coercion. This prevents local governments from using force at will when dealing with disgruntled



citizens (Cai 2002).

As mentioned above, there have been increasing splits within the administrative system. When the interests and power of local governments conflict with those of higher-level government agencies, the latter may try to create a counterbalance of citizens by imposing constraints on local governments in case the actions of local governments adversely affect their authority and the legitimacy of the state. In recent years, the state has passed many laws to prevent local government from abusing power at will, enabling citizens to report illegal actions of local governments to higher-level government agencies. Therefore, citizens could sometimes generate support from within the state.

Thirdly, government control of the mass media has been relaxed. Citizens can voice their concerns through the mass media. Most importantly, the state has also instituted some laws to empower citizens to articulate and exercise their political and financial rights. A typical instance is the new laws empowering residents to elect their own representatives to constitute RCs and HCs. These social changes constitute “political opportunity structures” and the institutional context for citizens to voice their concerns and to shape neighborhood politics. Therefore, when viewed in a broad historical perspective, we can conclude that the present neighborhood politics greatly differs from that that characterized the earlier totalitarian or clientelist period.

*State and social networks: institutional and cultural factors affecting neighborhood governance*

Earlier researchers in the study of local governance believe that social capital and local government are key elements of governance (see Braathen and May 2004:4).

In his examination of urban politics in Shanghai, Tingwei Zhang (2002) also argued that

“Local government is still the strongest among the main four parties: the central and local governments, the marketplace, and the community power,”(p,491) and “with no election power to leverage government officials, community groups are the weakest of the four players in urban development.” (p,495)

On the one hand, this study partly confirms the importance of social capital in local politics in urban China. As discussed above, in some sub-neighborhoods, with well-developed civil associations and informal social networks among citizens, they can negotiate with or even resist the absolute power of local authorities to promote community autonomy. On the other hand, this study rejects the previous optimistic argument on the role of local government in the governance of China. Since local officials are not elected by citizens, they just act selfishly and misuse public resources, thereby hampering neighborhood governance. It further notes that the state itself plays a leading role in urban governance. As Bourdieu (2002: 66) pointed out, it is the state that primarily affects the cognition of the people in depth in modern societies. This study shows that the party-state can affect comprehensively the cognition and actions of citizens, including their consciousness of rights by means such as legislation and propaganda. As a result, citizens can launch “boundary-spanning contention” by employing laws and state discourses and even complaining to high-ranking government agencies directly in order to argue against local authorities. Furthermore, the state influences neighborhood politics by empowering local government agencies and appointing or replacing local officials. All these amount to direct intervention in local affairs. The state is therefore still a key element in governance.

However, due to the limitation of the state in monitoring local governments and its reluctance to completely empower citizens, its specific role in neighborhoods is contextual. Consequently, neighborhood governance greatly depends on the negotiation between citizens and local pro-image coalitions; and there is space for *guanxi* networks to be utilized to wield influence. In sum, both state authority and social capital are key factors that influence neighborhood politics. In the contests for community power, the more support one party gets from the higher ranking governing bodies, or the more social capital the party accumulates, the more powerful the party becomes in the neighborhoods.

### ***The problems with community building***

#### *The limitation of neighborhood democratization*

The change of community power structure and the expansion of political space in neighborhoods do not suggest the practice of full local democracy. Presently, neighborhood democratization is limited in several ways.

First of all, the Party-state is ambivalent in developing grassroots democracy. Although it desires to improve local governance through grassroots elections, it is afraid that citizens could be out of control if grassroots democracy is fully developed. Due to its authoritarian nature, the state attempts to control the citizens' participation, and block many channels which the citizens could have used to voice their concerns freely. In other words, the state only encourages "managed participation" (Cai 2004b). Local government agencies and commercial organizations tend to forge alliances through *guanxi* which are very instrument-oriented rather than affection-involved. Because local democratization may impose constraints on their self-interested actions,

few Street Offices willingly support the democratic reforms of RCs and HCs; many Offices even clandestinely manipulate the elections.

Secondly, in most neighborhoods, there is lack of solidarity and cooperation among residents. During the command economy, citizens could not express their views through local political participation; they were indifferent to local public affairs. The legacy of such indifference could still influence citizens' attitudes to local participation. Also, due to the domination of local pro-image coalitions, many residents do not believe that they can influence decision-making in neighborhoods; the feeling of powerlessness impedes community participation. Further, because of the large-scale migration, residents are not familiar with one another in new neighborhoods, thus hindering cooperation among them. Yet another issue is the over-prevalence of utilitarianism, which prevents citizens from engaging in public affairs which are not directly related to their own interests; in other words, they tend to be indifferent. All these negatively affect neighborhood democratization.

In neighborhoods where residents are familiar with one another, they may cooperate with others who have good *guanxi* with them; the cooperation may promote community autonomy to some extent. Due to the informal and exclusive nature of *guanxi*, such cooperation among residents may also result in the rise of what I refer to "quasi-faction politics". As mentioned before, Chinese politics is full of factional competitions at various levels. A "quasi-faction" shares most of the characteristics with a faction in high-level politics. Faction is built on clientelist ties between a leader and followers of low status and power. Once the leader distributes substantial rewards to the latter for their support, factions are thus relatively stable (e.g. Nathan 1973). In contrast, quasi-faction is built on personal ties of *guanxi* between a leader and followers who are at nearly equal social status. With such ties usually based on

exchanges of small favors between the two parties, relations with each other are relatively fluid and flexible.

“Quasi-faction politics” impedes local democratization. Generally, the leaders of factions tend to monopolize power (Nicholas 1965; Nathan 1973). Furthermore, Nathan (1973) has observed, “To weaken their rivals, factions try to discredit opposition faction members, dislodge them from their posts, and buy away their allies. This leads to a politics of personality in which rumor, character assassination, bribery and deception are used.” (p49) Previous chapters have shown that most of these scenarios can be found in neighborhood politics. These negative activities impair trust among residents and reduce the quantity of positive social capital at the community level. Interestingly, Eric Oliver (2001: 93) suggested that community conflicts are very important to build lively local politics that arouse interest and active participation of residents. Indeed, my study on the community movement also illustrates the positive consequences of community conflicts. The earlier community movement against the local pro-image coalitions outside the community promoted the development of positive social capital inside GI. However, as discussed in Chapter Six, subsequent aggressive factional conflicts among residents themselves that involved rumors, deception and threatening use of violence instead of fair competition resulted in negative consequences such as bitter splits in the community, the rise of antagonism of citizens and the decline of positive social capital. A typical case was that “Small Li” in No.1 Building urged her dogs to scare her elderly rivals (see Chapter Six). Furthermore, unlike the community movement, this kind of internal factional conflicts focus on the personal interests of a few leaders at the expense of the interests of the community. Hence, active community participation does not necessarily lead to good governance. Due to this kind of oligarchy of a few privileged

residents, sub-neighborhoods like GI do not fully represent the interests of most other residents. Clearly, while community building could be “harbinger of a civil society,” (Derleth & Koldyk 2004), it does not necessarily lead to the formation of a democratic civil society in urban China at the grassroots level.

Unlike an ideal “civic community” described by Putnam (1993a), there are many problems with a relatively autonomous “quasi-civic community” in urban China like GI. First, citizens do not generally trust and tolerate one another. Instead, they tend to be hateful when differing on substantial matters. Therefore, community solidarity and civicness are not very high. Secondly, they do not share equal rights and obligations in public affairs. Some enthusiasts just want others to follow them without questions. Thirdly, community participation and solidarity is more based on *guanxi* networks rather than positive social capital. Furthermore, local authorities are not so accountable to the citizens. In addition, commercial organizations are not sensitive to public interests. Consequently, the welfare of citizens can not be guaranteed.

#### *State involution*

As mentioned in Chapter Three, due to the relatively weak monitoring capability of the state, its local agents tend to be increasingly “profit-oriented”. The domination of local government over neighborhoods and their self-centered actions have impaired local governance and triggered dissatisfaction among citizens, leading to “state involution” in terms of its legitimacy. Daura (1988) notes that state involution happens when both state and citizens can not benefit from the augmentation of wealth. Existing China studies tend to investigate the expansion of state power with the extension of local institutions and the increasing number of bureaucrats (see Zhang 2001). Researchers examined the tension between community autonomy and centralization of state power as well as the consequent disintegration of

local communities, which are claimed to be characteristics of modern state making (ibid.); However, the present research finds a different type of state involution: both state authority and community autonomy are impaired by the “profit-oriented” actions of local pro-image coalitions which are primarily concerned with their groups’ interests in economic growth.

*Guanxi serves as the foundation of the “local governance web” instead of positive social capital*

As mentioned in the first chapter, social capital refers to social networks, norms of reciprocity and trust while *guanxi* constitutes by private and informal ties that are also based on norms of reciprocity and trust; and these two concepts overlap with each other in many aspects. *Guanxi* can be regarded as one type of social capital at the individual level. The primary distinction between *guanxi* and positive social capital, however, lies in the level of trust. In the present urban neighborhoods, actors tend to promote their interests by employing informal networks, as was illustrated by the coalitions of local government agencies and business groups in Chapter Three. Many residents participate in neighborhood politics largely because they are mobilized by RCs or faction leaders, instead of the commitment to the common benefits of their community. In other words, most social networks that support all these cooperation are very instrumental *guanxi* instead of positive social capital; and *guanxi* play an increasing role in neighborhood politics.

Existing research on *guanxi* has drawn attention to its positive political consequences. In particular, Mayfair Yang (1994) implied that *guanxi* in China constitutes a kind of social space, similar to civil society, which can help citizens to withstand state authority. However, this research discovered that, because *guanxi*

constitutes exclusive private ties, its prevalence may also impede the development of inclusive positive social capital at community level. *Guanxi* can be utilized to serve particular interests of every political force in the neighborhoods; which may lead to diverse socio-political consequences. As shown in Chapter Five, it can facilitate citizens' "boundary-spanning contention" and the autonomy of communities to some extent because citizens can use *guanxi* to resist local pro-image coalitions and defend their own rights. On the other hand, the frequent use of personal *guanxi* instead of positive social capital may result in the domination of local pro-image coalitions and the oligarchy of a few privileged citizens to the exclusion of ordinary citizens. The cases shown in Chapter Three and Six illustrate that the extensive deployment of *guanxi* by neighborhood actors has led to the exercise of many kinds of exploitation, and thus conflicts among them. Hence, the influence of *guanxi* on local governance is contextual. Therefore, the existing theories on the relations between social capital and local governance are not exactly applicable to China's situation.

The dominance of *guanxi* in the "local governance web" is highly related to the transformation of social context. On coming to power, the CCP believed that *guanxi* could not only conflict with the communist ideology but also prevent people from cooperating with one another to build a communist society since it is built on particular personal ties. The Party therefore proclaimed a kind of "comradeship," which was assumed to be based on generalized trust, instead of the exclusive *guanxi* (Vogel 1968). However, Andrew Walder (1986) found that the practical administration system in work-units enabled the administrators to utilize scarce resources to cultivate personal ties between themselves and citizen activists, resulting in the prevalence of subculture of *guanxi* in work-units. Since the initiation of



economic reforms, *guanxi* has prevailed in every domains of social life including local politics (Yang 1994; Brunn 1995; Yan 1996; Wank 1995, 1999). As shown in the previous chapters, the initiation of community building has enhanced neighborhood-based social ties, constituted primarily by private *guanxi* rather than positive social capital. But it is difficult for these individual networks to be developed into positive social capital due to different levels of trust involved.

In contemporary China, the difficulty of generalized and institutional trust to be developed can be attributed to four reasons. First, usually, Chinese people tend to trust particular individuals whom he/she knows well instead of strangers. Secondly, due to the prevalence of utilitarianism and the relatively unfair social distribution system in contemporary China, many people tend to maximize their benefits as soon as possible by all kinds of means, that obstructing generalized trust among social members. Even among those with relatively good relations with each other, the relations are more instrument-oriented and involve less affection than before. Therefore, it is hard for this kind of personal *guanxi* to develop into positive social capital. Thirdly, under the authoritarian system, the gap between the authorities and citizens could also prevent institutional trust from being developed. Thus, neighborhood actors tend to cooperate with others through private ties instead of institutional trust. Fourthly, the existence of quasi-factions and the divide-and-rule strategy of local pro-image coalitions also have resulted in splits and distrust within neighborhoods. In fact, the prevalence of informal *guanxi* impairs the enforcement of formal institutions. For example, property management companies reduce their services to the community and evade other obligations due to their informal alliances with local governments. Therefore, the influence of social networks on the

performance of local governance is determined by the larger social contexts such as the political system and local culture.

In sum, in post-Deng China, *guanxi* is important in neighborhood politics. Community building and neighborhood governance thus exhibit the characteristics of rationalization of “modern” societies like the enforcement of laws and the empowerment for citizens to express their concerns on the one hand, and the prevalence of “traditional” *guanxi* on the other hand. Both processes interact with each other and affect neighborhood governance. The social structure of this type of neighborhoods can thus be referred to as “quasi-civic community”. Though they can resist the absolute power of local authorities, they face the problem of oligarchy of a few privileged citizens. The main difference between them and the ideal “civic community” is that community solidarity is based on *guanxi* networks and social capital respectively. The primary problem facing the “quasi-civic community” is the need to promote generalized trust among residents and the development of positive social capital. For most other China’s neighborhoods, their political structure range on the continuum from total domination by local authorities to relatively autonomous “quasi-civic community”; their primary problem is to fight for community autonomy.

### **“State-society Synergy”, Linking Social Capital and Local Governance in China**

The failure of the 1989 Tiananmen movement suggests that it is difficult for China’s civil society to initiate large-scale political movements to directly challenge the powerful authoritarian state. As one consequence, the movement almost delayed the path of China to further Opening and Reform. However, grassroots boundary-spanning contentions have promoted local governance to some extent and partly released the grievances of citizens. Therefore, under the context of globalization, the China state may still remain a model of political authoritarianism combined with

market liberalization. Actually, in recent years, the central state has been trying, or claiming, to protect the socio-economic interests and rights of citizens to strengthen its legitimacy while it attempts to consolidate its authoritarian rule. At the local level, irresponsible local pro-image coalitions have always tried to exploit citizens, which resulting in heightening tension between them and citizens, and triggered collective resistance. Since these grassroots movements generally focus on defending specific citizen rights and are directed at irresponsible local pro-image coalitions, the central government is relatively tolerant to this kind of resistance. However, these fragmented local resistance could extend to bigger area very quickly and affect state policies. New technological tools like the internet and mobile phones can facilitate this kind of movement mobilization. A case in point is the “Not-to-buy-housing” movement initiated at China this year. During the recent few years, housing price in urban China has been increasing rapidly, partly due to coalitions of local governments and estate developers manipulating of local estate markets. The consequence is that many ordinary urban citizens have to borrow large sums of money to buy houses, resulting in much dissatisfaction among them. On April 26, 2006, Mr. Zou Tao, a Shenzhen citizen published a public letter on the internet proposing that citizens stop buying new housing to boycott the estate coalitions. His proposal has been seconded by tens of thousands of people all over the country through the internet; and hundred of forums have been formed on the internet to sustain the resistance.<sup>57</sup> According to an investigation on 8938 respondents, 79.1% of them supported the movement.<sup>58</sup> Alarmed by the mass dissatisfaction, the relevant central government agencies held a meeting in May 2006 to discuss the problem of housing price and imposed some

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<sup>57</sup> See [http://bt.xinhuanet.com/2006-06/23/content\\_7336356.htm](http://bt.xinhuanet.com/2006-06/23/content_7336356.htm); and <http://www.zoutao.com/bbs/Boards.asp>

<sup>58</sup> See [http://news.xinhuanet.com/house/2006-05/08/content\\_4519908.htm](http://news.xinhuanet.com/house/2006-05/08/content_4519908.htm)

regulations on real estate market manipulation.<sup>59</sup> Although this kind of movements are still under the control of the central state presently, they help participants to learn mobilization skills and promote cooperation among citizen groups through extensive areas, which may form a basis for potential large-scale movements addressing bigger socio-political issues like democratization.

Presently, civil society activities including boundary-spanning contentions in urban China can generally focus on local issues. As Braathen and May (2004:5) have pointed out, that the common problem for community development is how social capital “can be transformed into political power by taking sustainable institutional forms.” With a bottom-up perspective, Putnam (1993a, 2000) highlighted civil activities while ignoring the role of state authority. With a top-down perspective, Evans (1996) proclaimed a “state-society synergy” relationship and emphasized the role of government in enhancing social capital. Further he argued that “state-society synergy” can be a catalyst for local development. Integrating both perspectives, this study highlights the efforts of both the state and citizens. Migdal (1994, 2001) has pointed out that the power relations between the state and the society are not always a zero-sum conflict, and that the state and social forces may be mutually empowering. Bridger and Alter (2004:20) also claimed that “the creation of linkages across interest lines is central to community development.” Furthermore, the experience of some former communist societies can be used for reference. For example, in the Russian society, there are vibrant social life and strong informal networks. But they are based on exclusive trust among relatives and close friends (Rose 1995). Tamas Pal (2005:5) also observed that the feeling of bonding together inside these primary groups “influences the style of behavior and empowers mutual trust, but outside of it there

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<sup>59</sup> see [http://bt.xinhuanet.com/2006-06/23/content\\_7336356.htm](http://bt.xinhuanet.com/2006-06/23/content_7336356.htm)

are no general rules.” This is similar to the situation in China. However, since the 1990s, in some local communities of Russia, public and private sectors have started to establish something similar to mutually supportive relations with one another (ibid.p,6).

Due to the fact that the state has relatively limited capability to monitor local pro-image coalitions and the fact that a few privileged enthusiasts would ignore state authority and violate the interests of ordinary citizens, this research advocates the synergy and creation of linking social capital between the central state and ordinary citizens in order to impose constraints on the “middle” groups. Fortunately, the state has been implementing this kind of cooperation through the relatively formal complaint system (*xinfang*) (see Diao 1994). However, this system is not enough for the new situation (Ying 2001; Dong 2005). Therefore, the main task for neighborhoods in contemporary China is not what civil society advocates claimed, that is, to resist the intervention of the state (see Davis et al 1995), but to resist the absolute power of local pro-image coalitions on the one hand, and the “oligarchy” of privileged citizens on the other.

To achieve this, positive social capital, especially the linking ones, needs to be developed within and beyond neighborhoods. In Shanghai, the Municipal Garden Bureau invites and honors citizens who report those who destroy greeneries to satisfy their interests, most of whom are usually powerful local governmental agencies. In the recent big social conflicts between local pro-growth coalitions and citizens, the mass media have begun to act as a linkage between the state and citizens. The cooperation between the state and citizens can enhance state legitimacy and consolidation of the regime on the one hand and improve the welfares of citizens on the other. Furthermore, since the evaluation system of management performance which has

been set up by the central state is partly responsible for the “performance”-oriented actions of local pro-image coalitions, it has to reflect upon and restructure the inappropriate urban management system. In the long term, the state faces the task of building positive social capital among citizens, business groups, local government agencies and itself in order to promote urban governance, and this could be an agent for social transformation.

### **Conclusion**

This study has found that the local administration in urban China has generally become rationalized as demonstrated in the increasing negotiations between the authorities and citizens instead of coercion. However, due to the authoritarian and utilitarian political institution, the restructuring of urban management system has led to the establishment of local pro-image coalitions, and further state involution. Community-building has also resulted in the empowerment of citizens and the enhancement of civicness, which further facilitates neighborhood governance. The urban reforms provide “political opportunity structures” so that some citizens can initiate “boundary-spanning contentions” to defend their rights and interests through *guanxi* networks. But further community development is hampered by the exclusive nature of *guanxi*, and the lack of positive social capital and high civicness in neighborhoods. Therefore, even though neighborhoods can be autonomous, they are unable to represent the interests of ordinary citizens. Faced with the problems of local pro-image coalitions and “oligarchy” of a few privileged citizens, there is a need to develop linking social capital between the state and ordinary citizens in order to promote local governance.

This research has some specific contributions to make to the study of governance as well as China studies. Empirically, based on a longitudinal study over

five years, it provides detailed descriptions of the main dimensions of neighborhood politics, including interactions among all the main political forces in the neighborhoods and within these groups themselves. These detailed descriptions can help us understand the changing socio-political life in contemporary China's neighborhoods. Theoretically, it first suggests a broader and more inclusive approach incorporating social conflicts into the conventional approach which merely focuses on social cooperation in studying governance. Secondly, my exploration for the role of *guanxi* networks in neighborhood politics discloses both causal effect and mechanisms between social networks and local governance, and their contextual relations. This challenges earlier theories that suggest a positive link between social capital and good governance. Thirdly, complementary to Robert Putnam's (1993a) model of "civic community", the idea of "quasi-civic community" is developed as a conceptual tool to reflect local governance in an authoritarian polity like China, which is radically different from democratic states. Furthermore, my investigation on the role of social capital in the community movement and the biographical consequences of the movement adds to the existing literature concerning contentious politics.

However, there are some limitations with the present research. The quantitative data is not very adequate. In the 2002 survey, due to limited resources, the sample was quite small and restricted to the high-rise building areas in GI and GII; and the number of indicators measuring the performance of neighborhood governance was not large enough to comprehensively reflect community development. Another problem concerns the subject of this research itself. As Putnam (1993a) pointed out, it usually takes decades for the effects of institutional changes to fully reveal themselves. The large-scale urban reforms were initiated at the beginning of the 1990s, and community building was only after the mid-1990s in Shanghai. Hence, a longer time

is required in order to ascertain their impact on neighborhood governance. Therefore, the conclusions of this study are preliminary and need to be tested and developed in future.



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