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## DEMOCRATIZING THE NEIGHBOURHOOD? NEW PRIVATE HOUSING AND HOME-OWNER SELF-ORGANIZATION IN URBAN CHINA \*

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**Benjamin L. Read**

On 21 November 1998, some 860 people cast votes in a local election in the heart of Guangzhou. This was not an election for government posts; rather, it determined the make-up of the home-owners' committee of Liwan Square, an up-scale apartment complex built in the mid-1990s.<sup>1</sup> The polling took place over the course of a day at a restaurant and was organized and videotaped by the residents

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<sup>1</sup> In this article I employ the terms "home-owners' committees", "home-owners' associations" and "home-owners' groups" to refer to the Chinese terms *wuye guanli weiyuanhui*, *zhuzhai xiaoqu guanli weiyuanhui* (both of which have the shortened forms *guanli weiyuanhui* or *guanweihui*) and *yezhu weiyuanhui*, which is often shortened as *yeweihui*. Which of these terms is used in official documents varies from place to place. In principle, there could be a distinction between *yezhu weiyuanhui* and *guanli weiyuanhui*: the former could refer to organizations of home-owners only, while the latter could also include, or explicitly represent, non-owners such as tenants. In practice, I have found that the terms are often used interchangeably. It should also be pointed out that the owners are not always individuals. Sometimes enterprises or state agencies purchase blocks of apartments for employees' use.

themselves, with three lawyers, three local government officials and the head of the local police station attending at their invitation.<sup>2</sup> It resulted in the appointment of fifteen residents to represent the interests of the home-owners in dealings with the state, the courts and the companies that developed and manage Liwan Square.

Though at first glance this might appear entirely commonplace from a Western perspective, this democratic procedure was remarkable in a number of respects within the Chinese context. First, Liwan Square is itself distinctive—a pink-coloured fortress comprising eight apartment towers that enclose a shopping mall and rise more than twenty-five storeys above the rather dilapidated older buildings that surround it. The project was created in a collaborative effort between a development company affiliated with the municipal government and a Hong Kong concern. Its 1,600 units sold for 12,000 yuan (roughly US\$1,500) or more per square metre, placing it at the upper end of China's rapidly growing market for newly built private homes. As will be seen, the recent advent of this type of residential housing has brought with it intense conflicts of interests between the home-owners, the developers and property managers, and multiple levels and branches of the state.

Second, far from a staid exercise in routine matters of condominium administration, the election was rooted in a protracted conflict and fraught with hostility. It was the culmination of two years of efforts by activist home-owners who, during this time, had arranged meeting after meeting in their apartments and in rented rooms, distributed newsletters to other residents, educated themselves on the relevant laws and clashed with their adversaries, the companies that had built Liwan Square and manage it. Part of the taped video taken by the home-owners' group shows residents shouting at security guards hired by the property managers, who attempted to interfere with the election. It also shows them venting their frustrations on government officials, who they believed were siding with the management company.

Third, and most significantly, the seemingly innocuous idea of home-owners banding together to assert collective control of their property is a radical and sensitive act within a China still ruled by a Communist Party. Home-owners' committees were officially authorized only seven years ago and have only in the past three to five years begun to emerge on a widespread basis. They represent a major departure from the way neighbourhood administration has been handled in the People's Republic. During both the Maoist and post-Mao periods, this has been in the hands of branches of the state and their deputies. The formation of the new home-owners' committees is in many respects challenging these established institutions.

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<sup>2</sup> I did not observe the election itself but watched the video recording and interviewed participants. On the Liwan Square case, see also Zhen Qian, "Yewehui zhuren cizhi (A Home-owners' Committee Director Resigns)", *Nanfang zhoumo* (Southern Weekend), 31 March, 2000, p. 7. As the footnotes below attest, this widely read pro-reform weekly newspaper has given sustained attention to the home-owners' committees.

This article looks at the political effects of housing reform as one aspect of the following more general questions. Do economic reforms and the rise of private ownership within authoritarian systems help to promote political freedom and democratization? Does the disempowering of the state—if that is indeed what such reforms entail—lead to an empowering of the people, or at least of those who reap the rewards of economic change?<sup>3</sup>

Housing reforms have been underway for two decades, but some of their potentially far-reaching political consequences have only recently begun to be played out with the emergence of home-owners' committees. These groups are still relatively few in number and their future status is unclear.<sup>4</sup> The associations vary in the degree to which they genuinely represent home-owners 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. In many new housing complexes in cities around the country, particularly though not exclusively in what is called "commercial housing" (*shangpinfang*), they are banding together to insist on their right to have a say in the management of these new neighbourhoods. 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. As scholars in China have already begun to point out, at least those of the new home-owners' organizations that are self-organized constitute a novel type of autonomous forum within which individual interests are discussed and collectively addressed<sup>5</sup>—and may even lead to a form of neighbourhood-level democratization.<sup>6</sup>

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<sup>3</sup> Works on this general topic include Janos Kornai, *The Socialist System: The Political Economy of Communism* (Princeton: Princeton University Press, 1992), especially Part Three, "Shifting from the Classical System"; David Stark and Victor Nee, *Remaking the Economic Institutions of Socialism* (Stanford: Stanford University Press, 1989); Ivan Szelenyi, *Socialist Entrepreneurs: Embourgeoisement in Rural Hungary* (Madison: University of Wisconsin Press, 1988); Larry Diamond and Marc F. Plattner (eds), *Economic Reform and Democracy* (Baltimore: Johns Hopkins University Press, 1995); and Andrew G. Walder (ed.), *The Waning of the Communist State: Economic Origins of Political Decline in China and Hungary* (Berkeley: University of California Press, 1995).

<sup>4</sup> National figures on how many home-owners' committees exist are not available but, at the time of my research in 1999 and 2000, major cities like Beijing and Guangzhou had at least 15 to 30 particularly active home-owners' groups (not all of which had received government approval). An even larger number of groups were dormant or dominated by property management companies, as will be discussed below.

<sup>5</sup> Zhang Jing, "Gonggong kongjian de shehui jichu" (Social Foundations of the Public Sphere), *Working Papers* 2001.004, Institute of Sociology and Anthropology, Peking University, 2001.

<sup>6</sup> Gui Yong, "Lüe lun chengshi jiceng minzhu fazhan de keneng ji qi shixian tujing—yi Shanghaishi wei li" (A Brief Discussion of the Possibility of the Development of Urban

This article draws on interviews conducted between October 1999 and November 2000 with twenty-two organizers from fourteen different housing developments in three large cities: Beijing, Chongqing and Guangzhou.<sup>7</sup> I made contact with these individuals first either through personal relationships or by following up on published reports in Chinese newspapers. These newspaper accounts provide further source material, as do government publications. I also conducted interviews on this topic with a small number of state officials, lawyers and people working in the property-management industry. My research strategy was not to sample these groups in a random fashion, but rather to focus special attention on the most active, potentially trend-setting home-owner associations. While flawed for the purpose of cross-sectional analysis of a static phenomenon, this approach is suitable for attempting to understand the possible implications of an emerging type of organization within a rapidly changing setting.

This article first lays out in more detail the theoretical questions at issue and the ways that housing reform in China is relevant to them. It then presents the government's new policies concerning home-owners' groups and shows the complicated local struggles that have emerged among competing interests and claims. Finally, it elaborates on the home-owner-activists themselves, the groups they organize, and the political implications.

### **Economic Reform, Housing and Politics**

The economic reforms pursued in China since the late 1970s have been striking in many respects, and social scientists have given substantial attention to their possible political consequences. A particularly prominent topic of debate has been the role of the members of the relatively well-off social strata,<sup>8</sup> those who have gained the most from the economic reforms, as a force promoting autonomy, freedoms and democratization within an illiberal system.

This is, of course, a manifestation in one country of a general controversy within comparative politics, in which writings about the political orientations of the wealthy are often more complex and hedged than is acknowledged to be the case. Barrington Moore's "no bourgeois, no democracy" is quoted perennially, though in his *Social Origins of Dictatorship and Democracy* an emergent bourgeoisie was only one of several factors contributing to democratic outcomes,

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Grassroots Democracy and the Path Toward Its Realization, Based on the Case of Shanghai), *Huazhong keji daxue xuebao shehui kexue ban* (Journal of the Huazhong University of Science and Technology, Social Science Edition), Vol. 15, No. 1 (February 2001), pp. 24–7.

<sup>7</sup> To protect my interview subjects I will not identify the organizers, the housing complexes, nor even the cities where they live. I have referred to Liwan Square by name because it was featured in the published report cited above.

<sup>8</sup> The scope of the well-off strata in question varies from study to study. Some refer generally to the "middle class", others to significantly narrower segments.

and could be coopted by the state under certain circumstances.<sup>9</sup> A seminal paper by Seymour Martin Lipset put forward several causal mechanisms to explain the connection between economic development and democracy, placing most emphasis on the effect that rising incomes would have on the “lower strata” by mitigating class conflict and fostering norms of tolerance. Agency by the wealthy is distinctly secondary in his account, operating through their participation in voluntary organizations that serve as “sources of countervailing power” and training grounds for political skills.<sup>10</sup> In a more recent study, Samuel Huntington highlights “the expansion of the middle class” as one of many factors underlying the democratization of authoritarian regimes in the 1970s and 1980s, though he adds the caveat that middle classes can be anti-democratic when they are threatened by rural or working-class movements.<sup>11</sup>

If these widely read accounts give at least partial credence to the notion that the affluent advance the diffusion of political power, others see this idea as holding only in special cases, if at all. A study of three world regions by Rueschemeyer, Stephens and Stephens finds the bourgeoisie to be anti-democratic and the middle classes to be ambivalent.<sup>12</sup> “The attitudes of the bourgeoisie toward authoritarian regimes belie facile generalizations”, writes Adam Przeworski, arguing that this class has multiple ways to influence the state under most forms of government.<sup>13</sup> Eva Bellin finds holders of capital in late-developing countries to be, at best, only “contingent democrats”.<sup>14</sup>

The jury is still out on the impact of the PRC’s economic reforms on the prospects for political change and overall regime stability. But researchers have already made extensive efforts to examine the political leanings of the newly wealthy, particularly in private business, from small-scale peddlers to the leaders of larger firms. The key questions have been whether they try to change the system or merely work for their own advancement within it, and whether they

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<sup>9</sup> Barrington Moore, Jr., *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon Press, 1993 [1966]), p. 418.

<sup>10</sup> Seymour Martin Lipset, “Some Social Requisites of Democracy: Economic Development and Political Legitimacy”, *American Political Science Review*, Vol. 53 (1959), pp. 69–105, especially 83–5.

<sup>11</sup> Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991), p. 66.

<sup>12</sup> The authors define bourgeoisie to mean “capitalist class” or “big business”. Dietrich Rueschemeyer, Evelyne Huber Stephens and John D. Stephens, *Capitalist Development and Democracy* (Chicago: University of Chicago Press, 1992), pp. 1–11, 309.

<sup>13</sup> Adam Przeworski, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America* (Cambridge: Cambridge University Press, 1991), p. 68, fn. 23.

<sup>14</sup> Eva Bellin, “Contingent Democrats: Industrialists, Labor, and Democratization in Late-Developing Countries”, *World Politics*, Vol. 52 (January 2000), pp. 175–205.

strive to generate the kind of independent associational life that would constitute an emergent civil society.

Thomas Gold and others have articulated the basic logic behind the idea that “autonomous economic activity” should create “fertile soil” for civil society in China, as elsewhere.<sup>15</sup> Wealth accumulated through market activity affords a degree of self-determination that was impossible in the pre-reform past when the government was the sole source of many opportunities and resources. Endowed with personal control over assets, independent economic actors acquire new interests and may strive to act collectively on their own behalf. This is further facilitated by other elements of reform-era policy that have led to a much greater degree of openness and pluralism in the realms of social organization, media and culture.<sup>16</sup> Gold cautions that “even were incipient civil society to take root, it might not lead to democracy”. Still, by its very nature, it represents an important departure from the existing order, as “in a system where the political authority attempted to eliminate literally all non-party-led associations, any autonomous organization takes on political significance”.<sup>17</sup>

In contrast, a considerable number of other researchers have sharply questioned the idea that the relatively affluent will emerge as a force for political liberalization. They point out that business people can be highly dependent on the state in numerous ways for their economic success; for instance, for access to capital and relief from extractive predation. Democratization could well harm, rather than promote, their business interests. Moreover, to achieve their aims they often rely on individual clientelistic strategies rather than engaging in collective action, which the state powerfully discourages. It is also argued that they tend to participate in state-mediated associational forms, which are sometimes described as corporatist, as opposed to generating the type of autonomous groups that could wield real clout.<sup>18</sup> Still other scholars have found mixed evidence, pointing to a

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<sup>15</sup> Thomas B. Gold, “The Resurgence of Civil Society in China”, *Journal of Democracy*, Vol. 1, No. 1 (Winter 1990), p. 31. See also Elizabeth J. Perry and Ellen V. Fuller, “China’s Long March to Democracy”, *World Policy Journal*, Vol. 8, No. 4 (Fall 1991), pp. 663–85; Yanqi Tong, “State, Society, and Political Change in China and Hungary”, *Comparative Politics*, Vol. 26, No. 3 (April 1994), pp. 333–53.

<sup>16</sup> Thomas Gold, “Bases for Civil Society in Reform China”, in Kjeld Erik Brødsgaard and David Strand (eds), *Reconstructing Twentieth-Century China: State Control, Civil Society, and National Identity* (Oxford: Clarendon Press, 1998), pp. 163–88.

<sup>17</sup> Gold, “Bases for Civil Society”, pp. 182, 165.

<sup>18</sup> Work in this vein includes Ole Bruun, “Political Hierarchy and Private Entrepreneurship in a Chinese Neighbourhood”, in Walder, *The Waning of the Communist State*; David S. G. Goodman, “The People’s Republic of China: The Party-State, Capitalist Revolution and New Entrepreneurs”, in Richard Robison and David S. G. Goodman (eds), *The New Rich in Asia: Mobile Phones, McDonalds and Middle-Class Revolution* (London: Routledge, 1996); Margaret Pearson, *China’s New Business Elite: The Political Consequences of Economic Reform* (Berkeley: University of California Press, 1997); Margaret Pearson, “China’s

heightened sense of the common beliefs and interests of private business people<sup>19</sup> and in some quarters hypothetical support for political competition and an end to the Party's monopoly on power,<sup>20</sup> but with little concrete political action.

Most of this research has examined activity in the domain of business and production, with special emphasis on the political and bureaucratic contacts that individuals need in order to earn their wealth. Yet politics takes place in many different spheres: the way wealth is spent or invested can create new needs, interests and imperatives, just as much as the way it is earned.<sup>21</sup> It was for this reason that my research focused not on commerce and the workplace but on new residential neighbourhoods in which homes are purchased.

### *Neighbourhood Politics in China*

Post-1949 China's urban residential neighbourhoods have been marked by an elaborate and well-organized institution designed to incorporate, assist, mobilize and monitor the population. Building on a historical tradition of state-sponsored community security known as the *bao-jia* system, but adding its own distinct brand of mass mobilization, the Communist Party established what it called Residents' Committees (RCs; *jumin weiyuanhui*) in most of the neighbourhoods of major cities shortly after taking power.<sup>22</sup> Once run by volunteer activists, now by three to seven paid staff members in each committee, these bodies provide

Emerging Business Class: Democracy's Harbinger?" *Current History*, Vol. 97, No. 620 (September 1998), pp. 268–72; Dorothy J. Solinger, *China's Transition from Socialism: Statist Legacies and Marketing Reforms* (Armonk: M.E. Sharpe, 1993); Kellee Tsai, "Capitalists Without a Class: The Political Orientation of Private Entrepreneurs in China", unpublished paper, 2 July 2002; Jonathan Unger, "'Bridges': Private Business, the Chinese Government and the Rise of New Associations", *The China Quarterly*, No. 147 (September 1996), pp. 795–819; and David L. Wank, *Commodifying Communism: Business, Trust, and Politics in a Chinese City* (Cambridge: Cambridge University Press, 1999).

<sup>19</sup> Bruce Dickson, "Private Entrepreneurs and the Party in China: Agents or Obstacles to Political Change?" paper presented at the annual meeting of the Association for Asian Studies, Chicago, March 2001.

<sup>20</sup> Andrea Lynne Roberts, "The Political Impact of China's New Private Entrepreneurs", 1997 doctoral dissertation in political science, University of California at Berkeley, pp. 265–71.

<sup>21</sup> In this connection, see Yanqi Tong's comments on consumer activism as the basis for a state-affiliated "managerial public sphere" ("State, Society, and Political Change", pp. 341–2); and reports on popular consumer-rights advocates such as Wang Hai. On this, see Shai Oster, "For Chinese Consumers, a Superhero", *Christian Science Monitor*, 25 January, 2000, and Elisabeth Rosenthal, "Finding Fakes in China, and Fame and Fortune Too", *New York Times*, 7 June, 1998.

<sup>22</sup> For a discussion of the Residents' Committees and a bibliography of previous work about them, see Benjamin L. Read, "Revitalizing the State's Urban 'Nerve Tips'", *The China Quarterly*, No. 163 (September 2000), pp. 806–20. In 2000, the Ministry of Civil Affairs began referring to these organizations as Community Residents' Committees (*shequ jumin weiyuanhui*).

liaison between the grass roots and the municipal authorities and police. But they are directly managed by the Street Offices (*jiedao banshichu*), which are the city government's ward-level branches. They facilitate a substantial list of government programs, including those oriented toward providing services. For example, the RCs help the city government identify which households are most in need of welfare relief and also distribute, or sell at a discount, small items ranging from water-conserving spigots to dish-washing detergent. At the same time, their detailed knowledge of local affairs allows them to help the government and police target unwanted migrants, violators of the strict family planning policy, criminals, dissidents and other deviants. They also serve as sounding-boards for residents, who can come to them with all types of problems and grievances; they often attempt to mediate small-scale disputes, such as squabbles over excessive noise or cheating on shared electricity bills.

The type of intimate link between state and society that the RCs embody is rather foreign to contemporary Western democracies, but it also does not fully fit with the totalitarian images that still hold considerable sway in many popular conceptions of China. The RCs do not work by intimidating their constituents, but rather by cultivating positive relations with those residents who are receptive to their work. People who are uninterested in the RC are free not to volunteer to participate in its activities and can ignore it unless they are doing something that is considered wrong.

Still, it must be emphasized that—like so many other institutions in Communist systems—the RCs represent a distinctly statist and paternalistic type of neighbourhood organization. Despite much talk of democratic balloting and scattered experimentation with reform, elections to date generally remain a thin facade covering appointments that are controlled by the Street Offices. While officially defined as a body through which residents engage in “self-administration, self-education, and self-service”, their task is not self-administration but rather the fusing of government administration with local social networks. One of their principal duties is to use persuasion and social pressure to defuse any group demands by residents before these are taken out of the neighbourhood and into the streets or onto the doorsteps of government agencies. Residents, nevertheless, do at times engage in political action on their own initiative: protests over urban redevelopment projects are one example. But the RCs exert a tremendous influence on citizens' participation, by channeling demands into requests for the RC's help, or by shunting voluntary energies into state-fostered community service such as the security patrols that the RCs organize.

The consolidation of this form of neighbourhood administration took place in the 1950s and 1960s, roughly at the same time that housing itself was undergoing socialist transformation.<sup>23</sup> The Communist Party did not expropriate privately

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<sup>23</sup> In this summary of housing change in urban China I draw upon Ya Ping Wang and Alan Murie, *Housing Policy and Practice in China* (New York: St. Martin's Press, 1999); Ya

owned residences as quickly as it nationalized large productive assets like factories, but the system of municipal housing offices that it established gradually took control of the disposition of homes. In the Cultural Revolution, local authorities acted decisively to re-allocate housing so that those who owned large homes, particularly if they were considered class enemies, had to share them with others or give them up entirely. By the late 1970s, only about ten per cent of housing remained privately owned in the larger cities.<sup>24</sup> In the meantime, state bodies and enterprises became the main agencies for the construction of new housing and for deciding who had the right to live in it.

Starting in the 1980s, however, cities have implemented sweeping housing-reform policies, which have affected the lives of most urban residents one way or another. These reforms have involved several types of change. One is the return to the original owners, or their families, of some of the older, once private homes that had been appropriated by housing bureaus. Another is the sale to occupants of apartments in buildings that were built and owned by the city or the public workplace.<sup>25</sup> These programs, under which *existing* housing has been privatized, have been very widespread, and the sale of publicly owned housing has provided city governments with large sums of money to invest in urban development and infrastructure.<sup>26</sup>

Another fundamental aspect of the reform program has been the creation of new commercially built housing complexes. Since the 1980s, a rapidly increasing number of commercial development companies have played a leading role in the construction of homes. Some of these companies are private and some are owned by branches of the state. The apartments they erect are sometimes sold to families at market prices or are made available at subsidized rates to families forced out of their homes by redevelopment projects.<sup>27</sup> Many apartments, however, are

Ping Wang and Alan Murie, "Commercial Housing Development in Urban China", *Urban Studies*, Vol. 36, No. 9 (1999), pp. 1475–94; and Min Zhou and John R. Logan, "Market Transition and the Commodification of Housing in Urban China", *International Journal of Urban and Regional Research*, Vol. 20, No. 3 (September 1996), pp. 400–21.

<sup>24</sup> This estimate appears in Martin King Whyte and William L. Parish, *Urban Life in Contemporary China* (Chicago: University of Chicago Press, 1984), p. 82; Wang and Murie, in *Housing Policy*, p. 88, cite data that affirm it.

<sup>25</sup> Often called the "work unit" (*gongzuo danwei*).

<sup>26</sup> Wang and Murie, "Commercial Housing Development", p. 1478.

<sup>27</sup> Yanjie Bian and John R. Logan in particular have called attention to the prominent role that the state and the work unit continue to play in providing housing for the many urban Chinese who cannot afford to purchase homes at market prices. See John R. Logan and Yanjie Bian, "Inequalities in Access to Community Resources in a Chinese City", *Social Forces*, Vol. 72, No. 2 (December 1993), pp. 555–76; and Yanjie Bian, John R. Logan, Hanlong Lu, Yunkang Pan and Ying Guan, "Work Units and Housing Reform in Two Chinese Cities", in Xiaobo Lü and Elizabeth J. Perry (eds), *Danwei: The Changing Chinese Workplace in*

purchased not by individuals but rather by state enterprises and government agencies for subsidized resale or rent to their employees. In either case, such housing complexes are not administered by these enterprises and agencies, and the residents often have many different employers. Many are much cheaper than premium developments like Liwan Square. “Ordinary residences” (*putong zhuzhai*) can be less than a quarter the price of those occupied by the most affluent Chinese or by foreigners. As even casual observers in any major city will attest, the scale and pace of this new construction is impressive. In Beijing, an average of nearly five million square metres of commercial housing was completed each year from 1995 to 1997. The figure for Shanghai was nearly nine million square metres.<sup>28</sup>

The planned neighbourhoods created by these new housing projects are accorded special treatment by the government; they are officially and popularly described as “new neighbourhoods”.<sup>29</sup> Urban housing bureaus have established special organs at the city and district levels to regulate them, which I will call “new-neighbourhood offices”.<sup>30</sup> Quite a few of these housing projects are built far away from city centres, on what was previously village land,<sup>31</sup> though others arise as redevelopment within the cities. A principal characteristic of these complexes is that they feature integrated (*peitao*) or comprehensive (*zonghe*) designs, with the provision of sanitation, security, maintenance, grounds-keeping, and so forth handled by a professional property-management company.<sup>32</sup> The question of the home-owners’ rights relative to these management companies and to the project developers directly underpins the events and controversies that will be analysed here.<sup>33</sup>

*Historical and Comparative Perspective* (Armonk: M. E. Sharpe, 1997), pp. 223–50; as well as the article by Zhou and Logan cited above.

<sup>28</sup> *Zhongguo fangdichan tongji nianjian 1999* (China Real Estate Statistical Yearbook 1999) (Beijing: Zhongguo chengshi chubanshe, 1999), p. 118; *Shanghai tongji nianjian 2000* (Shanghai Statistical Yearbook 2000) (Beijing: Zhongguo tongji chubanshe, 2000), p. 88.

<sup>29</sup> This is a loose rendering of terms like *xinjian zhuzhai xiaoqu*. The term *xiaoqu* is itself a neologism and thus, even without qualifiers like *xinjian*, it is generally used to refer only to new housing developments, not older neighbourhoods.

<sup>30</sup> In Chinese this is *xiaoquban* for short; the full name for this institution at the city level in Beijing is the *Beijingshi juzhu xiaoqu guanli bangongshi*.

<sup>31</sup> This results from new policies, first introduced in 1988, under which cities can acquire rural land and then sell long-term use rights to property developers.

<sup>32</sup> Note that not all *xiaoqu* are composed of commercial housing; some contain *jingjifang* or partially subsidized “economy housing”, and some slightly older neighbourhoods built by the state with integrated design features are also considered *xiaoqu*. Moreover, it is not only in commercial housing areas that one finds property management companies, partly because many state housing offices are being repackaged as such companies.

<sup>33</sup> For discussions of other social effects of the way cities are evolving, see Piper Rae Gaubatz, “Urban Transformation in Post-Mao China: Impacts of the Reform Era on China’s Urban

### *The Political Implications of Housing Reform*

From Friedrich Engels to present-day social scientists, many authors have considered the political effects of different housing arrangements. Particularly controversial has been the question of whether an individual's political orientation and participation tend to change with the acquisition of the substantial fixed asset that a home represents.<sup>34</sup> One consistent finding has been that homeowners tend to be more politically active than non-owners. They are more likely to participate both in local politics, through community activism and neighbourhood organizations, and in larger-scale politics through voting. Various reasons are given for this: owners generally have lived in their homes longer and are less inclined to move; moving is more costly for them so they would rather address problems head-on than leave the neighbourhood; they have better established social ties with neighbours who mobilize their participation; and they have a vested interest in protecting the quality of life in the neighbourhood and the value of their homes.<sup>35</sup>

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Form", in Deborah S. Davis, Richard Kraus, Barry Naughton and Elizabeth J. Perry (eds), *Urban Spaces in Contemporary China: The Potential for Autonomy and Community in Post-Mao China* (Washington, D.C.: Woodrow Wilson Center Press, 1995), pp. 28–60; and Ya Ping Wang and Alan Murie, "Social and Spatial Implications of Housing Reform in China", *International Journal of Urban and Regional Research*, Vol. 24, No. 2 (June 2000), pp. 397–417.

<sup>34</sup> There is not enough space here to provide a full review of this work, but important contributions include Frederick [Friedrich] Engels, *The Housing Question* (New York: International Publishers, n.d.); Manuel Castells, Lee E. Goh and Reginald Yin-Wang Kwok, *The Shek Kip Mei Syndrome: Economic Development and Public Housing in Hong Kong and Singapore* (London: Pion Limited, 1990); Ray Forrest, Alan Murie and Peter Williams, *Home Ownership: Differentiation and Fragmentation* (London: Unwin Hyman, 1990); Peter Saunders, *A Nation of Home Owners* (London: Unwin Hyman, 1990); John I. Gilderbloom and John P. Markham, "The Impact of Homeownership on Political Beliefs", *Social Forces*, Vol. 73, No. 4, (June 1995), pp. 1589–1607; and Chua Beng-Huat, *Political Legitimacy and Housing: Stakeholding in Singapore* (Routledge: London and New York, 1997).

<sup>35</sup> Peter H. Rossi and Eleanor Weber, "The Social Benefits of Homeownership: Empirical Evidence from National Surveys", *Housing Policy Debate*, Vol. 7, Issue 1 (1996), pp. 1–35; Denise DiPasquale and Edward L. Glaeser, "Incentives and Social Capital: Are Homeowners Better Citizens?" *NBER Working Papers*, No. 6363, January 1998, National Bureau of Economic Research, Cambridge, Mass., pp. 13, 17, 35; Steven J. Rosenstone and John M. Hansen, *Mobilization, Participation, and Democracy in America* (New York: Macmillan, 1993), p. 158; Gilderbloom and Markham, "The Impact of Homeownership", pp. 1597, 1600; Robert D. Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster, 2000), pp. 204, 477 fn. 2; Sidney Verba, Kay Lehman Schlozman and Henry E. Brady, *Voice and Equality: Civic Voluntarism in American Politics* (Cambridge, Mass.: Harvard University Press, 1995), pp. 453–4; Matthew A. Crenson, *Neighborhood Politics* (Cambridge, Mass.: Harvard University Press, 1983), pp. 174, 211; Claude S. Fischer, *To Dwell Among Friends: Personal Networks in Town and Country* (Chicago: University of Chicago Press, 1982), pp. 99, 164; Kevin R. Cox and Jeffery J. McCarthy, "Neighborhood Activism in the American City: Behavioral Relationships and

Just like their counterparts elsewhere, Chinese home-owners may also be inclined to take action over problems that affect their homes and neighbourhoods. But in a political environment like China's, participation is sharply conditioned by the nature of the system and the ways in which the state permits or discourages various kinds of expression.<sup>36</sup> For most residents of Chinese cities, housing reform in the form of the *privatization of existing housing stocks* has so far done little to change the opportunities for participation available to them. Even when individual units in existing state-owned housing are sold to their occupants, the housing bureau (*fangguansuo*) or work unit that originally administered and managed this housing often continues to do so, directly or indirectly. There are no widespread, formally recognized institutions giving representation to home-owners in the making of collective decisions about such neighbourhoods. The system of Residents' Committees remains intact here and municipal governments work with the central authorities to buttress this system.<sup>37</sup>

Things are very different in the "new neighbourhoods" that are run by professional property-management companies. For these housing compounds, the state has approved an exceptional form of association: the home-owners' committee, of which the one at Liwan Square is an example. Unlike the RCs, these associations are composed of the home-owners themselves, not of staff who are paid by the state. They are not responsible for government administrative duties; their main task is to represent the interests of the home-owners. And despite rules that call for a considerable degree of state oversight in the forming of these groups, they sometimes organize themselves in a highly spontaneous and independent way.

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Evaluation", *Urban Geography*, Vol. 1, No. 1 (1980), pp. 22–38; Kevin R. Cox, "Housing Tenure and Neighborhood Activism", *Urban Affairs Quarterly*, Vol. 18, No. 1 (September 1982), pp. 107–29; Roger S. Ahlbrandt, Jr., and James V. Cunningham, *A New Public Policy for Neighborhood Preservation* (New York: Praeger, 1979), p. 173; William M. Rohe and Victoria Basolo, "Long-Term Effects of Homeownership on the Self-Perceptions and Social Interaction of Low-Income Persons", *Environment and Behavior*, Vol. 29, No. 6 (November 1997), pp. 793–819, especially p. 814; Orit Ditkovsky and Willem van Vliet, "Housing Tenure and Community Participation", *Ekistics*, Vol. 51, No. 307 (July–August 1984), pp. 345–8; Blum and Kingston, "Homeownership and Social Attachment", especially pp. 171–3; Saunders, *A Nation*, pp. 255–60.

<sup>36</sup> For a thorough discussion of the effect of institutions on political expression in urban China, see Tianjian Shi, *Political Participation in Beijing* (Cambridge, Mass.: Harvard University Press, 1997).

<sup>37</sup> Certainly, to the extent that people no longer have a state agency as a landlord or housing provider, their dependence on government is arguably reduced—though, as noted above, many urbanites still need help from their state employers to obtain affordable housing. For influential arguments on the relationship between state dependence and political compliance, see Andrew G. Walder, *Communist Neo-Traditionalism: Work and Authority in Chinese Industry* (Berkeley: University of California Press, 1986); and Andrew G. Walder, "The Decline of Communist Power: Elements of a Theory of Institutional Change", *Theory and Society*, 23 (1994), pp. 297–323.

The authorities, of course, do not regard home-owners' committees as embodying elements of political reform. From an analytic perspective, however, we can see that the issues they raise have deep political implications. Apart from the substantial amounts of money that are at stake in the many contested claims over property and how it is managed, important matters of principle are at issue as well, including the right to organize an independent association and to assert collective control over local decision-making. By interviewing the organizers of these groups, I sought to understand several things: the extent to which they constituted independent, self-organized associations; whether they pressed their interests quietly or through contentious tactics; the degree to which they achieved control over property-management companies; and whether they advanced general claims to authority over the neighbourhood and perhaps even had a sense that independent organizations ought to take the place of state-managed grass-roots bodies like the RCs.

### **China's Nascent Home-Owners' Associations**

In Order No. 33 of 1994, "Methods for Managing New Urban Residential Neighbourhoods", the Ministry of Construction announced that residents should form elected committees composed of apartment-owners and other residents, with the task of protecting their interests. In interviews, government officials said this 1994 policy had been loosely based on Hong Kong's approach to property development and management in the early 1990s. Activists, however, believe the policy was a government response to spontaneous home-owners' organizations.

Under the Order, the home-owners committees were given the right to select which property-management company to hire to take care of maintenance and other functions in their housing complex. But, at the same time, the independence of the home-owners' committees was to be constrained. The ministry spelled out that the new groups would be formed "under the direction of the housing administrative agencies" and that they would subsequently be required to "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 neighbourhood is located".<sup>38</sup>

At the local level, several factors converged to make these groups difficult and complicated for home-owners to organize. First, markets for real estate are a very recent and still evolving phenomenon in the People's Republic, and the companies that develop and manage property often attempt to take advantage of home-buyers in various ways that are unchecked by full market competition, effective government regulation, or fully independent and impartial courts. In all of the cases on which I have evidence, the companies initially had no plans to

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<sup>38</sup> Zhonghua renmin gongheguo jianshebu ling 1994 nian 33 hao, "Chengshi xinjian zhuzhai xiaoqu guanli banfa", reprinted in Beijingshi juzhu xiaoqu guanli bangongshi, *Beijingshi wuye guanli wenjian huibian* (Compilation of Documents on Real Estate Management in the City of Beijing), Vol. 1, February, 1998, pp. 1–5.

consult home-owners as to who should manage the housing projects. Rather, they took for granted their right to leave in place a property-management company that would operate indefinitely. In the absence of any competition, these firms would be well positioned to reap handsome profits.

Developers and managers, therefore, often attempt to discourage the establishment of home-owners' associations. Moreover, the local government bodies that exercise the above-mentioned "oversight and direction" have reasons not to be sympathetic toward the home-owners, though they sometimes do support them. For one thing, cities and housing bureaucracies sponsor their own development companies and also cooperate closely with private developers. Thus their financial interests often directly conflict with those of home-owners. At the same time, other branches of the state, such as the Ministry of Civil Affairs and its local bureaus which have responsibility for overseeing all "base-level" or grass-roots organizations, are troubled by the idea of home-owners' associations operating outside their supervision.

Accordingly, municipal-level policies concerning the formation of home-owners' groups have included provisions that make it easy for local authorities and developers to obstruct them entirely or diminish their effectiveness. Beijing's regulations, for instance, had the following stipulations as of the year 2000:

- Home-owners' committees should not be organized by the home-owners themselves; rather, they should be created by a "preparatory group". This preparatory group, in turn, is to be formed by the developer and the management company, together with the local government and the police. In other words, it is largely up to the developer and management company whether or not to create a group that is likely to be detrimental to their earnings. There is a provision that, if these vested interests drag their heels, the district new-neighbourhood office may take the initiative in forming a preparatory group, but this is at the office's discretion.
- There are two ways to form a home-owners' committee. One is to elect it at a meeting of the home-owners. But the candidates for the election are not to be chosen by the home-owners themselves. Rather, they are to be selected in advance by the preparatory group, albeit through "discussion" with the home-owners, as well as with the state-appointed Residents' Committee. These candidates, furthermore, must conform to several vague criteria: they must have "good moral character, a strong sense of responsibility, and enthusiasm for the cause of the public good"; they must also "have full capabilities for civic action" (*juyou wanquan minshi xingwei nengli*).
- Alternatively the committee can be established in an even less open and participatory way, by what is called the "public notice" (*gonggao*) method. Here the preparatory committee comes up with a slate of candidates on its own. It publicly notifies the home-owners, and the candidates then automatically become the home-owners' committee unless veto ballots are

received within a certain period of time from a full 50 per cent of the home-owners.

- A home-owners' committee cannot be established without the approval of the district new-neighbourhood office.<sup>39</sup>

What often results is a home-owners' committee that is relatively docile. This is particularly the case with those constituted through the "public notice" method. In Beijing, committees formed in this way were estimated to constitute 70 per cent of the roughly 180 home-owners' groups that had been officially approved as of November 2000.<sup>40</sup> In such cases, the committee members are sometimes granted special treatment by the property-management companies that participated in their selection, helping to ensure that they do not rock the boat too vigorously.

That is not to say that all management-imposed committees are wholly ineffective at solving problems on behalf of home-owners. Two developments of this sort that I visited had a permanent secretary, paid by the property-management company, who offered evidence of having taken action in response to various complaints from home-owners. In such situations, the committee only partially represents the home-owners and operates in a low-key fashion that maintains the neighbourhood's status quo, addressing grievances on a case-by-case basis.

In some other neighbourhoods, however, home-owners organize themselves in a much more spontaneous and assertive way than that which the regulations dictate. They are spurred to do so by aggravations over problems with their homes and conflicts with the management companies. They do not seem to start out with any particular inclination toward collective action. Indeed, the new residents typically do not even know each other at first. Just as in new housing developments anywhere, purchasers of homes in China move in from all around the city and other parts of the country, and they may work in different companies or work units. But, over time, shared grievances concerning their homes become a natural topic of conversation among neighbours. Common grievances include:

- Failure of the developer to provide the home-owners with deeds (*fangchan zheng*) to the homes they have paid for. Among other things, this allows the developer to use the homes as collateral for loans and to avoid paying certain government fees. Without deeds, home-owners cannot rent out or resell the homes and have no legal claim to them.

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<sup>39</sup> These regulations by the Beijing Housing Bureau are found in "Guanyu kaizhan zujian juzhu xiaoqu wuye guanli weiyuanhui shidian gongzuo de tongzhi", *Jing fang di wu zi* (1997) di 485 hao, reprinted in *Beijingshi wuye guanli wenjian huibian*, pp. 104–6; and "Guanyu quanmian kaizhan zujian wuye guanli weiyuanhui gongzuo de tongzhi", *Jing fang di wu zi* (1998) di 308 hao, photocopy on file with the author.

<sup>40</sup> Interview with Liu Zhiyu, director of Beijing's new-neighbourhood office, 8 November 2000.

- Homes are smaller in space or inferior in construction quality or interior decoration than stipulated. In other cases, the homes turn out to be larger than the contractually agreed size, and the developers demanded payment for the extra space.
- Unreasonably high monthly fees for property management, security, parking and the like, as well as for utilities, for which the managers collect payments.
- Misuse of funds paid by home-owners for future repairs and maintenance.
- Failure to provide contractually specified amenities like gardens and health clubs.

Home-buyers often have no warning of the problems lying in store for them because the units they purchase in commercial housing developments are frequently marketed and sold well before any of the homes are actually built. The above list covers the most widespread problems, but each development has its own special troubles. In one case, residents were charged fees for the installation of telephone and gas lines that were far in excess of municipal price regulations and, moreover, were charged for tens of thousands of kilowatt hours of electricity that was used in the construction of an adjacent apartment building.<sup>41</sup> One developer installed low-quality domestically produced elevators instead of the imported Japanese ones specified in the contract, according to an organizer there. Residents in another complex grew suspicious when, immediately after they made large payments toward a repair fund, the director and vice-director of the property-management company went out and purchased new Volkswagens for their personal use.<sup>42</sup>

Sometimes these problems are related to corruption within the government. A set of fifteen developments in the northern suburbs of Beijing were begun in the early to mid-1990s during the administration of Chen Xitong as mayor and Communist Party secretary. It was later found that the developers had never paid certain fees nor received proper approval for these projects, meaning that those who purchased homes there had great difficulty getting their property deeds.<sup>43</sup> Corruption can also take the form of deals between developers and local officials.

<sup>41</sup> Chen Dihao, "Yezhu chaodiao wuye gongsi" (Home-owners Fire Real Estate Company), *Nanfang zhoubao* (Southern Weekend), 5 November 1999.

<sup>42</sup> I had no way to confirm independently the veracity of most of these reports of wrongdoing. Their significance lies in the behaviour they provoked on the part of the home-owners.

<sup>43</sup> These claims were made to me independently by well-informed organizers in two affected housing developments. The general outline of these cases is discussed in "'Yabei xiangmu' youwang yongyou 'hefa shenfen'" (The 'Yabei Projects' Have Hope for 'Legal Status'), *Jingpin gouwu zhinan* (Quality Shopper's Guide, hereafter *JGZ*), 30 September, 1997; and "Yabei shier ge xiangmu buban shouxu gongzuo youwang" (The Process of Handling Remedial Procedures for Twelve of the Yabei Projects Looks Hopeful), *JGZ*, 1 December 1998. On the eventual conviction of Chen Xitong on corruption charges, see for instance John Pomfret, "Ex-Beijing Party Chief Convicted; Alleged Graft Kingpin Sentenced In Secret to 16-Year Prison Term", *The Washington Post*, 1 August, 1998, p. A17.

In one case, a developer built a nursery and kindergarten for the use of the housing complex's residents, but these were never opened and they were instead given to the local Street Office. The Street Office could then lease out the property to generate income for itself.<sup>44</sup>

Sometimes home-owners attempt to solve their problems individually through complaints or lawsuits. But these efforts often fail and, even if a court decides in a home-owner's favour, it can be difficult to get the ruling enforced. Frustrated, the residents may begin to hold informal meetings in their homes and then sometimes organize general meetings to which all home-owners in the development are invited. For those who are aware of the policies about home-owners' committees, the next step is to attempt to form such a committee and gain the approval of the new-neighbourhood office. The most successful of the associations have gone on either to fire the original property-management company and hire a new one, or else to negotiate some degree of compliance by the company with their demands.

During this process of organization and registration they almost always face opposition from the companies whose interests are at stake. This can be as simple as refusing to provide lists of residents' names or removing from residents' mailboxes letters that have been distributed by organizers. Sometimes developers and managers put up posters attacking the organizers or criticize them in the local media. Newspaper reports documented one case where a developer with close links to the government had a home-owner-activist transferred out of his state job, and another where a management company closed down a senior citizens' centre that the organizers had been using as a base of operations.<sup>45</sup> In Shenzhen, one group established a website to communicate with one another after the management company tore down announcements it had put up in the residential complex. After strongly worded complaints by residents were posted on this site, the company sued the group's leader, seeking the equivalent of over half a million US dollars in damages.<sup>46</sup>

Organizers allege that the most unscrupulous of the management companies use violence to deter residents who challenge them. My interviewees described

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<sup>44</sup> For another such case, see Yang Haipeng, "Yewehui chao bu diao wuye gongsi" (Home-owners' Committee Is Unable to Fire Real Estate Company), *Nanfang zhoubao* (Southern Weekend), 19 May, 2000.

<sup>45</sup> Huang Guangming and Cui Yang, "'Zhuren' weihe gan bu zou 'guanjia'" (Why the 'Masters' Could Not Chase out the 'Housekeeper'), *Nanfang zhoubao* (Southern Weekend), 2 November, 2000, p. 16; and Yang Haipeng, "Minxuan 'yewehui' wu chu qishen" (An Elected 'Home-owners' Committee' Has No Place to Stay), *Nanfang zhoubao* (Southern Weekend), 31 March, 2000, p. 1.

<sup>46</sup> Du Weidong, "Yezhu weiquan wangye re guansi; shangshi gongsi suopei 500 wan yuan" (Home-owners' Rights-Upholding Web Page Provokes Lawsuit; Publicly Traded Company Seeks Five Million yuan in Damages), *Nanfang zhoubao* (Southern Weekend), 28 June, 2001.

four cases in the Beijing area alone where other activists had suffered beatings, though I was not able to speak with any of the victims myself. Several home-owners said they had received threatening phone calls, harassment or visits from their housing project's security guards—whose salaries come from the management fees the home-owners themselves pay. It is not difficult to see how this leads to entrenched conflict. As one organizer put it: "They bitterly hate our home-owners' association. And we bitterly hate them, so there is a deep antagonism between us ... I'm a very adamant person. I'm not polite. I will struggle to the end against their fraudulent ways."

In some cases residents have launched protests against and even replaced management-imposed home-owners' committees that were formed without their participation. In one commercial housing complex, a property-management company linked to the city government put in place its own hand-picked home-owners' committee, which readily received approval from the district's new-neighbourhood office in August 1998. Three months later, the head of the committee was overthrown by home-owner-activists. These insurgents set the stage for their neighbourhood coup by carrying out a survey of the several hundred households of residents, the results of which indicated that the existing committee had never obtained a mandate from the home-owners, despite its claims to the contrary. Confronted with this evidence at a routine meeting, the appointed committee leader burst into tears and agreed to step down. Two weeks later the new leadership convened an open meeting for all home-owners and obtained a show of support. Nearly a dozen other home-owners' committees around the city sent letters of congratulations. And, although they were initially shocked at what had transpired, the district officials eventually acquiesced and did not withdraw their approval. The new committee chose to retain the current property-management company but negotiated with it to lower fees, improve the parking situation and address other problems.

Getting official approval for self-organized home-owners' associations can be difficult, in large part because of the city government's multiple reasons for looking askance at the groups, as mentioned above. Activists in one private housing development said that, despite patiently holding meetings and obtaining approval from the other home-owners, they were not given official recognition until one resident, a high-ranking cadre in a large state-owned enterprise, threatened to put pressure on the new-neighbourhood office. If granted, state approval gives the organization important legitimacy and legal standing for filing lawsuits, negotiating with the developer or management company and trying to dismiss the management company and hire a new one.

But even without the government's imprimatur, home-owners often attempt to pursue those same strategies, as well as more contentious ones. Several of the associations I contacted had managed to win significant concessions, even in the

absence of government approval.<sup>47</sup> One such committee, led by a particularly patient and resourceful lawyer, was able to obtain property deeds for the home-owners through extensive negotiations with the management company and government land offices. It also got the managers to grant them the use of office space and even obtained an apology and 35,000 yuan in restitution for an incident in which a property manager had broken a home-owner's wrist in a fight over a housing problem. Some unofficial committees have won concessions like the reduction of utility rates or management fees by withholding payments, complaining to the media, staging protests or threatening to do such things.

In other cases home-owners' groups that have been denied government recognition have fallen into inactivity for fear of offending the authorities and making a bad situation even worse. One stymied activist said that residents of his building had planned to put up protest banners after failing to get official approval, but the concurrent government crackdown on the Falungong spiritual sect made them fear being labeled as an illegal organization, and this dampened their enthusiasm. Still, quite a few continue undeterred. In the words of one persistent group leader: "It's like when a kid is born: sure, you can deny it a household registry card, but the kid still exists." The way that such organizers continue with or without official permission to do what they do is one of the remarkable aspects of this phenomenon.

### *The Activists*

As with many other types of collective endeavour, home-owners' associations required one or a few exceptionally dedicated organizers to expend much more time, energy and money than other members in order to keep the effort moving forward. Such people organized meetings, went door-to-door to mobilize support, distributed leaflets, put up posters, researched the relevant laws and policies, hired lawyers, initiated lawsuits, contacted the government and pressured their adversaries. The substantial sums of money at stake provided a major impetus for action, but the activists I talked with often appeared to take their cause to heart in such a way that achieving victory became a goal in itself. One organizer, who also ran a private business out of his home, claimed that he had spent 80 per cent of his time over the previous two years on the home-owners' association. Another, a retiree, said that "demanding justice" for himself and other residents took all of his time and energy. A third noted: "It's not a commercial activity, but a voluntary activity. So you need to have a spirit of contribution, the desire to accomplish a big project (*zuo yijian da shiye*)."

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<sup>47</sup> Conversely, for the home-owners' committee to obtain official approval did not guarantee it the power to win out over its adversaries. A year and a half after holding its election, the Liwan Square group was still mired in court cases and struggling against the same state-backed property management company, striving for the right even to oversee its accounts, let alone to fire it.

The backgrounds of the activists varied considerably. Many were business people, several were housewives. There was one former staff member of a government ministry, one former cadre in a state-owned enterprise, a lawyer, an educator, an information-technology specialist and a retired skilled blue-collar worker. A few had acquired their homes not with their own earnings or their spouse's but from children whose incomes were sufficient to purchase commercial housing for them. There were several more women in my sample than men. All of the organizers had purchased their homes on the market, without the benefit of subsidies.

During the interviews, most of these activists exhibited traits that one would expect in local leaders anywhere: confidence, articulateness and determination. In addition, previous experiences seemed to have contributed to their emergence as organizers. Most notably, a number of them had lived outside of China—in Japan, Southeast Asia, Europe, the United States or Hong Kong.<sup>48</sup> Some (but not all) said that their experiences abroad had contributed to their decision to become an organizer. One recalled how a resident from each floor of the apartment building in which she had lived in Japan took part in the management of the building; she said that she had been impressed by this participation and by the idea of residents taking responsibility for how the management company spent their fees. Another successful organizer, a Shanghai native, said that the decade she had spent living in Hong Kong had made her appreciate the need to exercise her initiative and rouse her fellow home-owners to action: “People in China have a negative, passive attitude—they will go with the crowd, but they don’t want to take the lead. They want good things, but they don’t think about how these good things have to be created.”

Other influences figured prominently in these leaders’ minds as well. Like other participants in reform-era collective action, home-owner-association leaders sometimes employed Marxist rhetoric in supporting their actions.<sup>49</sup> Expressing his disgust with the housing bureau office that had opposed recognition of his committee, one man who owned his own business said: “Mao Zedong had a lot of good insights. One of them was ‘no ruling class will ever withdraw lightly from the historical stage’.” He added that, “If the relations of production obstruct the development of the forces of production, they will necessarily be removed”; and that his committee’s role was to “lead everyone to struggle against the management company, just like peasants struggling against landlords in the past”.

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<sup>48</sup> In some cases, one or more of the members of the home-owners’ committee were ethnic Chinese with citizenship or permanent resident status in other countries or in Hong Kong. Rone Tempest, “China’s New Tenants Won’t Buy Excuses; Rights: Overseas Investors are Confronting Developers over Shoddy Luxury Apartments”, *Los Angeles Times* (18 April, 1998), emphasizes the role of ethnic Chinese with foreign citizenship in home-owners’ movements at several Beijing apartment complexes.

<sup>49</sup> See, for instance, Ching Kwan Lee, “From the Specter of Mao to the Spirit of the Law: Labor Insurgency in China”, *Theory and Society*, Vol. 31, No. 2 (April 2002), pp. 189–228.

More generally, the participants drew on the language of “justice” and “rights”. Posters in one housing complex condemned the management company for “raping the will of the people”. Organizers frequently expressed what seemed to them a commonsensical notion: that, having purchased these homes, they should be entitled to control all collective arrangements concerning their own property and that consequently the management companies which take their fees should take orders from them.

The more active association leaders are typically in touch with other leaders within the same city. They compare notes on tactics, give each other advice and encouragement and have on at least a few occasions met together. One mini-conference I attended drew representatives from a dozen or more different housing developments. Some expressed a desire to establish a federation of home-owners’ associations covering the entire country. While the prospects for this are unclear, at least one web site has been established for the purpose of diffusing information and facilitating discussion among activists from different communities.<sup>50</sup> In any event, these kinds of connections across neighbourhoods are quite notable because of the way the Party-state in China has in the past strongly discouraged such unofficial links among potentially organized constituencies. The activists’ relatively high level of wealth and education, their sense of personal efficacy stemming from their careers, their access to communication technology such as cell phones and e-mail, their international experiences and their sense of themselves as pursuing an important cause against a pernicious adversary, all facilitate the forming of contacts with others who are engaged in similar undertakings.

### *Organization and General Membership*

Research on home-owners’ associations in American housing complexes—close analogues to the Chinese home-owners’ 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 home-owners by rigidly enforcing restrictions on the use of the property, creating conflict and enmity.<sup>51</sup> Do the home-owners’ committees in

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<sup>50</sup> As of 21 October, 2002, the Beijing Home-owners’ Alliance web page claimed more than 500,000 visitors and featured animated discussion (<http://house.focus.com.cn/yzlm/>).

<sup>51</sup> Carol J. Silverman and Stephen E. Barton, “Common Interest Communities and the American Dream”, and “Obligation Versus Friendship: The Effects of Neighboring Style on Neighborhood Organization”, *Working Papers*, No. 463 (September 1987) and No. 478 (May 1988), Institute of Urban and Regional Development, University of California at Berkeley; Robert Jay Dilger, *Neighborhood Politics: Residential Community Associations in American Governance* (New York: New York University Press, 1992); Evan McKenzie, *Privatopia: Homeowner Associations and the Rise of Residential Private Government* (New

China elicit the participation of many ordinary residents or are they closed and cliquish? How broad is participation in the committees, how frequently do they meet, and what are their aims?

Almost all of the spontaneously formed groups I studied held at least two to four “big meetings” (*dahui*) which all residents were encouraged to attend. Organizers reported turnouts of a substantial proportion of the home-owners in most cases, although some had difficulty eliciting broad participation. These meetings discuss common problems and also prepare the way for selecting the residents who will serve as members of the home-owners’ committee. Participants nominate themselves or other people, and the nominees often prepare statements about why they are qualified and what they intend to do as a committee member. These are presented orally at the meeting, posted publicly or distributed to the residents. A vote at one of the big meetings then selects the membership of the committee from the pool of nominees.

It should be noted that taking the initiative to convene this kind of open meeting is itself a novelty in neighbourhood administration in contemporary China. The Residents’ Committees that are found in all of the old neighbourhoods rarely hold meetings where all residents are encouraged to attend. Rather, they favour meetings of just their volunteers and supporters, as well as Party members and other affiliates.<sup>52</sup>

After the election held by a home-owners’ association, the elected committee typically holds committee meetings at a frequency ranging from weekly to monthly to a few times per year. Because general meetings are difficult to arrange—as in the United States—the committees often do not try to get all the home-owners together again except in unusual circumstances, although some do continue to hold big meetings.<sup>53</sup> In some cases, the boards do little to keep their broader constituencies engaged. In others, the organizers said that they at least maintained loose contact with the other home-owners through irregular newsletters, posters or telephone networks.

The degree to which other residents participate in the work of pursuing the committee’s goals depends on the specific problems they face and the tactics that the committees choose. In one community with a particularly active group, irresponsible planning by the developer meant that residents had no phone service and an inadequate electricity supply. In an attempt to get the local government to

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Haven: Yale University Press, 1994). For a more benign view, see Donald R. Stabile, *Community Associations: The Emergence and Acceptance of a Quiet Innovation in Housing* (Westport, Conn.: Greenwood Press, 2000).

<sup>52</sup> This is not to say that spontaneous group action never takes place in ordinary neighbourhoods and other settings in Chinese cities. For instance, between five to eight hundred “collective appeals to the authorities” (*jiti shangfang*) were lodged every year in Beijing alone during the late 1990s (unpublished figures collected by the Beijing city government, on file with the author).

<sup>53</sup> All of the committees I learned about were too new to have had elections for a second term.

do something about it, the committee circulated petitions, and a delegation of residents made multiple trips to the government's complaints office to plead their case. Committees often consult with fellow residents on legal action and on collective actions such as refusal to pay monthly management fees. Some of the more feisty organizers have mobilized residents to stage demonstrations against developers, management companies and management-imposed home-owners' committees, aiming to shame them into compromises.<sup>54</sup>

The committees vary as to whether they just focus on such activities or attempt to sponsor a community spirit as well. A few of the home-owners' committees sponsored get-togethers like a potluck, with games for children. Others, however, echoed the sentiments of one organizer, who insisted that it was not the association's job to promote social contact:

This kind of place is very different from a *hutong* [the cramped alleys in the old part of the city]. It's a choice people make to live here, where there's less *laiwang* [interaction] with neighbours. In the past you had to *laiwang* even if you didn't want to *laiwang* ... The pace of life is faster now. People just close their doors and don't want other people to come around.

Conflicts sometimes arose among the home-owners, often as a result of management companies' efforts to divide them by buying off selected activists. In Liwan Square, the committee ousted its one-time leader when he negotiated a compromise agreement in a dispute over fees, without getting the approval of the other committee members.<sup>55</sup> In another housing complex, an activist had the door of her home beaten down by a crowd of residents. A power outage had occurred and they thought (mistakenly, she claimed) that her apartment still had electricity, indicating to them that she was being given privileges by the management company.

### *Self-governance and Relations with the State*

Though a number of organizations and agencies claim authority over new commercial housing developments, on some matters there is no clear-cut answer in practice to that classic question of political inquiry: "Who rules?" The official status of the new home-owners' groups, relative to other bodies, is unresolved. Referring to new commercial housing, one Chinese journalist aptly commented that "in every neighbourhood there is a kind of intricate, complicated relationship among the home-owners, home-owners' committee, Residents' Committee, the

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<sup>54</sup> One such protest is documented in "Landlords of the World, Unite!" *The Economist*, 23 March 2002, p. 40. See also the photograph of a home-owner demonstration at the Lijiang Gardens housing development in suburban Guangzhou that accompanies Chen Dihao, "Yezhu chao diao wuye gongsi".

<sup>55</sup> Zhen Qian, "Yewehui zhuren cizhi".

developer, and the property management company”.<sup>56</sup> Older neighbourhoods have a clear structure of authority, with the Street Offices, housing bureaus and police stations handling all significant matters and government programs, often by way of the RCs. In the new commercial housing, the RC system is often either entirely absent or else only in the early stages of development. Officials of the Ministry of Civil Affairs insist that the network of RCs should continue to cover every residential area. But, in practice, it is unclear whether all housing developments will have them. In regard to certain kinds of housing, such as “villa” housing (*bieshu*) and housing complexes whose units have been approved for sale to foreigners (*waixiaofang*), there appears to be a tacit policy in some cities of not bothering to establish RCs. Even when they do exist, the architectural and social environment of newly built housing, much of it modern high-rise apartments, makes the relationship between RCs and their constituents far more distant than in many older neighbourhoods. In these settings there is much greater privacy and anonymity, rendering the networks through which the state acquires information about residents less effective.

Meanwhile, in some housing complexes, the property-management companies have taken on certain of the state-delegated functions of the Residents’ Committees. For instance, some handle tasks related to the household registry system and the family-planning system and liaise with the police. Some were involved in conducting the 2000 census. In certain cases the management company actually runs an RC on behalf of the government. This was evident in one Guangzhou development that I visited, where the RC staff were paid employees of the property-management company and worked out of its headquarters. Civil Affairs Bureau officials with whom I spoke were critical of these kinds of arrangements, noting that companies that are in business to make a profit cannot be relied on to carry out the work of the state.

Where they exist in these new developments, the state-managed Residents’ Committees sometimes side with the home-owners and sometimes with the management company. They, and those in the government who oversee them, are often concerned that the newfangled home-owners’ groups are usurping their authority by claiming to represent the residents. This is an understandable worry, because it gets to the heart of the contradiction within the RC system, which was noted at the outset of this article—the conflict between its rhetoric of citizen self-administration and its actual practice of serving state needs first and foremost. If another organization speaks more loudly and clearly on behalf of the residents, where does that leave the RC? Such concerns about the new home-owners’ associations can be seen in the complaint by the director and Party secretary of an RC in a neighbourhood of Shanghai’s Pudong district: “When they undertake

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<sup>56</sup> Yang Haipeng, “Yewehui chao bu diao wuye gongsi”. See Zhang Jing, *Gonggong kongjian*, for an extensive discussion of the incomplete change from bureaucratic to market-based power relationships in new housing developments, drawing on a case study of the same Shanghai neighbourhood that Yang reports on.

something, they ordinarily don't report to the (Party) organization beforehand."<sup>57</sup> It was also the topic of a position paper published in the official Ministry of Civil Affairs journal devoted to the Street Office and Residents' Committee system. The authors argued that RCs were being relegated to the sidelines in real-estate administration and other vital matters within the new neighbourhoods. The report editorialized that the home-owners' committees had no right to take primacy over the RCs, whose authoritative position was codified in national law.<sup>58</sup>

Government officials suggest that they would like to curb at least the more impetuous of the home-owners' groups and find ways to address problems in property management that do not involve such unruly associations. The head of the Real Estate Department of the Ministry of Construction and leader of the China Property Management Association<sup>59</sup> told a Beijing newspaper:

Under the traditional (socialist) housing administration system, the housing bureaus were the managers and the residents were generally in a relatively passive status. Since the implementation of the property management system, for a time we emphasized the home-owner above all else and saw the relationship between home-owners and property management enterprises as being one of "master" and "servant". We did not establish a civil relationship of equality between the home-owners and the property management enterprises and did not restrain the behaviour of the home-owners and home-owners' committees.<sup>60</sup>

In other words, far from wanting to boost home-owners' capacity to exercise power over their homes and housing complexes, this official felt they should be tamped down and put in their place.

Another Beijing official applied an economic logic to the problem. Home-owners' committees are a second-best solution to the problem of irregularities in the housing market because they require too much effort on the home-owners' part, he said. It is natural for people not to get involved in the home-owners' associations because their optimal individual strategy is to take a free ride on the other home-owners' efforts. Therefore, the best solution is better government regulation of the property-management industry, so that home-owners' organizations are not necessary. The fact that officials hold such views illustrates

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<sup>57</sup> Yang Haipeng, "Yewehui chao bu diao wuye gongsi".

<sup>58</sup> Shao Hang and Peng Jianfen, "Ying yifa quelu juweihui zai xin jian zhuzhai xiaoqu guanli shang de zhongxin diwei" (The Central Position of the Residents' Committee Should Be Established in the Management of Newly Built Residential Neighbourhoods in Accordance with the Law), *Chengshi jieju tongxun* (Urban Street Office and Residents' Committee Report), Vol. 8, No. 7 (July 1998), pp. 2-4.

<sup>59</sup> This is a state-backed industry association, established in October 2000.

<sup>60</sup> "Wuye guanli ba da wenti ji dai jie jue" (Eight Problems of Property Management Urgently Needing Resolution), *Beijing qingnian bao* (Beijing Youth Daily), 24 October, 2000, p. 36.

that there is no inevitable trend toward policies that encourage these groups, and in fact the opposite is entirely possible.

How do the organizers, for their part, see their relationship to the state? Many of those I spoke to were quite critical of the particular officials who wield personal authority over their ability to organize. They “have a haughty manner”, said one. Another commented:

The guy there [in the new-neighbourhood office that denied them its imprimatur], he’s a young guy. We go to talk to him, and he just sits there, leans back, and ignores us. It angers us to death ... They don’t have the attitude of servants of the taxpayers. Their attitude is that the Party gave me this power and I don’t have to listen to you.

The home-owners are generally prudent when dealing directly with such representatives of the state. But they often support the idea that residents everywhere should have the right to organize in a democratic and wholly autonomous fashion. The government, most of them felt, should have nothing to do with how the home-owners choose representatives from among themselves. One said: “Empowerment is a trend. But most people still have the mentality of living in public housing. After they are cut off from public housing, they will develop a new consciousness. Here, we are a few steps ahead.”

Some activists suggested that the home-owners’ committee should acquire a degree of general administrative or policy-setting authority over their housing complex, determining guidelines on things like what kinds of noise should be permitted at night; these guidelines would then be enforced by the property-management company. In many cases the committees already play such a role. The activists often seemed to have become general-purpose contact people, saying that residents would call them up even on matters unrelated to the committee’s basic goals. One well-established home-owners’ group took on responsibility for things like allocating garden space and on one occasion authorized workers to break into a home when water was leaking and the occupant was away. Some committees have achieved control over the maintenance funds for their buildings, which can run to hundreds of thousands or millions of yuan, thus giving the organizers considerable responsibility.

Nonetheless, many activists rejected the idea that autonomous home-owners’ groups should entirely *supplant* the state-managed Residents’ Committees, despite the potential for conflicts between the two. Rather, they seemed willing to work in tandem with the government’s systems of administration. One commented that the RC’s staff members were state officials,<sup>61</sup> whereas they were “a mass organization of the home-owners”: “The home-owners’ committee cannot replace the Residents’ Committee. The one here has done its work well.

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<sup>61</sup> This is technically not so. RC staff are paid by the state and thus are very like state cadres, but they are not part of the official employment rolls (*bianzhi*) and do not receive all the benefits that state cadres do.

We cooperate with it, and it cooperates with us.” Another held the view that the home-owners’ association embodied no new “way of thinking” (*sixiang*) at all, just a new “channel” or “medium of communication” (*qudao*). She said:

We need a Residents’ Committee. We need it as a contact with the government. For instance when we go abroad, we need the RC to help us get a passport, and we need its permission when we have a child. Its functions are not the same as those of the home-owners’ committee ... Why is China so successful at fighting criminals? It’s because there is such an organization to keep its finger on what is going on in the neighbourhood.

Home-owner organizers were split on whether it would be appropriate for their associations to take on state governance tasks, like helping the police maintain the household registry records. Some rejected this idea, saying that the home-owners’ committees should only work on the home-owners’ behalf. Others said that they would cooperate in such tasks if the government asked them to. One interviewee said that the police had contacted her group for help in solving major crimes that had been committed within the housing project. She indicated she was glad to oblige in those kinds of cases, but was not willing to take part in just any kind of enforcement activity. For instance, she balked at helping to carry out the draconian and controversial municipal policy restricting ownership of dogs:

The police station says that there are too many dogs; many of them are unregistered; some are too big; and in some cases there are too many in one home. But the owners don’t agree. The police station wanted to do a dog-raid (*da gou*), to come in and find who has dogs and who has big ones. We didn’t agree. Home-owners should obey the law in raising dogs, but the police shouldn’t use illegal methods either, or hurt the animals. We also feel that because this is the suburbs, things should be more lenient; they can’t expect this to be just like in the city.

## Conclusion

Home-owners’ associations are still at an early stage of evolution and their status within the political system is still controversial. Though the modern housing projects in which they appear are springing up rapidly in and around cities all over China, it remains to be seen whether the many existing neighbourhoods composed of state-owned or formerly state-owned homes will become eligible to form home-owners’ committees as they too come under property-management companies.

As I have shown, there currently exist different types of home-owners’ groups. Some are formed according to procedures that allow the developers and managers of property (which are often linked to the state), as well as government agencies, to exert extensive influence over the way the groups are established and operate. In these cases we see the hallmarks of precisely the kind of quasi-corporatist arrangements that the Party–state has been shown to favour in many reform-era contexts. These dilute the expression of home-owners’ interests and shift participation into carefully managed channels. Sometimes the residents

seem to find these arrangements acceptable; at other times they resist or even reject them. In such cases, home-owners' groups have arisen that feature self-organization and various forms of participatory decision-making. This spontaneous variety sometimes has received official approval and sometimes has not. The absence of such approval has in some instances thwarted further activity by the home-owners, while in other cases they have continued to organize and pressure their adversaries regardless.

It is impossible to say at this point how the ambiguities in the relevant government policies that legitimate the idea of organizations of and for home-owners, but also provide for curbs that can effectively defeat their purpose, will be resolved.

As has been suggested by studies of housing politics in other countries, the ownership of a home seems to be a powerful motivator for taking part in local organizations aimed at defending residents' interests. But, in China, it is not ownership alone that spurs on this participation. Rather, it is a combination of factors: the purchase of a home within a new and ill-regulated market; mistreatment or fraud by the developer or property-management company; and the existence of government policies that provide legitimacy, albeit somewhat reluctantly, for a specific organizational form. The home-owners' committees could be considered an example of a broader trend: rights-based collective action on the part of citizens armed with an awareness of the gulf between what they are legally entitled to and what they are getting in practice.<sup>62</sup> Their cause is aided by the fact that their immediate adversaries, the developers and management companies, are not state administrative institutions and that policies concerning many aspects of how the "new neighbourhoods" are to be governed remain unclear.

The Chinese home-owners' groups seem to share some characteristics with their counterparts in other countries; for instance, a gap between the active, sometimes tireless, efforts of a few core organizers and the more muted and passive participation of the bulk of their neighbours. But the ways they come into existence, and the legal frameworks within which they are situated, are widely different. This type of group, which elsewhere may look like a rather subdued, pedestrian form of local associational activity, has extra significance in China. As we have seen, the problems faced are often more challenging, bringing out special vehemence and determination on the activists' part. Most importantly, the practice of organizing on one's own initiative as a group, electing leaders and pursuing hotly contested goals over an extended period of time without the

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<sup>62</sup> Kevin J. O'Brien, "Rightful Resistance", *World Politics*, Vol. 49, No. 1 (October 1996), pp. 31–55; see also Minxin Pei, "Citizens v. Mandarins: Administrative Litigation in China", *The China Quarterly*, No. 152 (December 1997), pp. 832–62; and Minxin Pei, "Rights and Resistance: The Changing Contexts of the Dissident Movement", in Elizabeth J. Perry and Mark Selden (eds), *Chinese Society: Change, Conflict and Resistance* (London: Routledge, 2000), pp. 20–40.

immediate supervision and approval of representatives of the Party–state is highly unorthodox in the Chinese political context. It contrasts sharply with the often friendly but basically paternalistic *modus operandi* of the government-sponsored Residents' Committees.

Looking at the individuals who strive to create these local representative bodies suggests a reconciliation between those who see members of China's emerging affluent strata as uninterested in political reform and those who see them as potential agents of change. For the most part, the organizers did not regard their actions as part of a project of general democratization. They are usually cautious about offending the government and generally appear willing to cooperate with local officials and police on many everyday administrative matters, whether to assure them of their loyalty or because they have no quarrel with the idea of working closely with the state.

Still, within the realm of their own interests and concerns, in matters pertaining to their investment in a home, they evince an enthusiasm for organizing in a democratic and self-initiated fashion. Their associations do not always limit themselves to issues like management fees, but sometimes seek to assert more general authority over how housing-project affairs should be handled. They take action in ways that can be public and contentious as well as quiet and legalistic. The activists establish links with like-minded peers to share advice and ideas, and they sometimes draw upon experiences in more open and law-bound societies in the outside world. They fall into a sphere of enhanced opportunity for autonomous organization and represent a real, if tentative, manifestation of civil society.<sup>63</sup> They indicate that some of those who have achieved affluence under China's economic reforms do indeed pursue new forms of empowerment—as property owners, if not as citizens.

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<sup>63</sup> Tony Saich discusses examples of the “opening-up of social space” in “Negotiating the State: The Development of Social Organizations in China”, *The China Quarterly*, No. 161 (March 2000), pp. 124–41.