SHEQU CONSTRUCTION: POLICY IMPLEMENTATION, COMMUNITY BUILDING, AND URBAN GOVERNANCE IN CHINA

by

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ABSTRACT

China's nationwide *Shequ* (Community) Construction project aims to strengthen neighbourhood-based governance, particularly as cities wrestle with pressing social issues accompanying the country's economic reforms. This policy has produced astounding outcomes, even though it is implemented through experimentation programs and the interbureaucratic document system rather than through legislation. It has professionalized the socialist residents' committees and strengthened their capacity to carry out administrative functions and deliver social care. Thousands of service centres have been built, offering a range of cultural and social services to local residents.

This research addresses how the centrally promulgated policy is being implemented locally and what its impacts are in various neighbourhoods. The lens of community building is used to explore how the grass roots organize themselves and how they are defined and governed by the state. The research thus seeks to analyze the impact of *Shequ* Construction, not through measuring outcomes against the intentions set out in policy documents, but through considering the wider, sometimes unforeseen, implications for other processes going on in the city. Based on fieldwork in Nanjing, the chapters explore the meaning *Shequ* Construction has in four areas of urban governance: 1) fiscal reform and decentralization of public services, 2) suburban village redevelopment, 3) community-based social service provisioning through the emergent nonprofit sector, and 4) role of homeowners' association under housing privatization and neighbourhood inequality.

By examining the interaction of *Shequ* Construction with a diverse set of policies, this research demonstrates how policy becomes interpreted during the course of implementation by local agencies as they contend with realities on the ground; and conversely how the *Shequ* policy alters the course and outcome of other policies and projects simultaneously unfolding. Furthermore, the perspective of policy interactions sheds light on the policy-making process in China. In presenting the Chinese experience, this dissertation seeks to contribute to the broader planning discourse on the function and appropriation of community building as a means of urban governance.

PREFACE

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1. INTRODUCTION

Policy Implementation, Community Building, and Urban Governance

Community Building in China's Urban Transition

Enfolded in what observers have termed China's "urban transition" (Panell 1995, 2002; Friedmann 2005), the "great urban transformation" (Hsing, 2010), and "urban revolution" (Campanella 2008) that capture the scale and pace of the country's urban development are extraordinary lived experiences and enormous pressures to govern. My research seeks to explore the implications of China's rapid urbanization for notions of community. More specifically, it asks how community is being reconstituted in the reform era to address pressing social issues. In their vision of community, officials have focused on the outcomes and potentials of a recent policy initiative, Shequ Construction, that seeks to create neighbourhood units by revitalizing the socialist residents' committee (*jumin weiyuanhui*). Set up under statute during the Maoist era, the residents' committee's basic functions consisted of liaising between residents and the government, disseminating official policies, assisting with local policing, and mediating neighbourhood quarrels. Its members were usually housewives and retired elderly, appointed by officials but unpaid. In the mid 1980s, as market reform policies unfolded, cities were faced with tighter fiscal budgets, a growing urban population, the demise of work-unit-based social welfare, and rising unemployment. At the neighbourhood level, the antiquated residents' committees strained to keep up with the social changes and greater demand for social assistance. The central government saw in their efforts the potential for residents' committees to carry some of the increasing burdens on local governments.

The administrative area under the jurisdiction of a residents' committee is referred to as *shequ*,[1] or "neighbourhood community" in official parlance. The reform of the residents' committee is officially referred to as *Shequ Jianshe* or "Community Construction." Renamed

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[1] The Chinese word *shequ* (pronounced shè qū) is commonly translated into English as "community." The term is composed from the characters for "social" (*she*) and "district" (*qu*), referring to a collective identity in a defined space. Its origin is explored in greater depth in the next chapter.

the shequ residents' committee,[2] the mass organization of self-management that came into existence in the 1950s now governs a larger jurisdiction, is composed of a younger and more professionalized staff, and is charged with providing specific social services. Experiments with Shequ Construction began in the 1980s as community social services (*shequ fuwu*) to provide care to society's most vulnerable members, particularly the elderly, the handicapped, and the thousands of workers laid off from dissolved or bankrupted state-owned enterprises (SOE). Initial successes in selected pilot sites in various cities led the Ministry of Civil Affairs (MCA) to undertake further experiments with restructuring the residents' committee to provide more extensive governance functions at the neighbourhood level. After two decades of debate and experiments, on November 19, 2000, the Central Committee and State Council endorsed the first formal document concerning Shequ Construction: *Memorandum from the Ministry of Civil Affairs on Promoting Urban Shequ Construction throughout the Nation* (hereafter Document 23). This memorandum did not signify that the shequ construction process had finished, but rather that debates and experiments had reached certain conclusions to move ahead with a nationwide policy. As this research demonstrates, in its implementation many arising issues remain to be resolved.

Almost a decade has passed since the promulgation of the central policy document, and its outcomes are impressive. In cities across China, thousands of neighbourhood service centres have been built and offer a range of services, from registering unemployment to providing welfare services to organizing cultural activities. There are also less obvious and more difficult to measure outcomes, such as the impact of numerous self-organized social groups (choirs, book clubs, dance groups, etc.) and the earnestness with which members of the residents' committees approach their underpaid responsibilities to care for those in need in their neighbourhoods. These direct outcomes represent one facet of the impact Shequ Construction has on cities.

From another perspective, this research seeks to understand the impact of the Shequ Construction policy program, not through measuring outcomes against the intentions set out in the policy document, but through analyzing the wider, sometimes unforeseen, implications

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[2] For better readability, throughout the dissertation the "shequ" in the renamed "shequ residents' committee" is dropped. The full phrase is only used to emphasize and distinguish between the old residents' committee and the new shequ residents' committee.

for other processes going on in the city. It examines how the policy confronts other initiatives undertaken by social actors and other state agencies, which, at first blush, may seem to have little to do with Ministry of Civil Affairs' shequ work. By articulating Shequ Construction with a diverse set of initiatives, it asks how the policy is being reinterpreted in the course of implementation as local agencies contend with realities on the ground and how the recent state-led emphasis on shequ reform has altered the outcome of other urban governance projects that are concurrently being undertaken. The set of policy interactions examined in this dissertation is outlined later in this introductory chapter.

Beyond the specifics of the shequ policy, the broader urban planning question this dissertation seeks to explore is the role of community building in the governance of an urbanizing society. I am primarily concerned with urban governance as the coordination between central directive and local implementation and as mechanisms of social control and social service delivery (Wu 2002, 1072-3). My aim is not to present a Chinese model of community building. Rather, through the lens of community-building, I hope to begin to understand how the grass roots organize themselves and how they are defined and governed by the state, particularly during times of tremendous social and political change.

As a planner educated in the North American planning tradition, I believe the importance of asking these questions in the Chinese context privileges sociopolitical processes in shaping the urban structure and challenges some fundamental assumptions about community in Western planning thought. Visitors to China will unequivocally note American forms of spatial community: suburban new towns, gated housing estates, and neighbourhoods segregated by income and increasingly by class. Indeed, China's capitalist economic development has initiated a vibrant debate over whether there is evidence that Chinese cities are converging with Western urbanization patterns (Dick and Rimmer 1998; Ma and Wu 2005; Huang 2006; Lin 2007). However, as those opposing the convergence thesis have argued, we must look beyond these similar outward features suggesting a convergence of capitalist urban form and examine the sociopolitical forces and policy mechanisms that have created them. To privilege social processes removes the assumption that the practices of the Third World would necessarily converge toward the "superior norms" of Western cities (Ma and Wu 2005, 12). In thinking cross-culturally about the notion of community in China,

attention to process is particularly important as community has a central place in Western social thought and in American history of social action.

Relative to community development in the United States and Canada, much less is known about how China's new urban political economy has altered approaches to neighbourhood governance. In the North American context, the concern over community was born out of a time of accelerated urbanization. Western urban studies of the early twentieth century (for example, Tönnies 1887/2001; Simmel 1908/1988; Park, Burgess, and McKenzie 1925/1967; Perry 1929; Wirth 1938/1970) demonstrate a period when social scientists sought to make sense of capitalism, modernization, and the impacts these changes had on traditional ways of life. The community-building movements that proceeded have sought to address urban problems of unemployment, poverty, rootlessness, and social segregation.[3] Similar concerns have arisen in contemporary Chinese society, particularly now, as the social ramifications of three decades of rapid economic development are becoming apparent. Because a shequ discourse is only just beginning to form within Chinese social thought, Western concepts of community are often used to discuss China's shequ movement.[4] But these theoretical concepts grew out of a particular place and time; while they are influential in how we make sense of social change, they are not universal. In the country's transition from a socialist planned economy to a market oriented economy, governance challenges and the policy instruments used to respond to them are both socialist and capitalist in nature. A critical understanding of neighbourhood governance and community building must necessarily be situated within China's new urban political economy, social issues, and policy mechanisms.

To planners in North America, the idea of neighbourhood residents engaged in mutual help and empowered to self-govern is compelling (Talen 2000). Neighbourhood planning has become an important strategy through which cities address some of their most pressing problems from poverty to class conflict (Keating, Krumholz, and Star 1996). It speaks to

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[3] I am referring here to movements of the twentieth century, namely the settlement house (Chambers 1963, chapter 5; Kraus 1980), garden city (Howard 1902/1946; Perry 1929), and advocacy planning (Davidoff 1965; Arnstein 1969; Friedmann 1987, chapter 6). Each espoused particular ideals of community to be realized in practice.

[4] For example, in a Chinese textbook on community development planning theory and practice, Zhao and Zhao (2003) begin with Tönnies' concepts of *gemeinschaft* and *gesellschaft* and continue with various Western approaches in sociology and urban planning. While they discuss Chinese and Western approaches throughout the book, there is no explicit connection made between them.

qualities of democratic spirit, social capital, and associational life that are quintessential in Western notions of community (Putnam 2000). When transplanted to the Chinese context and given the legacies of Maoist thought and restrictive political freedom in China today, the idea of mutual help and self-governance is more likely to be said to resonate with socialist utopianism, engineering self-reliant communities to create social order and harmony. However, as I argue in this dissertation, the Shequ Construction program needs to be examined neither as an empowerment-based nor a dogmatic approach to community building. The complexity of the shequ movement results from the coexistence of an authoritarian state, market forces, and an emerging civil society. The state has sought changes in multiple directions, resulting in contradictions among policies and in central policies being used to achieve disparate ends to serve local interests. To more fully grasp and evaluate the impact the policy has had in over two decades of experimentation, as well as some of the potentials and challenges that lie ahead, this dissertation examines the interaction between Shequ Construction and other processes unfolding simultaneously. The subject of study, then, is not the policy program itself, but the points at which it confronts other forces, be they state-led interventions or grassroots projects.

In this dissertation I have chosen not to use the English translation *community*, but to keep the romanized Chinese term *shequ* when referring to the post-reform community-building project. As chapter 3 will expand on, the concept of community is ladened with cultural values and history. In adopting the romanized *shequ*, I seek to dissociate connotations and differentiate the differing notions of community. Specifically, *shequ* is not an interest-based community but an administrative, spatial community. And, shequ construction speaks to the building of residents' committees' capacity to govern.

The rest of this introductory chapter is divided into five sections. The first places the residents' committee within China's administrative context. The second section provides an overview of Shequ Construction research and the dominant themes in the current literature. In the third section, I discuss the policy-making process in China and why examining policy interactions is an appropriate approach for analyzing policy implementation. Following this, I discuss the set of policy interactions explored in this research. I conclude with a brief outline of the dissertation.

Bureaucratic Hierarchy and Cellular Units

The Chinese polity is both hierarchical and cellular. In cities, a shequ unit comprises between 1,000 and 3,000 family households and forms the base of urban governance (figure 1.1). About 46% of China's 1.3 billion people currently live in cities, and the majority of them live under the jurisdiction of one of more than 80,000 residents' committees across the country that act as intermediaries between the state and its urban citizenry (NSB, Office of Social and Technological Statistics 2007, table 9-20).[5]

Central level	State Council (ministries and commissions)
Provincial level	Provincial Government
Prefecture level	Municipal Government
County level	District Government / County Government / County-level City Government
Township level	Street Office / Township Government / Street Office / Township Government
Grassroots level (not part of state organ	Shequ Residents' Committee / Villagers' Committee / Shequ Residents' Committee / Villagers' Committee

Figure 1.1 China's administrative structure

The hierarchy represents the basic administrative structure. There are exceptions. For instance, as a city's boundary expands, at the urban periphery, towns can fall under the jurisdiction of districts, and villages can fall under the supervision of street offices. Also, the administrative hierarchy of centrally administered cities and autonomous regions are slightly different.

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[5] In 2008, China's urban population was 607 million, or 46% (National Statistics Bureau 2009, table 3-1). Statistically, urban population is defined as the resident population in towns and cities by household registration. Resident population includes those who hold local and temporary household registration. Unregistered migrants who reside in towns and cities are not enumerated.

Proceeding from this basic building block, typically in large cities 10 to 15 shequ units are grouped under the supervision of a street office (*jiedao banshichu*).[6] Depending on size, generally 8 to 10 street offices report to a District People's Government. Urban districts (*shixiaqu*), county-level cities (*xianjishi*), and rural counties (*xian*) fall under the supervision of a Municipal People's Government. At the next level up, Provincial People's Governments oversee the municipalities and rural prefectures in their jurisdiction. With higher levels of government supervising those beneath, the ultimate authority lies with the State Council and central ministries and commissions at the top.

Within this administrative structure, Chinese citizenry is organized by a system of household registration (*hukou*). A person's permanent *hukou* is the officially recognized place of residence – a specific city, district, shequ, county, and village. Permanent *hukou* records identify people as either agricultural or non-agricultural, which have more to do with resource allocation than actual occupation. Non-agricultural persons, including urban workers, state cadres, state farm workers, and their dependents, are broadly considered urban *hukou* holders. Whether they actually live in cities or work in rural areas, they are entitled to state-provided welfare. For those living outside their place of permanent residence, a temporary *hukou* is required to rent housing and seek local employment. The system is intended to control mobility by tying a person's eligibility for services and right to pursue livelihood activities to a specific locality (Chan 1994; 2009; Wang 2005). The state-provided welfare is distributed through one's work unit or residents' committee. Working with local public security bureaus, residents' committees manage and keep details of the household registrations of those living in their jurisdictions.

Residents' committees have a somewhat paradoxical relationship with higher levels of government. Under the Chinese Constitution, residents' committees, considered "self-governing mass organizations," are not administrative organs of the state (article 111). Theoretically, they are to be as self-sufficient as possible, electing representation and managing the day-to-day neighbourhood affairs. At the same time, they are mandated to

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[6] It is important to note that a *shequ* sometimes encompasses both the street office and residents' committee. Under statutory provisions, the street office, considered the dispatch office of the district government, is the "grassroots organ of state power." The residents' committee under its charge is "the mass organization of self-management at the grassroots level" (Chinese Constitution, Article 111). In this dissertation, unless otherwise noted, *shequ* is used to refer specifically to the jurisdiction of the residents' committee.

provide assistance to government bureaus and offices as required, becoming in the process an extension of the administrative apparatus. Composed of mainly retirees and women in their 50s, residents' committee members possess no formal coercive powers over their constituents, but rather are to serve, oversee, and care for them. During the Mao era, they were instrumental in mobilizing political campaigns, conducting struggle sessions, and reporting information about residents, such as pregnancies, undocumented visitors, and suspicious activities. While residents' committees are less politicized today, an important aspect of neighbourhood work still consists of enforcing government regulations and maintaining social order in the neighbourhoods, earning committee members the title "granny police" (Benewick and Takahara 2002; Pan 2006). They continue to watch for adherence to the one-child policy, to register new residents, to mediate disputes between spouses and neighbours, and to report anything and anyone arousing suspicion. Prior to the recent shequ reforms that sought to improve their working conditions, committee directors and members were meagrely compensated, if at all. In essence, they held what were considered "the most menial positions of general leadership in urban China" (Whyte and Parish 1984, 212).

During the Mao era, the workplace mattered more in the lives of Chinese urbanites than the residential neighbourhood (Lu and Perry 1997). In cities during the early period of Communist rule under Mao, residents' committees supplemented the all-providing work unit structure (*danwei*). Socialist ideology had encouraged the right to welfare through work, and the state provided subsidies through work units rather than direct welfare programs. Every able-bodied urban worker was assigned a job at a work unit that provided its workers with employment, housing, goods, and welfare services and also managed several aspects of their lives, from family planning to the education and job allocation of their children. Endeavouring to exemplify self-sufficiency, large work units such as factories, hospitals, and universities included workplaces, housing, canteens, schools, and health clinics within the walls of the *danwei* compound. As chapter 3 will discuss further, residents' committees staffed by retirees and housewives acted as an auxiliary, serving those who lived outside the *danwei* compound in the city's traditional quarters and those who, for various reasons, were not assigned to a *danwei*, such as the unemployable and the handicapped.

Shequ Construction Research

The work unit's diminishing centrality in the life of urbanites and the need to strengthen the capacity of residents' committees provide the context in which the shequ discourse is situated. This section reviews the discussions in the recently expanding shequ literature on the shift to a shequ-oriented social life and the objectives of the shequ policy. It also examines the implication that the broader processes of urban development have for the study of shequ.

Danwei and shequ

Shequ Construction is typically framed against the backdrop of the earlier *danwei*-based society. When people I met in Nanjing learned that I was researching Chinese community, many proceeded to share their memories of *danwei* life. The social life within the work unit compound is what people remember most; for them it represents their quintessential idea of community. The *lao san jie*[7] – the generation that came of age during the Cultural Revolution – who had grown up living by Mao's ideologies and many of whom were laid off in the market economy, describe this socialist past as a simpler time with nostalgia. One's dependency on the work unit and the social relationships within it made the *danwei* one's community.[8]

The *danwei* institution that had dominated urban social life became increasingly difficult to maintain in the post-Mao market economy that emphasized productivity, competition, and efficiency. The "breaking of the iron rice bowl," as *danwei* reform is referred to colloquially, was by no means instantaneous. Throughout the 1980s, the *danwei*-based welfare institution remained basically unchanged (Gu 2001). Moreover, managers sought to protect workers' benefits and circumvented disciplinary procedures that were being implemented under new "scientific" management practices to increase productivity. The longterm interpersonal relationships between managers and workers, who were colleagues as well as neighbours, undermined the modern individual-oriented labour practices (Bray 2005, 164). However, after over a decade of various initiatives to restructure the planned economic system, losses

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[7] This term translates literally as "the three old classes" and refers to those born in the years 1954, 1955, and 1956. This cohort, singled out for the Cultural Revolution's impact on it, was in middle school when the political and social upheaval began. With their education interrupted, many could not participate in the post-reform economy that emphasized skills and credentials.

[8] Walder (1986, 13) termed this "organized dependence," where society was made stable and governable through extraordinary job security and benefits in exchange for compliance and acceptance of the system.

in the state sector created great pressure for enterprise restructuring. Policy shifts aimed at increasing the efficiencies of state-owned enterprises in the early 1990s eventually severed the cradle-to-grave relationship between workers and their *danwei*, after which became contractual. For the first time, managers could dismiss workers and hire through a competitive process. Within a span of five years, from 1997 to 2001, more than 25 million *danwei* jobs were lost.[9] And, as chapter 4 chronicles, this restructuring of employment relations was swiftly followed by housing and welfare reforms to unburden work units of their social service responsibilities. The *danwei*, with its social welfare layers peeled off, now refers simply to one's place of employment. More specifically, the term is used chiefly by workers in the state sector.

As opposed to a universal welfare system, welfare had only been provided through the grassroots unit to which one belongs, be it the *danwei*, villagers' committee, or residents' committee. Following reform policies that permitted failing state-owned enterprises to dismiss workers and declare bankruptcy, the number of those relying on state welfare increased with the rise in unemployment. Local governments became responsible for redundant workers who had exhausted their unemployment benefits and no longer qualified for social relief from state agencies (Wong 2001, 47). And, in their limited capacity as agents for the local state, residents' committees were expected to shoulder some of the responsibilities. However, the old residents' committees lacked the skills and resources both to handle the increasing demand for welfare services and to ease the fears and feelings of uncertainty that threatened social stability.

The current shequ movement is situated within this context of the bygone *danwei*-based society, and is part of the call for urbanites to reorient themselves from a "*danwei* person" to a "person of society" (*danwei ren zhuanxiang shehui ren*) relying on self, family, and neighbourhood. Nevertheless, the collectivist governmental logic of the *danwei* system persists in the urban structure and spatial practice (Bray 2005, 166). Recent *danwei* research draws attention to the construction of shequ as an alternative form of collectivization in the post-Mao era, where feelings of togetherness, belonging, and dependency are to be formed in places of residence instead of the workplace (Bray 2005, 181-90; Lu 2006, 20; Hurst 2009,

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[9] Figures vary between sources. This estimate is based on official figures and its calculation is discussed in chapter 4.

135-37). Taking up where the *danwei* research leaves off, shequ studies begin against the backdrop of revitalizing the residents' committees so that place-based communities could manage the social service provisions formerly provided through work units. This is particularly evident in case studies of shequ reform in industrial regions that were heavily impacted by the closures of state-owned factories and plants, such as China's northern rust belt (Tian and Qi 2005).

Shequ policy objectives and content

The shequ policy is premised on the principle that residents' committees can and should play an important role in urban governance and be part of the solution to the unprecedented social challenges accompanying the country's transition to a market economy, in particular the swelling unemployment, escalating demand for welfare provisions, and significant rural to urban migration. Setting the basis for the ensuing initiatives around neighbourhood reform, in December 1989 the State Council passed the *Law on the Organization of the Urban Residents' Committees* (hereafter 1989 Organic Law), recognizing the committees as managers of public affairs and providers of services rather than merely as keepers of social order (Choate 1998, 11).

Throughout the 1990s, as chapter 4 will discuss at greater length, various municipal and district governments across the country experimented with ways to approach neighbourhood reform given each locality's socioeconomic conditions and fiscal resources. The experiments culminated in several models that used the shequ structure in a range of governance areas to fill gaps in the administrative bureaucracy (Benewick and Takahara 2002; He 2003; Derleth and Koldyk 2004; Benewick, Tong, and Howell 2004). Each local model differed, for instance, in how the shequ jurisdiction was determined, what types of services and functions were delivered through the neighbourhood unit, and how much decision-making power and responsibility the residents' committee had. Elements and lessons learned from the experiments became incorporated into the Document 23, greatly influencing the paths other cities took in implementing their own shequ reform.

The 2000 policy document effectively defines what a shequ is supposed to be and what Shequ Construction entails. The Ministry of Civil Affairs defines a shequ as "the collective social body formed by those living within a defined geographic boundary" (MCA 2000).

Examined in depth in chapter 4, the so-called construction movement speaks to the building up of three areas. The first is with regard to neighbourhood-based social services (Chan 1993; Wong 1998, chapter 6). Document 23 specifically mentions that "with enterprises shedding social functions and the state transferring out service functions, urban shequ will be required to assume the majority of [these functions]" (MCA 2000). Depending on the needs in their local context, residents' committees are typically engaged in three types of services: 1) free services to the elderly, the poor, the young, and the disabled; 2) cultural and recreational programs; and 3) convenience services such as the operation of corner stores, bicycle stands, canteens, and newspaper stalls to provide everyday services closer to home as well as to generate revenue to support administrative and activity costs (L. Wong 1998, 128).

Second, Shequ Construction has to do with enhancing the administrative authority of residents' committees in realizing the reform-era concept of "small government, big society."[10] The repeated reference to "self-governing" (*zizhi*) in Document 23 does not pertain to political independence but to self-organization for working collaboratively with government agencies in the delivery of social services and the resolution of local concerns. The downloading of administrative responsibilities and service provision by the state onto neighbourhood units is not a form of political decentralization. Its primary purpose is to push communities to create their own service provision network, thus lessening their dependence on the government (Shieh and Friedmann 2008). A dominant line of questioning in shequ research has been on the appropriate role that the shequ institution should have in urban governance. The literature, encompassing various disciplinary lenses, can largely be divided into two schools of thought. In one strand of shequ research, residents' committees are assumed to be necessary to carry out important government functions that, given the country's systemic restructuring, are not fulfilled by any other agency (Wang 2003; Xu 2005; Pan et al. 2006). The emphasis of these studies is on seeking improvements within the existing bureaucratic structure, such as clarifying the legal standing and the functions of residents' committees; defining the relationship between the neighbourhood Party branch and

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[10] The concept of "small government, big society" (*xiao zhengfu da shehui*) first originated in reports written to guide Hainan Province's experiment with administrative reform. Liao Xun, one of the principle authors, envisioned a reduction of government and Party organs and an enlargement of the role of social organizations. The concept received national attention following the ninth National People's Congress to launch an institutional reform campaign in 1998 that aimed at streamlining the bureaucracy, redefining core functions of the state, and shedding functions that should be taken care of by society (Brodsgaard 2009, 84).

the residents' committee; and institutionalizing elections of residents' committee members who have in the past been recruited or appointed by street office officials.

Taking a more critical stance toward the neighbourhood reform, others scholars contend that the measures taken to build the capacity of the residents' committee are more politically driven to restore state legitimacy in the wake of massive SOE layoffs than to effectively deliver social services (Wong and Poon 2005; Yan and Gao 2007) and to regain social control than to offer meaningful expressions of mutual help (Chan 1993; Read 2000; Bray 2006). Rather than freeing residents' committees from the grasp of government bureaus, the concern is that this new emphasis by all levels of government and the resources poured into their reform have institutionalized what is supposedly a grassroots organization.

The third area, referred to as the construction of a "socialist spirit," demonstrates that Shequ Construction has as much to do with building the grassroots capacity of the Chinese Communist Party (CCP) as with the functions of the residents' committee (Kojima and Kokubun 2002, Bray 2006, 535). Among many new challenges, the Party recognizes the need for popular legitimacy to continue its rule. One of its many strategies in this regard has been to broaden its membership base and enliven existing local Party committees and branches (Shambaugh 2008, 135). With a neighbourhood Party branch providing the core leadership, Shequ Construction is linked to the efforts of Party Construction (*dang jian*). Under the planned economy, the majority of Party members belonged to the CCP branch organized within their state-owned work units. At present, an increasing number of Party members are rendered "homeless" as a result of state-owned enterprise bankruptcies, unemployment, mobility between workplaces, and growth in private enterprises which do not have to establish a branch. For the central committee, the shequ structure presents a way to support the growing number of branchless members as well as to grow its membership and elevate the influence of Party leadership in neighbourhoods (Kojima and Kokubun 2002). Despite their different approaches toward the study and assessment of the policy content, the current shequ research has most importantly opened up a broader discussion as to the various directions the policy should and could take. As such, Shequ Construction remains open ended and an unfinished project.

Urban development and shequ

Much of what is known about Shequ Construction comes from the analysis of policy content and what has been actualized on the ground in neighbourhoods across the country. As the policy programming becomes more concrete, concerns over outcome have led government agencies to sponsor research for developing performance evaluations to gauge impacts (discussed in chapter 5). In evaluating outcomes, an under-researched area is analyzing the policy at work. By this I mean examining the policy and implementation not in isolation but within the messy contingencies of urban China, asking: How and in what ways does the promulgation of Shequ Construction shift ideas and courses of action in other policy areas? How does the shequ institution facilitate or hinder the ability of other initiatives to respond to pressing social needs? In other words, if the construction of neighbourhood units has been a necessary part of urban restructuring, we still do not know how it has articulated with broader processes of the country's urban transition, such as the urbanization of the countryside and the growing involvement of market actors.

Jennifer Robinson (2004) in *Ordinary Cities* makes the compelling argument that in studying fragments of social life and localized concentrations of flows and networks, urban studies research has made cities extraordinary by singling out successes and failures of urban development projects. For instance, the global cities approach focuses on a city's linkage to primarily economic networks, and the developmentalist approach emphasizes a city's poorest elements (10). To reverse the insular attention on these exceptional fragments, she argues, is to bring the city back into view – to consider the city as integrated systems. Thus, rather than focusing on policy initiatives in isolation, be it attracting foreign investment or alleviating poverty, one must think across elements.

The ordinary cities approach has informed my shequ research in two ways. First, it brings attention to how policy analyses often examine interventions in isolation, focusing on specific parts of the city that development programs were intended to address. Second, it lays emphasis on how certain cities have been made extraordinary by their successful shequ experiments, such that shequ models are informally named after the city in which they were pioneered. What would an analytical approach to Shequ Construction look like if the city is brought back into view? Even though shequ units are being constructed as the base-level governing institution in cities nationwide, relatively little is known about how they engage

with other processes occurring in the city and across elements of urban life involving the state, civic, and market sectors, and in the urban core as well as at the periphery. This dissertation takes as its starting point that all shequ are ordinary – that is, following the ordinary cities thesis, they are all diverse and complex. The local Shequ Construction implementations are thus shaped by processes beyond the policy and the four walls of the shequ compound. Adopting this perspective, the dissertation focuses on the interconnections between the shequ policy and other urban processes simultaneously unfolding and thus creating the dynamics of the shequ.

Policy Implementation in China

In examining shequ policy at work in articulation with other initiatives, this research engages the broader discourse of policy making in China. Observing the interaction among policies is important in the Chinese context because the Chinese state is seeking sweeping reforms in several areas simultaneously to reorient the world's most populous country toward greater integration in the global economy (Lampton 1987, 11). Moreover, as I discuss below, China's distinct policy-making process and gradualist approach to reform make examining policy interactions a particularly appropriate approach for analyzing policy implementation.

To begin, the Chinese state limits access to the policy formulation process, which often occurs behind closed doors, and governing elites do not always disclose the principal objectives of policies (Lampton 1987, 5-6). For instance, it is difficult to discern whether the purpose of instituting local elections is to establish democratic procedures, as the mass line asserts, or to remove conservative cadres who oppose reform policies from their posts (ibid., 7). Thus, measuring implementation success through the congruence of declared intentions and outcomes can lead to multiple interpretations.

In addition, China's policy process is protracted, opening the way at various points for revisions as policies confront ongoing societal developments and agendas. This point is made by Lieberthal and Oksenberg (1990) in an early study of China's policy-making process in the post-Mao era. The authors assert that it is unrealistic to view a policy as a single decision on a major issue. In actuality, a series of decisions occurs and important differences exist among them: the policy's initial formulation among leaders; the initiative's announcement; allocation of funds; and development of construction schedules, regulations, and concrete

measures to make the initial decision produce the desired outcomes. For a policy to move through each of these steps in the drawn-out policy-making process requires negotiation, bargaining, and consensus seeking among 28 ministries and commissions and among central ministries and their local bureaus (26).

As such, the process tends to produce directives that are ridden with ambiguity and contradiction and are prone to unintended consequences in implementation by local officials. This structural ambiguity has been characterized by scholars in various ways. Heilmann (2008) argues that the discrepancies between policy intentions and outcomes are not necessarily counterproductive. They are expected in China's experiment-based policy-making process. The author observes that conventional understandings of the policy process, particularly in liberal democracies, hold that policy analysis, formulation, and embodiment in legislation should precede implementation. However, in China's transition from planned to market economy, which has relied heavily on policy experimentation to guide its restructuring, the reverse is true: innovations happen through implementation first and drafting of laws and regulations second (9). Despite a tendency for the process to become arbitrary, volatile, and vulnerable to the short-term interests of local elites, it functionally promotes a dynamic central-local interaction with a continuous interplay between local-condition-driven initiatives and central sponsorship (10). This, Heilmann maintains, is one of the distinctive characteristics of China's policy-making process.

From another perspective, recent studies of China's land politics have shown that land development processes are dominated by unprecedented discretionary powers enjoyed by lower-level officials that often produce contradictions between the centre's intention and local governments' policy execution (Ho 2001; Lin and Ho 2005; Hsing 2006). These contradictions are outcomes of the regime's gradualist approach to economic reform. Given the unknown destination of the country's socialist transformation and for the system to work, rules of land development carry a certain level of "deliberate institutional ambiguity" and underdefined authority so that they can be enforced and revised depending on changing circumstances to which the state needs to react (Ho 2001). While permitting responsive institutional fixes, the system also gives rise to contestation, circumvention, and selective implementation by local governments, contributing to the inconclusive nature of state projects (Lin and Ho 2005, 414-5).

China's institutional ambiguity has also been interpreted as a phenomenon of trapped transition (Pei 2006). Pei argues that the gradualist economic reform under an authoritarian regime may have allowed leaders to respond to respond to conditions and "grow out of the plan" (26), but gradualism has also allowed ruling elites to maintain their control in lucrative high-rent sectors (44). Consequently, the situation is one in which ruling elites have an interest in a semireformed system that favours economic liberalization but are less inclined to support political reform. In this context, policies remain subservient to power relations as well as party discipline. Instead of moving toward an even more open economy and society, the system may become trapped by decentralized state predation and deterioration of governance (43).

These studies demonstrate that the Chinese policy process is protracted, can be constructively experimental and ambiguous, and is subjected to local discretions and predation. Rather than conceived of as an engineered blueprint for institutional change, shequ reform is better conceptualized as a series of interbureaucratic memoranda generated through local experiments, negotiations between agencies, and responses to contingencies. Understanding this policy-making context, an alternate approach to analyzing shequ reform, then, is to go beyond the plan and examine the effects of a policy at conjunctures. In such an approach, the focus is not on outcomes but on observing the bearing one policy has on another in the implementation process as a way of teasing out contradictions and unforeseen consequences (Li 2007, 28).

This framework of conjunctures, as Tania Murray Li (2007) puts forth, intertwines analysis of governmental schemes with analysis of social histories, practices, and processes. Her book, *The Will to Improve*, examines interactions among policies in the Indonesian highland over a period of two centuries, underscoring the contradictions as one improvement scheme yielded to another. She argues that policies do not pursue one dogmatic goal. In most cases, there are both hidden motives of gaining domination, legitimacy, and profit, and positive intentions of mitigating harm and promoting beneficial development. What is crucial in examining programs' effects is not to rush to identify hidden motives, but rather to consider outcomes as occurring at conjunctures where policy intersects with memories, cultural ideas, and longstanding practices and struggles on historically configured terrain. Therefore, policy

programs are not merely interventions drawn up by technocrats but part of multiple forces articulating together at a point in time and in a particular place (ibid., 28).

This dissertation draws on this line of thinking that takes a more operative approach. I do not examine Shequ Construction by itself looking for congruence between intentions and outcomes but rather consider it *at work* in its interactions with other government programs, local initiatives, and informal practices. In breaking down the state-directed construction of neighbourhood communities to bridge gaps in control, this research places the policy in articulation with other reform projects. Each chapter explores a particular conjuncture, examining how shequ reform interacts with other initiatives unfolding in urban neighbourhoods. These encounters demonstrate how Shequ Construction responds to ever-changing conditions and contingencies, and is reworked by local officials in the implementation process.

Research Questions: Shequ Construction in China's Urbanization

Based on fieldwork undertaken in Nanjing, Jiangsu Province, this dissertation examines Shequ Construction at four crossroads, each involving multiple agencies and each allowing a different perspective through which to view the central directive.

Fiscal reform

The first policy I examine is fiscal reform and the division of responsibilities between subnational levels of government. I question the impact fiscal decentralization has on the capacity of urban district governments to experiment with and implement social programs and welfare provisions. Local government (*difang zhengfu*), in the Chinese usage of the term, refers to all subnational levels, from provinces and municipalities down to rural townships and urban street offices. Studies of lower levels of government have predominantly been in the rural context, with a particular focus on the critical role of the county government and villages in bringing about rural industrialization (Oi 1995; Walder 1995; Blecher and Shue 1996) and improvements to social conditions and quality of life (Guldin 1997). Urban studies have drawn attention to the economic decision-making autonomy of municipalities (Yeh and Wu 1996; Chung 1999; Ho 2001; Ho and Lin 2003; Lin 2007; Hsing 2010). Under decentralization measures, regulatory authority over urban land rests with municipal governments. These studies have examined the strategies municipalities have taken to guide

land and infrastructure projects to attract investments as land-lease sales and rents have become the most important sources of fiscal revenue. F. Wu (2002) observes that less attention has been given to lower levels of city governments, namely the district and the street offices, as local agents of development, not to mention social change. In the context of Shequ Construction implementation, urban districts and street offices, linked to a more complex hierarchy and hence less independent than their rural counterparts, have nevertheless been pivotal agencies in determining the outcome on the ground. Shequ Construction has become a major project for district governments. I question the ways in which the implementation of the policy program also seeks to build the district capacity and authority.

Urban village redevelopment

Over a four-year period from 2005 to 2009, Nanjing municipal government planned to requisition 71 villages on the city's edge. Discussions of village redevelopment have been dominated by the politics of land policies (Yeh and Wu 1996; Xie, Parsa, and Redding 2002; Lin and Ho 2005). However, the redevelopment process also entails the relocation and social integration of erstwhile villagers, and thus is as much a social phenomenon as a land use issue (Leaf 2007). Shequ Construction has a significant but overlooked role in facilitating the state's efforts to transform villages and assimilate villagers. First, the policy has both positive and negative impacts on how villagers adapt to the urban way of life in their reassigned neighbourhoods. Second, a recent initiative under experiment in Nanjing is to extend Shequ Construction from urban neighbourhoods to rural villages, beginning with those in the city's immediate hinterland. As these sites undergo community construction, the shequ policy's articulation with urban village redevelopment initiatives raises many as yet unasked questions of its rationale and appropriateness as a means of bringing about social order.

Nonprofit sector in community-based service delivery

The explosion in the number of social organizations is a significant social outcome accompanying China's urban transition. The third policy crossroads this research examines is how the legal recognition of nonprofit social service organizations fits into the Shequ Construction scheme, particularly in view of the fact that service delivery is an integral component of the policy program. At their juncture in the neighbourhood social space, both shared and conflicting interests exist between nonprofit organizations and the residents'

committees. Despite the recognition of nonprofits and support for them from higher levels of government, their relationship with the shequ institution remains undefined. A major thread within the literature on China's urban social organization centres on their vertical relationship with the state at the top, assessing their degree of autonomy from the state and the implications for the development of a civil sphere (Saich 2000; Ma 2006; Lu 2008; Zheng and Fewsmith 2008). While the number and types of social organizations have increased in recent years, the lateral relationship among organizations has received relatively less attention. The interaction between nonprofit organizations and residents' committees offers insights into the competition and collaboration among neighbourhood-level institutions.

Interest-based community

The last conjuncture I examine is the meeting of Shequ Construction, as the formal representation of a neighbourhood community, with the informal production of "community" as represented by homeowners' associations. The opposition between the modern states' ordering of space and its contestation by social practices has spurred a great deal of interdisciplinary research and theoretical debate on power and place making (Lefebvre 1991; Massey 1994; Scott 1998). Rather than using a discourse of domination and resistance, my examination of the interaction between residents' committees and homeowners' associations seeks to make sense of their co-existence. Economic reform measures, together with enlarging social spaces, have given rise to the formation of interest-based communities within the place-based administrative shequ. In this case, housing privatization has led middle-class homeowners to organize to protect their property interests (Read 2003; Cai 2005). While homeowners do not oppose the demarcation and assignment of shequ jurisdictions for all urbanites, homeowners' associations represent an alternative form of grassroots governing organization that is being established. Questions remain as to how, with the implementation of Shequ Construction, these definitions of community have been rendered by various levels of government, and how homeowners' associations challenge or assist the work of residents' committees in responding to the diversity of interests and needs.

Dissertation Outline

Chapter 2 discusses the research design, the data collection process, and methodological issues. To situate the current study in a historical continuum, chapter 3 is a historical overview of urban community in China with a focus on the Jiangnan region (lower Yangtze

delta) from the late imperial era to the end of the Cultural Revolution. I illustrate that the concept of community has its origins in Chinese traditions of self-management, social control and welfare provision, rather than as a sociological concept.

Chapter 4 begins in the early 1990s, at the height of *danwei* restructuring and consequent layoffs. It presents an overview of the socioeconomic conditions at the time and the pressures on the Party-state to take actions by experimenting with neighbourhood reform. I discuss the improvements and interventions sought through an in-depth examination of the contents of Document 23.

Whereas chapter 4 focuses on concerns at the national level, chapter 5 presents the perspective from the district level. With Shequ Construction efforts dependent on district-level financing and leadership, it examines the impact of fiscal decentralization on Shequ Construction implementation through the experiences of Nanjing's Gulou District.

In the three chapters that follow, I turn to the crossroads at which the policy encounters initiatives at the neighbourhood level, drawing attention to the divergent interests of various local actors who are involved. Chapter 6 examines the articulation of the shequ policy with municipal village redevelopment plans. Through the case study of a community seniors' centre established by a local social enterprise, chapter 7 examines the involvement of the nonprofit sector as another agent in the neighbourhood arena created by the state's welfare socialization agenda. Chapter 8 examines the working relationship between the homeowners' association and the residents' committee and questions the rationale behind the recent government initiatives to incorporate the former into the shequ institution.

The concluding chapter discusses the theoretical issues that have emerged from this research. First, I reflect on the analytical approach of policy conjunctures and the new insights the framework has shed on the nature of Shequ Construction as an urban governance project and the unique policy-making process embedded in China's interbureaucratic document system. Second, bringing together the individual case studies, I consider the manner in which Shequ Construction has been deployed by local officials in each of the local initiatives. I argue that while in implementation the policy is subjected to local discretion, it has nevertheless been consistently construed to harmonize diverging interests, aligning the interests of villagers,

nonprofit leaders, and homeowners with those of the Party-state. Third, I discuss two issues that have remained with me throughout the research: the policy's disconnection with migrants' welfare and the debate on the neoliberalization of Chinese forms of governance. Last, I conclude with some thoughts on the impact of Shequ Construction on Chinese planning practice and research.

2. RESEARCH DESIGN

Methodology, Fieldwork Process, and Methodological Issues

Introduction

This dissertation is based on findings from fieldwork conducted in Nanjing, Jiangsu Province between February 2007 and January 2008. Prior to fieldwork, I spent a year as a student at the Hopkins-Nanjing Center which greatly informed my research and in some ways could also be considered part of fieldwork. The intent of the year was to gain a deeper understanding of China's social issues as they are problematized and discussed by Chinese scholars. I took classes taught by Chinese professors at the Center with other foreign students as well as audited graduate seminar classes with Chinese students in the sociology department. During my year there, under the supervision of a Nanjing University professor, I undertook an independent study of the city's urban village redevelopment. My focus at the time was to understand how the urban village phenomenon emerged in Nanjing and to contrast it with that I observed in Quanzhou, Fujian Province where I had conducted field research two years prior. As part of this study, I conducted some interviews and participant observations in Rivertown Village, which became one of my dissertation research fieldsites. I also visited three villages that have developed profitable village enterprises in the city's two counties, exhibiting a contrasting, *in situ* form of urbanization (Zhu 2000).

In addition to the preliminary groundwork and building fundamental skills for navigating Chinese sources and independently managing field research, the year informed my dissertation prospectus in another significant way. I came to appreciate that contending with cultural difference involves not only dealing with differing social norms, but also confronting institutional assumptions, such as the different ways governance is understood and community planning is practiced. Building on these experiences, the research approach was guided by what I had identified as two important issues for conducting this community research cross-culturally. The first was the challenge of understanding Shequ Construction from the ground-up through local agents' interpretation and implementation of the policy. The second was the challenge of establishing an analytical frame to examine policy within

the Chinese context. I developed a phased fieldwork approach that allowed immersion and flexibility to progressively focus the research. This chapter presents a detailed account of my research process and methodological issues I encountered. It begins by discussing my research design and methodological considerations. Then, it details my field research, specifically how I accessed and gathered data. The concluding section reflects on conditions of fieldwork and issues of positionality and bias.

Overview of Research Design

The objective of my study is to better understand the impact of the shequ policy program through its interactions on other policy initiatives. The concept of policy conjunctures does not take an evaluative approach towards Shequ Construction. It permits policy to be analyzed within local contexts and understood through the ways it adapts and responds to arising circumstances. The advantage of the framework is that the outcomes are analyzed within local conditions. Furthermore, as decision makers have been evaluating the policy through attainment of prescribed standards based on policy intentions, questioning how policies interact provides a new lens through which to view Shequ Construction. Through four policy conjunctures, this research endeavours to understand how the central directive to construct neighbourhood units becomes interpreted by local agencies in the course of implementation and integrated in various areas of urban governance. Conversely, by articulating Shequ Construction with a diverse set of policies, my research also investigates how the shequ discourse alters the content and the implementation course of other policies. It leaves open the possibility that in the interaction with other policies Shequ Construction has different effects than those intended.

The research design can be classified as an embedded case study (Yin 2003, 42-43). Different from holistic case studies that examine individual communities as a whole, the analysis is focused on the interactions of policies within the larger community units. This research specifically examines Shequ Construction through its articulation with four policy initiatives in different communities. At the first policy conjuncture, Shequ Construction is understood through fiscal decentralization. I chose one of Nanjing's districts as the larger case within which I would question the role of the district government in formulating implementation plans given China's decentralized welfare system. The second conjuncture places Shequ Construction in the city's urban village redevelopment process. The field sites are two

villages undergoing redevelopment and an urban core shequ dealing with the integration of landless villagers. The third conjuncture examines Shequ Construction and the official recognition of local service-providing nongovernmental organizations. The field sites are an organization engaged in shequ-based elder care and the shequ in which it is operating. The fourth conjuncture brings housing reform and the emergence of homeowners' association to bear on the implementation of Shequ Construction. The field is a neighbourhood with an active homeowners' association and in a district experimenting with integrating homeowners' associations into the shequ governing structure. See table 2.1.

I have chosen to situate the study in Nanjing because its districts and neighbourhoods were, and continue to be, sites of Shequ Construction policy experiments. The capital of Jiangsu Province, the city sits at the lower reaches of the Yangtze River about 300 kilometres west of Shanghai (figure 2.1). Under the jurisdiction of the Nanjing Municipal Government are 11 districts and 2 counties. At the grassroots level, this city of 7 million is organized into 799 neighbourhood residents' committees and 587 villagers' committees (2008 figures; Nanjing Statistical Yearbook 2009, table 1-1, 3-1). The old capital has stayed out of the research limelight on reform era China. Urban studies have primarily focused on Beijing and the coastal cities of tremendous economic growth like Shanghai, Shenzhen, and Guangzhou. Connected to Shanghai by highway and express trains, Nanjing sits in the shadow of the nation's financial growth pole. While it has benefited from economic reform, it is not the main target of the central state's preferential economic policies. Similarly, while not as hard hit by the restructuring of state-owned factories as northern cities in China's rust belt, as one of the country's major industrial cities, it also faces the challenges of unemployment and loss of social welfare provisions. Moreover, geographically sitting on the north-south divide, Nanjing responds to and reflects the enterprise and openness of Shanghai and Sunan cities (southern Jiangsu) that are linked to global capital flows, and the conservatism of the more insular and impoverished Subei cities (northern Jiangsu) and central provinces of Jiangxi and Anhui. In these contexts, Nanjing shares the experience of many Chinese cities struggling to formulate working solutions and to balance new financial burdens in the provision of social services.
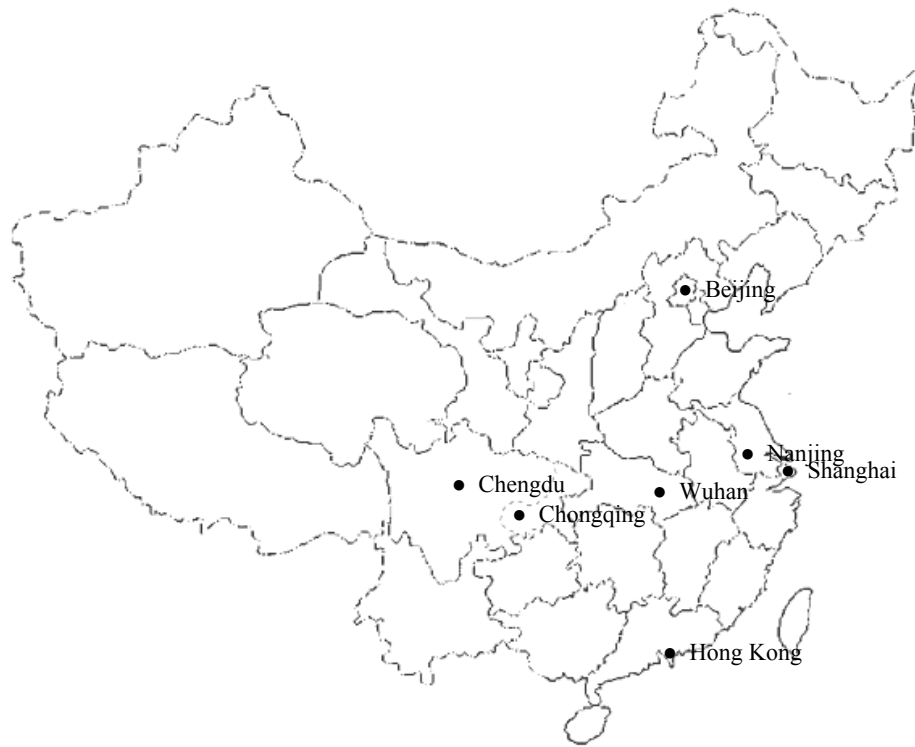
Figure 2.1 Geographical location of Nanjing

The capital of Jiangsu Province, Nanjing sits at the lower reaches of the Yangtze River, about 300 kilometers west of Shanghai.

Table 2.1 Overview of Research Design

Conjuncture	Research Questions	Field Site	Sources of Data
Fiscal decentralization	What are the impacts of fiscal decentralization on Shequ Construction implementation by district governments?	Nanjing Gulou District	open-ended interviews; policy documents
Urban village redevelopment	How has Shequ Construction been interpreted by local agents to facilitate the redevelopment process and the integration of villagers into the city?	2 urban villages undergoing redevelopment (Rivertown and Willow); a shequ where some of the city's villagers have been relocated (White Blossom)	open-ended interviews; participant observations; policy documents
Nonprofit sector development	How has the official recognition of nonprofit organizations been incorporated into Shequ Construction? What roles do local nonprofit organizations have in shequ-based social service provisioning?	a shequ with nonprofit providing social services (Nanjing New Village); a nonprofit organization (Sunrise)	open-ended interviews; participant observations; policy documents
Housing reform and emergence of homeowners' associations	What part does homeowners' association play in Shequ Construction? How are homeowners' associations being incorporated into the shequ institution?	shequ with an active homeowner' association (White Blossom)	open-ended interviews; participant observations; survey; policy documents

Selection of Methods

In recent years, critical policy analyses in the field of urban planning have opened a discussion on the limits of empiricist methods in planning research and have drawn attention to process as the subject of analysis. Planning research has gradually shifted away from a one-sided emphasis on objectivity and statistically valid sample size. Scholars in the field have advocated for broadening the language of planning to include, in addition to technical expert knowledge, other ways of knowing, such as local knowledge gained from talking, listening, and sharing with members of localities in which planners work (Sandercock 1998; 2005). Communicative planning theory has directed inquiries toward studying subtle and invisible power relations and values that shape policy making and the effects of planning practices on the ordinary, everyday world (Forester 1989; Innes 1995; Healey 1996). These studies demonstrate how interpretive approaches bring to light an alternative, complex understanding of municipal policymaking.

Particularly influential on my thinking has been the ideas of "transactive planning" (Friedmann 1973; 1987) and the "ethnographic present" (Holston 1998). Instrumental to the planning field's epistemological shift, transactive planning emphasizes mutual learning between actors and planners through dialogue and engaging in action itself (Friedmann 1987, 402). Anthropologist James Holston (1998) critiques modernist planning as having failed to recognize the conflicts and paradoxes by transforming the unwanted present by means of an imagined future. He writes of an insurgent urbanism that introduces into the city "new identities and practices that disturb established histories" (48) and "reveals a realm of the possible that is rooted in the heterogeneity of lived experiences, which is to say, in the ethnographic present and not in utopian future" (53). Linked with transactive planning and applied to planning research, the concept of the ethnographic present is not advocating that planners become ethnographers. Rather, it is about attention to lived experiences and modes of sense-making and problem-solving on the ground as people confront pressing realities. More than struggles and resistances, the ethnographic present privileges the multiple ways, both formal and informal, in which things get done. Importantly, it is about sharing the present world with participants, as opposed to studying from above, surveying with a bird's eye view.

While the research question determines the research method, the reverse is also true: the type of data sought and the ways of gathering data also critically influence the types of questions asked (Pader 2006, 173). My research design adopted primarily methods of in-depth interviews and participant observations. Behind these techniques of qualitative research was the intent to achieve some level of understanding through the fieldwork approach – through immersion and personal involvement in the ongoing social activities for the purpose of research (Wolcott 1995, 66). With the intention of capturing the ethnographic present, I planned an extended period of fieldwork so that the research would be open to unanticipated events and be driven by findings and bottom-up analysis.

The research was iterative rather than step-wise, responding to analyses of findings on the ground rather than pre-established protocol. This is not to say that the research was not systematic, but that there was a back-and-forth between data collection and analysis. Insights, unanticipated situations, and fieldwork realties informed new questions and new ways of conceptualizing field findings. When new issues became apparent, I reworked the research so that it became progressively focused (Stake 1995, 9). I sought to adopt the ethnographic sensibility of accepting new questions and unknown situations that could never have been conceived of before looking (Pader 2006, 174). The result of this was a phased and iterative process where new understandings and discoveries continued to shape and focus the research question and design. The 12 months of fieldwork can be divided into an initial fieldwork period on urban village redevelopment and a refocused fieldwork period on Shequ Construction policy interactions. Table 2.2 summarizes the main objectives and outcomes of each phase.

Initial fieldwork

The research began as a peri-urban village study that sought to analyze how the city incorporates communities on its fringe and how villagers anticipate and negotiated their urbanization. The impact of Shequ Construction as an integrative mechanism was a facet of the redevelopment process I was investigating. However, on the ground, the policy played a larger and more interesting role than I had expected. In one of the villages I was studying, its villagers' committee coexisted with a residents' committee, raising questions for how the two entities collaborated and whether this was a transitional or permanent solution. In interviews with district-level civil affairs bureau officials, the policy program was repeatedly mentioned.

Sometimes this was done to contrast the "model" shequ with what urban villages were not and sometimes, I suspected, to change topics to one that they were more interested in. I had also forayed into a resettlement housing project where villagers were relocated after land requisition. In my conversations with the shequ director, I was shown local initiatives of Shequ Construction but they seemed to have little to do with integrating the villagers into neighbourhood life.

What I found particularly interesting was the fact that Shequ Construction's application to urban village redevelopment was the specific outcome of local circumstances, beyond the intention of the policy program designed by policymakers in Beijing. The context of redevelopment drew attention to the ways the shequ policy program was being implemented to alter social practices in villages to better integrate them with the city. In the increasingly diverse Chinese society, exhibited through sociospatial segregation, what particular meaning did Shequ Construction hold in other types of neighbourhood? Just as the residents' committee had to confront the existence of villagers' committee in urban villages, what other institutions challenged or collaborated with the residents' committees in constructing governable neighbourhoods? With these new questions, I returned home from fieldwork for a month. Taking what I had observed of Shequ Construction on urban village redevelopment, I refocused the research on the implementation of the shequ policy in various neighbourhood types, of which the urban village would be one type. I returned to Nanjing for another five months. The working proposition was that shequ typology determined Shequ Construction implementation and I had planned to select two additional shequ of different types to examine the policy's interpretation in each context.

Refocused fieldwork

The subsequent shift in research frame from shequ typologies to policy conjunctures came as a result of further research-site realities. I began with fourteen shequ of various typologies – six *danwei* compounds, four market housing projects, three urban villages, and a resettlement housing project. Each neighbourhood became a particular site – each had its own characteristics, history, and resident composition, and was guided by a director with his or her own leadership style. In further selecting particular neighbourhoods to focus on as case studies, I had to determine which could help me better understand the nature of Shequ Construction and issues of its implementation. I was confounded with choosing between

neighbourhoods of the same type – for example, what made one *danwei*-type shequ more worthy as a case than another. In reflecting on the implementation of the policy program in different neighbourhood types, the important realization was that while there were differences, what stood out was the important ways Shequ Construction mattered only when it engaged with other neighbourhood projects. For instance, what I found interesting in one *danwei*-type shequ of mainly retired workers was how a nonprofit organization was engaged to provide elder care. A significant insight that came out of this inquiry was that social service provisioning, which was at the heart of Shequ Construction, was simultaneous being realized by state initiatives that fostered the development of local service-providing nonprofit organizations.

These initial reflections led me to refocus the research on points of policy conjunctures as opposed to cases of neighbourhood type. This interpretive framework was arrived at through rethinking what was to be learned through the cases. My research was not guided by an intrinsic interest in a particular neighbourhood. Rather, the neighbourhoods provided the context in which to examine policy impact. Making this distinction between intrinsic and instrumental interest in cases established more strategic criteria for site selection (Stake 1994, 237-8). My basis for choosing neighbourhoods was the presence of other local initiatives that complicated neighbourhood governance and so thus could advance my understanding of Shequ Construction's impact on the ground.

Using this interpretive framework, the research sought to draw attention to the meanings and issues local agents have attached to Shequ Construction. The central question became, not what Shequ Construction has achieved, but the ways in which the policy is utilized in addressing problems that matter to local communities. This shifted and clarified the research design, now focused on how arising governance issues are dealt with by local agents through Shequ Construction. It broadened the examination of the policy beyond solely being the domain of residents' committees and included the role of other neighbourhood-based social organizations such as villagers' committees, nonprofit organizations, and homeowners' associations.

Table 2.2 Phases of Research

Phases of Research	Objectives	Outcome
1. Prior to fieldwork Hopkins-Nanjing Centre (1 year certificate program)	To gain deeper understanding of social issues as they are discussed by Chinese scholars To learn skills for conducting field research in China	Took social science classes Conducted independent study on Nanjing's urban village redevelopment Interviewed planning bureau officials on land development process and redevelopment plans Visited different urban villages Conducted interviews and participant observations in Rivertown Village Taught at migrant school
2. Initial Fieldwork: Urban Village Redevelopment February 2007 to July 2007	To examine the urban village redevelopment policy and its implementation on the ground To determine potential urban villages as case study sites	Interviewed Nanjing University professors on land development process Interviewed planning bureau officials on land development process and redevelopment plans Conducted library research on Nanjing's urban expansion and urban village redevelopment Began researching Nanjing's experience with Shequ Construction from documents and discussion with Nanjing University and Nanjing Normal University professors Observed impact of Shequ Construction in village redevelopment Revisited Rivertown Village to conduct interviews and participant observations Conducted interviews and participant observations in Willow Village Taught at migrant school
3. Revise Research August 2007	To revise research plan	Refocused research on Shequ Construction implementation in various shequ types Amended research ethics application
4. Refocused Fieldwork: Policy Interactions September 2007 to January 2008	To continue with observation of urban village redevelopment through Shequ Construction lens To determine additional case study sites according to revised research	Interviewed civil affairs bureaus Surveyed various types of urban shequ Interviewed shequ researchers Conducted interviews and participant observations in Nanjing New Village and White Blossom New Village Conducted library research on Shequ Construction Taught at migrant school Worked with Sunrise Senior Care Services

Access and Sampling

During the fieldwork period, I was affiliated with Nanjing University as a visiting scholar. This work unit (*danwei*) affiliation gave me access to its libraries. Furthermore, when introducing myself as a researcher to officials and communities, a local affiliation lent credibility and legitimacy. As those who have lived in China know, the first questions asked when meeting someone for the first time is where (i.e. which *danwei*) are you from and who (i.e. which *danwei*) sent you. In addition to having the affiliation for research logistics, I found that access depended on making contacts and following leads and being part of the university facilitated meeting people with similar research interests.

My strategy was to visit and construct preliminary profiles of as many shequ and urban villages as I could before determining which would be appropriate for in-depth studies. Professors I met were instrumental in helping me make contacts with government officials and shequ directors. My entry into the majority of the shequ I surveyed was through three districts' civil affairs bureaus. At the end of my interviews with civil affairs bureau officials, I inquired whether I could visit the shequ in their jurisdiction. They listed a few shequ that were, in their view, typical or demonstrated certain achievements. In one district, an intern accompanied me on initial visits; and in the other two districts I made calls to the shequ directors and interviewed them on my own. I also accompanied two university research teams on their visits to shequ. As they were not studying Shequ Construction, but conducting household surveys, I observed but did not interfere with my own questions. I saw how they conducted their field research and their interactions with their interviewees, such as their use of language and handwritten notes. After these visits, I returned on my own to talk to the shequ directors myself or to spend some time observing activities in public spaces.

Entry into urban villages was more difficult as redevelopment was contentious and formal introductions were unlikely, especially for a foreign scholar. I began by visiting urban villages that had been in newspapers or in research papers I had read. I would introduce myself as a visiting scholar who wanted to follow up with what had been reported. I found that since they had been the subject of research attention, the villagers' committee members were neither welcoming nor troubled by my presence. In addition, my volunteer work as an English teacher at schools for migrant children also took me to urban villages.

From the eleven shequ and three urban villages I surveyed, two shequ and two urban villages became sites for the in-depth study of policy interactions. Their selection was based on the presence of local initiatives impacting Shequ Construction implementation that I observed as well as the rapport I was developing with the community and with the nonprofits working within them. In the two shequ, I made repeated visits over roughly a four month period. They are both located in urban core districts. The first, which I call Nanjing New Village,[11] is a typical *danwei*-type shequ where the housing was built by a work unit for its workers. The majority of the residents are the original occupants, many now retired. In recent years, the aging neighbourhood has seen an increase in newcomers as more residents rent or sell their apartments and move to live with their adult children. Here, I wanted to observe how Shequ Construction implementation and the emergence of nonprofit shequ-based social service organizations interacted.

The second shequ, which I call White Blossom New Village, is one of the largest in Nanjing with over 6,000 households. Built in the early 1990s, it was one of the last few *danwei*-built welfare housing complexes. It is composed of residents from various work units and relocated villagers from one of the earlier redevelopment efforts. The director of White Blossom faced the challenge of meeting the needs of residents with diverse socioeconomic backgrounds and with varying expectations of neighbourhood management. The diversity of this shequ allowed me to examine two issues. First, housing privatization gave rise to the formation of homeowners' association in China. One compound in this shequ had an active homeowners' association and presented the opportunity to understand how, under Shequ Construction, the residents' committee and the homeowners' association would share governance responsibilities. Second, in another compound lived relocated villagers and the unsightliness of their vegetable gardens was a persistent issue. This raised the question of how standards of conduct, supported by Shequ Construction implementation plans, had impacted the social integration of the elderly erstwhile farmers into urban neighbourhoods.

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[11] The names of people and places are pseudonyms. For the urban shequ, I kept the suffix of "new village" (*xincun*) which was a common practice for naming urban residential housing compounds in Nanjing during the Maoist era (Interview, NJU history professor, 17 March 2007). I am not certain whether it was the practice elsewhere in China. I also could not find sources to suggest connotations or references to rural village or rural communal way of life.

I chose two urban villages at different stages in the redevelopment process. What I was observing in one helped make sense of what was happening in the other. The first, which I refer to as Willow Village, is a village on the edge of the urban core that has recently become an urban shequ. With a villagers' committee co-exiting with a residents' committee, it presented a unique case to examine the impact Shequ Construction has on the village's redevelopment process. I was teaching in a school for migrant children in a village I called Rivertown. As I regularly visited, I continued to document the development process there. In contrast to Willow Village, a large portion of the collectively owned rural land had already been requisitioned. With the majority of the villagers relocated, rural migrants now occupy the dilapidated housing left behind. Its villagers' committee will remain in place as the administrator until all of the villagers have received their nonagricultural *hukou* status and until the land negotiation process has concluded. Figure 2.2 locates the two shequ and two urban villages in Nanjing. I present the characteristics of these four communities in greater detail in the analysis chapters in which they are discussed.

Willow Village

Rivertown Village

Nanjing New Village

White Blossom New Village

Urban Core Districts
Suburban Districts
Counties
Railroad
Main roads & highways
District/County boundaries
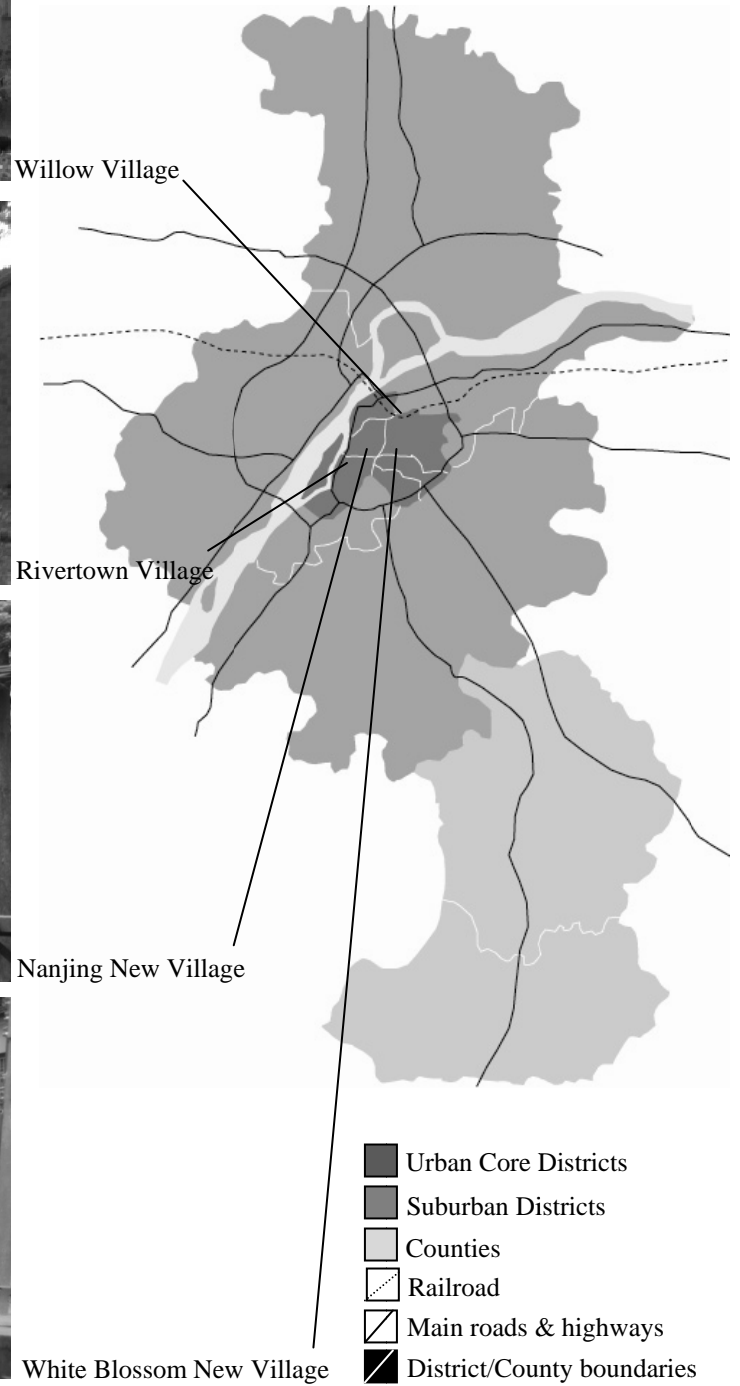
Figure 2.2 Map of Nanjing

Sources of Data and Collection

Data for this study were collected from six main sources: interviews with municipal and district bureau officials, discussions with Chinese shequ policy researchers, site visits to villages and shequ, involvement in social organizations, a survey of homeowners, and documentary materials. In this section, I briefly discuss how data were collected from each of these sources. Generally, my fieldwork data were recorded in three ways. I had a notebook with my handwritten notes from interviews and observation. I had a computer file where I wrote up the interview notes into text that described the setting, what was asked, what was said, and my impressions. I had a second computer file which served as a field journal in which I would record discussions, observations, insights, and reflections from the day's visit to neighbourhoods, involvement in activities, and informal conversations.

I chose not to tape record my interviews for several reasons. From my past fieldwork experiences in China, I found that tape recorders made interviewees self-conscious; and the majority, especially those who were older, expressed concern over their necessity and consequence. When I accompanied Chinese students to their shequ visits, I observed that they also did not use a recorder but took handwritten notes. I further considered the fact that I was introduced to several shequ through civil affairs bureau. To shequ directors this might raise concern that what was said could be shared with higher level officials. Instead, I asked permission to take handwritten notes. After interviews and neighbourhood visits, I promptly detailed conversations and impressions. Therefore, there are not many direct quotations in the dissertation. Interviewees were told that the purpose of the interview was for my dissertation research and were promised confidentiality. I felt that this promise was appropriate as the interviews were open-ended to allow interviewees to share what they felt was most important. My notes used coded identifiers and broad descriptors (e.g. civil affairs bureau official). The names of people and places in the dissertation are pseudonyms.

Shequ researchers

Through a snowball referral method, I was able to identify and locate other scholars conducting research on Shequ Construction in Nanjing as well as those who were not examining the policy but working in shequ neighbourhoods. I had significant exchanges with four professors during the fieldwork period. They offered tremendous insights and practical help. Our discussions were open-ended and conversational. I would talk about some of the

preliminary analysis I was making and pose questions I had on Shequ Construction policies from my readings of Chinese sources as well as my interpretations of what I was observing on the ground.

Survey of homeowners

Through the assistance of one professor with whom I had been discussing property law and the emergence of homeowners' associations, I had the opportunity to conduct an informal survey on homeowners' understanding of shequ governing organizations. Because the law remains vague with regard to the legal standing of homeowners' associations, he suggested that I pose a few questions in survey form to one of his classes of mature students to see what they would do as homeowners. The class of 43 provided an interesting survey group because, not only were they all middle-class homeowners, but many were mid-career government officials who had an extensive knowledge of the law and an understanding of what would be deemed the appropriate channels for conflict resolution. To ensure confidentiality, the questionnaire did not ask for identifiable personal information. It was designed to take five minutes prior to the start of class and participation was voluntary. Appendix 1 is a translation of the set of questions. The survey, not meant to be statistically valid, served to uncover new questions for thinking about the relationship among shequ governing organizations.

Bureau officials

My interviews with government officials were aimed at understanding Shequ Construction and the policies with which it interacted. With municipal planners and land management bureau officials, my questions focused on Nanjing's urban expansion, land development process, and the urban village redevelopment plan. I interviewed three municipal planners who were familiar with the city-wide urban village redevelopment plans. The two land management bureau officials I interviewed were involved with land acquisitions. I was aware that protests related to redevelopment were politically sensitive and therefore my questions did not touch upon villagers' reactions. Instead, they centred on the broader process, such as the regulatory mechanisms, policy rationales, and implementation procedures.

I interviewed five officials at three district-level civil affairs bureaus – two urban core district bureaus and one suburban district bureau. Both urban core districts were named national Shequ Construction pilot sites and therefore were recognized as being on the forefront of

experimenting with the policy's implementation. I chose a suburban district because none of Nanjing's five suburban districts were name national pilot sites and they were also where the majority of urban villages slated for redevelopment were located. Our interviews covered shequ-related policies and the registration of nonprofit organizations which is under their supervision. The interview process in each of the three districts was similar. I met with the civil affairs bureau director first and afterward they introduced me to their subordinates in the bureau's Shequ Construction Office. In this context, semi-structured interviews provided the flexibility to probe initial answers, emphasize certain experiences, and allow interviewees to talk about what they perceived to be most important. Furthermore, it allowed for them to ask me questions. They were mainly interested in hearing about my experiences in community development in Taiwan, Canada, and the United States. In these comparative exchanges, they reflected on their work and discussed what they believed to be central in China's experience. The differences in how district officials talked about the shequ project illustrated various local interpretations of the initiative and highlighted how factors such as local socioeconomic conditions, fiscal constraints, and willingness of the leadership to experiment can influence policy implementation.

Shequ and urban villages

In the urban villages and shequ, I adopted methods of open-ended interviews and participant observations. Usually, I was usually met by the shequ director, but sometimes by the vice-director and the shequ party secretary. The exception was Rivertown Village, where, perhaps because it was in the process of being dissolved, during the times I visited I found the office closed or staffed by only one or two members of the villagers' committee. For my initial visit and interview, I prepared guiding questions to begin the interview and to refocus if I felt the conversation strayed off topic. The topical questions also served as the basis of the community profiles I was generating. I asked about their organizational structure, such as what their members and staff do and which subcommittees and small groups have been formed. I also inquired about the nature of their work – who do they service most, how do they spent their day, and what are some of the changes that have occurred since the implementation of Document 23. The third set of questions concerned their relationships with other neighbourhood-based organization, such as with the shequ party branch and nonprofit organizations. The last set of questions was about their relationship with higher levels of government – the street office and municipal and district bureaus. With these four categories

of questions in mind, I conducted the interviews in a relatively open-ended manner. I allowed the interviewee to drive the conversations and my questions were answered in various ways throughout the conversation. The interviews were often close to two hours. Our conversations were usually interrupted by residents who stopped by to say hello or had a question or concern. Thus, I was also able to observe the directors' interactions with residents.

I made repeated visits to several shequ and urban villages. I asked follow-up questions to members of the residents' and villagers' committee, observed activities in the common spaces, and talked with residents. These questions were more situation-driven. Sometimes the directors would invite me to shequ events, such as neighbourhood clean-up, donation drive, and children's day celebration. After each visit, I recorded my activities, the informal conversations I had, and my interpretations as field journal entries.

Social organizations

In addition to visits and participation in shequ and village activities, I also had the opportunity to volunteer with two local nonprofit organizations in these communities. I was placed as a volunteer English teacher at a school for migrant children in Rivertown Village through a charity organization. While I welcomed the opportunity to teach one afternoon a week as a break from field research, teaching allowed me to engage with the everyday life in the village in a different role.

I also volunteered with a nonprofit organization, Sunrise Senior Care Services, working on community-based elder care in Nanjing New Village. A Nanjing University sociology professor with whom I had been discussing the policy had invited me to talk about Canadian senior care homes with Director Pan, a social entrepreneur engaged in community-based care centres. About a month after I began working with Director Pan, the opportunity arose for her to establish a centre in Nanjing New Village, where I had already begun conducting initial site visits as a *danwei*-type neighbourhood. I worked closely with one of her interns. In addition to attending regular planning meetings, we met once a week to undertake various tasks related to the opening of the new centre, such as designing programs and posters. Occasionally Director Pan and I would meet informally in her office over tea to discuss new ideas she had for this new centre and future projects.

The opportunities to volunteer were not anticipated at the beginning of the research but arose through people I met. The experiences offered tremendous insight into the role of the shequ system in responding to pressing social issues. They pushed me to think about Shequ Construction beyond the policy document. Rather than seeing whether the policy accomplished its said objectives, working with the teachers and students at the migrant school and the staff at Sunrise called attention to a perspective from outside the bureaucracy.

Documents

These qualitative findings were supported by published materials and government policy documents and reports. My Nanjing University library card gave me access to university and municipal libraries. I found it frustrating to navigate the library system as much is not available on open shelves but must be requested and then retrieved by staff. With the assistance of one particular librarian, I was able to locate secondary sources. Particularly useful were the local gazetteers, yearbooks, and archived newspapers. Local gazetteers[12] and yearbooks are compendiums of newspaper articles, interview vignettes, policy documents, and excerpts of speeches related to particular topics. I realized that recording events through gazetteers and yearbooks has been a longstanding Chinese practice. District civil affairs bureaus also compiled compendiums of their shequ construction efforts. As these were printed in-house and less widely available, I was given copies of these and promotional materials by district officials I interviewed.

In addition to those compiled into gazetteers, I located and accessed government documents and reports through searchable databases at libraries and online searches of government bureau websites. Copies of national and local statistical yearbooks were available at Nanjing University and municipal libraries. For some years, national and local statistical yearbooks were available from the websites of the National Statistics Bureau and the Nanjing Municipal Statistics Bureau. In addition, I also relied on the statistics yearbooks published by individual bureaus, such as the Civil Affairs Statistical Yearbook.

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[12] In the late 1980s and early 1990s, a series of topical gazetteers was undertaken by the Nanjing Local Gazetteers Committee. The recording of local affairs in gazetteers has been a tradition since imperial times. Work on recording and compiling gazetteers was stopped during the Cultural Revolution as family histories were a better genre to depict class struggle, and revived again in the 1980s. For a discussion of the history and revival of local gazetteers, see Thogersen and Clausen (1992).

I read two of the local newspapers, *Nanjing Daily* and *Yangzi Evening News*, almost daily during the fieldwork period. Back issues of *Nanjing Daily* were available to me through the Nanjing University library.

Conditions of Fieldwork and Research Limitations

Positionality: On being a foreign researcher of Chinese descent

As with conducting fieldwork anywhere, interactions are shaped by who I am and how I am perceived by those I meet. In China, my ethnicity, citizenship, and gender – a Chinese-Canadian female – were the most salient. Shequ is not regarded as a politically sensitive topic. The people I met were willing to discuss the policy and its local implementation, but they were, however, wary of talking to foreigners. Mostly, I sensed hesitation from shequ directors who were uncertain about interacting with foreign researchers and the potential repercussions. The fact that I had visited them with professors as well as with referrals from the district civil affairs bureau helped to ease their initial reluctance. Most residents did not seem concerned that I was from Canada, and those who did were satisfied if I said that the shequ director knew I was there. Professors and officials, having dealt with foreign visitors in the past, were mainly concerned with whether I had the appropriate papers to be conducting research in China and whether the political sensitivity of my research topic would attract unnecessary attention from higher levels. The directors of the social organizations I was involved with did not seemed troubled by my foreign status. In the increasingly open social climate, they were independent operators who were free to engage outside help. The migrant school where I taught had foreign Caucasian volunteer teachers in the past.

From these reactions to my foreign status, I realized that the main concern was bureaucratic: how those at the lower levels were to be accountable for my actions if questioned by their superiors. Because my research stayed close to the ground, I felt confident that if officials at the district level were comfortable with my research, the people I was working with at the neighbourhood level would have less cause for concern. I did not think my research gave bureau officials much concern for they allowed me to visit the shequ on my own. None of the directors whom bureau officials suggested that I contact had been notified beforehand about me. Furthermore, as far as I am aware, my presence and research never did attract the attention of those higher in the bureaucracy to whom district officials were accountable.

In addition to being able to blend in racially, as a young woman working alone I did not attract much attention when I spent time in shequ centres and participated in activities. Shequ is a gendered environment where residents' committee members are predominantly female. Thus they may have reacted differently toward my presence than they would have to a male researcher. The shequ and social organization directors whom I got to know well were all female and were matronly toward me. They referred to me as "xiao Shieh." The prefix "little" added to the surname is typical of how younger colleagues are addressed in the Chinese workplace. It connotes a sense of familiarity as well as seniority. Sometimes I was asked to assist with simple tasks typically given to junior staff. For instance, several times I sat with the elderly living at Sunrise care facilities as they ate their meals. I did English homework with a young girl as her mother talked with the shequ director. I felt they became somewhat at ease with my presence because they had constructed an identity of me that they were comfortable with and that fitted the norms of Chinese society.

Official approval and sampling bias

While I did not encounter any great difficulties in gaining access, I nevertheless treaded with an awareness of the "culture of fear" (Yang 1994). For fear of being questioned if my actions or questions were ever misinterpreted as political, I avoided urban villages where I knew land acquisition was contentious and where villagers were overtly resisting the process. I am unsure how the implementation of Shequ Construction would have interacted with the redevelopment process in these contexts. However, had I chosen these villages, perhaps I might not have observed the integrative mechanism of Shequ Construction which led to my questioning of the policy's articulation with the redevelopment process and the analytical frame of policy conjunctures.

Furthermore, I sought official approval whenever I could. For instance, due to the hesitation I felt from shequ directors, whom were in a relatively weak position without any bureaucratic decision-making powers, I felt it was appropriate to seek introductions from civil affairs bureaus. During the initial phase of the research, I had visited and knocked on the doors of shequ directors without any prior introductions. The directors were polite but I could tell that they were uncomfortable. One director said that she would feel better if I came back with an introductory letter from my work unit. She had not dealt with researchers before, much less a foreign researcher.

The fact that I was introduced into the shequ by bureau officials presents some issues of bias. The shequ were demonstrative of certain shequ types or showcased certain achievements. In other words, I was not pointed to politically conflicted neighbourhoods that may have shown the implementation of Shequ Construction to be more problematic than that I observed. Had I been able to conduct research in neighbourhoods where, for example, the homeowners' association and the residents' committee were not simply disengaged but embroiled in disagreements, the debate that I observed may not have centred on the incorporation of homeowners' association into shequ governance (chapter 8). And I might have asked a different set of questions. Therefore, I recognize that the workings of Shequ Construction that I discuss, such as the program's integrative mechanism, were derived from research conducted in noncontroversial neighbourhoods and that these mechanisms may not be the only ones at work.

However, the reasons why bureau officials had chosen particular shequ for me to visit did not influence my eventual selection which was based on the interactions of policies and the rapport I formed within the shequ. For instance, bureau officials had selected Nanjing New Village because it represented a well governed *danwei*-type shequ. In spite of this, my reason for conducting my research in Nanjing New Village was principally based on the opportunity to question the role of nonstate service organizations in providing shequ-based social services and the relationship I had with Sunrise Senior Care Services working within the shequ.

Note on Referencing Fieldwork

All the names of people and places in this dissertation are fictitious. Formal interviews are referenced with the institution and position the interviewees held and the date. Interviews in Rivertown (RT), Willow Village (WV), Nanjing New Village (NV), and White Blossom (WB) are noted using the acronyms in the parentheses. Interviews conducted in other shequ and villages are referenced with the position of the interviewees and the date, but not with the place names as the pseudonyms do not provide additional information. Interviews with Nanjing University (NJU) and Nanjing Normal University (NNU) professors are noted using their respective acronyms. Information from informal interviews are referenced as fieldnotes with the date and a descriptor of the person who provided the information, such as "principal of a school for migrant children."

3. A HISTORICAL OVERVIEW

Urban Community in China

In Other Worlds and In Other Words: Community and Shequ

The term *shequ* is a modern construct that has been appropriated into the reform policy discourse. Behind it lie strong traditions of associational life as well as the state's long-standing concerns with maintaining social stability and control over its population. Elements of self-help, mobilization, and constructing governable units have continuously shaped the Chinese concept of neighbourhood community. This chapter examines the state-led and social construction of community in Chinese history from the late imperial to the Maoist period. I begin, though, by reflecting on five defining notions of community in Western (predominantly North American) social thought. This inquiry demonstrates the impacts that societal changes in the late nineteenth and early twentieth centuries – and efforts to make sense of them – have had on Western understandings of community. It also illuminates some of the connotations associated with the value-laden term community which may or may not be shared in Chinese community-building practices.

Community as anticapitalist: Writings about community from the early nineteenth century carried the romanticism of an earlier, premodern time when people knew and depended on one another. The concept of community was the antithesis to the commodification of human relations under capitalism, as encapsulated in Ferdinand Tönnies' *Gemeinschaft und Gesellschaft* (1887/2001). *Gemeinschaft* (translated as community or civil society) is the idealized preindustrial community based on personal ties and mutual dependence. In contrast, *gesellschaft* (society) refers to the functional relationships in industrial society based on objective interests such as work.

Concerns over the loss of community, social disintegration in cities, and problems of crime, poverty, and rootlessness carried into the 1920s and 1930s in the theoretical writings of urban sociologists. The most influential of these came out of the Chicago School's urban ecology tradition. Using a positivist approach, empirical studies sought to identify variables in

neighbourhood environments that contributed to weakening social bonds and segregation, and to map land-use patterns with social characteristics such as income, ethnicity, and crime levels (Park, Burgess, and McKenzie 1925/1967). These analyses came to shape urban policies, giving rise to place-based development plans designed to revive depressed neighbourhoods. Programs such as those under Roosevelt's New Deal and Johnson's War on Poverty were caught within the confines of local determinism, concentrating on specific services but failing to recognize that micro conditions are also shaped by macro social forces and the political economy (O'Connor 1999).

Community as neighbourhood: In the late nineteenth and early twentieth centuries, the theoretical linkage between social disintegration and physical environment also carried into the disciplines of planning and urban design (Howard 1902/1946; Stein 1951). Planners shared the same spatial deterministic outlook as the Chicago School sociologists, believing that a greater communal life could be achieved in cities through addressing environmental variables. For instance, Clarence Perry's widely influential neighbourhood unit paradigm sought to increase communicability among residents and, in turn, foster a sense of social cohesion without severing ties to the larger city (Perry 1929). The key element was a neighbourhood planned around a centrally located elementary school, no more than half a mile from the furthest dwelling and accessible via an internal street system. The school would serve as the civic centre, much like the town hall.

The neighbourhood unit model greatly influenced the postwar suburban developments and the new urbanist movement (Duany and Plater-Zyberk 1991; Calthorpe 1993; Talen 1999). The treatment of community as spatial units is premised on the assumption that through market choices and the accompanying social divisions, people who are alike, whether through shared values, race, ethnicity, income, or some combination of these, tend to cluster together. Within a defined spatial unit, the socially clustered residents are more likely to engage in face-to-face contact and identify themselves as members of the community. In this way, one's neighbourhood become one's focal point in the anonymity of the city.

Community as empowerment and mobilization: Liberal activism throughout the 1950s and 1960s gave rise to a community movement centred on resisting neighbourhood-based government programming. Moving away from the deterministic approach of planners in the

first half of the twentieth century, planners increasingly saw themselves as instigators and promoters of community-building processes. Davidoff (1965), in "Advocacy and Pluralism in Planning," outlines a planning approach whereby planners work in poor and underrepresented neighbourhoods to find out what they need and become their advocates in municipal government.

Since the 1960s, the advocacy model has inspired planners to build community through empowering local residents to act collectively to bring about change. Some planners focused on participatory mechanisms and techniques to incorporate more of the unrepresented and give residents more control in the planning process (Arnstein 1969). Others sought to redefine planners' role as outside the institution of government planning offices, working with local residents in community-based organizations in a process of mutual learning (Keating, Krumholz, and Star 1987). Community-based organizations have developed bottom-up programs such as mortgage lending and affordable housing. What is interesting in the American experience is that while government-led community development programs were extensive, it was resistance to them that came to define the meaning of community.

Community without propinquity: Webber's essay "Order in Diversity: Community without Propinquity" (1970) was one of the early writings rejecting the conclusion that urbanization leads to a breakdown of social fabric and that the neighbourhood necessarily constitutes urbanites' notion of community. Webber seems to celebrate the pluralism and accessibility to information and ideas made possible by the advanced transportation and communication systems of industrialization. He writes that "the growing pluralism in American society is more than a growing multiplicity of types of people and institutions. Each person, each group bound by a community of interest, is integrally related to each other person and group" (807).

Liberated from the confines of the neighbourhood, community, then, is based on social networks that extend outside a bounded local space and across metropolitan regions. It may have more to do with shared values, interests, socioeconomic status, age, ethnicity, and gender than with place. Neighbourhood relations comprise one component of an urbanite's overall primary networks that also include multiple nonterritorial, associational communities (Wellman and Leighton 1979). Recent writings go further to emphasize that shared interest alone does not form a community. Mandelbaum (1988) describes community as what enables

us to distinguish right from wrong. He writes that each of us belongs to many and overlapping communities, such as nation, city, neighbourhood, family, firm, and church, and in each we encounter a moral code and obligations that we must negotiate and balance with individual self-interest and rights. And so, most importantly, community is a sense of mutual interdependency, without which there is no need for community.

Community as a myth: Examining the social conflicts in American society, Sennett (1970) writes of the "myth of community," where our desire for a coherent, shared community legitimizes racist and classist exclusionary behaviour and urban policies. He describes the myth of community solidarity as a purification ritual in which people draw a definite set of desires, dislikes, and goals that binds them together as one being and erase all that that might convey feelings of difference and conflict (36). The paradox Sennett brings to light is that seeking cohesive community inevitably entails a process of exclusion. While appeals to community envision more local and direct control, community operates to exclude or oppress those perceived as different, and thus reproduces the exclusion that first led to community building and affirming group identity and solidarity (Young 1990, chapter 8). Young discusses a politics of difference where the notion of the public is not conceived of as a unity transcending group differences and entailing complete mutual understanding. Rather, the public is a place where "people witness and appreciate diverse cultural expressions that they do not share and do not fully understand" (241). These critiques of the ideal of community are not against the formation of social group affinities but argue that in an increasingly global and mobile world, a given place is no longer defined by a single culture but as one with multiple voices (Sandercock 1998).

From the sense of loss expressed at the turn of the twentieth century to being labelled a myth by the end of the century, notions of community are continuously being defined and challenged to reflect ongoing societal changes. To understand any notions of community thus requires attention to wider sociopolitical forces. As the rest of the chapter will discuss, in the Chinese experience, senses of place are continuously shaped by matters of governance as social actors contend with sweeping changes in the political economy. This historical overview seeks to place the specific meaning of the reform era shequ in a continuum of community building in urban China. Centred on neighbourhood life in Nanjing and the Jiangnan region of the lower Yangtze River Delta, it covers several centuries, separated into

three main periods crossing through late imperial wards, Republican neighbourhood units, and socialist collectives espoused by Mao. It is not meant to be a historiography of shequ. Rather, my aim is to discover the changing and persisting functions of neighbourhood-based governance over time.

Morality and Elite Activism in Imperial Streets and Wards

By the late imperial era,[13] the Jiangnan region of the lower Yangtze River Delta was already prosperous, highly urbanized, and linked through an intricate system of canals and ports. In Nanjing and the nearby cities of Suzhou and Hangzhou, textiles were being manufactured in large quantities. Nanjing had been the imperial capital during the first decades of the Ming Dynasty. After the capital returned to Beijing in 1421, Nanjing reemerged with a new identity as a cultural centre. The city came to be a centre of intellectual and artistic life with concentrations of artists, writers, book collectors, silk and brocade producers and craftsmen, and pleasure-loving elites. The old capital became a city where a "scholar-official in office could have everything but the guts of political life [in Beijing]" (Mote 1977, 152). With continued economic development and population growth, as neighbouring cities in the Jiangnan region rose in prominence, Nanjing became one city in, but not the hub of, the wealthiest region in China (Skinner 1977a; Rowe 1993). Although not in decline, Nanjing did recede into the background, falling behind Suzhou in prominence (Santangelo 1993).

In this environment of flourishing urban culture, urban governance was achieved through a combination of centralized imperial control and grassroots leadership. State control reached the base level of the prefecture (*zhou*) and the county (*xian*). Below this, control mechanisms were formally in the hands of wealthy residents who were appointed as service officers to manage tax collection, public security, and labour services (Von Glahn 1991, 282). Nanjing urban residents living within the city walls were organized into *fang* wards; those outside the

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[13] The late imperial era is generally taken to refer to the Ming (1368–1644) and Qing (1645–1911) dynasties. It was during these two last dynasties that an increase in population, commerce, and agricultural production brought significant changes to urban growth and urban life. While these two dynasties spanned over 500 years, in this section I highlight the government institutions and political thoughts on urban self-governance that would later impact Republican and then Communist leaders.

walls were organized into *xiang* suburban units.[14] In this *fang-xiang* system, based on the rural *lijia* tithing system, the household was the basic unit of society.

Theoretically, 110 households made up one *fang* ward (or one *xiang* in the countryside).[15] Some ward names were simply numbers, such as "Tenth *Fang*," and "Eleventh *Fang*." Other wards took on names descriptive of the population living there, with names that indicated dialect, occupation, or trade (figure 3.1). Records show that some were named "Craftsmen *Fang*," "Brocade *Fang*," and even "Poor People *Fang*" (Mote 1977, 146; Nanjing City Local Gazetteer Editorial Committee 1994a, 150). In each ward, the wealthiest ten households assumed the role of the ward commissioners, and were responsible for collecting funds and assigning duties. Residents contributed by carrying out services as directed by the ward commissioners, providing goods required by government agencies, or paying compensation in kind (Tsurumi 1984, 258; Von Glahn 1991). The required services included posts such as watchmen who, led by unit headmen, patrolled the city at night when activities and even passage on city streets were prohibited. Over time, this labour service underwent several reforms as problems arose with unfair burden on merchants (Von Glahn 1991) and abuse by wealthier residents and degree-holding elites (Fuma 1993, 52). Instead of requiring residents to do the work themselves, by the late Ming, a tax was assessed based on property ownership, and officials took the responsibility for hiring labour services (Von Glahn 1991; Fuma 1993).

For many reasons, by the Qing dynasty, the *fang-xiang* system was weak and ineffective. First, the wards had increasingly become less of the closed system they were designed to be. The decimal system had to be continuously adjusted to accommodate population growth. Traditionally, the system segregated the urban population according to social status and occupation. In some parts of the city, wards were enclosed by a wall and had gates that were closed at night. Over time, the *fang* increasingly became simply streets (*jie*) and alleys (*xiang*; Nanjing City Local Gazetteer Editorial Committee 1994a, 150). Second, the attention of the

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[14] An exception: The Taiping Rebellion (1850–1864) was a revolt against the Qing government, and Nanjing served as its capital. During the Taiping Rebellion, Nanjing's *fang-xiang* system was abolished. When the Qing forces regained control of the city, new local administrative jurisdictions were demarcated using the *baojia* system of policing (Nanjing City Local Gazetteer Editorial Committee 1994b, 45).

[15] Perhaps due to the need to accommodate population growth, by late Ming, an additional level was added. The 110 households became a *tu*, and as few as one to as many as four *tu* made a *fang*. The new *fang* definition took on a wider jurisdiction, but the principle of household decimal hierarchy and responsibilities remained unchanged (Nanjing City Local Gazetteer Editorial Committee 1994a, 150; 1994b, 43).

Qing state was not on local public management, but on regional and countrywide issues of taxation, military, water control, grain procurement, and famine relief. As the population and territory of the dynastic state continued to expand, the existing bureaucracy became less able to provide necessary services (Skinner 1977b, 548). The system, particularly in rural areas, lacked funding. The volunteer lower-unit heads, appointed by the ward commissioners, tended to bear all of the organizational expenses. Third, the *fang-xiang* apparatus was not about effective governance in welfare terms. Corruption and exploitation, more acute in rural governance, threatened the system's effectiveness (Kuhn 1975, 262). Because the system was not part of the state bureaucracy, no one had the authority needed to make any meaningful changes. Authority rested in the hands of the city magistrate who, following the Qing emperor's rule of avoidance,[16] not only was not from the region but faced imminent transfer after a few years. He therefore did not have accountability or vested interest in the locality's well-being, and was also relatively insulated from the pressures to favour one local interest over another (ibid.).

Nevertheless, the *fang-xiang* system remained relatively intact, largely because it was supported by the informal leadership of social organizations formed along lines of occupation and native place, which roughly corresponded to the ward demarcation. Over time, as the imperial state shrank from its welfare functions, the elite-managed associations increased and their activities diversified to include construction of public infrastructure, fire control, support for poor merchants and workers, and operation of care homes and welfare services (Rankin 1993, note 3). Local elites had reasons and incentives to take on these extrabureaucratic responsibilities. While more true in rural villages where lineages and kinship obligations were stronger, local elites regarded themselves both as "native sons," charged with the responsibility of furthering and protecting local interests, and as members of the governing class invested in performing services essential to maintaining the social stability upon which their own formal prerogatives rested (Kuhn 1975, 260). Furthermore, the breakdown of the compulsory tax and corvée system created an arena for the gentry and merchant elites in which participation in charitable concerns, in line with Confucian and Buddhist values, enhanced their local standing and elevated their status (Rankin 1993).

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[16] Premised on the belief that officials would act in the best interest of their home region over the interest of whole empire, the rule of avoidance prohibited officials from serving in his home province and rotated officials to new positions after a short period of time to prevent attachment to the local people.
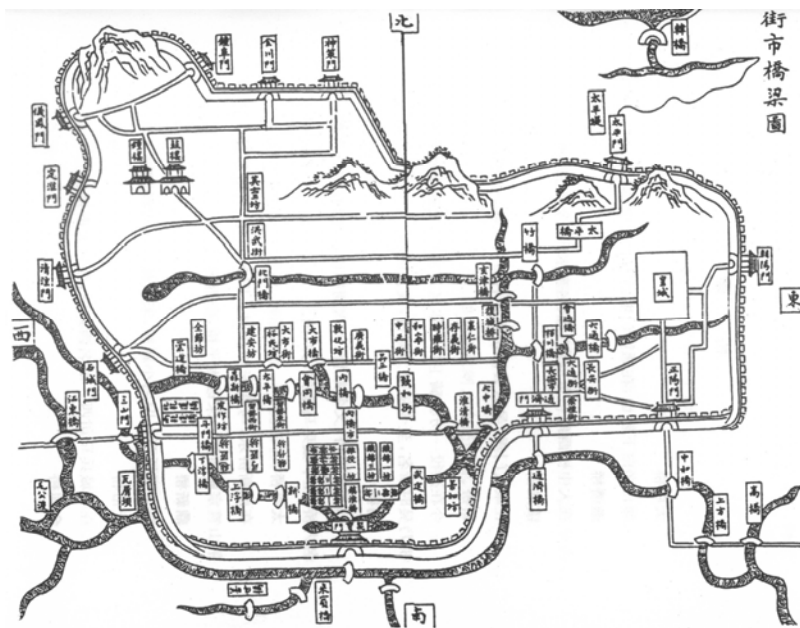
Figure 3.1 Ming Dynasty map of bridges, streets, and *fang*

Drawn in the cartographic style of the time, the block labels show the names of the main city gates, bridges, streets, and *fang* wards. Some of the fang names indicated are numbers, such as "First *Fang*," "Second *Fang*," and so forth. Others are more descriptive of the population living there, with names that indicated occupation or trade, such as "Silversmith *Fang*" and "Brocade *Fang*."

Source: *Hongwu Capital Map Gazetteer* (*Hongwu jincheng tuzhi*), reproduced and published by Nanjing Press, 2006.

On Self-Governance: Early Political Thoughts and Debates[17]

Local governance during the late Qing dynasty, whether expressed as bureaucratically administered self-management at county and subcounty levels or as extrabureaucratic initiatives to provide social services, was characterized by collaboration between officials and elites. Governance rested on how best to arrange this relationship to bring about the stability necessary for the dynasty's longevity. Traditional political thought on local self-governance considered, philosophically, how to instil strong moral character based on Confucian values and, practically, how local officials would be chosen. As China was a predominantly agrarian society, the concept of local self-governance refers primarily to the rural context. Even so, for this research's particular concern with urban neighbourhoods, this brief discussion is pertinent not only because the turn of the twentieth century marks an important time period but also because the debates that emerged during this time illustrates Chinese reasoning toward governing the populace. The tension between establishing a modern system of administration and hanging on to Confucian ideals of morality is a thread of continuity down to the present.

During the late Qing, self-governance discussions were heavily framed around the principles of two opposing governmental systems – feudalism (*fengjian*) of antiquity, where power was concentrated at the local levels, versus centralized bureaucracy (*junxian*) of late imperial times, where power was concentrated at the top. The writings by major political thinkers of the Ming-Qing transition, and later of late Qing reforms, promoted principles of feudalism in their prescriptions for change, as they grew dismayed with local officials' disregard for the welfare of the people under the centralized system. Gu Yanwu (1613–82) and Huang Zongxi (1610–95), two important figures in Chinese intellectual history, attributed the climate of distrust and disregard for local community interests under the central bureaucracy system to the appointment of outside magistrates by an autocratic ruler. They believed that native local officials were more capable of engaging local gentries in political discussions and more willing to subordinate self-interest to community welfare. Gu Yanwu, for example, argued for more officials at the bottom than at the top. He proposed elevating the status of magistrates, as they were the officials closest to the people, and abolishing the higher

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[17] This section draws upon the works by Kuhn (1975), Min (1989), and Lee (1998) on the political thoughts on local self-government during the late Qing reform (1898 to 1911).

provincial posts, including those of governor and governor general (Kuhn 1975, 263-4; Lee 1998, 35-7). Huang Zongxi advocated a system of schools as town halls. Run by local superintendents, schools would become sites for teaching the classics and discussing politics. They would be charged not only with educating scholars but also with overseeing government officials and guarding against malpractices. He proposed that the first and fifteenth of every month be days of assembly when local elites, licentiates, and certified students would come together to participate in political discussions led by the superintendent (Lee 1998, 37-9).

The debate between feudal and centralized bureaucracy reemerged among late-Qing constitutionalists. As social turmoil threatened the dynasty, the question of how much autonomy to transfer to localities became a growing concern for the imperial state. It was at this time that the term *self-governance – zizhi* as it is used today – was introduced into Chinese political debate from the Japanese term *jichi* by Huang Zunxian (1848–1905), the Cantonese diplomat and interpreter of Meiji Japan.[18] The popularization of the concept of self-governance during the late Qing and into the early Republic began with the influential writings of Kang Youwei and Liang Qichao, both of whom drew on the Western local parliamentary system as well as the Chinese feudal system. They called for administrative reform, as opposed to choosing between either feudal or centralized bureaucracy. Kang believed that the foundation of a strong nation rested on the transformation of a passive and indifferent people into active and concerned citizens involved in local institutions. He proposed that residents be organized into self-governing basic units of 10,000 people, each with an elected deliberative assembly. Citizens would participate through the election of assemblymen. However, citizenship was to be determined in the traditional sense by moral qualifications, defined as those who had a respectable family background, had never committed crimes, could afford to give alms to the poor, and could pay 10 dollars worth of

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[18] The Japanese term *jichi* was in turn a translation of the German borrowing of the English word "self-government." Yamagata Aritomo, the founder of the Japanese local self-government system, was influenced by the constitutional thought of the Prussian legal scholar Rudolf Gneist (1816–1895). In Gneist's work on the English Constitution, he retained the word "self-governance" without translation, recognizing its culturally specific nature. For Gneist, self-government had two major functions. One, it served as the mechanism for socializing the dominant classes. Appointing local elites to honorary unpaid public service posts raised them above their own parochial interests, imparted practical knowledge of the state, and fostered devotion to national interests. Two, self-government insulated the local administration from party politics at the national level. "Local" (*difang*) was an added prefix in the Japanese application, which was also transferred to China. For a detailed discussion, see Kuhn 1975, 270–72.

tax (Kang Youwei 1974, cited in Lee 1998, 40-41). According to Min (1989, 126), "the initial proposal of having native people deal with affairs of their own provinces gradually developed into an argument for local self-government, centering around the local parliaments, with the gentry class as the core."

The unit of "self" in the concept of self-governance drew on the moral concept of "one's own" in Neo-Confucianism. Self-governance is understood as taking care of and improving one's own. The ideal government is not built on control over the governed, but on guiding them and improving their ability to self-govern (Lee 1998, 44). Learning and disciplining one's self becomes the foundation to build a harmonious collective of family, community, region, and country. Confucianists believed that elaborate codes and rigorous control mechanisms were not going to be more effective than a system that enlisted the natural feelings of a man toward that which is his – his family, property, and community.[19] With his ties to local society and his own future assured, he would turn all his energy on strengthening his country (Kuhn 1975, 263–64, referencing Gu 1934). Most importantly, self-governance or the decentralization of ruling power was never about the detachment from the larger imperial political order. Self-government theories in China stemmed from the principles of the feudal system. Scholars in search of a new governmental system sought institutional reform within the monarchic structure, believing that the monarch was indispensable. The monarch was the person capable of transforming the multitude of self-interests throughout the empire into a common interest. Local governance and the survival of the unified Chinese state were believed to be interdependent (Kuhn 1975, 261-8).

In the waning years of the Qing dynasty, local self-government was formalized in the constitutional programs of 1908 in hopes of saving the dynasty. In 1909, the Qing government officially issued the *Charter of City, Town, and Township Local Self-government*. Self-governance manifested itself in the creation of a governmental body that exercised supplementary and supporting roles alongside the formal local government at municipal,

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[19] The debate revolving around moral laws versus positive law is longstanding between two competing traditional schools of thought, Confucianism and Legalism, in Chinese political philosophy. Confucians theorists believe that good moral rulers are just as important, if not more, than rule of law to bring about social order. Legalists emphasize law as an instrument of state power to control people whose nature is believed to be evil and selfish. In local governance systems, the legalism relies on policing and mutual control and Confucianism on self-governance and mutual aid (Dutton 1992, 21-33).

town, and township levels (Kuhn 1975, 276). The new self-governing bodies undertook governmental functions but they remained under the control of local governments that could dismiss their members and overturn their decisions. Inadvertently, instead of co-opting elites into the bureaucracy by formal appointment, this arrangement only intensified the existing antagonistic relations between local elites and magistrates, adding fuel to the events surrounding the 1911 revolutions that brought about the downfall of the dynastic era (Zhong 2003, 32).

Republican Modernity and Traditional Continuity[20]

In 1927, the Nationalist (Guomindang) government formally established its capital in Nanjing. Following Sun Yat-sen's democratic principles and program for national reconstruction, the Nationalists were committed to the transition toward a constitutional government of democratic self-rule at the county level. Sun strongly advocated building a constitutional government from the bottom up, but the structure was not one based on individual rights and popular democratic rule. It was centred on nation building and liberation from monarchy and imperialism, even if at the expense of individual freedom (Ogden 2002, 66). Of his "Three Principles of the People" (*sanmin zuyi*), self-governance was central to the Principle of People's Power of Governance (*zhiquan*). The idea of self-governance was not centred on constructing a system of direct local government but on the role local governments has in uniting and strengthening the young republic. Sun believed that local government was a means of cultivating citizens to build a strong nation. Local government would mobilize the public, bring local initiatives in line with national objectives, and help to bring about national integration (ibid.).

While followers were committed to implementing the democratic visions of the Republic's founding father, as political modernization progressed, the system reverted to one preoccupied with social order and control. First, at the municipal level in 1931, the Nanjing municipal government established the additional level of "self-governing district" (*zizhiqu*) in the administrative hierarchy. However, with limited popular participation, it really sought to

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[20]In this section, I focus on Nanjing from the time it became the capital of the Republican government in 1927 to the Communist victory in 1949. The warlord period from 1911 to 1926 and the period of Japanese occupation from 1937 to 1945 are not covered directly because this analysis focuses on the conception of self-governance by the Republican regime.

formally impose a level of coordination between the basic level of formal government and the grass roots. In the cities, districts corresponded to police jurisdictions.[21] Over the course of the Republic, as the urban boundary was redrawn several times and the system was both undergoing fine tuning and suffering from the disruption of Japanese occupation, Nanjing's urban core fluctuated between five to eight districts, and the number of suburban districts changed as adjacent townships were incorporated or removed.[22] By the end of the Republic, Nanjing was divided into thirteen districts – seven constituting the urban core and six comprising the suburban area. The population of the core districts ranged from about 76,000 to close to 170,000 (Nanjing City Local Gazetteer Editorial Committee 1994b, 50).

The creation of self-governing districts was more for downloading responsibilities than for actual transfer of power. In Nanjing, a separate office within the municipal government, the Office of Self-government Affairs which later became the Civil Affairs Bureau, supervised the districts. Each district office was staffed by a district head, his assistant, a secretary, and obligatory labourers (*fuyi*). Districts pursued matters delegated by the municipal government, mainly routine matters of civil affairs and household registration. The district head was not chosen by popular election but selected by the mayor, confirmed by the Internal Affairs Bureau, and subject to the mayor's supervision (Nanjing City Local Gazetteer Editorial Committee 1994b, 51). Even though the Organic Law (1930) stipulated that district affairs would be determined by the district residents' general assembly and executed by the district representative council, in reality, issues were relayed to the appropriate municipal departments for decision making and resources were dependent on allocations from the municipal treasury (Wang 2001, 60).

Despite the relatively powerless general assembly, the self-governing district did instil a sense of urban residency, in contrast to the past when a person's identity was tied to a native place in the countryside. To be eligible to vote and participate in self-governance, people had to first establish proof of residency. Residents were defined as those over the age of 20 who

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[21] For a discussion of the rural counterpart, based on the Shanxi model of self-government, see Kuhn (1975).

[22] For instance, Nanjing was initially in 1931 demarcated into 21 self-governing districts. To conserve resources, districts were merged two years later to correspond to the 8 police districts. Then in 1934, with the redrawing of city and provincial boundaries, the city was enlarged to encompass adjacent townships, resulting in a total of 11 districts (Nanjing City Local Gazetteer Editorial Committee 1994b, 50).

had lived in Nanjing for at least a year or owned residential property for at least two years, and who had registered and taken an oath. Each district would manage its own registry and, subject to municipal inspection, issue residency permits (Nanjing Self-Governance Work Report 1937, cited in Wang 2001, 76).

Second, at the neighbourhood level, the pursuit of modern governance institutions did not imply a break away from traditional practices. Self-government at the subdistrict level consisted of a three-level hierarchy of *fang* wards, *lu* streets, and *ling* blocks, each with an elected head person. The district pyramid was constructed from the following building blocks: every five households formed a block (*ling*), every five blocks formed a street (*lu*), every twenty streets formed a ward (*fang*), and lastly, every ten wards formed a district (Nanjing City Local Gazetteer Editorial Committee 1994b, 46). This social structure, based on blocks rather than households, was to work in tandem with a modern street-grid system and an adapted neighbourhood unit as outlined in the Capital Plan[23] (figures 3.2).

Before this elaborate system integrating the imperial street-ward governing structure and modernist neighbourhood design could be fully implemented, in 1935 the Guomindang government reverted to the *baojia* system in both urban and rural districts (Nanjing City Local Gazetteer Editorial Committee 1994b, 46). In the unstable climate of the impending Sino-Japanese War (1937-45) and even afterwards, the *baojia* system, based on mutual surveillance and collective responsibility, together with the *hukou* household registry system, presumably provided for greater security. It is important to point out that while the Guomindang government restored the *baojia* system, the imperial system built on concerns of community mutuality was adapted to serve modern management of public security and placed under the police department. Where it had once offered local autonomy, the system now strengthened social order and aided state intervention (Dutton 1992, 192).

Under the *baojia* system, which used households as the building block, ten households formed one *jia* and ten *jia* formed one *bao*. In the urban *baojia* system, a household was

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[23] Nanjing's Capital Plan (*Shoudu Jihua*) was part of the Nationalist government's grand state-building. The Plan, undertaken by China's prominent architects and planners, many of whom were trained in Western universities, and foreign advisors, introduced scientific principles to Chinese city planning. It combined modern scientific surveys and building methods with Chinese practices and aesthetics. For a detailed examination of the Chinese and Western influences on the Capital Plan, see Cody (1996) and Musgrove (2002).

defined as one street number. So, even though there may have been more than one family living at the same street number, they were counted as one household, with one household leader responsible for all families at that street number. Flexibility and variations occurred in the actual implementation of the system. For instance, in Nanjing, twenty-five households formed one *jia*, and twenty-five *jia* formed one *bao* (Nanjing Urban District Baojia Formation Implementation Draft Plan, cited in Wang 2001, 62). Eventually, the *baojia* system became more formalized and elaborate. By 1947, every *bao* not only had a head (*baozhang*), but also a vice-head (*fubao*), administrative secretaries (*baoganshi*), and supervisory staff (*zhidaoyuan*). As the system was chiefly about surveillance, the administrative secretaries were trained and dispatched by the capital police headquarters. The supervisory staff was placed under the supervision of the special military organization (*juntong tewu zuzhi*). At the level of *jia*, in addition to having a leader, as was the practice during the use of the system in the imperial period, there were now supervisory staff and a patrol leader. Added staff at the base level was to assist the *baojia* leaders in carrying out administrative duties and tax collection, as well as in implementing security measures such as inspecting *hukou* registration, keeping an eye on neighbours' actions and speech, training the self-patrol team, and guarding against Communist propaganda (Nanjing City Local Gazetteer Editorial Committee 1994b, 49).

Self-governance remained heavily structured with the state defining its meaning and educating the citizenry on its practice. *Nanjing Self-governance Work Report* (1937) discussed lectures delivered by the mayor and district leaders on patriotism, national economic development, district-led low-interest loans, and charity drives (Wang 2001, 79-81). Despite the electoral democracy ideated in the Organic Law (1930), during the short period of Nationalist rule, governing power was never transferred. It is unclear how the district self-governance would have fared and evolved as the Republic was plagued by turmoil and war, and constantly underwent administrative reforms.
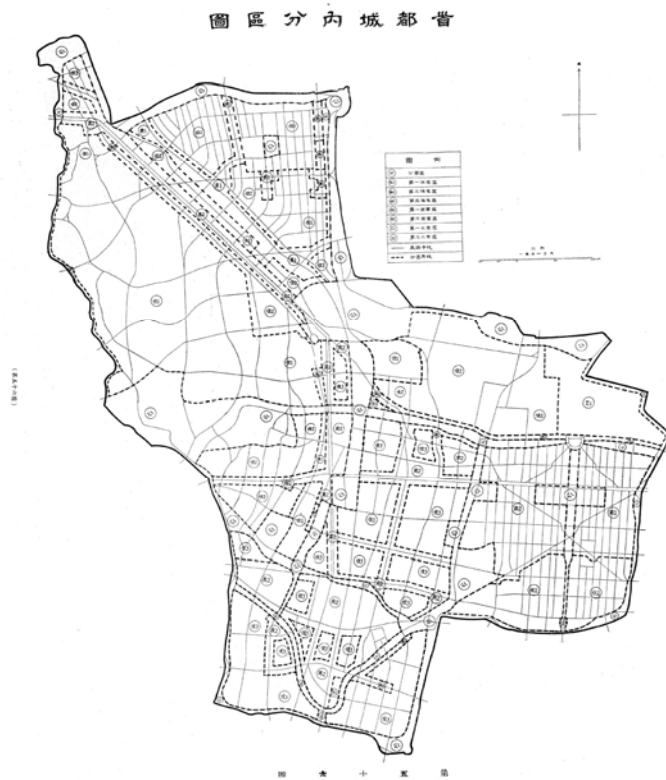
Figure 3.2 Drawings from the Nanjing's Capital Plan (1929)

The map and sketch are from Nanjing's 1929 *Capital Plan* (*Shoudu jihua*). Undertaken by western-trained Chinese architects and planners and foreign advisors in the 1920s, the Capital Plan sought to incorporate Western scientific planning practices to Chinese city planning. For instance, the zoning map (left) indicates the main road system and districts zoned for various land uses – parks, residential, commercial, and industrial. The sketch (right) is of a residential neighbourhood for government workers. The suburban design and the green commons are reminiscent of the neighbourhoods of the City Beautiful Movement that was gaining popularity in the West at the time. The imperial street-ward social governing structure would presumably be adapted to this modernist, Western neighbourhood design.

Source: Office of National Capital Design and Technology Commission (1929). *Shoudu jihua* (*Capital Plan*). Reproduced and published by Nanjing Press (2006). Map number 52 (right) and 56 (left).

Birth of the Residents' Committee

When the Communist military proclaimed the birth of a new China on October 1, 1949, the country was in chaos after years of war, first against the Japanese and then the civil war between the Communists and the Nationalists. By the time Mao's Red Army claimed victory, urban infrastructure and provisions were in shambles. For fear of greater public disorder, the local police system was retained and staffed by Communist military personnel. Civil administration functions were undertaken by local police stations and assisted by local residents who were Communist supporters (Schurmann 1968, 371-74). These measures were necessary as one of the earliest directives of the Chinese Communist Party (CCP) was to annul the *baojia* system installed by the Nationalist government. The Party regarded *baojia* leaders as elites who held control and acted as middle men between the people and the government.[24]

In reconstituting local government, the rationale was for the people to have direct contact with the government. Even so, the new forms of ordering the populace strayed little from past practices. Urban districts became a formal level of government, named the District People's Government. The district government and the corresponding CCP branch – the district Party work committee (*qu gongwei*) – were different in name but staffed by the same people. What would later become street offices and residents' committees were still being debated, with cities experimenting with different models.[25] According to the *Nanjing Civil Affairs Gazetteer* (1994b, 59-60), in 1949 the Nanjing municipal government kept the 13 urban districts delineated by the Nationalist government. Within each district, 20 households were grouped to form a residents' small group, and every 20 small groups formed a residents' committee headed by 3 of the 20 small group leaders. When put into practice, the form varied from district to district, with some having only small groups but no committees. A year later, in 1950, the residents' committee was reconfigured. The municipal document *Decision Concerning Strengthening Government Work and Agencies* suggested that a residents' committee be established using the jurisdiction of the local police station. In implementation,

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[24] According to a memorandum dated March 1, 1949, central committee members of the Chinese Communist Party called for the denunciation of *baojia* leaders in CCP occupied cities. *Baojia* leaders were to assist with public security but subjected to a public denunciation and monitoring by the government and the mass to "strip them of their past sense of superiority" (Central Archive 1989, vol. 18, 1 March 1949).

[25] Schurmann (1968) provides a brief description of the residents' committee structure in Tianjin in the early1950s.

each district government staffed each local police station with one to three officials responsible for residents' affairs, such as sanitation and health, and political mobilization such as collecting donations to "Fight the Americans and Aid the Koreans" (*kanmei yuanhan*). The appointed officials became the director or vice-director of the residents' committee, and the rest of the committee members were unpaid residents.

Even before the last initiative could be fully experimented with, in 1952 the residents' committee was once again reconfigured, this time according to the East China Military Government Committee's provisional regulation *Proposal for Trial Concerning the Establishment of Residents ' Committees in Cities with over a Hundred Thousand People*. The proposal stipulated that the boundary of a residents' committee would range from 1,000 to 10,000 people. Every 10 to 30 households would form a residents' small group. Each small group would elect a representative and together they would form the residents' representative council. Residents' committee members would then be elected from this council. The members would spearhead separate subcommittees for crime and safety, fire prevention, education and culture, health and sanitation, and mediation. Subsequently, Nanjing's existing 65 residents' committees were subdivided into 132. The municipal government allocated 12 RMB to each residents' committee for office expenses and a monthly living subsidy of 30 RMB[26] for committee directors and vice-directors, if they were not part of any production teams (Nanjing City Local Gazetteer Editorial Committee 1994b, 53–65).

After years at war, thoughts concerning governance rested between giving the people decision-making power over their own affairs and being able to lead, mobilize, and absorb them into the socialist agenda. At the time, urbanites were recognized as having two types of status – *youzuzhi* or *wuzuzhi*. Those who "have an organization" (*youzuzhi*) were essentially productive members of society and included workers, teachers, and students. Those who "do not have an organization" (*wuzuzhi*) included the unemployed, street vendors, shop owners, and the self-employed. Surveys conducted in the early 1950s highlighted that *wuzuzhi*, dispersed in the "urban sea," accounted for two-thirds of all urbanites (Gao and Guo 2003, 98-99). This high number, together with multiple uncoordinated organizations formed in

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[26] These figures have already been converted to RMB from "old" RMB used in 1952.

response to different mobilization efforts (such as street cleaning and policing), became a great political concern.

In a report to Mao written in 1953, Peng Zhen[27] advocated the creation of a mass self-governing organization (Peng 1953/1991). For him, a self-governing organization served two practical purposes in China's industrial and socialist transition. The first was to bring together those deemed to be without an organization under the management of a state agency. Peng believed that street offices and residents' committees were essential because in certain cities as many as 60% of urbanites did not belong to a work unit (241). However, he argued that it was unnecessary to make street offices an administrative level (as they are today) because, in the course of transition, those not yet part of the class of workers and assigned to an organization will decrease and the role of street offices will diminish. The second purpose was to unify and standardize the varying forms and responsibilities of residents' organizations. This new self-governing organization, operating under the principle of voluntarism, would undertake affairs of collective welfare, disseminate government policies and regulations, mobilize residents, and communicate residents' concerns to street offices – the government's dispatch agency. Peng Zhen envisioned an organization determined through election by residents' small groups. It is important to note that in Peng Zhen's use of the term, self-governance (*zizhi*) did not preclude the grassroots organization from working on behalf of the government. And, self-representation through elections was not the same as wielding political and bureaucratic power (*zhengquan*).

Over the next couple of years, municipal and military governments continued to propose various configurations of residents' committees, differing in how their boundaries were to be delineated, such as whether by population or by public security jurisdiction. Ad hoc adjustments and experiments in different cities eventually culminated in the 1954 Organic Law, approved at the fourth plenum of the first Standing Committee of the People's Congress

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[27] Peng Zhen (1902–1997) was a key figure in post-1949 political history. A firm believer in and enforcer of Marxist-Leninist thought, he became a seminal figure in the development of the legal system. Peng was appointed the Party Secretary (mayor) of Beijing in 1951 and the Party Secretary of the Political-Legal Commission. Peng increasingly found himself in disagreement with Mao, particularly on the role of the Party. For instance, he insisted that the Party be subjected to legal constraints. When he fell out of favour with the Chairman, he was forced to retreat from everyday governance, and was later jailed during the Cultural Revolution. Rehabilitated under Deng, he continued to guide the establishment of China's judicial system and to formulate the PRC legal code (Potter 2003).

on December 31, 1954. The Organic Law tasked the newly institutionalized residents' committee with five main areas of work: handling residents' public welfare; reporting concerns from residents to the local People's Committee; mobilizing residents to respond to the calls of the government and to obey laws; leading residents in collective security and sanitation efforts; and mediating disputes between residents (PRC Organic Law 1954, Article 2). Following public security jurisdiction, there was to be a residents' committee for every 100 to 600 households. Under the direction of each residents' committee, there were to be not more than 17 residents' small groups, each representing 25 to 40 households. An elected representative from each small group would make up the residents' committee. The members of the residents' committee would then elect one director and one to three vice-directors, with at least one person overseeing family planning (Article 3). In Nanjing, following the adoption of the Organic Law, 499 residents' committees were created in 1955, overseeing about 89% of the city's population (Nanjing City Local Gazetteer Editorial Committee 1994b, 60).

As Peng Zhen (1953/1991) had written, it was expected that all urban residents would eventually be engaged in productive labour in a *danwei* work unit. And by 1957, the workplace had become the principal organizational unit in cities with over 90% of the urban workforce belonging to either a state-owned or a collective-owned work unit (National Statistics Bureau 1994; cited in Bray 2005, 101). Keeping to the form of social organization based on grassroots units it had developed during the revolutionary years in Yanan, each workplace functioned as a self-sufficient unit with relative operational autonomy within the centralized political structure. The new regime depended on each work unit to fund and organize welfare provision as well as to construct facilities for the delivery of welfare services, such as clinics and schools (ibid., 104). Working in tandem, the institution of the residents' committee supplemented the primary workplace-based system in three crucial ways. First, residents' committees played an important role in the daily lives of those who lived in the older sections of the city. New workplaces that were constructed at this time were enclosed settlements in suburban districts that combined factories, residences, and wide-ranging facilities exclusively for their workers, from nurseries and canteens to co-op shops and health clinics. These developments, mainly undertaken by large work units with greater resources, represented the archetypal *danwei* compounds.[28] Thus, while the majority of

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[28] For a detailed examination of the *danwei* spatial form, see Lu 2006, chapter 4; Bray 2005, chapter 6.

urbanites belonged to a *danwei*, many did not live within a work-unit compound and commuted to work. Some lived in traditional residences subdivided and allocated by their work unit. Others lived in small housing compounds of low-cost, three to five-storey apartment blocks built by their work units or government housing offices as funds and parcels of land became available (Gaubatz 1995, 31-2; Whyte and Parish 1984, 82).

Two, residents' committees served as the assigned unit for those who did not belong to state-owned enterprises. Like the *danwei*, the residents' committees functioned as self-sufficient grassroots units where the livelihood and welfare of members were taken care of within the new collective-oriented organization that was meant to replace the family unit. During the Great Leap Forward (1958-60) when the idea of communes spread to cities from the countryside, street offices and residents' committees organized mess halls, day care centres, and small handicraft shops (Vogel 1971, 86). Many of these service-oriented and economic functions were retained after the decline of urban communes, and also reappeared in today's Shequ Construction.

Three, in addition to providing welfare and livelihood opportunities, residents' committees also served as a surveillance mechanism as those who did not belong to a place of work were considered politically suspect. CCP organization emphasized political loyalty and productivity and made active participation in industrial labour the determinant of political status and material benefit. Where the social identity of the urban worker had in the past been determined by hometowns and trade guilds, under CCP rule it was reconstituted through one's place of work (Bray 2005, 100). For the retired, unemployed, and self-employed who had not yet be mobilized through the workplace, the residents' committee would serve as their unit of identification.

Neighbourhood-based mobilization became particularly important in the politicized atmosphere of the Cultural Revolution (1966-76). With neighbourhoods regarded as "dead corners," the network of residents' committees became a mechanism through which the regime sought to maintain the political commitment of urbanites whose political participation was believed to lag behind those in factories and rural communes (Salaff 1971, 318). Residents' committees were renamed "cultural revolutionary small groups" (*wenge xiaozhu*) and their functions, as set by the 1954 Organic Law, were suspended. They became more of

an instrument in political class struggles and assisted in public denouncement (*pidou*) sessions. Furthermore, the lack of municipal funds decentralized social service provision and drew residents into broader and more intense community-based activities (ibid., 314). Many people I talked to about everyday life in residential compounds prior to reform and opening remember the *xiangyangyuan* activities of their residential compound (literally sun-facing courtyard). The workers, cadres, and youth of each compound would mobilize residents to study the works of Marx, Lenin, and Mao; disseminate the policies of the Party-state; and look for and denounce "feudal" practices such as worshipping ancestral spirits.

Legal institutions had essentially collapsed during the upheaval of the Great Leap Forward and tumultuous decade of the Cultural Revolution. Revolutionary morality and the thought of Mao Zedong was placed above all else and calls for rule of law were denounced as "rightism" (Tay 1987, 570-2). Following the death of Mao and the arrest of the "Gang of Four" in 1976, the new Party leadership sought legal reform as a first step in restoring social and political order and safeguarding economic reform initiatives. Deng Xiaoping, resuming Party leadership after being purged from his position and imprisoned for his disagreements with Mao, declared broad goals for the re-establishment of a legal system whereby the "rule of persons" had to be replaced by the "rule of law" (Lo 1992). The Standing Committee of the National People's Congress resolved that all laws enacted during the 1950s and 1960s were to remain in effect until the passage of revisions and if they did not conflict with the Constitution and other enacted legislation (Li 1996, 331). Accordingly, the 1954 Organic Law was reinstated for the time being.

In December 1989, the Organic Law on Residents' Committee was adopted at the eleventh plenum of the seventh National People's Congress Standing Committee. In addition to the broader context of legal reform, the renewed attention to the residents' committee came at a particular point in time. As the next chapter discusses in greater detail, by this time the Ministry of Civil Affairs had already put forth the concept of neighbourhood-based social services that relied on strengthening the existing residents' committee and had begun to issue circulars and to organize symposiums to exchange ideas. Furthermore, the Party leadership had enacted the Organic Law on Villagers' Committee two years prior in 1987 and new measures concerning their urban counterpart were expected to follow suit (Choate 1997, 8). The attention also came following the Tiananmen Square demonstrations in June of the same

year. Party and government leaders were wary of social organizing activities, and the attention given to residents' committees was likely responding in part to their role as watchful guardians of neighbourhood activities.

Legal Standing of the Residents' Committee

The People's Republic of China Constitution and 1989 Organic Law spell out the basic nature, organizational structure, and function of the residents' committee. First, the Constitution recognizes residents' committees as "mass organizations of self-management at the grassroots level," parallel to the villagers' committees (Article 111). The Organic Law, Article 2, further defines residents' committees as grassroots organizations that self-manage, self-educate, and self-service (also known as the "Three Selfs" [*sanzi*]).

Second, residents' committees are formed with five to nine members, composed of a director, vice-director, and committee members elected by residents either through direct election or by representatives (Organic Law, Articles 7 and 8). While the committee is elected and legally not part of the state bureaucracy, the Organic Law stipulates that municipal and district bureaus and departments may request help from residents' committees and direct them in administrative duties[29] (Article 20). Aside from being responsible to the government, within the residential living space, residents' committees are also responsible to and must report their work to the residents' council, composed of resident representatives (Article 10).

Third, with regard to their functions, residents' committees do not have any formal powers to govern or initiate their own policies and programs. Fundamentally, they are tasked to establish committees for civil dispute mediation, public security, and public health in order to "deal with" (*banli*) matters of public affairs and to assist in safeguarding public order. They are to act as the communication channel between residents and the government, conveying residents' opinions and making suggestions to the people's government (Constitution, Article 111). In essence, residents' committees are an implementation organ rather than a power

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[29] There are at least ten laws that mention specific responsibilities of the residents' committees, some of which are not even in the Organic Law. For example, the Marriage Law (2001) stipulates that if requested by victims of family abuse, residents' committees have the legal obligation and right to step in to help and to mediate. Another example is that under the General Principles of the Civil Law (1986), for minors whose parents have passed away and are without grandparents or siblings, the parents' work unit or residents' committee becomes the temporary legal guardian until one is appointed.

organ of the state. To carry out their functions, they depend on government funds, as well as donations from residents and enterprises within their jurisdiction, and fees from convenience services they provide to residents (Organic Law, Articles 3, 16, and 17). The Constitution and the Organic Law do not accord residents' committees much space for self-directed development. As the following chapter will address, the recent shequ reform seeks to change some of these limitations.

The Appearance of Shequ: Modern Term, Old Concept

In the Chinese Constitution and Organic Law, the jurisdiction under the residents' committee is generically referred to as "residential districts" (*juzhu diqu*). Until the late 1980s, the word *shequ* remained a modern term primarily used in academia by sociologists and anthropologists in their study of rural villages, counties, and ethnic minorities.[30] In comparison with the North American concept of community, two important distinctions can be made. First, shequ is place based: It refers to a neighbourhood community when used in an urban context and to a village community in the rural context. Second, as the beginning of this chapter explores, the word *community* in the English describes social relations based on personal ties and mutual dependence on which sense of belonging, solidarity, and identity are built; it stands as the antithesis to the functional and market-based transactions in the modern metropolis. The Chinese word *shequ* does not carry this connation. In Chinese, when one refers to the normative values of identity and cultural belonging, devoid of spatiality, the more precise word *collective* (*gongtongti*) is used. To further emphasize the specificity of the word *shequ* that is typically used as the translation for the English word *community*, this section discusses in greater detail the etymology and roots of the Chinese term. In other words, the interchangeable use of *shequ* and *community* is not taken lightly and is at best an approximation.

The Chinese idea of a neighbourhood community speaks to a collective identity in a defined space. The etymology of the word *shequ*, or the two characters *she* (pronounced shè) and *qu* (pronounced chü), reflects this practice. Chinese characters are pictographic and characters can be broken down into parts. Put together, the characters are insights into a history and

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[30] The popularization of the term in Hong Kong and Taiwan took a different course with the influence of colonialization and continued development of sociological research and community planning post-1949, when mainland China closed its doors to the outside.

traditional way of life. The character *she* (社) is made up of the components *shi* (示), meaning religious and ancestral, and *tu* (土), meaning earth. Together, *she* literally means "the spirit of the land." In the Chinese-English dictionary written and compiled by Herbert Giles (1912), a further explanation is provided that in the worship of this spirit, every *li* (里) (group of 25 families) had its own spirit to whom it made sacrifices (Giles 1912, 1191). Thus, *li* is known broadly as one's hometown or village and adapted more specifically as a territorial grouping of households devised by the imperial state for the purpose of governance, as in the tithing *lijia* system. Considering the cultural and governing practices, *she* means a clan, society, village, or tribe that lives together on a territory and away from other clans, societies, villages, or tribes that worship other land spirits.

The character *qu* (區 or simplified 区) means "district" (noun) or "to differentiate" (verb). The character's etymology depicts a box (*xi* 匸) containing three objects or mouths or many objects and people (*kou* 口). The noun *qu*, generically, means a place, and it can vary in size between a region (as in *quyu* 区域) and a locality (*diqu* 地区). The verb *qu* means "to store away" (as in *qucang* 区藏) and" to differentiate" (as in *qufen* 区分). As a noun or verb, it connotes the assigning of things, land, or people to their proper place.

Dictionaries published during the early Republican era did not yet contain a definition for *shequ*; the word *shehui* (社会) was its closest equivalent and meant the gathering of people who worship the same spirits and ancestors (Giles 1912, 1191). With the establishment of Western academic disciplines in Chinese universities in the early 1900s, the word *shehui* became the translation for the English word *society* which, similarly, means fellowship or an organization of people sharing a common cultural background. And, *sociology* became *shehuixue*, literally the study of society.

Until recently, the word *shequ* was used primarily within sociological research to mean local society or to reference a particular social research methodology in the study of rural and non-Han ethnic society. With beginnings in the 1930s as sociology was gaining recognition as a

field of study,[31] the growth of community studies (*shequ yanjiu*) as a subfield came at a time when Chinese sociologists were searching for an identity and intellectual independence.[32] At this time, in addition to missionary colleges bringing foreign sociology teachers to China, many Chinese students who had gone abroad to study sociology also returned home. They had studied at leading institutions, such as Chicago, Columbia, and Harvard in the United States, and the London School of Economics in England. Upon their return to China, these individuals headed sociology departments and research institutes, influencing the field's development at home.

Wu Wenzao (1901–85), appointed in 1933 as the head of the Department of Sociology at Yenching University[33] (later Beijing University), was a key figure in pushing for community studies. Wu, who had just returned after receiving his doctorate in sociology from Columbia University in 1928, believed that to build a Chinese sociology, theories had to be based on Chinese realities. The sentiment at the time among Chinese sociologists was neither a dismissal of Western theories nor an argument against the applicability of Western theories to China. Up to this point, Chinese sociology students were being introduced to Western ideas. However, they were interpreting them using traditional Chinese concepts rather than on the ground in present realities (Li et al. 1987). To make sociology Chinese involved using sociological theories and methodologies to observe China's real social life and explain the reasons for the social problems that faced the new China. For Wu Wenzao, sociology should not simply be about conducting social surveys or systematic fact gathering on a particular theme. He was attracted to the concept of community studies (*shequ yanjiu*) because it

[31] By the mid-1930s, 17 of China's 41 universities had a sociology department (Wong 1979). Up until then, sociology, as a field of study, was offered primarily in the curricula and research of Christian colleges established by American missionary bodies. The Christian colleges, operating outside the jurisdiction of Chinese education authorities, brought over American professors, many of whom were missionaries. One of the most prominent of these American missionary sociologists was John Steward Burgess (1883–1949). Upon finishing his MA in Sociology at Columbia University in 1909, Burgess went to Beijing under the sponsorship of Princeton students and alumni as a YMCA secretary. In Beijing he taught sociology and Christian ethics in the School of Theology at Yenching University. He was instrumental in establishing the Department of Sociology and Social Work at Yenching and became its department head in 1922. For more about the missionary sociologists, see Wong (1979).

[32] The earliest social surveys of China were conducted by missionary sociologists in English and published by American presses. These social surveys tended to focus on the collection of social information for the purpose of supplying background for missionary work and were thus carried out with the aim of reform and social work. In short, there were few original works produced in Chinese by Chinese sociologists. For summaries of these early social surveys, see Sun (1949), Hsu (1931), Fried (1954), and Guldin (1994).

[33] Yenching University was a Christian university and later became part of Beijing University when the People's Republic of China was founded in 1949.

emphasized the comprehensive study of a locality, examining the intersections of institutions such as industry and family (Zhu 2006).

At Yenching, Wu Wenzao advocated the theory and methodology of social ecology associated with the Chicago School. Robert Park spent time at Yenching lecturing and guiding students in fieldwork. In a lecture at Yenching, Park had emphasized to his students that "a society is not a community." In translating this talk into Chinese for a commemorative publication of his visit to China, the term *shequ* was the result of some musing by Fei Xiaotong, then a student at Yenching, and his fellow classmates (Lu and Peng 2005, 124). At the time, community was translated as local society (*difang shehui*); however, in translating this particular sentence, they were met with the obscurity of saying "a society is not a local society." In expressing the sociospatial organization central to urban ecology studies, the character *she* for "associations was joined with *qu* for the space the social group occupied (Fei 1948/1999, 531).

For Chinese community researchers in the early twentieth century, community and society were not oppositional terms of premodern versus modern, such as conceptualized by Ferdinand Tönnies (1887/2001).[34] Rather, community and society were an interrelated pair. Wu Wenzao writes: "The new perspective I would like to put forth is that it is through the eyes of community that one observes society … Society is an abstract concept that describes a collective way of life; it is a term for all the complexity of social relations. Community is a concrete term that describes the everyday realities of a people in a locality; it has material foundation and is observable" (Wu 1935, 66; cited in Wang 1996, 5; translated by author).

It is unclear when the word *shequ* began to be adopted outside sociological research and when it became colloquial. It did not begin to appear in mainstream Chinese dictionaries until the early 1980s.[35] Furthermore, a brief survey of sociology and urban planning academic

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[34] I have discussed a particular moment in time at Yenching University when community studies were popularized under Wu Wenzao who was the head of the sociology department. For a detailed examination of the community studies research being conducted by Chinese sociologists during the first half of the twentieth century, see Hsu (1931), Sun (1949), Fried (1954), Freedman (1962), Wong (1979), Li et al. (1987), and Guldin (1994).

[35] *Shequ* in mainstream dictionaries is defined as a group of people who live collectively in a defined locality, share collective identity and interests, have established social relations, and are organized in an

journals[36] suggests that the revival of sociology and the scholarly exchanges between China and the West, as well as the appropriation of the word into political discourse to refer to a neighbourhood administrative unit, contributed to the popularization of the term *shequ*. Throughout the 1980s and 1990s, articles used the term *shequ* to mean human settlements, encompassing the spectrum from rural townships to urban neighbourhoods to city-regions. During this period, an increasingly large portion of the articles in sociology and planning journals was devoted to neighbourhood-based work, using phrases such as community planning (*shequ guihua*) and community services (*shequ fuwu*). In this literature, the word *shequ* is used in two main ways. First, authors referencing Western grassroots community development, such as community economic development practices and the role and history of neighbourhood houses, often chose to use *shequ* as a translation for the English words *community* and *neighbourhood*. Second, as professors and their students in sociology and social work became engaged in Shequ Construction initiatives as policy advisors and researchers, their published findings used the term *shequ* as it is used in policy documents.

Observing China and a Chinese Perspective

This chapter's discussion has brought the inquiry of Chinese community governance into the present. The present state-led program to construct neighbourhood communities to undertake governance functions has deep roots in the long-standing practice of the state throughout Chinese history to define self-governing institutions at the grass roots. I have further sought to disengage Shequ Construction from community development as we understand it in North American planning theory and practice through exploration of the meanings, assumptions, and histories embedded in the word *shequ*. Ogden (2002), in drawing the attention of Western readers to our ethnocentrism in viewing the development of democracy in China, writes: "Understanding a society's point of view and rationale for its actions is not the same as adopting its point of view, but we must at least try to understand a society's 'self description,' even if it is confused and contradictory" (29). Like democracy, acts of community building and self-governance are socially constructed and continually evolving.

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association with activities and management (Ministry of Education Revised Chinese Dictionary Compilation Committee 1981, 4060–1; Cihai Compilation Committee 1988, 4136–7).

[36] My brief survey of the Chinese literature is based on "shequ"-titled articles published from 1979 to 1999 in the journals *Society* (*Shehui*), *Sociological Review* (*Shehuixue Yanjiu*), *City Planning Review* (*Chengshi Gueihua*), and *City Planning Academic Academic Review* (*Chengshi Guihua Xuekan*). My main interest is in gauging the meaning the authors implied in choosing to use the word "shequ."

Five endogenous characteristics of Chinese community-based governance remain central in the contemporary articulation under Shequ Construction:

1. The neighbourhood unit is a system of ordering the population spatially by households.
2. Self-governance refers to governing functions undertaken by local leaders, whether they are self-selected elites, voted, or chosen by local officials. Hence, one determining criterion of self-governing is that the leadership comes from within the locality.
3. Grassroots organizations play a supplementary role in assisting the formal government with administrative tasks as well as keeping the bureaucracy in touch with the concerns of the people.
4. Self-governance speaks to meeting local needs through initiatives of local leaders drawing on resources available to them.
5. Grassroots governance encompasses a moral dimension that places emphasis on taking care of one's own and living in harmony.

I begin my examination of the post-reform community policy program with the recognition that these characteristics are inherent in the Chinese approach. These social practices, shaped over time, must be taken to be the terms on which the present community-building initiatives are based. As the historian Madeleine Yue Dong (2003, 15) describes the inseparability of everyday life practices from modern planning ambitions, the past persists in the present and each era recycles practices from the past, reinventing and transforming elements that are useful for its survival in the present.

4. SHEQU JIANSHE

China's Community Construction Policy Agenda

An Experiment's Experiment

Shequ Jianshe, while state initiated and led, remains an experiment, open to and dependent on local pilot programs and innovations to define and shape it. This chapter's intention is to provide a broad overview of national economic and social circumstances and the central government's stance toward Shequ Construction. Three paradoxes complicate China's seemingly top-down approach to community. First, because it is situated within the administrative hierarchy and integrated into the state apparatus, Shequ Jianshe is inherently top-down. The specifics of the community agenda point to it being a project to contend with social issues arising from the dismantling of the *danwei*-based socialist welfare system that may elevate popular discontent and threaten the Party-state's legitimacy. However, we must also recognize that life in China today is ever-changing. The policy program, however dogmatic, must contend with the needs of an increasingly diverse and demanding society. Residents' committees have little coercive powers over residents and must find a balance between maintaining social control and providing constituents with a greater level of service.

Second, while Shequ Jianshe appears to be regulatory, it remains ideational in what it seeks to change. Policy documents concretely state what a shequ is and the makeup of its leadership and responsibilities. Nationwide, over 80,000 neighbourhood units have been created (2006 figure; NSB Office of Social and Technological Statistics 2007, table 9-20). However, aside from the material construction of community, the goals of harmonious shequ and grassroots self-governance are largely achieved through regulating the residents' committee and at best creating the conditions that will shape habits and educate people regarding desired social values and norms.

Third, like most policies in China, Shequ Jianshe relies on local experimentation. It began as a grassroots effort to provide social services to society's most vulnerable population groups in regions heavily impacted by economic restructuring. From this perspective, the policy

could be viewed as the culmination of bottom-up initiatives. Through isolated local experiments, the "community construction" concept gained endorsements from higher level officials. Not only did it relieve some of the increasing burden on local governments, it was seen as a means to curb potential social unrest as unemployment rose and social services were transferred out of work units. Even in China's authoritarian-bureaucratic context, the policy-making process is an adaptive one that depends on locally generated solutions. As Heilmann (2008, 3) argues, "though ambitious central state planning, grand technocratic modernization schemes, and mega projects have never disappeared from the Chinese policy agenda, an entrenched process of experimentation that precedes the enactment of many national policies has served as a powerful correcting mechanism."

This chapter proceeds in three sections. I begin by summarizing the pressing social issues in the early reform period that prompted shequ reform ideas and the eventual policy formulation. Next I examine the experimentation process, highlighting policy-making strategies that have embedded within them certain levels of flexibility and ambiguity. Then I turn to the contents of Document 23, the memorandum issued by the State Council that pushed shequ reform beyond pilot sites toward nationwide adoption. In this translation, I aim to show the normative values of the good society the policy prescribes as it seeks to affect individual behaviour and structure a post-Mao reform-era social order. At the same time, the document is but a stage in the experimentation-based policy-making process, setting the conditions for further decentralized experimentation through local interpretation and implementation. This crucial tension between commanding directives and local-serving adaptability is observable in each of the policy conjunctures explored in the subsequent chapters.

Changing Conditions: 1980s to 1990s

Local shequ experiments and political support for shequ policies were in large part a response to changing social conditions unfolding in the late 1980s and 1990s. This section outlines five growing areas of concern in cities nationwide: the restructuring of state-owned enterprises, the subsequent increase in urban unemployment, the growing need for social assistance, issues of managing rural migrants, and concerns over the diminishing presence of the Party at the grass roots. Figure 4.1 shows on a timeline the significant events and policies mentioned in this chapter.
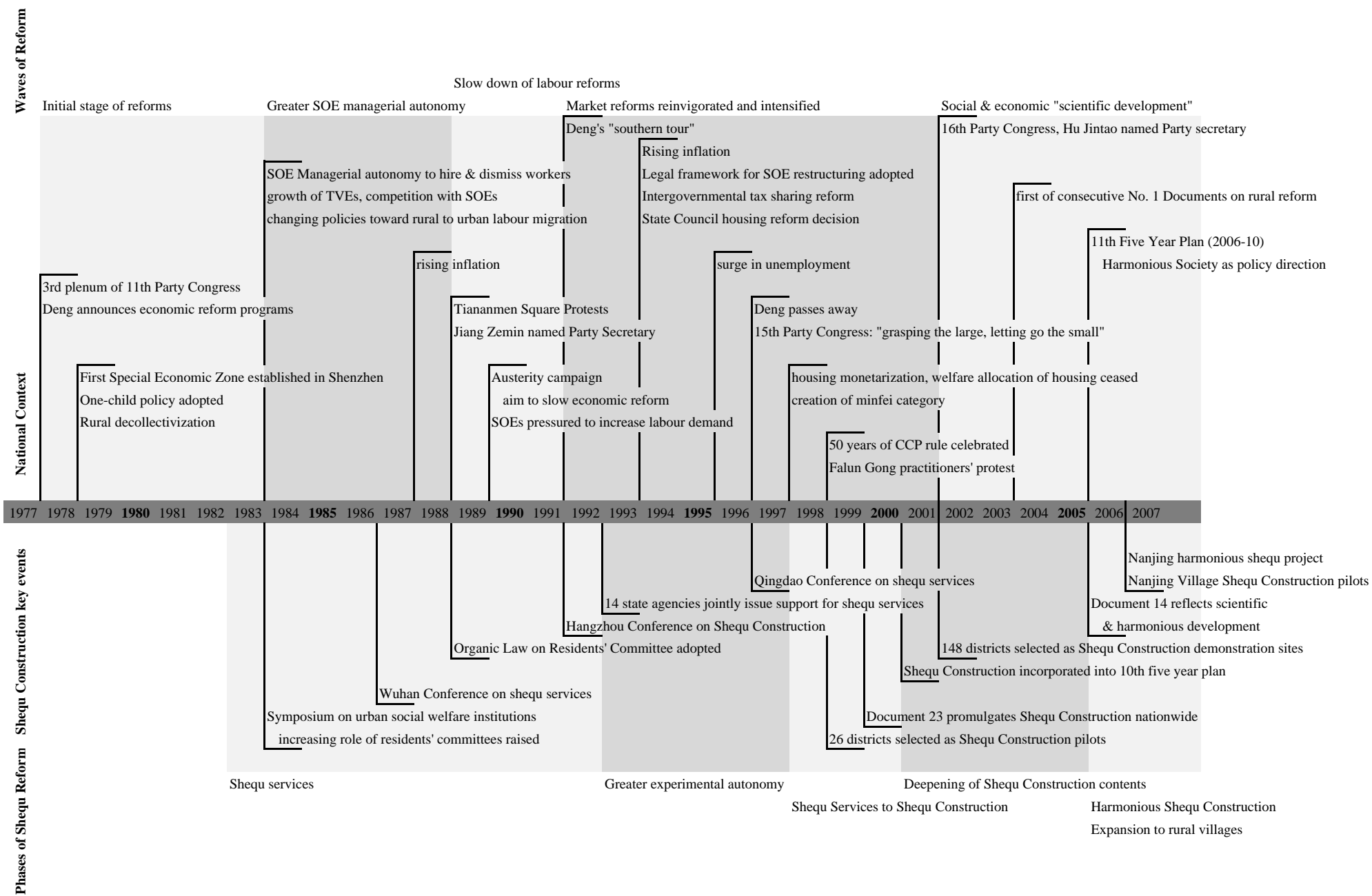
Figure 4.1 Timeline of key events

Source: information on national context and SOE reform compiled from Naughton (2003, 4-8); Fernandez-Stembridge (2003, 58); Rocca (2003, 83)

State enterprise restructuring and *danwei*-based welfare reform

Shequ Construction is part of a series of social welfare reforms that accompanied the withering of the *danwei*-based socialist employment system. At the end of the Cultural Revolution in 1976, SOEs came under great pressure to create jobs for the generation of urban youth who had been sent to the countryside and were now returning home. In spite of this, increased demand for industrial production created a demand for labour, and the number of SOE employees slowly rose.[37] However, with the economy being pushed into further marketization, conditions were volatile and by the late 1980s many SOEs were struggling. Rural decollectivization and the new household responsibility system produced a large labour surplus that contributed to the rise of township and village enterprises (Ma and Fan 1994; Guldin 1997; Oi 1999; Unger 2002). Consequently, not only did SOEs lose the monopoly in industrial production, but rural enterprises became a more efficient competitor. Whereas township and village enterprises were solely responsible for production output, SOEs continued to provide social services and welfare to their workers (Fernandez-Stembridge 2003, 59). Work-unit-based welfare reform proceeded slowly, and throughout the 1980s the institutional framework for urban welfare provision remained basically unchanged (Gu 2001).

In the late 1980s, as China's inflation rose and anxiety grew among Party elites that rising food prices could undermine social stability, SOEs had to contend with continued pressure from above to increase employment, despite their relatively high labour costs. Consequently, early reform efforts that for the first time allowed managers to claim a share of profits and to hire and dismiss workers according to production needs and performance did little to improve SOE efficiency and profitability. Many enterprises continued to require loans and bailouts from state-owned banks. There was growing fear that the continuing nonperforming loans would eventually bring about the collapse of the financial system. The economy could not continue to operate with the dual track system of central planning and market that was driving up inflation and was susceptible to corruption (Fernandez-Stembridge 2003, 59). A more competitive system was needed.

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[37] Naughton (2003, 13) makes the important and often overlooked point that while economic reform policies did result in public sector layoffs, it is essential to break down economic reform years to really understand the impact of the 1990s restructuring. Labour statistics show that in the first 15 years of reform, from 1978 to 1993, state-sector employment continued to grow from 75 million to 109 million employees. Industrial employees increased from 31 million to 45 million. The figures begin to decline in 1994 and drop sharply in 1998 (National Statistics Bureau 2006, table 5-4).

Beginning in 1993, under the new slogan "Socialism with Chinese Characteristics" that stemmed from Deng Xiaoping's 1992 trip to southern China,[38] a series of laws and policy initiatives ushered in a new wave of SOE restructuring. In essence, the term *restructuring* refers to revising the ownership structure of the bureaucratically run SOEs with the objective of making their operation more efficient, competitive, and financially accountable. Those that were successful were allowed to thrive and those that were bankrupt were abolished. SOEs were converted into joint stock corporations; workers and managers were offered the opportunity to buy shares, and successful enterprises were acquired or merged with failing firms. In other cases, state assets were privatized through auctions or the sale of bankrupt firms (Naughton 2003, 10-11).

In the course of restructuring, reforms to the workplace-based welfare system were also initiated to shed SOEs of welfare responsibilities, significantly redefining the *danwei*'s traditional role in the lives of urban workers and their families. Urbanites had been largely dependent on their work unit – for employment as well as for welfare provisions, pensions, health care, and housing. The major changes comprised, first, a compulsory labour contract to govern the relationship between workers and employers which abolished the system of permanent, lifelong employment. Second, social pension and health insurance schemes transferred responsibility from state to individual, using a combination of individual accounts and social pooling funds. With experiments since the early 1990s, the state not only hoped to relieve SOEs of the burden, but also to encourage labour mobility from the state to the nonstate sector (Gu 2001, 98). Welfare benefits are now paid out to workers as a percentage of their total wages. Work units and workers contribute jointly, with workers paying into an individual account and the work unit paying half into individual accounts and half into a social pooling fund managed by the local government (Thelle 2003, 168-9).

Third, in 1994 the State Council introduced a new set of housing reform policies and further promoted the selling of public-sector housing to employees. Workers were encouraged to

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[38] The Tiananmen Square protests of June 1989 and the state's handling of the incidents posed significant challenges to Deng Xiaoping's power. The conservative faction that was forming within the Communist Party increasingly questioned and criticized his reformist platform. His 1992 Southern Tour (*nanxun*) is regarded as a reassertion of his economic reform policies, intended to garner support in the rapidly developing southern provinces. His speeches called for bolder reform initiatives and ushered in a second bout of growth with raised targets and the development of the nonstate sector (Fewsmith 2001, chapter 2).

purchase their home from their *danwei* at a discounted price. In 1997 a new state policy sought to cease material allocation of public housing to urban employees. A compulsory housing savings system, the Housing Provident Fund, was established to facilitate housing purchases, particularly commodity housing on the real estate market. Rather than allocating housing in kind, a housing subsidy is now part of workers' remuneration and is deposited into workers' individual accounts (Wang and Murie 2000; Lau and Lee 2001; Thelle 2003, chapter 5). The specificities of how the housing savings system operated varied by locality, dependent on local socioeconomic conditions and living standards (Thelle 2003, 134-41).

Due to a confluence of timing (i.e., the Asian financial crisis in the late 1990s), accumulated debts, outdated equipment, and mismanagement, the early restructuring efforts did not unfold as intended. SOE profits continued to decline, particularly in small- and medium-sized enterprises. About half of the SOEs posted losses in 1997 (Cai 2006, 15). Small SOEs that were still earning 20 billion RMB in profits in 1993 incurred a deficit of 20 billion RMB in 1997 (Naughton 2003, 9). Despite these realities, the central government strengthened its resolve to continue with restructuring efforts and maintained a greater tolerance for layoffs. Jiang Zemin's address to the fifteenth Party Congress in September 1997 called for persevering with SOE restructuring:

> We shall convert large and medium-sized SOEs into standard corporations according to the requirements of "clearly established ownership," well-defined power and responsibility, [and] separation of enterprise from administration …We shall also quicken the pace in relaxing control over small SOEs and invigorating them by way of reorganization, association, merger, leasing, contract operation, joint stock partnership or sell-off … We should encourage mergers, standardize bankruptcy procedures, divert laid-off workers, increase efficiency by downsizing staff and encourage reemployment projects … (Jiang 1997; translation by *Beijing Review*)

A major focus of the programs initiated after the Congress centred on increasing enterprise efficiency through reducing workforces and payroll costs. One example was the "Work Conference on Basic Livelihood Protection and Re-employment of Laid-off workers in SOEs" jointly convened by the CCP Central Committee and the State Council in May 1998.

From this initiative came sanctioned procedures through which firms could lay off workers and drafted reemployment and compensation programs to assist them (Hurst 2009, 65-66).

Rising unemployment and urban poverty

With SOE restructuring, the right to permanent employment was no longer an assumed benefit of urban residency status. Relationships between workers and enterprises were to be governed by labour contracts that could be dissolved by either employee or employer. Between a high rate of bankruptcy and severe streamlining to generate profits, the restructuring process dramatically shrank public sector employment, giving rise to massive layoffs and urban unemployment. Prior to restructuring, the vast majority of all urban employment was in the state sector. As summarized in table 4.1, in 1995, even as restructuring was taking place, the number of people working in the state sector decreased slightly to 59% of the total urban work force. However, following the hard line taken toward restructuring following the fifteenth Party Congress, this number rapidly shrank to 38% in 1999 and to 32% in 2001.

The new category of laid-off workers (*xiagang zhigong*) described workers who had gone through a formal laying-off process during which they no longer worked for, but remained affiliated with, the work unit. Figures on laid-off workers vary from source to source. Here, I use official figures, keeping in mind that the population tends to be undercounted (Solinger 2001; Naughton 2003, 15). Beginning in 1997, the Ministry of Labour and Social Security reported the number of newly laid-off workers registered with reemployment centres.[39] According to national statistical figures, the cumulative number of laid-off workers from SOEs during the period 1997 to 2001 was about 25.5 million, or 18% of the SOE workforce in 1997 (table 4.1). During this period, on average, reemployment centres annually reported a

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[39] Reemployment centres are different from local employment centres. In 1998, after experimentation in Shanghai, the central government made it compulsory for SOEs laying off workers to establish reemployment centres. They were designed as an intermediary step to help workers adjust to their new circumstance. Registered laid-off workers would receive subsidies and training for 2 to 3 years. If they still had not managed to secure employment during this period, they would leave the centre but continue to receive unemployment insurance for up to two more years. After that, if they remained unemployed, they would fall into the care of social welfare agencies and receive minimum allowances. The costs were split three ways between the firm, the local government, and insurance organizations. For analysis of the reemployment centres, see Fernandez-Stembridge (2003, 60-64), Cai (2006, 20-23), and Hurst (2009, 66).

year-end figure of 6 million laid-off workers who were still looking for new positions.[40] These are rather conservative numbers because they reflect only workers who had gone through the formal laying-off process. If layoffs from bankrupt and near-bankrupt enterprises and collectively-owned enterprises were accounted, the number of urban families impacted would be much higher (Solinger 2001, 684).

Wages under the planned economy had been low, but urban poverty was limited to the few who were denied *danwei* employment. The unemployed and laid-off workers make up the majority of the new urban poor who are able and willing to work but have no jobs (Hussain 2003, 1). The official unemployment rate has remained relatively constant at 2 to 3% of the urban work force. Including the laid-off workers, the reported unemployment rate in cities is around 5 to 6%. Given the narrow definition of "laid off" and "unemployed" in official statistics, this is, once again, an underestimate of actual numbers. Surveys conducted in specific cities to better capture a more realistic account reported much higher unemployment rates. For instance, counting those who were not working and looking for work, Giles, Park, and Cai (2006, table 2) reported an unemployment rate in 2001 of close to 17% in Wuhan, over 14% in Shenyang, and over 10% in Shanghai and Xian. The nascent unemployment insurance program and pension system, riddled with problems of arrears, under funding, and narrow coverage, did little to alleviate the adverse impact of restructuring on urban workers. With economic hardship now becoming a reality for many, feelings of uncertainty, vulnerability, and anger increasingly were expressed in public demonstrations, petitions, and attacks on government buildings (Rocca 2003, 83; Cai 2006, chapter 3).

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[40] After 2000, the figures decline rapidly (table 4.1). Reemployment centres were deemed by policymakers as a failed initiative. At the end of 2000 no new workers were admitted and all the centres were closed by 2003. Laid-off workers were reclassified under the general category of unemployed (Hurst 2009, 66).

Table 4.1 Employment statistics for years of concentrated SOE restructuring (in million persons)							
Year	1992	1995	1997	1998	1999	2000	2001
Employment in SOE (1)							
Urban employed person	178.61	190.40	207.81	216.16	224.12	231.51	239.40
In state-owned	108.89	112.61	110.44	90.58	85.72	81.02	76.40
% of urban employed	61%	59	53	42	38	35	32
Laid-off Workers							
From SOE at year end (2)			6.92	5.92	6.53	6.57	5.15
From SOE added this year (2)				5.62	6.19	4.45	2.34
Laid-off workers not SOE (2)				2.80	2.85	2.54	2.26
Registered unemployed (3)	3.64	5.20	5.77	5.71	5.75	5.95	6.81
Total urban unemployed	3.64	5.20	12.69	11.63	12.28	12.52	11.96
% of urban workers	2%	3	6	5	5	5	5

Note: The figures for SOE include only state-owned enterprises and exclude collectively-owned enterprises. "Total urban unemployed" is calculated from adding laid-off workers at year end and registered unemployed. "Unemployment rate" is the "total urban unemployed" as percentage of employed, laid-off, and registered unemployed persons.

Source: (1) National Statistics Bureau, *China Statistical Yearbook* 2006, table 5-4. (2) Ministry of Labour and Social Security, *China Labour Statistical Yearbook* 2000, table 8-1; 2001, table 8-1; 2002, table 2-6; 2003, table 2-6, table 2-7. (3) Ministry of Labour and Social Security, *China Labour Statistical Yearbook* 2002, table 2-2.

Urban social assistance programs and trends towards welfare socialization

The unleashing of such a transformative restructuring process resulted in large-scale layoffs and left an immediate gap in welfare provision. In urban areas, the number of people receiving subsistence allowance through the government's Minimum Living Standards Program (*dibao*) increased fivefold during the period from 2000 to 2005 (NSB Office of Social and Technological Statistics 2007, table 9-2). The hardships for laid-off workers were compounded by the lack of an universal welfare system. Even though the state slogan encouraged urbanites to transform their identity from that of a "work unit person" (*danwei ren*) to a self-reliant "society person" (*shehui ren*), welfare spending in the government sector had not kept up to create a safety net to support this transformation. As socialist ideology had

encouraged the right to welfare through work, the state had provided subsidies through work units rather than investing in direct welfare programs.[41]

Government spending on relief work was for civil affairs programs such as veterans' aid, disaster relief, and aid for the small percentage of the unemployed who were without family members to depend on. In most years from 1949 to 1995, civil affairs expenditures (including pensions, social welfare, income assistance, and natural disaster relief) accounted for less than 2% of the total state budgetary expenditures (L. Wong 1998, 149). Despite increased demand for social assistance due to the large-scale layoffs welfare spending since 1995 has remained at around 2% to 3% of total budgetary expenditures (National Statistics Bureau 2006, table 8-4). As the next chapter discusses at greater length, the unchanged proportion of welfare spending reflects the shift in responsibility onto lower levels of government, and their dependency on off-budgetary revenues to fund social services.

The retreat of the central state from welfare responsibility through separating the welfare provisioning functions of SOEs from their business activities became known as "social welfare socialization" (*shehui fuli shehuihua*) and "diversification" (*duocengci*; Thelle, 2003, 37). Socialization transfers responsibilities from the state to society, that is, residents' committees, social organizations, enterprises, families, and individuals. Diversification devolves responsibilities to lower levels of government. Wong (1998) sees this reduction in state provision and funding as indicators of social welfare privatization. Under the rubric of marketization and socialization, the author points out, the Chinese government has "openly espoused fee charging, community care and informal care, as well as reforms in financing and management" (155). However, Thelle (2003) views socialization and diversification as alternate forms of collectivization because the community has assumed duties from the state, and part of the aim "seemed to be to instil a feeling of togetherness and belonging from above, maybe in recognition of the low esteem held of the Communist Party committees in many places" (173).

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[41] It is important to note here that welfare under the Ministry of Civil Affairs differs from social security under the Ministry of Labour and Social Security. The former provides assistance to marginalized people and oversees the development of community services for everyone. The latter is for those affiliated with a work unit (Thelle 2003, 167). Organized through work units, labour insurance benefits for workers had included occupational and nonoccupational disability pensions and medical care, retirement pensions, and medical care for dependents (Dixon 1981, appendix 4.1).

Management of the floating population

Alongside enterprise restructuring, a separate series of policy decisions gradually loosened the restrictions placed on rural to urban migration (Solinger 1999, 45-55). The term "floating population" (*liudong renkou*) refers to migrants who reside outside their place of permanent residence registration without undergoing official process of registration transfer. They are typically from the countryside and "float" between cities and their home place. By the early 1990, it was estimated that between 50 and 60 million rural migrants were working outside of their townships (Mallee, 2000, 91), and the large scale rural to urban migration that had been taking place began to receive widespread attention in the urban media, particularly before and after the Lunar New Year holidays when migrants travelled to and from cities back to the countryside. Images of their massive numbers crowding the train stations gave rise to the phrase "migrant worker tidal wave" (*mingong chao*), which describes the scale of and sense of panic in cities toward the rural labour migration (ibid.).

It was neither possible nor desirable for the Chinese authorities to block rural to urban migration as the low costs of rural labour were attractive to both state-owned and foreign-invested enterprises (Solinger 1999, 48-55). By the mid-1990s, the size of the migrant population had grown rapidly to an estimated 100 million (Chan 2008, 5). Migrant workers had become the backbone of the country's export-led manufacturing sector, comprising as much as 70 to 80% of the workforce in industrial coastal cities such as Shenzhen and Dongguan (Chan 2009, 207). As their number continued to increase, migrants in cities, many of whom were undocumented and beyond the state's reach, were regarded by officials as posing a threat to government control and ultimately the regime's ruling power (Li 1998, 19). According to opinion polls conducted at the time in large cities, the migrant population were perceived by urban residents to be a critical problem for public security (Solinger 1999, 131). Over the last two decades, the state has attempted to tighten its management over the migrant population through various *hukou* reforms and registration policies (Wang 2004; Chan 2009). And, local urban governments have carried out "clean-up campaigns" that mobilize police to arrest and repatriate migrants without proper documents.

The day-to-day management of the migrant population has been the responsibility of public security bureaus, neighbourhood police stations, and residents' committees. It is at this lower level that the local government concentrates its efforts. The local public security bureaus are

responsible for *hukou* registrations. Every neighbourhood police station has a full-time *hukou* officer assigned to collect, verify, and update not only the registration of the residents in the jurisdiction, but also to record their political activities, financial status, personal friends and family relations, and hobbies. Relying on the assistance of residents' committees, it is the *hukou* officer's job to get to know those who live in the jurisdiction and to report those who do not belong there and those who threaten national or public security (Wang 2004, 124-5).

Party building and keeping in touch with the masses
Finally, the support for shequ reform must be situated within the political climate after the 1989 Tiananmen Square events. The demonstrations of spring 1989 were a reaction of deep social dissatisfaction. The urban industrial enterprise reforms that sought to increase competition and expand market mechanisms brought high inflation, elite corruption, a widening income gap, public angst over job security, and a split in the Party leadership regarding the direction of economic reform (Liang, Ling, and Nathan 2001, 3-18). The event was a severe test and wake up call for the leaders of the Party-state. It demonstrated their lack of awareness toward the extent of social discontentment and the diminishing presence of the CCP at the grass roots.

For instance, a few weeks afterwards, in his report to the fourth plenum of the thirteenth Central Committee, then Premier Li Peng stressed the "need to make a solemn resolution to overcome the tendency of the Party and government to drift far from the masses" (Liang, Ling, and Nathan 2001, 440). At the sixth plenum the following spring in 1990, the CCP published an open directive on strengthening the deteriorating relationship between the Party and the masses. Underneath the rhetoric, there was a concern for building the Party's capacity to influence the grass roots, reminiscent of the "mass line."[42] The directive called for cadres at the county level and above to spend time at the grass roots in order to understand the needs and difficulties of the people, propagate policies, engage in political thought work, and take part in labour (*People's Daily* 1990, section 3.3; translated by author). Recognizing that

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[42] The mass line was a means of political mobilization developed in Yanan to strengthen the relationship between the CCP and the masses. Mao stated that "all correct leadership is necessarily 'from the masses, to the masses'. This means: take the idea of the masses (scattered and unsystematic ideas) and concentrate them (through study turn them into concentrated and systematic ideas), then go to the masses and propagate and explain these ideas until the masses embrace them as their own, hold fast to them and translate them into action" (Mao 1943/1967, 3: 117-119). Since the Yanan period, the tactic has influenced other CCP practices, such as the *danwei* system (Bray 2005, 55-58).

many base-level Party organizations are ineffective and non-functioning, it further called on lower-level cadres to connect with and organize people (ibid., section 7; translated by author).

In this context, Bray (2006) observes that in addition to emerging challenges of welfare provision and policing the influxes of rural migrants, shequ building is linked to the wider project of strengthening the CCP, or Party building (*dangjian*), at the grassroots (535). Aside from welfare provision, the concept of community services also served the political function of building cohesion and social stability through mutual help. The then Civil Affairs Minister Cui Naifu asserted that "to develop the work of community services is useful in regulating human relations, solving social problems, creating a harmonious social environment and realizing the guiding thoughts of serving the work of the Party centre through the work of civil affairs" (Social Security News 25 September 1987, cited in Wong 1998, 127).

From Services to Construction: Two Decades of Shequ Experiments

Through the 1990s, the increasing number of welfare recipients and the complexity of new programs were beginning to overstretch the capacity of staff at the district and street office levels and the untrained members of the residents' committees. As local governments searched for solutions, the limitations and potentials of street offices and residents' committees as providers of social welfare presented opportunities for experimentation. Innovations through two decades of localized experimental programs played a crucial role in formulating Document 23 which promulgated the Shequ Construction initative nationwide. A review of early documents suggests that organizational reforms to the old residents' committee were not apparent at the outset. At the eighth national work meeting of the Ministry of Civil Affairs (MCA) in 1983, only the broad principle of mobilizing societal resources in providing social welfare was raised (Wong and Poon 2005, 418). Central leadership called for reform and a new line of thinking for welfare pluralization to relieve the state as sole provider, pointing toward shared responsibility among the state, work units, and individuals. The meeting confirmed and spurred various local initiatives with some involving residents' committees.

Shequ reform experiments reflect the importance of locally generated ideas in China's policy-making process. The process involves a "point to surface" (*youdian daomian*) approach that begins when the central state recognizes successful local innovations and

solutions. Demonstration sites with more diversity in local circumstances are then selected for pilot testing. Eventually, based on research findings by advisors and on conferences where local officials exchange ideas and experiences, provisional rules and regulations are revised and a policy program is formulated and disseminated for broader implementation. Rather than being bottom-up or top-down, this process is better described as a feedback loop between local and central governments (Heilmann 2008). This ideational diffusion and its influence on the policy development path and content are observed in a wide range of reform areas, including special economic zones, administrative reform, and rural health care programs (Foster 2006; Heilmann 2008). In legislation-centred liberal democracies, potential policy impacts are usually assessed prior to enacting laws and regulations. In contrast, since the revolutionary era in China, discretionary experimentation through on-the-ground implementation has typically occurred before legislation (Heilmann 2008, 9). Below, I outline Shequ Construction's development through the 1980s and 1990s as three phases, emphasizing the continual interchange between the centre and localities and the inseparability of bottom-up and top-down. Key documents and circulars are chronicled in appendix 2 with listings of demonstration cities and districts.

Phase 1: Shequ services (1983 to 1992)

After the 1983 MCA work meeting, localities took up the call to involve nonstate sectors in the provision of welfare services. In 1984, the Ministry convened a national conference in Zhangzhou, Fujian Province, bringing together civil affairs officials from various localities to share initial experiences with urban welfare reform, specifically the transferring of welfare services from work units to local governments. In 1986 MCA first raised the concept of *shequ fuwu*, or community services which focused on welfare delivery at the neighbourhood level instead of at the municipal and district levels (Chan 1993, 28). Street offices in Beijing and Wuhan, serving as pilots, were required to establish a range of services (ibid., 41 fn10). A year later, MCA organized the First National Symposium on Community Services in Urban Areas in Wuhan. This meeting of local officials prompted many large cities to plan shequ services and open pilot care facilities. Two years later, at the 1989 Hangzhou Conference, officials from more localities came together to exchange lessons learned, discuss challenges, and affirm the role of community-based social services in the reform-era. Even though the MCA requested municipalities to undertake community services, the existing residents' committees lacked the skills to handle not only the increased demand for welfare

services but the new conditions reform policies created. By the end of the 1980s, in some cities new shequ committees had either replaced or were being established alongside existing residents' committees (Derleth and Koldyk 2004, 750).

Then, on December 26, 1989, at the eleventh plenum of the seventh National People's Congress, the Organic Law was approved and adopted. Reflecting the experiments, it specifically called for residents' committees to engage in shequ service activities: "Residents' committees shall develop shequ services that provide convenience and benefits to residents, as well as initiate the development of related service enterprises. Residents' committees shall manage their own financial affairs and no departments or units shall infringe upon the assets of residents' committees" (Article 4, translated by author). As the next section will discuss, this directive motivated residents' committees to operate convenience stores and fee-for-service programs, transforming residents' committees into service providers rather than primarily keepers of social order (Choate 1998, 11).

Phase 2: Greater experimental autonomy (1993 to 1997)

MCA continued to hold meetings and conferences for municipalities to exchange experiences. Much confusion remained at the neighbourhood level as to what "shequ services" entailed, and much direction was needed from municipal and district civil affairs officials. Only in larger, more affluent cities like Beijing and Shanghai were plans prepared and adopted expeditiously (Wong 1998, 129). During this phase, MCA enlarged its efforts to expand community services by changing the neighbourhood administrative structure and giving shequ residents' committees more autonomy.

The first of such efforts was the 1993 policy paper *Memorandum on Accelerating Shequ Service Operations*. Jointly issued by 14 ministries and State Council commissions, it called for program expansion, innovation, and effective regulation (MCA Office of Social Welfare 1993, Document 11).[43] This collaboration meant that all ministries and commissions were on board to support the realization of shequ services within the bounds of their authority. Most importantly, the document provided concessions for shequ residents' committees to receive

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[43] For an English translation of the document, see Choate (1998).

income tax exemptions as well as priority in receiving bank loans, land development capital, and money for building improvements (Wong 1998, 129).

Then, to quicken the pace of experimentation across the country and expand service content, in 1995 MCA issued *Standards on Shequ Services Demonstration for Urban Districts*. To qualify as demonstration districts, localities had to prove success, measured in terms of positive social and financial outcomes, and applicability as a model for other districts (Article 3). To promote innovation in welfare socialization, the *Standards* requested that demonstration districts embark on projects that broadly included social services catering to pensioners and laid-off workers, as well as convenience services and activities that would appeal to all residents. The document also listed concrete performance measures, such as the minimum size of shequ service centres and the types of services and activities to be provided. To qualify as demonstration districts, localities also had to meet the established benchmark figures for fiscal spending on shequ service development (e.g., 400 RMB per 1000 residents to come from the street office). Three years later, MCA named 46 districts as National Shequ Services Demonstration Districts. The standards and lessons learned from these demonstration sites would provide the foundation for Shequ Construction.

Phase 3: Shequ services to Shequ Construction (1998 to 2000)

In the third phase of Shequ Construction development, attention was no longer limited to services but focused on the comprehensive reform of the socialist neighbourhood institution. Reform of the residents' committee was officially referred to as Shequ Jianshe, or Community Construction. In 1998, shequ services became part of the much more extensive Shequ Construction spearheaded by MCA's newly created Office of Grassroots Governance and Shequ Construction. As part of a wide-ranging bureaucratic restructuring, in the late 1990s the State Council required each government agency to delineate its function and size, known as the "*san ding*" (three confirmations).[44] Elevating the importance and ensuring the continuance of shequ development, MCA resolved one of its main functions to be "guiding the construction of urban residents' committees, setting the managing plan and development policies for shequ work and shequ services, and advancing shequ construction" (State Council General Office Secretary Bureau 1998, 200; translated by author).

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[44] The three confirms, or *san ding*, refers to "confirm assigned functions, confirm internal organizations, and confirm the outlining needs of human resources."

In 1999, under the *National Shequ Construction Experimentation Work Realization Plan*, MCA chose 26 urban districts that had built a tested foundation in community services to be pilots for Shequ Construction. The districts varied in size, geographical location, and economic circumstances. Their designation as pilots gave them implicit autonomy to try new initiatives. Selected neighbourhoods in these districts became case studies for researchers and policy advisors to discuss and analyze. Issues of interest included demarcation of shequ boundaries, selection and makeup of residents' committees, committee responsibilities, program content, and funding sources for wages and activities. Each model was informally named after the city in which it was located. Here, I briefly describe the Shanghai and Shenyang models, at opposite ends of the autonomy scale and with most shequ pilots lying somewhere in between. I highlight the specificities of local conditions, shequ's place in the bureaucratic structure, and the distinctiveness of each model.

"Two levels of government, three levels of management" (*liangceng zhengfu, sanceng guanli*) succinctly describes the Shanghai model. "Two levels of government" refers to heavy reliance on the district and street office to set the agenda and program objectives. "Three levels of management" adds the shequ as a level in policy implementation. This model has also been described as "strong government, weak society" or "strong leadership, weak participation." It utilizes the same type of governmental control as during the period of the planned economy in hopes of regaining the government's leadership status (Peng 2002, 2). As a result, power has been passed down to the street office, and it is at this level that innovation occurs, rather than at the shequ level. This model's notable achievement is the success of businesses operated by street offices which financially support the continuance of community building projects (Xu 2002, 34).

In contrast, the Shenyang model gives the shequ greater autonomy. As part of the rust belt in northeastern China, Shenyang was plagued by SOE bankruptcies and a high unemployment rate. The existing residents' committees were thought of as too small to establish viable economies of scale for neighbourhood services, and thus several committees merged to form a new geographically defined shequ. This enlarged shequ is governed by a new organizational structure consisting of four committees: 1) a shequ CCP branch to serve the leadership role; 2) a shequ representatives' council formed by residents, social organizations, and businesses to undertake strategic decision making; 3) a consultation committee

comprising residents who are representatives to the People's Congress, members of the Political Consultative Committee[45] (*zhengxie*), and other notable residents to hold forums to discuss neighbourhood affairs; and 4) a management committee that doubles as the residents' committee, which is responsible to and implements the decisions made by the shequ representatives' council (Derleth and Koldyk 2004, 754; Bray 2005 186-7). As long as the CCP's laws and leadership are acknowledged, the shequ residents' committee is encouraged to solve its own problems. The most progressive aspect of the Shenyang model grants the shequ residents' committee the authority to disagree with the government on certain assigned responsibilities as stated in the 1989 Organic Law (Xu 2002, 33-34). MCA supports this model, viewing it as the first step in separating grassroots organizations and their problems from government (Derleth and Koldyk 2004, 754; Bray 2005, 184).

A Look at Document 23: Advancing Shequ Construction Nationwide

From the state's perspective, the year 2000 was a milestone for Shequ Construction. On November 19, 2000, the State Council endorsed the *Memorandum from the Ministry of Civil Affairs on Promoting Urban Shequ Building throughout the Nation*, also referred to as Document 23. While the concept of Shequ Construction had on several occasions been mentioned in speeches by Jiang Zemin,[46] this was the first formal document issued by the highest executive organ concerning Shequ Construction. Drawing from lessons learned in experiments and models, it outlined general principles and standards to be translated into actionable plans by local governments nationwide.

Issued from the General Offices of the Central Chinese Communist Party and the State Council, Document 23 is addressed to all administrative organs and Party committees: provincial-level governments and Party Committees; Party Committees of military-controlled regions; central ministries and commissions; military Party Committees; and People's

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[45] With roots in the united front policy in the early years of the founding of the People's Republic of China, the Chinese People's Political Consultative Conference (CPPCC) provides liaison with other political parties and consists of representatives from the Chinese Communist Party (CCP), other political parties, mass organizations, ethnic groups, and interest groups, as well as non-party intellectuals, businessmen, and returned overseas Chinese. Under the leadership of the CCP, the CPPCC consults on major policies through discussion forums and written proposals and criticisms.

[46] See Jiang Zemin's report delivered at the fourteenth National Congress of the Chinese Communist Party in October 1992 and at the fourth plenum of the eighth National People's Congress in March 1996. In both speeches he emphasized the need to realize the potential and full function of residents' committees.

Organizations. It requests each locality, committee, and bureau to implement the guidelines according to its own circumstances.

So, how is Document 23 to be understood? It begins by calling out the necessity of Shequ Construction for the nation's advancement and the imperative for each government bureau and organization to further its development. On closer examination, it becomes evident that the shequ can potentially become the entity through which bureaus and departments channel work related to all social service areas. However, an important point to keep in mind is that the shequ concept is based on the old residents' committee system, with intentions of adapting it to meet current social needs. The document begins by articulating the official definition of shequ: *the social living collective formed by those living within a defined geographic boundary; currently this largely refers to changes to the residents' committee jurisdiction that has undergone shequ system reform* (*shequ tizhi gaige*).

The legal standing of shequ as an entity remains ambiguous. Policies affirming its role in contemporary Chinese society have been written as documents rather than given the weight of regulations or laws. The law that governs and grants authority to the shequ comes primarily from the Chinese Constitution and the 1989 Organic Law. No law specifically recognizes the *shequ* as a new organizational form. This is to say, the term has not been used in laws and the shequ's legal recognition comes solely from its association with the urban residents' committee. Nevertheless, as this section explores, Documents 23 seeks to define and establish the shequ institution nationwide that carries with it a much larger burden and plays a more important role than the socialist residents' committee.

In this commentary on Document 23, I proceed through each of its five sections, summarizing the central ideas with my translations of the text in italics. I follow with commentaries to provide context and explanations that I believe are important for a more in-depth understanding of the implications behind the text, which is written in the tradition of government circulars and is ridden with political overtones. Specifically, I draw attention to two notable lines of reasoning in the document. One, the frequent references to socialist ideals seems to assert that the transfer of social service delivery from the *danwei* onto the shequ is not at odds with socialism. Two, the repeated call for expanded services or comprehensiveness suggests that the scope of the neighbourhood institution is to be

broadened, raising further questions of whether it has the requisite capacity and how the institution is to be strengthened.

1. What are the governmental rationales?

Broadly, the MCA defines Shequ Jianshe as a new project area for the government that is necessary for the country's urban economic and social development and modernization. Section 1 of the document, titled "Fully Recognizing the Significance of Promoting Urban Shequ Construction," lists the following three rationales behind the policy program:

(1.1) *Promoting urban shequ construction is necessary for reform and opening and the construction of a modernized socialism.*

(1.2) *Promoting urban shequ construction is an effective measure for a flourishing grassroots cultural life and for building a strengthened socialist spirit culture.*

(1.3) *Promoting urban shequ construction is an important path for consolidating grassroots political power and for building a strengthened socialist democracy.*

While the text harbours politically idealistic language, a closer reading suggests that the link between socialism and Shequ Construction is emphasized to address changing state-society relations, in particular the renegotiation of the urban social contract that was fundamental to socialism. Under this implicit agreement between the Party-state and the urban working class, on which permanent employment and the *danwei*-based welfare system were based, economic and social security were provided in exchange for political support. Rather than breaking with socialist ideals, the neighbourhood replaces the work-unit, keeping the contract intact. *Under the new conditions [post-reform], the previous management structure where each person was locked into belonging to a social organization has broken down as the majority of urbanites transition from "danwei ren" (work-unit individual) to "shehui ren" (social individual) and as countless rural migrants flood into the cities, increasing the size of the floating population (1.1).*

The next paragraph states, *alongside economic reforms, the social functions shed by [state-owned] enterprises and the service functions transferred out of the government are for the shequ to shoulder and continue to provide (1.2).* Rather than assuming that urbanization or marketization will increasingly weaken place-based sense of community, the conviction

made here is that welfare reform policies (in housing, health care, elderly care, and employment) have made the relationship between urban residents and their neighbourhood more intertwined. As this happens, the state calls for reform of existing residents' committees in order to increase their self-governing capacity to address the issues of migrant population, unemployment, elderly care, and social instability.

The concept of socialist democracy – the practice of which the Party-state has long insisted upon – is repeated throughout the document. The Chinese Constitution reads: "The PRC is a socialist state under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants" (Article 1). Today, the term *socialist democracy* is heard more often than the term *people's democratic dictatorship*. In both usages, *democracy* is interpreted to mean representation of the people by the Party-state, not government by the people as in liberal democracies (Ogden 2002, 14–24).

2. What is the objective of Shequ Construction?

In three long paragraphs, Section 2 explicates the guiding thoughts, basic principles, and central objectives of urban Shequ Construction. As is the conventional practice, the section begins by citing the political ideologies of the time – Deng Xiaoping Theory and Jiang Zemin's theory of "three represents"[47] – as the policy program's guiding thoughts (*zhidao sixiang*): *to earnestly work toward realizing the spirit of the 15th Party Congress. Starting from the current state of the country, reform the grassroots governance institution, strengthen shequ function, affirm the role of the Party as the foundation of urban work organizations and of the masses, strengthen urban grassroots political rights and the construction of self-government organizations led by the masses, raise people's quality of life and level of civility and culture, expand grassroots democracy, foster closer ties between the Party and the masses, protect social political stability, and promote the coordinated development of urban economy and society.*

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[47] Jiang Zemin's theory of "three represents" points to the CCP's representation of advanced productive forces, advanced culture, and the fundamental interests of the overwhelming majority of the Chinese people. It has been interpreted as the Party's effort to win popular support for Jiang's regime, expanding the Party's representation of workers, soldiers, and farmers to include the majority of the Chinese people, especially entrepreneurs, professionals, and high-tech specialists (Dickson 2004, 148-153).

The reference to the fifteenth National Congress of the CCP must also be considered to be more than a matter of convention. Significantly, its mention contextualizes Shequ Construction within the broader national agenda of the time. Held in mid-September 1997, seven months after Deng Xiaoping's passing, the Congress was in large part homage to the "paramount leader." Deng's Theory, which centered on creating a market economy within the socialist political system that underlies China's reform, was incorporated into the CCP Constitution. Adhering to Deng's vision of building socialism with Chinese characteristics, in his address to the fifteenth Congress Jiang Zemin pressed for continuing with SOE restructuring. The shequ institution, with its focus on social services delivered by a strengthened residents' committee, was to become a key societal actor in alleviating the hardships faced by laid-off workers:

> With the deepening of enterprise reform, it would be hard to avoid the flow of personnel and layoffs. It will cause temporary difficulties to some of the workers … The Party and the government will take measures and rely on all quarters of society to show concern for laid-off workers, help them with their welfare, organize job training …   (Jiang 1997; translation by *Beijing Review*)

Another significant "spirit" of the fifteenth Party Congress is Jiang's promise to extend the scope of elections at the grassroots level:

> The grassroots (*jiceng*) organs of power and self-governing mass organizations in rural and urban areas should establish a sound system of democratic elections and keep the public informed of their political activities and financial affairs so as to enable the people to take a direct part in the discussion and decision making concerning local public affairs and welfare undertakings, and exercise supervision over cadres.   (Jiang 1997; translation by *Beijing Review*)

Elections in rural villages had been initiated a few years earlier, partly as a means of strengthening the Party's presence and enhancing the legitimacy of the Party in the countryside (Choate 1997; Kelliher 1997). Despite the fact that the 1989 Organic Law had stipulated the election of residents' committee, it was the shequ reform experiments that actually initiated the process in the cities.

Shequ Construction is regarded as a means of establishing stronger institutional links with society through greater involvement of Party members in servicing the people and by holding local cadres to greater account. Rather than the coercive control that characterized the Maoist era, the state's presence is to be established through its leadership in grassroots organizations. The basic principles behind the undertaking of neighbourhood reform are:

> *(1) to service the people;*
>
> *(2) to share resources and responsibilities with all who reside in the neighbourhood unit;*
>
> *(3) to systematically manage and bring together responsibilities and rights;*
>
> *(4) to expand democracy and residents' self-governance; and*
>
> *(5) to proceed according to the specificities of local conditions.*

Following these principles, local governments are to translate the following goals into a Shequ Construction Five-Year Plan with annual implementation tactics:

> *(1) adapt to the needs of urban modernization;*
>
> *(2) using shequ services as the lead, continue to expand the types of service offerings;*
>
> *(3) strengthen shequ management; and*
>
> *(4) insist on state guidance and participation by society.*

3. What is being constructed?

The *Memorandum* becomes quite concrete in Section 3, "Advance the Development in Each Working Area of Urban Shequ Construction." The section lists six development areas to be achieved according to each locality's economic circumstances and social conditions: (1) expand shequ services; (2) develop shequ health care; (3) foster shequ culture; 4) beautify the shequ environment; (5) strengthen shequ security; (6) affirm local-specific Shequ Construction programming.

My examination of each of the six development areas draws attention to the fact that the nature of this work is multifaceted and requires a lot more of residents' committees than administrative skills. Shequ "construction" calls on collaboration among public-sector organizations such as hospitals and public security. The scope of what is intended also relies on developing the disciplines and professions of social work and social planning, which have not been given due attention and support in education and research.

(1) *Expand shequ services. In large cities, we must grasp the focal point of constructing and managing district and street office service centres and residents' committee service stations.* The services provided at centres and stations are to focus foremost on welfare and social assistance to the elderly, children, the handicapped, low-income households, and the disadvantaged. Beyond, they are to move in directions of providing residents with convenience services, providing laid-off workers with employment services, and supporting the diversification of welfare services and social security by nonstate agents.

Shequ service lies at the heart of Shequ Construction. Through service centres, social services are being offloaded onto the street offices and the residents' committees, and onto society through fees for services. In the concept of community services, residents' committees are to operate as both a public service agency and a fee-charging service provider. The public service arm manages applications for income assistance and subsidies and administers the funds that are allocated from government bureaus for the underprivileged. Residents' committees under the direction of the street offices act on behalf of the state in being the caretakers of their neighbourhoods' most vulnerable.

The service industry arm focuses on developing the service sector at the street office and neighbourhood levels. Official documents recognize shequ services as a component of China's emerging tertiary industry. Shequ services are for the most part undertaken by street offices, with a reliance on residents' committees. Broadly, they refer to programs designed to serve and benefit residents. The types of services have included fruit vending, convenience stores, day cares, barber shops, and housekeeping services. More extensive, street offices have operated small-scale rehabilitation centres for the handicapped, care homes for the elderly, and welfare factories training and employing the mentally handicapped. These enterprises charge fees for services, mostly below the going market rate. This has been termed the "industrialization" (*chanyehua*) of shequ services. The income generated is part of the street office's fiscal revenue. It goes toward supplementing the tight funds allocated from the higher levels and supporting new initiatives such as community policing and help lines, or it is reallocated by the street office to fund other non-Shequ Construction-related expenditures (Wong 1998, 76-79; Interview, Gulou District Civil Affairs Bureau, 14 May 2007).

By the year 2000, the rise in unemployment from SOE restructuring had already become a pressing national issue. The development of the shequ service industry presented a potential area for the reemployment of low-skilled laid-off workers. A year prior, as Shequ Construction experiments were underway, a memorandum led by the All China Women's Federation strongly supported the development of the shequ service industry and called for the incorporation of what it termed the "kerchief shequ services project" into the broader shequ program. The kerchief project sought to draw attention to and address the plight of laid-off workers, the majority of whom were middle-aged women (All China Women's Federation [Fu Zhi] 1999, Document 19).

(2) *Develop shequ health care. The focal point of urban health and sanitation work needs to be placed at the shequ, assertively building shequ health care.* Each neighbourhood is envisioned to have a care facility staffed by a nurse who can provide residents with basic health care, health education, and family planning. The clinics, established by the local hospital, would alleviate the long wait times and crowding at hospitals and allow residents to receive medical care closer to home. This is an example of how other ministries can and have begun to utilize the shequ structure in their work, or as the Chinese officials say, "to enter the community" (*jin shequ*) and organize a web of auxiliary sites. The clinic at Nanjing New Village, one of the neighbourhoods studied in this research, is located inside the shequ centre. The nurse explained that the elderly who need to be administered medication regularly rely the most heavily on the neighbourhood-based clinic (Fieldnotes, 18 May 2007). According to the shequ director, the clinic has not created much additional administrative responsibility for the residents' committee. Thus far, she has worked with the clinic's nurse on an incident of elderly abandonment, flu prevention campaigns, and the 2003 SARS [severe acute respiratory syndrome] outbreak (Interview, NV shequ director, 18 May 2007).

(3) *Foster shequ culture. Energetically build up shequ cultural initiatives and continue to improve cultural facilities that benefit residents.* The facilities referenced include cultural centres at the street office level; and multipurpose rooms, public squares, and bulletin boards for public announcements. Cultural initiatives include a wide-range of activities in arts, sports, popularization of science, and education.

(4) *Beautify the shequ environment.* Beautifying (*meihua*) refers to cleaning and greening the neighbourhood. In addition to improving the quality of the local environment, the emphasis on neighbourhood environs carries, in large part, the intention of instilling a sense of ownership and responsibility for the maintenance of purchased work-unit housing and common spaces. Under the planned economy, housing was allocated and all interior and exterior repairs and maintenance, if any, were undertaken by work units. The purchasing of one's home has encouraged families to invest in upgrading the furnishings, but common areas have been neglected. In many older Nanjing residential housing compounds, residents' committees collect a maintenance fee from each household for the basic upkeep of sweeping stairwells and public spaces. I discuss the issue of property management in greater detail in chapter 7.

(5) *Strengthen shequ security. Establish a network for the integrated management of public security. Following the readjusted shequ jurisdiction, those localities with the resources should pursue the model of "one shequ, one policing unit"…* This model seeks to create community policing districts in which residents, with assistance and guidance from the public security bureau, self-protect and self-regulate. As such, this neighbourhood-level organization is envisioned to handle specialized social services, such as supervising offenders released back into the community, registering the floating population, providing legal education to residents, and mediating civil disputes.

(6) *Develop urban Shequ Construction programming appropriate for local circumstances. In the process of constructing shequ, each locality ought to proceed in accordance with its economic and social development level … starting from basic work requirements … avoid superficialism.* The experiments had demonstrated the varying financial ability, speed, and capacity with which localities could realistically undertake shequ reform. Comparing the spending on shequ service centres across the country markedly demonstrates the disparity. According to 2003 figures, the national average for construction and programming costs per centre is about $445,000 RMB. The localities with the highest spending per centre were Beijing at $929,000 RMB and Shanghai at $383,000 RMB. The lowest were Liaoning at $14,000 RMB and Anhui at $12,000 RMB (MCA Office of Base Level Governance and Shequ Construction 2003, 1032-33).

4. Who will be doing the construction?

Section 4 of the *Memorandum* outlines the shequ organizational structure, consisting of the neighbourhood CCP branch, residents' self-governing organization, and shequ centre staff. As with other aspects of social life under the planned economy, Party members belonged to the branch in their workplace rather than their place of residence. Organizing within neighbourhoods catered to retired, elderly, or unemployed Party members. With SOE restructuring and the emergence of private and foreign enterprises, many people no longer had a workplace Party branch to belong to. The Party leadership viewed the increasing number of "committee-less" members as a threat to its ability to manage and mobilize its members, which in turn impacts the Party's influence and capacity building. Alongside the experimental phase of Shequ Construction in the late 1990s, the CCP Development Organization held symposiums to discuss the simultaneous promotion of "Shequ Party Construction" (Kojima and Kokubun 2002).

Document 23 expounds on the role of the neighbourhood Party branch and delineates its relationship with the residents' committee: *The shequ CCP branch serves as the core leadership in the shequ organization whose work is under the guidance of the street office CCP branch. Its main responsibilities are to disseminate and implement CCP directions and policies, and state laws and regulations… to support and ensure that shequ residents' committees self-govern according to law… to strengthen CCP's own construction, to diligently carry out political thought work, and to bring out the function of members as role models in Shequ Construction.*

Article 2 of this section calls for strengthening residents' committees beginning with the delineation of shequ boundaries. *With the spirit of reform and innovation, the original street office and residents' committee jurisdictions should be readjusted appropriately using criteria based on ease of managing services, utilizing shequ resources, and self-governing by residents; also with considerations for determining factors such as a place-based sense of community…* The shequ, in scale lying somewhere between the old residents' committee and the street office, is small enough to retain the intimacy and sociability of the old residents' committee yet large enough to support and make effective use of resources without making it

part of the state bureaucracy. The merging of residents' committees into a shequ unit has streamlined their number, despite expansion in size and number of cities. Between 2000, the year Document 23 was promulgated, and 2006, the number of residents' committees decreased from 108,424 to 80,717, or a –26% change (NSB Office of Social and Technological Statistics 2007, table 9-20).

Formally named the shequ residents' committee, members are to be selected through an election process. Under the Party's leadership, this new self-governing grassroots organization is *the realization of residents' self-management, self-education, self-servicing, and self-monitoring*. In examining how local governments translate national policy into plans for implementation, the next chapter will explore these expressions of self-governance.

With regard to the shequ staff, the third article of this section acknowledges the need to professionalize and elevate the skill level through transparent, competitive hiring and democratic elections. There is particular mention of hiring laid-off workers: … *with great effort, build up a shequ work team that is specialized and of high inner quality (suzhi), particularly select and hire from laid-off workers and graduates from vocational schools and technical colleges with good ideological education (zhengzhi suzhi), a high cultural level, strong abilities, and dedeciation to social development*.

The resulting shequ organization structure varies by locality and the model adopted. Figure 4.2 illustrates the basic structure based on the shequ surveyed in Nanjing. As mentioned in the *Memorandum*, the governing authority consists of the shequ Party secretary and residents' committee. Not mentioned is the residents' representative council (*chengyuan daibiao dahui*) which, according to the 1989 Organic Law, is to be composed of at least half of the residents (over 18 years of age) or households (Article 9). Furthermore, the council has the authority to replace and re-elect members of the residents' committee and review work reports the latter submits to it (Article 10). In practice, however, the council does not assume much responsibility. It is convened by the shequ director and called into session when significant problems arise and when formal complaints need to be made to government bureaus. Whereas the residents' committee represents the government in the shequ, the council represents the residents (Interview, shequ director, 17 June 2007).

Under the decision-making bodies of the Party secretary, the representative council, and the residents' committee are residents' small groups (*jumin xiaozu*) and shequ staff. Small groups usually refer to the volunteer teams of residents organized by buildings or compounds who report news, concerns, and rumours to the shequ directors. Less mentioned are neighbourhood associations for seniors, women, youth, and the handicapped, which almost every shequ has organized and which are associated with corresponding organizations at the street office, district, and municipality.

Shequ services are undertaken by a paid shequ staff and residents' committee members. The directors I interviewed had assigned a person or a small team to oversee an area of shequ services. The main areas include: 1) safety and security, 2) family planning, 3) environment and hygiene, 4) culture and education, 5) welfare services, and 6) complaints and mediation. Even though each person is in charge of a particular area, there is a lot of talking and sharing within the small team, particularly because they work in small offices with adjoining desks. They regularly report to the director who reviews the case files and logs. Directors are involved in the more serious cases such as finding appropriate care for a live-alone elderly person or comforting a single mother facing difficulties.

Less mentioned in shequ literature is the small paid staff working alongside residents' committee members. According to Nanjing's third shequ election procedures, after being elected, committee members can hire as many shequ social workers as they deem necessary. The guidelines stipulate a standard ratio of 1 paid staff (including director and vice-director) for every 400 households. Although not specified, this ratio depends on funding from the street office. Not all shequ where fieldwork was conducted had social workers.

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                    ┌─────────────────────────────┐
                    │    Shequ Party Secretary    │
                    └──────────────┬──────────────┘
                    ┌──────────────┴──────────────────────┐
                    │ Shequ Residents Representative Council│
                    └──────────────┬──────────────────────┘
                    ┌──────────────┴──────────────┐
                    │  Shequ Residents' Committee  │
                    └──────────────┬──────────────┘
          ┌────────────────────────┴─────────────────────────┐
  ┌───────┴──────────┐                          ┌────────────┴──────────┐
  │ Residents' Small  │                          │  Shequ Services Staff │
  │      Group        │                          └───────────────────────┘
  └───┬───────────┬───┘
 ┌────┴────┐  ┌───┴──────────┐
 │Associa- │  │Compound Head │
 │ tions   │  └──────┬───────┘
 └────┬────┘  ┌──────┴───────┐
             │Building Head │
             └──────┬───────┘
             ┌──────┴───────────┐
             │Building Sub-unit │
             │      Head        │
             └──────────────────┘
```

Associations: Seniors' Association, Women's Association, Youth Association, Handicapped Association

Shequ Services Staff: Safety & Security, Family Planning, Environment & Sanitation, Culture & Education, Welfare Services, Complaint & Mediation

Figure 4.2 Shequ's basic organizational structure

Shequ's organizational structure varies by locality and the model adopted. This basic structure is based on the 14 Nanjing shequ where fieldwork was conducted.

5. Where does Shequ Construction stand among state priorities?

Section 5, titled "Formulate Plans, Strengthen Leadership, and Form an Integrated Cooperation for Promoting Urban Shequ Construction," concludes Document 23 by emphasizing once again the importance of Shequ Construction for the nation's development. As noted above, the shequ has no legal standing in that the term is not mentioned in the PRC Constitution nor in civil laws, but appears only in policy opinions, memoranda, and circulars. I interpret this section as reaffirming the political will for shequ reform, for two reasons. First, it requests that shequ construction be incorporated into the local Economic and Social Development Plan for systematic implementation. During the years of the tenth five-year plan (2001–2005), *each locality needs to, with reference to the central and local Economic and Social Development Plan, formulate a 5-year plan for urban shequ construction and an annual implementation program that is based on in-depth, detailed shequ surveys, refined base-line figures, and systematic studies*.

Second, this last section of the document requests that both the Party and state grant high importance to Shequ Construction. Over the next five years, Shequ Construction is to be the main urban focus for the Ministry of Civil Affairs, moving from pilot sites to demonstration projects. *In advancing the work of Shequ Construction, the principal leaders of the Party-state need to personally get involved in and provide necessary direction; bureau and department leaders need to truly uphold their responsibilities, realizing the work in actual places [shequ].* Lastly, the document asks for collaboration and coordination between levels, across bureaus and departments, and with social organizations.

Post Document 23

This chapter began by outlining the events and social consequences of reforming and dismantling the old socialist work-unit-based welfare system. Across the country, tens of thousands of workers were laid off without the support of a social security and welfare system and without much prospect of reemployment in the marketizing economy. The withdrawal of the central state from welfare provision through the SOE system transferred the burden onto local governments. The agenda of "welfare socialization" remained an ambiguous policy objective until various localities began experimenting with ways of dividing and downloading the costs and delivery of services onto lower levels of government,

employers, and individuals. Experiments drew into the limelight the role of residents' committees that had, under the planned economy, served in only a supplementary role, managing the small percentage of unemployable persons outside the work-unit system. Urbanites were to recentre their social life from their workplace to their neighbourhood unit. Through the phases of shequ reform experimentation to the eventual contents of Document 23, the state has sought to strengthen the ties to and even reliance on one's neighbourhood.

In my commentary of Document 23, I have sought to present the central state's understanding of community. My purpose is to go beyond framing Shequ Construction as an authoritarian directive, but to also present the policy program as an uneasy response to unprecedented social issues that posed a threat to social stability and the state's legitimacy. If it were an authoritarian directive, the document would have more firmly outlined a course of action. Instead, Document 23 reflects the concerns of the Party-state and the optimism it drew from local experiments. The document's importance also lies in what followed – how the Shequ Construction concept was embraced and translated into implementation plans by local governments. In the years immediately following Document 23, Shequ Construction would be referenced and incorporated into a number of key national agendas. For instance, the year following its dissemination, the Tenth Five-Year Plan (2001–2005) observes:

> The advancement of Shequ Construction is an important element in the nation's economic and social development. Insisting on bringing together government guidance and society participation, [we shall] construct a shequ management and operational structure appropriate to the market socialism of our economy.
>
> (National People's Congress 2001)

In his speech to the sixteenth Party Congress in November 2002, Jiang Zemin asserted that China's goal for the early 21st century would be to realize a "*xiaokang shehui*" or "moderately affluent society" for all. Socialist democracy, an important element in building this moderately affluent society as Jiang elaborated, is characterized by a democratic management system, an open administrative process, and the rule of law. In cities, "we will improve self-governance among urban residents and build new-type and well-managed communities featuring civility and harmony" (Jiang 2002, translated by *People's Daily*).

Various central ministries subsequently issued their own documents to their local bureaus, employing the concept of shequ and integrating neighbourhoods in their work programs in the name of Shequ Construction. Provincial governments and Party committees jointly issued their own memoranda in response to the request in Document 23 "to advance the policy program nationwide." Most of these memoranda repeat the contents of Document 23, transmitting it to units below for implementation within their jurisdiction. At the local level, municipal governments quickly followed with implementation plans outlining the specifics of how the work would be carried out, such as the delineation of new shequ administrative boundaries, the election process, and wage standards for residents' committee members. Using Nanjing as a case study, the next chapter examines the subnational experience with Shequ Construction.

5. FISCAL DECENTRALIZATION AND SHEQU REFORM
Nanjing Implementation

Viewing the Local State through Shequ Construction

The previous chapter presented the visions of Shequ Construction held by the central state as represented in Document 23. While the policy document outlines deliverables, it does not dictate to local governments how these are to be accomplished. Rather, Document 23 emphasizes that each locality is to proceed according to its own economic circumstances and social realities. This discretion is in large part because, in China's move toward fiscal decentralization, the costs associated with realizing Shequ Construction on the ground come out of local budgets. It is crucial, therefore, to examine local implementation of the policy program within the context of fiscal reform, otherwise the relationship between Document 23 – written by policymakers in Beijing – and implementation plans – devised by urban district officials – is simply a central directive followed by local compliance. In the mid-1990s, as shequ reform experiments were expanding the capacity of residents' committees to shoulder welfare functions being transferred out of SOEs, reforms to the public finance system placed tremendous pressures on local governments to come up with the necessary resources to fund social services. Considering the two policies together links the implementation of Shequ Construction with the fiscal implications for local governments. Specifically I am interested in how local governments have reacted to Shequ Construction and used the directive to further local interests. I show that district governments have, by way of implementing Shequ Construction, expanded local bureaucracies.

The term local government (*difang zhengfu*) refers to all subnational levels of government: province, prefecture, county (district), and township (street office). In the context of economic reform, scholars have renewed the discussion on the long-existing tension in central-local relations throughout Chinese history, breaking down the unitary authoritarian "state" as composed of diverging and conflicting interests between central and local (Lu 1997; Howell 2006). Analyses of local governments under fiscal decentralization have described their behaviour as entrepreneurial, corporatist, predatory, or developmental (Baum and

Shevchenko 1999, 344-6). Specific case studies of county government describe how local officials allocate resources and use their administrative discretions to drive local economic growth and seek profit (Blecher and Shue 1996; Oi 1999; Remick, 2004; Hsing 2006). In the urban context, the concept of the developmental local state has been applied to describe the involvement of public officials in lucrative land developments (Duckett 1998; Zhu 2004). Building on these discussions of centre-local relations and the growth in discretionary powers at lower levels, this chapter questions the extent to which Shequ Construction is a platform for district government state building, defined by Remick (2004, 12) as the extension in reach of the local state bureaucracy through increases in size and function.

Shequ Construction, as a social rather than economic policy, offers a different perspective for thinking about the local state under decentralization. First, the district's social service role, in comparison to its rural counterpart – the county government – has received less research attention. In one of the few scholarly works in English to examine the district government's emerging role, White (1991, 227) aptly describes the district level as the crucial link between an enlarging municipal administration facing burgeoning tasks and its many component parts. Second, Shequ Construction implementation, as a project to direct social change, raises questions for broadening the understanding of developmental local state to include more than solely economic growth. Wong (2008) argues that government retrenchment during the early periods of market reform has adversely impacted the central government's capacity to affect social change. She argues that the numerous social programs recently initiated by the central state will have limited impact because of the state's inability to mobilize local government agencies to implement national policies. This chapter extends this perspective by questioning district governments' interests in experimenting with and implementing Shequ Construction. Municipal and district governments have embraced the central Ministry of Civil Affairs' policy and have actively sought to be in the forefront of shequ reform. Their keen involvement raises questions of why they did so and what incentives were at work.

The chapter proceeds in two parts. The first contextualizes Shequ Construction within intergovernmental fiscal relations. I begin by introducing the fiscal reform policies and changes to the division of responsibilities between central and local governments. Examining the areas of expenditure for the different levels of government, I draw attention to the disproportionate spending on social and welfare services at the base level. Against this

backdrop of fiscal decentralization, I then present a case study of Gulou District in Nanjing and its approach to Shequ Construction. By examining the election of residents' committee members, their relationship with the shequ Party branch, evaluation measures, and recent experiments with an independent shequ budget, I seek to demonstrate the bureaucratization of the shequ institution. As the last chapter has shown, for the central state shequ reform serves in many ways the purpose of maintaining order in the face of growing threats to social stability. However, it is also a product of the district government's acquiring of new responsibilities and its desire to carve out greater local autonomy and enlarge its bureaucracy.

Fiscal Reforms and Intergovernmental Fiscal Relations

Fiscal decentralization, or as the Chinese say, "eating in separate kitchens" (*fenzao chifan*), established a fiscal divide between the centre and the provinces. Under the planned economy, the central government allocated all funds for local expenditures, and local revenues were channelled up to the centre. The central government determined expenditure priorities and local budgets; and local governments, acting as agents of the state, delivered the social services. In this highly redistributive system, deficits were covered by central transfers. In the rapidly changing economic structure of the early reform years, as the heavily SOE-dependent revenue base was eroding while expenditures continued to mount, new regulations were not introduced quickly enough to tax the emerging private and joint venture sectors introduced by the market economy (World Bank 2002, 9). As a result, central revenues rapidly declined, falling drastically from 31% of GDP in 1978 to 11% in 1994 (Hussain and Stern 2008, 15). Local expenditures grew, particularly in unemployment insurance, early retirement pensions, housing subsidies, and social welfare, but there were few intergovernmental transfers to make up for budgetary shortfalls. Consequently, local governments not only provided services but now had to find the means to finance them, a process described by Wong (2008, 12) as "decentralization by default."

Throughout the 1980s, the central government introduced and abandoned several attempts to establish a centre-local revenue-sharing system. Under this system, income and sales taxes were collected by local governments and "shared up" to higher levels according to a negotiated formula that differed for each province, as opposed to being collected by the central government and allocated or "shared down" to subnational government, as is the practice in most countries (Bahl 1999, 88). In response, local governments then tried to

siphon revenues away from the shared budgetary accounts. Initiatives to revise the system only resulted in local governments vigorously expanding local state-owned enterprises to acquire more funds and pursuing extrabudgetary revenues through imposing service fees and levies.[48]

To revamp the revenue-sharing system and regain greater central-state control, the Tax Sharing System (TSS) was introduced in the 1994 fiscal reform. Under this restructuring, specific taxes were assigned to either the central or local governments. Central taxes, for instance, included customs duties; income taxes from central enterprises and banks; income taxes and business taxes of railroads, banks, and insurance companies; and resource taxes on offshore oil extractions. Local taxes included taxes on local businesses, real estate, agriculture, capital gains on land, land-based resources, and urban land use and construction (World Bank 2002, 13). The TSS, aided by a rapidly growing economy, was effective in strengthening tax administration and preventing local governments from liberally granting tax incentives. It achieved the policy objective of reversing central fiscal decline. By 2004, revenue was back to about 20% of GDP (Hussain and Stern 2008, 15). And, the central government regained control of over 50% of the total revenue collected (ibid., 21).

However, while it partially recovered central revenue shares, the TSS detrimentally created an imbalanced intergovernmental fiscal system and a rivalry among the levels of government. For local governments, particularly at the base level, the long period of fiscal decline and the new system's revenue recentralization measures heavily impacted the fiscal resources available to provide public services. On the revenue side, local governments retained a portion of revenues but received less in central transfers. From 1978 to 1993, local shares in total fiscal revenues averaged close to two-thirds of total national budgetary revenue. The 1994 reform led to an almost even split between centre and provinces; in 2005, the split was 52% and 48% respectively (National Statistics Bureau 2006, table 8-10).

Furthermore, TSS reform only dictated revenue assignments between central and provincial governments. How much is passed down to subprovincial levels remains a negotiated matter between the tiers of local government (World Bank 2002, 56-7). Most provinces follow the

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[48] For detailed analyses of the fiscal reforms through the 1980s, see Oksenberg and Tong (1991), Wong (1991), and Bahl (1999).

traditional "prefecture managing county" model, where transfers pass through the administrative hierarchy from the provincial level to the prefecture to the county and finally to the township. A selected number of provincial governments have been operated under the "province managing county" model since 2005, in which they directly transfer funds to counties, bypassing the prefecture level on fiscal matters.[49]

On the expenditure side, local governments continue to shoulder over two-thirds of total expenditures. Prior to the 1994 fiscal reform, the central government received about one-third of total revenues and paid for about one-third of total expenditures. In the years that followed, and still today, the central government receives about half of total revenues while continuing to be responsible for about one-third of total expenditures (National Statistics Bureau 2006, table 8-11). The fiscal surplus of the central government is transferred to local governments as grants and subsidies to influence local priorities and to achieve national objectives (Shah and Shen 2008, 129). However, the impact of the major transfer programs remains questionable as past trends have shown them to favour urban areas. For instance, in 2004, Beijing and Shanghai, two of the wealthiest provinces, were amongst the localities that received the highest per capita total central transfers (ibid., 134).

Essentially, the withdrawal of the work unit-based social welfare and the reassignment of responsibilities to local governments were not accompanied by a corresponding shift in revenue proportions. As with revenue assignments, the division of expenditure responsibilities among the tiers of local government remains at the discretion of provincial governments (Dollar and Hofman 2008, 45). A closer look at the division between the provinces and the units below them reveals that little has changed for the provincial government – its shares remain at roughly 12% of all revenue and 19% of all expenditures. The uneven revenue-to-expenditure proportions are straining the lower levels. Data from the World Bank (table 5.1) show a reversal in revenue proportions at subprovincial levels before and after the 1994 fiscal reform. Prefecture and county levels received 66% of the budgetary revenue in 1993; this decreased to 39% in 1999 and 34% in 2003. Despite this sharp decline

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[49] Local governments operating under the "province managing county" model include seven provinces (Anhui, Fujian, Hainan, Heilongjiang, Hubei, Ningxia, and Zhejiang), the four provincial-level cities (Beijing, Chongqing, Shanghai, and Tianjing), and the five separately planned cities that are treated as provinces fiscally (Dalian, Ningbo, Qingdao, Shenzhen, and Xiamen; Shah and Shen 2008, 130).

in revenue shares, lower levels of government continue to be responsible for about 50% of all expenditures.

Table 5.1 Revenue and expenditure shares by level of government			
	1993	**1999**	**2003**
Revenue			
Centre	22%	51%	55%
Province	13%	10%	12%
Subprovince	66%	39%	34%
Prefecture (municipality)	34%	17%	16%
Counties (city, district) & township	32%	21%	17%
Expenditure			
Centre	28%	31%	30%
Province	17%	19%	19%
Subprovince	54%	49%	51%
Prefecture (municipality)	23%	21%	21%
Counties (city, district) & township	31%	28%	30%
Source: World Bank, forthcoming; cited in Dollar and Hofman 2008, 41.			

The shortfall often must come from nonbudgetary sources. The fiscal system in planned economies typically includes extrabudgetary funds to provide additional funds for the discretionary use of local governments and work units (C. Wong 1998, 193). However, market-oriented reforms and fiscal decentralization measures have not only given rise to new sources of local extrabudgetary revenues but have increased local governments' dependency on them to fund infrastructure projects and social services. Local governments have introduced nontax fees on local businesses and residents, including user charges for public utilities, fees for services, and levies on development projects (Gang 1998; Wong 1998). Other significant nonbudgetary revenue sources include profit-making businesses owned by government agencies and sale of land leases and land-use rights (Duckett 1998). In some localities, nonbudgetary revenues are one to three times the "official" budgetary revenue (Gang 1998, 212). By sector, such as education, nonbudgetary revenues finance about half of the total expenditures (World Bank 2002, 98-99). In short, in the shift from general revenue sharing to tax assignments, the intergovernmental fiscal system has become fundamentally one where revenue and expenditure assignments are dissociated (Wong 2008, 13).

Decentralization and Spending on Social Services and Welfare

Dependency on extrabudgetary revenue sources stems in large part because revenue received by prefecture- and county-level governments cannot cover the funds required to provide the social services to which they have been assigned, including welfare relief, education, and health care. For instance, in 2004 local governments paid for 99% of the total spent on social welfare and relief. Of this, over three-fifths were paid for by county- and township-level governments, one-quarter by prefectures (municipalities), and one-tenth by provinces (Wong 2008, 19). The share of each level by expenditure categories is shown in table 5.2.

Table 5.2 Expenditure categories and shares by levels of government, 2003				
	Central	Provincial	Prefecture	County and lower
Foreign aid	100%	0%	0%	0%
National defence	99	1	0	0
Foreign affairs	87	13	0	0
Scientific research	63	23	9	5
Capital investment	44	23	22	11
Government admin	19	11	22	48
Agriculture	12	46	11	30
Social security	11	39	32	18
Education	8	15	18	60
Health	3	22	32	43
Public security	5	25	34	35
Social Welfare & Relief (2004)	1	9	26	64

Source: Data for Social Welfare and Relief are for 2004 and come from Wong 2008, 19. Data for all other categories are for 2003 and come from Martinez-Vazquez et al. 2008, 79.

In theory, tax reform moved China's intergovernmental fiscal system much closer to international practice where local authorities, being closer to those who rely on social services, possess greater decision-making power, leaving the central government to play a redistributive role. In practice, however, China's fiscal reform gave substantial autonomy to provinces and placed a heavy burden on base-level governments. It has created a situation in which each level of government seeks to push expenditure responsibilities down to the tier below and to retain as much revenue as possibl. Furthermore, with broad and ambiguous expenditure responsibilities, the intergovernmental fiscal system stipulates no fixed level of spending or standards for accountability (Hussain and Stern 2008, 20-22; Martinez-Vazquez et al. 2008, 78).

This unbalanced assignment in welfare expenditures has several implications for social service provision. In particular, funding for social relief and welfare is heavily dependent on off-budget revenues. Consequently, the widest disparities in service provision are in areas where the heaviest share is shouldered by the base levels of government. For instance, because education spending largely depends on county-level resources, much disparity exists in quality of education between rural and urban areas as well as among regions. Similarly, the rural health care system suffers from county governments' inability to finance the requisite expenditures (Martinez-Vazquez et. al. 2008, 85-89; World Bank 2002, chapter 7). For social welfare and relief to balance disparities as the funds are meant to do, certain responsibilities, such as social security and unemployment insurance, need to be administered by higher levels (Martinez-Vazquez et. al. 2008, 78). Given the concentration of spending at the base levels and dependency on local extrabudgetary funds, aid and other equalization measures have only local scales of influence. As a result, welfare programs have promoted local protectionism and failed to have wider redistributive effects across regions and provinces (Wong 2008, 21).

Municipality-District Relations

Administratively, counties and districts are at the same level and national fiscal figures in statistical yearbooks generally do not distinguish between them.[50] However, rural-urban disparities require that closer attention be paid to their different levels of revenue and expenditure assignments, especially in large, wealthy municipalities like Nanjing. As a quick indicator, in 2006 the budgetary revenues of urban core districts within Nanjing Municipality exceeded their expenditures, whereas the reverse was true for rural counties (Jiangsu Province Finance Bureau 2007, 324). This section discusses the distinctiveness of districts as county-level units within the urban governance structure.

Counties have traditionally been autonomous from cities.[51] In contrast, districts have long been established as part of the governing structure of large cities. Until more recently, they

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[50] At the county level there are also county-level cities and other specially designated areas. In 2005, there were 2,862 county-level units; they included 852 urban district, 1,464 rural counties, 374 county-level cities, 117 self-governing counties, 52 *qi* counties in Inner Mongolia, and 3 special county districts (MCA 2006, chapter 1).

[51] During Mao's socialist era, some cities, typically provincial capitals, had governing authority over counties to guarantee food security for the city (Skinner 1978, 735).

were entirely dependent on the city in fiscal matters. In the administrative hierarchy under Mao, municipal governments had been simply local agents, collecting revenues and passing them on to provincial or national governments. Anti-urban policies that aimed at industrialization without urbanization gave municipal governments a role in managing industrial enterprises, but limited autonomy and resources to invest in urban infrastructure (Naughton 1995, 62-76). Urban districts were established to divide large cities into governable units and they were responsible primarily for managing civil affairs. In the early years of the PRC, each of Nanjing's twelve district governments was composed of nine departments: secretary, civil affairs, production, culture and education, commercial management, public asset management, grains, health, and judiciary. The districts had administrative but no fiscal powers; their operating budgets were determined by the municipal government. In the 1960s and through the Cultural Revolution, the district was disbanded as a level of government and became a unit of the People's Commune. It was reestablished in 1980 with the beginning of economic reform (Nanjing City Local Gazetteer Editorial Committee 1994b, 53-57).

The growing economic importance of city-regions has given cities greater administrative power over a larger jurisdiction, and, in turn, a greater fiscal revenue base. Initial administrative reforms first increased the number of central cities (such as Beijing and Shanghai) and established prefecture-level cities[52] (such as Nanjing). Then, municipal governments' jurisdictional power was further fuelled by granting them governing authority over their surrounding counties, following what then-Premier Zhao Ziyang called "the formulation of a rational economic network using large and medium sized cities as the foundation" (Zhao 1981, quoted in Zhang and Zhao 1998, 337).[53]

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[52] Where a local government sits in the complex web of China's hierarchical administrative system heavily impacts its decision-making powers and fiscal resources. Not all city governments enjoy the same degree of authority and economic autonomy. A province-level city commands a far greater ability to attract investment and acquire land for development projects than a county-level city. For a detailed examination of China's administrative structure and, in particular, the differences between the types of cities, see Zhang and Zhao (1998), Chung and Lam (2004), Cartier (2005), and Ma (2005).

[53] With wider administrative boundaries, local governments could acquire agricultural land and offer it at a higher price as industrial, commercial, or residential land. Consequently, the exploitive attitude toward cities has been reversed, with rural areas playing the supporting role to urban development. This new administrative system has led some to ridicule the "city leading counties" system (*shi dai xian*) as "city eating counties" (*shi chi xian*) or "city exploiting counties" (*shi gua xian*; Wang 1995, 147-8).

As cities became engines of economic growth, the importance of urban districts grew. The base level of the urban administrative structure is the district for large cities and the city itself for smaller cities.[54] Signifying a certain administrative rank, cities at and above the prefecture-level are delineated into districts and they are also referred to as "cities with districts" (*she qu de shi*; Ma 2005, 280-3). District governments have built their bureaucracies through expansion in both function and size. With the reestablishment of district governments, previously established departments were elevated and renamed bureaus. Over time, new bureaus were created in response to expansions at the municipal level and additions of new functions at the district level. For instance, whereas in the past districts only handled the maintenance of urban infrastructure, most have by now established an urban construction bureau to undertake infrastructure planning and construction. Moreover, with marketization, regulations have allowed offices that manage infrastructure to incorporate (*gongsi*), and in the process become intermediary organizations between state agencies and private enterprises (White 1991, 234).

In Nanjing through the 1980s, districts' offices of housing construction established quasi-private companies called "urban construction comprehensive development *gongsi*" (*chengzhen jianshe zonghe kaifa gongsi*). The *gongsi* status of these entities allowed districts to self-finance projects and engage in the housing industry, similar to private development companies. They undertook comprehensive residential developments on the outskirts of the city, inner city redevelopment projects, and the construction of schools and office buildings for the districts and other government agencies (Nanjing City Local Gazetteer Editorial Committee 1994c, 35-50).

Moreover, districts have continually sought greater shares of taxes and revenue sources from the municipalities. As a district's fiscal resources are heavily impacted by municipal policies, district leaders will negotiate with municipal leaders to, for example, establish a commercial zone that could dramatically alter the district's tax base (Zhang 2005). Also, further reform to the Tax Sharing System has granted district-level governments an increasing share of larger

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[54] It is important to clarify the distinction here that the district government is a base-level government (*jiceng zhengquan*) and the street office is the base level of the state organ. The latter does not have state/political power, such as a People's Congress. While its functions have continuously expanded, the street office is regarded as a "dispatch agency" (*paichu jigou*) subordinate to the district.

revenue categories such as capital gains taxes, enterprise income taxes, and personal income taxes (Nanjing Municipal Government 2002, Document 293).

Shequ Construction in Gulou District, Nanjing

Against this backdrop of district governments shifting from being managers of social services to being both financiers and providers, I now turn to the question of how Shequ Construction relates to the institutional changes at the district level. The policy has opened a door and given much leeway for district governments to restructure the grassroots units for greater self-governance. In the sections that follow, I examine four key aspects of the shequ governance: (1) residents' committee elections; (2) the relationship between residents' committees and the shequ CCP branch; (3) responsibilities and performance evaluations; and (4) the creation of an independent shequ budget. Through each of these areas, shequ self-governance is shown to be about conferring greater operational autonomy to residents' committees and, to a large extent, creating a neighbourhood governance level without formalizing it as part of the state organ.

As Shequ Construction efforts depend heavily on district-level leadership and financing, much variation occurs between districts within the same municipality. To grasp the realities on the ground, I focus on the particularities and experiences of a single district, Nanjing's Gulou District, rather than the city as a whole. Table 5.3 shows some of the basic socioeconomic indicators for comparing Nanjing's districts and counties. Like other urban core districts, Gulou District's tertiary industry is the main contributor to its GDP. Furthermore, Gulou is unique because of the large work units located within its boundaries. In addition to the main campus of Nanjing University and Nanjing Normal University, the head offices of provincial and municipal government bureaus are situated there. While the assets and profits of these large work units are separate from the District's revenue bases, they have attracted many commercial and industrial headquarters and professional offices, making Gulou District the city's administrative centre. Of Nanjing's 11 districts, Gulou has one of the largest budgetary revenues, and it operates with a budget surplus. The District has the financial resources to experiment with various shequ programming and a highly educated resident population to participate in the initiative. It is a district at the forefront of shequ experimentation, and its successes may influence the efforts of other districts.

Table 5.3 Socioeconomic statistics of Nanjing districts and counties, 2006

	Population	Urban (% Pop)	Urban per capita Disposable Income (RMB)	GDP (100 million RMB)	Tertiary Industry (% GDP)	Budgetary Revenue (100 million RMB)	Budgetary Expenditure (100 million RMB)
Nanjing	6,072,261	65	17,538	2773.8	48	246.4*	262.5*
Urban Core Districts							
Xuanwu	489,022	99	19,569	195.0	89	13.9	10.8
Baixia	466,149	99	18,153	225.9	88	15.7	10.8
Qinhuai	247,704	99	15,562	58.5	57	5.7	5.2
Jianye	204,397	97	15,623	51.5	71	10.0	8.7
Gulou	**696,225**	**99**	**19,783**	**240.2**	**88**	**18.6**	**12.5**
Xiaguan	299,326	98	15,603	100.5	76	7.4	5.6
Suburban Districts							
Pukou	504,418	49	15,690	132.5	42	15.2	16.9
Qixia	414,318	84	16,184	110.8	36	10.8	9.4
Yuhuatai	207,202	81	16,196	88.0	34	9.2	8.1
Jiangning	845,459	38	16,801	278.1	31	29.0	28.4
Liuhe	872,158	40	15,612	179.3	34	14.0	17.8
Rural Counties							
Lisui	405,926	24	14,564	103.8	32	4.6	7.1
Gaoceng	419,957	16	15,253	111.0	34	5.9	8.0

* These figures are greater than the sum of the districts' and counties' revenue and expenditure because they include Nanjing Government's own budgetary revenues.

Source: Nanjing Municipal Statistics Bureau (2007), *Nanjing Municipal Statistical Yearbook 2007*, table 17-3, table 17-8, table 17-10, table 17-11; Nanjing Municipal Finance Bureau (2007), *Nanjing Municipal Financial Yearbook*, 324.

Shequ Residents' Committee Election

On March 9, 2000, an ad appeared in *Nanjing Daily*:

> *The shequ residents' committees of Gulou District street offices collectively announce a public invitation to the entire city to submit job applications for 364 candidates for directorship and vice-directorship. The prerequisites for application are: long-term (changzhu) hukou in one of the city's 6 urban districts; a technical college educational level or above; males: under 45 years of age, females: under 40 years of age (age range flexible within 10 years for those currently in the post of residents' committee director or vice-director with a high school educational level or above); having regular facial features and good health. Compensation: 700 to 800 yuan [a month].* (translated by author)

This call for applications was submitted jointly by the Gulou District Party Committee and government. By the end of the next day, close to 600 applications had been received (Gulou District Committee Party History Office et al. 2004, 41-42).

At this time, in the spring of 2000, the District had already achieved some successes in its initial experiments with shequ reform and it sought to further build capacity and to overturn the image of retirees running residents' committees. The selection process began with street office officials screening, interviewing, and testing qualified applicants and ended with an election of the selected candidates by registered households. On April 1, 2000, the city held its first attempt at a shequ election. The District reported with satisfaction that, of the directors elected and hired in Gulou District, the average age was 39 years, with the youngest being 21 years old. All were high school graduates, and over half had received postgraduate education at a technical college or higher (Gulou District Committee Party History Office et al. 2004, 42). Although the street offices determined the final list of candidates, this first election initiated changes in how residents' committee members are selected.

Shequ residents' committee members are elected for a three-year term. With each election, districts have experimented with different election methods, seeking to make the process more competitive to strengthen its legitimacy. In the spring of 2006, Nanjing held its third shequ residents' committee election. To briefly summarize the election process: Nanjing

Civil Affairs Bureau sets its own election procedures based on the 1989 Organic Law and Document 23. In January 2006, about half a year prior to election day, the Bureau distributed the *Shequ Election Work Guidance Memorandum*, which spelled out preparation responsibilities and election day procedures. Each district in turn issued its own implementation memorandum based on terms outlined in the municipal document (Nanjing Municipal Government 2006, Document 6).[55]

The election process determines the members of the shequ residents' committee, composed of five to nine members with one director and, at most, two vice-directors. The directorship and vice-directorship have become competitive because the positions are considered full-time paid officials (*zhuanzhi ganbu*),[56] and if done well, they open opportunities at higher levels. Director and vice-directors do not have to reside in the shequ where they work. Some had been committee members and interviewed as a candidate for the position. Others were recommended because of their demonstrated abilities in another shequ. The other members of the committee are resident volunteers who typically come into the office for a few days each week to help out. Considered to carry less influence, they are either appointed by street offices or chosen by residents' representative councils (Interview, shequ director, 29 May 2007).

During the 2006 election, the most common method was direct election (*zhijie xuanju*) by household representatives. Household representatives were registered beforehand by their shequ election committee members, who had phoned each household and gone door to door (Interview, NNU social work professor, 8 March 2007). In direct elections, the election committee and the residents' representative council would announce the number of positions and the minimum qualifications. Then, in the nomination phase, candidates would nominate themselves or have a neighbourhood social organization nominate them. The list of candidates, whose number must be greater than the number of positions, would be confirmed by the residents' representative council (Nanjing Municipal Government 2006, Document 6). Some neighbourhoods experimented with open election (*haixuan*), which skipped this step.

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[55] Nanjing's third shequ election procedure is translated in appendix 3. There is little difference between the municipal and district memoranda. In general, the district memorandum repeats the municipal document.

[56] While the term "*ganbu*" (officials) is used in the government memorandum, shequ directors and vice-directors are not technically considered civil servants and thus do not receive the same salary and benefits as those who work at the street office or above.

All those who were nominated were automatically considered as candidates. In a method considered even more progressive, a few shequ selected by the District omitted the nomination phase altogether. Those who wanted to be considered for the position could campaign and were given the opportunity to make a speech on election day (Interview, NNU social work professor, 8 March 2007; Interview, shequ director, 28 May 2007).

The average voter turnout rate for the 2006 election was reported to be over 80% (Nanjing Municipal Civil Affairs Bureau 2006, Document 153). The high turnout rate was due to the street offices setting targets and the door-to-door voters' registration and campaigning by the shequ election committee. In their observation of a shequ election in Shanghai, Gui, Cheng, and Ma (2006) reported an impressive voter turnout rate of over 98%, owing primarily to the mobilization efforts of residents' committee members and other neighbourhood supporters. As in their other work, the effectiveness of canvassing rested on face-to-face contacts and social ties, leading the authors to observe that it was "giving face" to residents' committee members that persuaded residents to participate rather than a genuine interest in the election (16-18).

In a departure from the past, Nanjing's third election sought to register families who actually lived in the neighbourhoods, as opposed to those whose *hukou* booklet was registered there. Non-local residents who had been living in a neighbourhood for more than a year were considered eligible voters (Nanjing Municipal Government 2006, Document 6). Nanjing's *Yangzi Evening Post* (3 May 2006) reported that a migrant worker who had lived in Nanjing for more than ten years ran for shequ director. Although he failed to be elected, the mere fact that a migrant was able to participate in the election would have been unimaginable only a few years earlier. The extension of voting rights in shequ elections to non-local residents is not, however, granted to all migrants. The status of non-local or temporary population (*zanzhu renkou*) is held by migrants who are legally residing outside their permanent place of residence. They have undergone the formal process of acquiring a residence permit and registering with the local public security bureau. Since the 1990s, the state has gradually loosened internal migration restrictions, especially for the educated and skilled workers, and has extended social benefits and rights, though limited, to those who hold temporary residence status. The undocumented floating population remain excluded from these

initiatives. The social control functions of the household registration system still apply to them (Wang 2004, 119-121).

While the Chinese Constitution grants the right to elect members of residents' committees, until recently members were simply appointed by street offices. The discussions surrounding shequ elections have examined their meaningfulness through the level of control and oversight by government officials (Read 2000; Benewick, Tong, and Howell 2004; Gui, Cheng, and Ma 2006). In my conversations with shequ directors, when asked about the meaning and purpose of elections, many believed they won over the competition because of their administrative competency. One director explained that in addition to being concerned with the well-being of the residents, competency (*nengli*) is what allows one to act on that concern, from knowing which welfare assistance program a resident is eligible for to holding fundraisers (Interview, WB shequ director, 18 June 2007). In examining political participation in Beijing, Shi (1997) differentiates between the meanings of participation at different stages of the decision-making process: agenda setting, decision making, and policy implementation. He argues that the Chinese institutional setting limits people to influence only the last phase – how policies are implemented. Even though he was not looking at shequ elections, this point is well taken and sheds light on the administrative practicalities (rather than ideals) of elections. During shequ elections, residents vote for the person who can best implement policies, as opposed to the person who can create the best policies.

Shequ Residents' Committees and the Shequ Party Branch

CCP's Organization Department has initiated a Shequ Party Construction project alongside the Ministry of Civil Affairs' Shequ Construction. Of all the residents' committee members who ran in Nanjing's 2006 election, 62% were Party members and 66% of the elected directors also served as their shequ's Party secretary (Nanjing Municipal Civil Affairs Bureau 2006, Document 153). Each level of government has its corresponding CCP branch; recently, so does the shequ. In Nanjing, a concerted effort is underway to place a full-time director and Party secretary in every shequ, with both receiving the same remuneration (Gulou District Committee Party History Office et al. 2004; Nanjing Municipal Government 2008, Document 159). In neighbourhoods under this new model, the director, if a Party member, assumes the position of Party vice-secretary (Interview, shequ director, 31 May 2007).

According to policy documents, the shequ Party leadership is to advise the residents' committee in their work and ensure that it adheres to laws and regulations, and Party policies. Scholars have observed that shequ building is also a Party building movement to strengthen the CCP's presence and activities at the grassroots (Kojima and Kokubun 2002; Bray 2006; Gui, Chen, and Ma 2006). In their examination of a direct election in a Shanghai neighbourhood, Gui, Cheng, and Ma (2006) attributed the higher than targeted voter turnout to the involvement of Party members who enthusiastically supported a Party member for the position of director and Party secretary. The authors concluded that the election was "less an expression of public opinion than an exercise in personnel recruitment by the Party organization" (22).

In the course of my research I asked directors how Shequ Construction and Shequ Party Construction work in tandem. They interpreted the CCP's involvement in less ideological terms: With the authority of the Party behind them, they have been able to accomplish more than they could have done alone. The Party organization, an effective mobilizer, has become the means by which to achieve administrative ends. Party rhetoric, such as mobilization, theoretical study sessions, and disseminating or propagating Party lines, does make the CCP appear to be a dominating and controlling force. However, for residents' committee members who face the general low regard residents have toward them and the weakened control they have over residents since the relaxation of coercive measures (i.e. *hukou* registration and food rationing) and heightened emphasis on service, a formal shequ Party leadership has lent authority for several reasons.

First, the Party still carries more weight with residents than does the residents' committee. One director recounted an incident not too long ago in which her shequ's renewal initiative faced resistance when it involved the demolition of resident-built additions that encroached onto public spaces.[57] Residents argued that these structures had been there for years – if the residents' committee objected to them, then why had it not voiced these concerns before the structures were built at the owners' expense. Pressure came from higher levels both to remove the illegal additions and resolve any arising disputes. Residents were slow to comply,

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[57] Resident-built informal constructions, such as sheds, lean-tos, and walls that create a small garden for ground floor apartments, are common on public neighbourhood spaces. There has been a crackdown on their construction in Nanjing as part of the shequ beautification and compound renewal (*xiaoqu chuxin*) project.

knowing that the residents' committee had no positional power over them. The shequ Party secretary eventually asked members to accede to the requests because, according to CCP guiding principles, the few must sacrifice for the benefit of the majority. Once the Party members relented, pacifying the remaining residents was easier (Interview, shequ director, 31 May 2007).

Second, the Party has a much greater mobilization capacity than the residents' committees in amassing volunteers and raising funds. Party members are encouraged to participate in and organize volunteer service groups according to their interests, skills, and abilities. They are a ready-made corps of volunteers for services, from cleaning up the neighbourhood to patrolling security to registering voters to giving lecture series. The recent move to appoint a full-time paid Party secretary at the shequ level aims to put in place a coordinator to manage members and grow the membership, as well as to liaise with neighbouring CCP branches, particularly for fundraising efforts (Interview, shequ director, 31 May 2007).

Third, neighbourhood-based CCP activities provide a sense of belonging, particularly for retired members whose connections to their work units have weakened with SOE restructuring. Typically, in organizing members in the neighbourhood, the Party secretary establishes lower level cells. The retirees, the most active of the subsidiary cells, get together to discuss the contents of Party newsletters and current events. These activities are important social functions for the retirees, especially for those who live alone. For the residents' committees, these meetings keep the elderly socially engaged and connected – when someone is absent, the shequ director is notified to look in on him or her at home (Interview, shequ director, 11 May 2007).

As Shequ Construction matures and gains a footing in its various administrative duties, it remains to be seen whether the Party can effectively guide and provide support as it currently does. In their examination of Party members' reactions to shequ Party Construction policies, Kojima and Kokubun (2002) discuss the lack of interest on the part of incumbent Party members toward shequ work. The authors remain doubtful of the persistent organizational influence of the CCP at the grassroots and question the separation of the Party from governance matters at the neighbourhood level (102). As Party membership does not hold the sway it used to on people's job promotions and access to social benefits, concerns about the

CCP's power over social life do not resonate with members who are preoccupied with their own lives (99). Given the close working relationship between the shequ director and the Party secretary I found in Nanjing, it remains to be seen whether the incumbent members' declining interest in cumbersome administrative tasks and the growing capacity of residents' committees will eventually lead to a separation, with the shequ Party branch servicing the needs and catering to the interests of its members and the residents' committee focused on the social welfare of disadvantaged families.

Mounting Responsibilities and Evaluation Standards

Shequ jurisdictions are adjusted as needed in response to urban growth and changes to the urban fabric. The trend is toward increasing the number of households under a shequ director's responsibility. In the early period of shequ reform, one of the first tasks municipal governments undertook was sweeping measures to redraw the boundaries of districts and street offices and delineate new shequ jurisdictions. The drawing of shequ boundaries in Nanjing has been influenced by the experiments in Shengyang's districts, where the size of a shequ lies between the old residents' committee and the street office – large enough for efficient resource sharing while remaining conducive to neighbourly interactions. As in Shengyang, boundaries in Nanjing are drawn with the following four considerations: (1) division by major thoroughfares; (2) demarcation by an enclosed residential compound (*xiaoqu*) if the household number is large enough; (3) grouping adjacent housing constructed by the same *danwei* so that those who work together are also members of the same shequ; and (4) division by other functional considerations, such as a walkable distance to the shequ service centre, and an appropriate balance of households and available resources (Interview, Gulou District Civil Affairs Bureau official, 14 May 2007).

In 2000, in the months after the adoption of Document 23, the 173 residents' committees within Gulou District's 10 street offices were either expanded, dissolved, or merged to produce 87 shequ residents' committees with an average of about 1,700 households per shequ (Nanjing Municipal Statistics Bureau 2001, table 1-1, table 2-2; 2002, table 1-1, table 2-2). Boundary adjustments, though not as frequent as they had been, are ongoing. Gulou currently comprises 7 street offices with 64 shequ, increasing the average number of households per shequ to about 2,700 (2007 figures; Nanjing Municipal Statistics Bureau 2008, table 1-1, table 17-2).

In addition to the increasing number of households, directors struggle with ever-increasing responsibilities. Most often mentioned in my interviews with them was the number of case files (*taizhang*) they have. These case files are categorized according to service area. The standard ones include neighbourhood security, income assistance, employment services, elderly care, handicapped care, family planning and birth control, environment and sanitation, and culture and education. Filed under each are subcategory project areas. For instance, under employment services are case files recording the situation of those unemployed in the neighbourhood, those who have fallen into extreme difficulties, employment searches, home visits, and workshops conducted. Each shequ can produce as many as 60 case files a year, which are reviewed regularly by the street office. Because these files are measures of their performance, directors take this record-keeping seriously.

As Shequ Construction moves forward, the definition of shequ work has become increasingly more concrete through standardization measures to ensure a basic level of quality and evaluate performance. In January 2007, the Jiangsu Provincial Bureau for Qualitative Technological Monitoring issued the *Evaluating Guide for Construction of Harmonious Communities* (Document DB32/T 983-2007).[58] In May, the Nanjing CCP Committee and municipal government followed suit with the document *Opinion Regarding Accelerating the Advancement of Harmonious Shequ Construction* (Nanjing Municipal Committee and Municipal Committee 2007, Document 22). The *Opinion* included an experimental evaluation measure totalling 1000 points, similar to that issued by the Province. Then, in the fall, Gulou District issued its own provisional *Cultivated Harmonious Shequ Star Rating*, based on the municipal *Opinion*. The document also included a working schedule to evaluate the District's 64 shequ over a two months period, involving residents, street offices, and several bureaus.

Gulou District's rating, like the evaluation standards issued by the higher levels, is in essence a performance measure of how much each shequ has accomplished and how far each is from achieving the determined exemplary standard. The Star Rating is based on ten categories (see translation of the rating criteria in appendix 4):

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[58] Also in January of the same year, Nanjing Civil Affairs Bureau also issued a memorandum, *Opinion Regarding Strengthening the Construction of Standardization of the City's Shequ Residents' Committees and Village Committees* (Document 10). This document is discussed in the next chapter on the extension of Shequ Construction to the countryside.

1) Shequ Party Construction (120 points) 2) Residents' self-governance (120)
3) Security (80) 4) Stability (80)
5) Full employment (100) 6) Benefit to the people (15)
7) Cleanliness (80) 8) Greening (80)
9) Cultural development (140) 10) Active participation (50)

Under each category are areas for achievement, and under each achievement area is a list of performance targets. This list represents the areas of emphasis that higher levels of government have determined for community construction. The definition of "harmonious shequ" is outlined with benchmarks. The standards not only establish the framework for neighbourhood governance, such as the types and sizes of facilities and the types of services and activities, but also seek to quantify its effectiveness, such as setting minimum numbers of volunteers, a participation rate, and a resident satisfaction rate.

Directors regard the shequ evaluation as a measure of their own performance. Gulou District's Star Rating indicates how one's neighbourhood is doing, judged against a standard and also compared with others. Shequ are rated from one to three stars and the results are to be made public on the district Civil Affairs Bureau website.[59] What is more, of neighbourhood stakeholders, residents' committees are the only ones who do not participate in the evaluation process. The evaluators include: (1) residents (whose evaluations make up 30% of the total mark); (2) street offices, enterprises in the shequ, shequ Party representatives, and people of distinction, such as People's Congress representatives, People's Political Consultative Committee members, and Party representatives (30%); and (3) related government bureaus and departments (40%; Nanjing Gulou District Government 2007).

Evaluations also play a large part in determining directors' salaries. In 2008, in a municipality-wide initiative to increase and standardize shequ staff income, Nanjing Civil Affairs Bureau stipulated that wages would consist of: (1) a basic payment based on education, title, responsibilities, and seniority, with the range for directors set at 1350 to 1500 RMB; and (2) a performance payment based on actual work records, the satisfaction of shequ residents with their work, work evaluations, and the locality's fiscal circumstances, with the range for directors set at 675 to 750 RMB. The maximum monthly salary for a director is

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[59] At the time of writing, results are posted on the website of the cultural office under the district committee's propaganda department. There is a specific section on shequ star rating, http://www.njgl.gov.cn/col/col9944/index.html###, most recently accessed September 1, 2010.

thus 2250 RMB, with evaluations determining one-third of the amount (Nanjing Municipal Government 2008, Document 159).

Considering the use of evaluation measures in other areas of Chinese bureaucracy, the rating of shequ and their directors further reflects the institutionalization of shequ governance. Methods of conducting shequ evaluation, such as through reported accounts, bureau statistics, on-site observations, and surveys, are not new in the Chinese bureaucracy. Performance evaluations judged against a set of exemplary standards are commonly conducted in schools and work units. Bakken (2000, 265) asserts that, going as far back as the moral account books in the late Ming, the Chinese state has governed through defining exemplary norms and setting objective measurements. Under the revolutionary communist regime, workplace and commune leaders were evaluated based on their political reliability and administrative ability (Harding 1981, 74-78). In the reform period, applying techniques of "scientific management," evaluations were first adopted in the early 1980s in factory managerial training programs. Evaluations were a means to discipline, measure, and reward the productivity of each worker in the shift from collective to individual material incentives (Bray 2005, 161). Performance appraisals were also part of the cadre management reform during the mid 1980s that sought to recruit and promote younger and better educated cadres and to use material incentives to raise motivation (Chou 2005, 43).

Furthermore, shequ evaluations must be contextualized within the use of evaluation measures in the more recent civil service reform launched in 1993 to monitor officials, improve the quality of public service delivery, and minimize citizen complaints about the government (Chou 2005; Foster 2006). Central Party and government leaders are increasingly placing more attention on public opinion in the interest of strengthening the legitimacy of the authoritarian one-party rule. Part of this image building involves shifting the perception of bureaucrats from that of cadres to that of public servants – from favours and privileges to services and assistance. Evaluation standards, as customary mechanisms used by the state to direct change, are considered an important part of this transition. Without them, calls for service quality improvements are too easily ignored and circumvented (Foster 2006, 228). The shequ evaluations that measure the performance of directors based mainly on meeting

quantifiable targets resonate with civil servant appraisals which carry an emphasis on achievements and are a determinant of bonuses and promotions (Chou 2005, 49).[60]

To further build their image as service providers, governments at the municipal and district levels have set up comprehensive, one-stop service centres, also called "Shequ Service Centres." Inside are counters staffed by various agencies so that residents can easily locate the appropriate bureau to bring their concerns to and conveniently conduct government-related affairs at one location. This model is replicated at the neighbourhood level where shequ evaluation standards dictate the community centres' physical infrastructure, minimum types of services offered to residents, and code of conduct. So, even though the shequ is not formally a level of government, neighbourhood community centres are mirroring the configuration at higher levels based on the idea of servicing the people (figures 5.1 and 5.2).

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[60] In general, the appraisals consist of some non-quantifiable but mainly quantifiable targets (e.g. birth rates, tax revenues) and feedback reports from peers and supervisors. For a more detailed description of the process and indicators, see Chou (2005).

Figure 5.1 Shequ centre building types

Various Shequ centres around Nanjing: some are storefronts (a), some are newly constructed (b), some make use of empty buildings (c), and some use the ground floor units of apartment blocks (d).

Photographs by Leslie Shieh

a)   b)

c)   d)

Figure 5.2 Facilities inside shequ centres

Inside the various shequ centers in Nanjing: shequ social service desks (a); meeting space for the community affairs working group (b); a market space for low-income families to buy supplies at a discount and for families to donate second hand goods (c); and a multi-purpose classroom for shequ activities (d).

Photographs by Leslie Shieh

Shequ Budget: A Gulou District Experiment

Funding at the shequ level is allocated according to conventional budgetary categories. There is no formal category titled Shequ Construction; rather, the construction of shequ centres is included under infrastructure development, sports programming under culture, and income assistance under social welfare (Interview, Gulou District Civil Affairs Bureau official, 14 May 2007). The unofficial shequ operating budget refers to the amount of spending districts and street offices allocate for shequ administrative expenses and expenditures related to the services and projects carried out by residents' committees. This amount is set by the municipal government according to the number of households and assigned into the district budget. The district government can require street offices to contribute to or supplement this amount. In 2002 Nanjing municipal government required districts to allocate at least 10 RMB per household to ensure that residents' committees had a sustained source of administrative funds (Nanjing Municipal Committee General Office 2002, Document 20, Section 4.3). Five years later, this amount was doubled (Nanjing Municipal Civil Affairs Bureau 2007, Document 10, Section 2.1.4).

While the level of funding is stipulated, street offices control all shequ spending. If a residents' committee needs funds for an event, it submits a written request. With the majority of revenue going to salaries and administrative costs, little remains for other expenditures (Interview, Gulou District Civil Affairs Bureau official, 14 May 2007). For example, according to Nanjing municipal standards, in a shequ of 3,000 households, the revenue transferred from higher levels is 60,000 RMB per year. With typically three to five paid shequ staff[61] (including the director) and an average annual salary of 10,000 RMB per staff, the residents' committee is left with about 10,000 to 30,000 RMB for the year's expenditures.

Since 2001, Gulou District has been experimenting in a few shequ with giving residents' committees their own bank accounts and discretion on expenditures (Nanjing Gulou District Government 2001, Document 15). In fiscal terms, the district has sought to establish the shequ as an administrative level with a formal operating budget and responsibility for its own fiscal spending. In the pilot shequ, every month the district and street office transfer their

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[61] Not all shequ staff salaries come from the shequ operating budget. For instance, the staff member in charge of family planning is paid from a different budget by the street office (Interview, shequ director, 31 May 2007).

shares directly into a bank account. The amount is determined by the number of households; the district contributes 60% and the street office 40%. The year's budget is prepared at the beginning of the year, approved by the residents' representative council, and passed up to the street office for confirmation and filing. Neither the street office nor the district will help pay off a deficit at the year's end. Any surplus is retained by the shequ as savings. This independence has allowed shequ to save for items the neighbourhood needs, such as magazine subscriptions, field trips, or air conditioning for the shequ centre. In one shequ, enough money was saved to hire a night patrol to curb the high number of bicycle thefts. In the past, the residents' committee would have had to either ask residents to share in the cost by raising maintenance fees or make a case with the street office for subsidies. Gulou's shequ budget experiment demonstrates how the shequ could solve its own problems without additional cost to residents or involving higher levels of government (Interview, Gulou District Civil Affairs Bureau official, 14 May 2007).

This independence has also facilitated residents' committees to seek nongovernment funding sources for their operational costs. An important source has been donations from residents and businesses. Prior to holidays, such as the lunar New Year, shequ directors visit local businesses to raise funds for low-income families. Rather than going through the street office, as is the usual practice, with the shequ having its own account, businesses can contribute directly to the shequ and be issued formal tax receipts (Interview, Gulou District Civil Affairs Bureau official, 14 May 2007; Interview, shequ director, 11 May 2007).

The vice-director of the Civil Affairs Bureau stressed in my interview with him that the objective of fiscal independence is to discourage residents' committees from organizing fee-for-services operations. It is well known that residents' committees generate revenue by operating or renting spaces to vendors of convenience services such as newspaper or bicycle repair stands. The independence to make spending decisions is intended to give shequ directors guaranteed revenue for administrative and operational costs so that they can concentrate on assisting residents rather than operating businesses. While shequ budgets are still in an experimental phase, he feels quite hopeful that "the new generation of shequ directors are younger, have higher levels of education, and interests in social work. Their time should be spent on applying their skills and knowledge toward realizing Shequ

Construction and not seeking funding" (Interview, Gulou District Civil Affairs Bureau official, 14 May 2007).

Shequ Residents' Committees as Extrabureaucrats

Chapter 4 outlined the nationwide social pressures that ensued following SOE restructuring and the contents of Document 23 as representing the central government's perspective on Shequ Construction. To understand what came about after the central directive was issued, this chapter turned attention to local governments' capacity and motivation to implement the policy. Fiscal reforms had downloaded social service spending almost entirely onto district and county governments. In the context of administrative decentralization, Shequ Construction is shown to be more than a central directive, but an important policy area for district governments. Shequ reform has given districts the central state's blessing to explore various approaches to manage their increased functions and financial burdens.

The interaction between Shequ Construction and fiscal reform demonstrates that administrative decentralization and revenue centralization only made shequ reform more necessary. It became a means through which the district government could delegate social welfare provision and delivery. As this chapter has shown, in the process of improving residents' committees' accountability and standardizing the quality of services through evaluation measures, the shequ has become progressively bureaucratized. Residents' committees no longer are a volunteer group of retirees and housewives, but have been professionalized within a regularized shequ institution that is upwardly accountable to street offices and the district government. In this way, the district government has been able to build its capacity, extending its reach and taking on new functions, but without having to dramatically increase the number of civil-sector employees and the amount of administrative costs going toward wages and salaries.

Though government documents repeatedly laud Shequ Construction as a gradual, experimental process for returning the right to self-management to the grass roots, as granted by the Chinese Constitution, shequ reform has changed the political status of residents' committees only to a minor extent. The committees remain extrabureaucratic agents of the state, charged with increasingly heavy responsibilities but without any transfer of formal administrative powers. Shequ reform is similar to observations made of the involvement of

extrabureaucrats in state building. The Chinese state has long been depended on local intermediaries to carry out work of the state and building permanent state institutions, such as the reliance on tax farmers and village cadres for tax revenue collection (Remick 2004, 11-12). To understand Shequ Construction as an extension of existing administrative means or indeed the building of grassroots self-governance capacity, in the following chapters I continue to explore the interactive effects of Shequ Construction through the program's articulation with other policy directives.

6. SHEQU CONSTRUCTION AND URBAN EXPANSION
Nanjing's Urban Village Redevelopment

Awaiting Urbanization

Urbanization describes the shift from rural to urban and is often captured by percentage increases in urban population, urban land uses, and nonagricultural outputs. According to official statistics, for instance, in the 10 years between 1997 and 2007, China's urban population increased from 30% to 44%; the built-up area of Chinese cities grew by almost 70%; and the national gross domestic product generated by non-agricultural industries increased from 80% to 90% (National Statistics Bureau 1998, tables 3-1, 4-1, 11-5; 2008, tables 2-1, 3-1, 10-6). This chapter examines the normative dimension of urbanization – how government policies seek to guide and condition the integration of villagers into the city. In particular, it questions how Shequ Construction, an urban social policy, works in tandem with the city's rural land redevelopment plans to facilitate the incorporation of peri-urban villages.

As the built-up city sprawls rapidly outward, farmland and village settlements at the periphery have been requisitioned to make way for apartment buildings, shopping centres, warehouses, and factories. Urbanization's protracted ramifications are evident in this in-between space. The rural to urban transition, as experienced by village communities, is an ongoing process of shifting livelihoods and seeking new ways to retain control over their land. In this dynamic process, urban land uses engulf lingering pieces of indigenous villages and leap-frog beyond, leaving the fragmented villages as islands in the urban landscape, referred to in Chinese as *chengzhongcun* – "urban villages" or "villages in the city." With urban villages thought of as "awaiting urbanization" (*dengdai chengshihua*), transitioning toward urban land uses, livelihoods, and administrative designations over time, cities have invested little into their public infrastructure. Contending with ways to bring these rural exceptions under the regulatory regime of urban planning has become a pressing issue for many large coastal cities. What draws my attention to urban village redevelopment is the question of how these villages become part of the city, not only in terms of land or administrative transition from rural to urban, but the ways through which villagers are reconstituted as urbanites.

Divided into four parts, the chapter begins by problematizing the urban village phenomenon in terms of integration. Next, it presents an overview of the urban village redevelopment plan proposed in 2005 by the Nanjing Municipal Government. Then, through comparing the experience of two village communities, it examines the role of Shequ Construction in the redevelopment process. In the first, as relocated villagers adjust to urban neighbours and the urban way of life in apartment blocks, shequ programming transmits appropriate ways of living in an urban neighbourhood and expected behavioural norms. In the second, more remote village, officials have decisively adopted urban-based neighbourhood standards. The concluding discussion considers the interactive effects of the two policies and the ways in which Shequ Construction functions as an instrument of normative urbanization.

Integration: Framing the Urban Village Phenomenon

The straightforward explanation for the formation of urban villages is found in the particular circumstances of Chinese land laws. Prior to more recent rural land reforms that sought to restrict rural land acquisition by local governments and confirm the land-use rights of farmers, collectively-owned land could only be acquired by local governments.[62] Under the Chinese Constitution (Article 10) and China's Land Management Law (Article 10), administratively designated urban lands are defined as state lands, with property rights ultimately controlled by agencies of the state. Administratively rural lands, on the other hand, are defined as collective lands, with property rights, though limited, assigned to rural villages. Only state-owned land could be leased and land use rights transferred from state to work units or development companies, so for rural land to be developed for urban land uses, it had to first be acquired by the municipality from the rural collective; it then became urban and state owned (Yeh and Wu 1996; Xie, Parsa, and Redding 2002; Lin and Ho 2005; Ding 2007).

Being less troublesome than settlement land (*zhaijidi*) to compensate and convert, farmland, throughout the 1980s and 1990s, was typically requisitioned first, leaving village settlements as pockets in an increasingly urban landscape. In such circumstances, land use controls and

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[62] The Law on Land Contract in Rural Areas (2002) stipulates that rural households could transfer the use right to their contracted land to other farmers, a right not contained in the Land Management Act. In 2008, at the third plenum of the seventeenth Central Committee, the CCP issued the *Decision on Certain Issues Concerning the Advancement of Rural Reform and Development* seeks to establish a market for rural construction land. It introduces the possibility for collectively-owned construction land (*jianshe yongdi*) to be traded without being first acquired by the government. For a discussion on the main changes, intentions, and shortcomings of recent rural land reforms, see Tong and Chen (2008); Dean and Damm-Luhr (2010).

decision making remain in the hands of villagers' committees, with the resulting spatial development outcomes often at odds with stipulated objectives of municipal urban planning goals. Consequently, as cities now try to capture and redevelop village land, the process is often long and drawn out, first with resistance over land acquisition and compensation, and then with resolving the livelihood hardships villagers face after relocation.[63] The redevelopment of urban villages is thus more complicated than facilitating the transformation of rural (collective) lands into urban (state) lands through processes of state expropriation and reassignment. Understanding urban villages solely from the legal perspective suggests that they are temporarily at an in-between phase in the process of rural to urban land conversion, awaiting urbanization. Such processes are accompanied by the social and economic ramifications of also facilitating the transformation of former rural dwellers into urban citizens. As such, urban village redevelopment must be recognized as a social phenomenon as much as a land use issue (Leaf 2007).

The social policy discourse that has arisen in English scholarly writings on the urban village phenomenon in China frames the villages as sites of resistance, questioning why they persist despite redevelopment efforts (Liu and Wei 1997; Ma and Xiang 1998; Zhang 2001; Zhang, Zhao, and Tian 2003; Leaf and Anderson 2008). This literature centres on the enclave nature of the urban village and the informal economy within it. It explores the relationships upon which urban villages are built – the tight internal networks and well-defined hierarchies between migrants and migrant leaders and between villagers and migrant renters, as well as working relationships between villagers' committees and local governments. Rather than viewing urban villages as simply an outcome of the land conversion process, these studies seek to decipher the more complex community dynamics that have rooted urban villages in place and empowered villagers to protest relocation and demolition.

Extending this discussion by taking the view from the city, this chapter is concerned with the problematic of integration. By questioning villagers' integration, as opposed to their resistance, it seeks to examine how urban-centred redevelopment policies intend to absorb the villagers as residents and, conversely, how villagers interpret the plans for their

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[63] To prevent the emergence of urban villages, rural land is now typically requisitioned in large tracts with settlement and agricultural land together. Many cities, particularly coastal ones, are redeveloping urban villages that resulted from earlier land conversion processes (Interview, Nanjing Land Management Bureau official, 10 April 2006).

incorporation. To facilitate this inquiry, I examine the interaction between two different integrative mechanisms deployed by the state: (1) the directive to forge strong neighbourhood-based community bonds under Shequ Construction; and (2) urban village redevelopment plans which seek to expedite the process of rural to urban conversion. These two policies, the former implemented by the Civil Affairs Bureau and the latter by the Urban Planning Bureau, are often analyzed separately.

In the context of urban village redevelopment, Shequ Construction plays a significant but overlooked role in urbanizing the city's hinterland. First, for villagers relocated to apartments in urban neighbourhoods, shequ programming serves as an integrative devise in conditioning their everyday cultural practices. Second, at a wider scale, a recent initiative under experimentation in Nanjing intends to expand the policy program from urban neighbourhoods into rural villages. From its beginnings in aiding the transition of urbanites' sense of community from workplace to home, the policy has also come to be an instrument for transferring urban standards and reforming rural practices. The policy has had both positive and negative impacts on village communities. In these new sites undergoing "community construction," the articulation of Shequ Construction with urban village redevelopment initiatives raises many as yet unasked questions about its rationale and appropriateness as a means of bringing about social order.

Nanjing's Urban Village Redevelopment[64]

Nanjing municipality encompasses eleven urban districts and two rural counties. At the grassroots level, there are 799 residents' committees and 587 villagers' committees (VCs). The villages are within the two counties (230 VCs) and the five suburban districts (326 VCs), and on the fringe of the six urban districts (31 VCs; 2008 figures; Nanjing Statistics Bureau 2009, table 1-1). In the broadest sense of the term *urban village* – as urbanizing villages of mixed rural and urban activities and land uses in an urban jurisdiction – one could say that there are 587 urban villages in Nanjing. However, it is necessary to differentiate between

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[64] Although the redevelopment process is equally contentious, Nanjing's urban villages are quite different from their counterparts in southern Chinese cities of the Pearl River Delta, such as Guangzhou, Dongguan, and Shenzhen, which have been the focus of many recent studies on the phenomenon (Zhang, Zhao, and Tian 2003; Li 2004; Xie 2005; Hsing 2010). For instance, in Shenzhen, a city formed out of a conglomeration of fishing villages, urban villages were formed through an in-situ process. Consequently, they have a stronger hold on their land interests through greater involvement of the village collective as developers of commercial buildings and market housing.

them, as the city's redevelopment schemes specifically target villages that are now within the urban core.

With planning issues that differ from those confronting villages farther away in the countryside, these villages do not face the city's encroachment, but are already engulfed by it.[65] With land use controls and decision making in the hands of villagers' committees, what happens in these villages largely falls outside the scope of urban administrative bureaus. I observed sanitation trucks that spray and sweep the city streets every morning drive right past them. Villagers have self built low-cost housing to cater to the needs of thousands of rural migrants, many of whom either cannot afford or lack the proper registration papers to take up residence in the formal city. Overcrowded and underserved by public infrastructure, these self-built structures are vastly incongruent with the new development projects that surround them. Many researchers have cautioned that redeveloping urban villages demolishes a significant source of low-income housing (Wu 2002; Zhang, Zhao, and Tian 2003; Song, Zenou, and Ding 2008). However, from policy makers' perspectives, urban villages are sites of ungovernability with substandard housing, deficient infrastructure, an abysmal environment, and high crime rates.

In 2005, the Nanjing Municipal Government announced an aggressive urban village redevelopment plan to requisition 71 urban villages within the city's ring road and to dissolve their villagers' committees within four years. Municipal Bureaus of Planning, Construction, Land Resources, Housing, and Labour, as well as their counterparts at the district level, were mobilized to survey the scale of land requisition, the amount of collectively owned assets involved, living conditions, and demographics of urban village residents. The redevelopment was estimated to add about 67.4 km^2 of urban land (Nanjing General Affairs Research Office 2005). This presented a significant amount of land not only relative to the size of the city's

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[65] Within the extended metropolitan region, villages can more appropriately be distinguished according to their distance from the urban core and the standard of living of their residents (McGee 1991, 6-7). Following this model, Nanjing's urban villages can be categorized into three types. The first type describes villages that are now part of the urban core. These villages are without farmland, but the land use rights remain with the villagers and the village committees. Urban villages located in the suburbs belong to the second type, in the recently incorporated urban districts. These villages have some remaining farmland, but the majority of residents no longer work in agriculture as their main source of income. The third type of urban village is one to two hours' commute from the urban core where a large amount of farmland still exists. Although some villagers are engaged in agriculture, their ways of life and livelihood are heavily impacted by their proximity to the city. Redevelopment in Nanjing targets villages of the first type.

urban core which is about 243 km^2 but, as the city had already used up its designated
construction land quota to 2010, redevelopment would provide an important source of land[66]
(*Jinling Evening Post* 2005). A survey conducted by the city estimated that redevelopment
would entail the relocation of 104,000 villagers and provisions for their social welfare as they
become urban residents. In addition to the number of villagers impacted, the survey also
estimated the displacement of 136,000, or about 10%, of the city's migrants (Nanjing
Municipal General Affairs Research Office 2005). In economic terms, redevelopment would
require close to 100 million RMB of collectively owned assets to be either compensated or
reorganized into share-holding companies or collectives (ibid.).

The redevelopment plan outlined a three-phase process for implementation by district
governments. Phase 1 (2005 to 2006) would consist of requisitioning the residual pieces of
collectively owned land within the six urban districts. With regard to villages in the suburban
districts, the plan directed local officials to focus for the time being on improving their living
environments. Phase 2 (2007 to 2008) would involve demolishing all illegal self-built
structures in villages, particularly in the suburban districts. Given the large number of people
and the amount of collective assets implicated, the objective, at this moment in time, would
be to lay out the necessary infrastructure such as roads, water and sewer lines, and
telecommunication to promote future growth and development. Phase 3 (2009), planning
ahead for their future incorporation, would focus on strengthening the management of urban
village communities according to urban standards (Nanjing Municipal Government 2005,
Document 214).

In addition to this working timeline that proceeds outwards from the urban core, the plan
further categorizes the 71 urban villages into three types according to their method of
redevelopment. Type A villages, accounting for 47 of the 71, are those in areas already
approved for development projects and slated to proceed with land requisition and relocation.
Eight villages labelled Type B are located in areas designated for open green space in the
city's land use plan. When opportunities arise, these villages will be incorporated into

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[66] To protect agricultural lands, the 1998 Land Management Law placed a mandatory cap on the amount of
farmland that can be converted to construction land. The provincial government reviews, approves, and
reports to the State Council applications from lower levels to convert agricultural land to construction land.
In some cases State Council approval is required, particularly with the conversion of primary farmland (Ho
and Lin 2003).

planning projects and redeveloped accordingly. For villages farther out that may be difficult to attach to projects within the plan's four years, the municipal government plans to gradually incorporate them into the construction land reserve to acquire for urban uses in the future. Type C includes the residual portions of 14 erstwhile villages left over from previous development projects. Those in the urban core are to be listed as areas for urban renewal and will proceed by acquisition and resettlement. For those farther out in the suburban districts with the village form basically intact, city planners do not object to postponing action so long as control and management over the living environment is strengthened (Nanjing Municipal Government 2005; Nanjing Municipal General Affairs Research Office 2005). In reality, each phase required much more time than the plan allowed, and the efforts overlapped and waned depending on the negotiations and available funding.

In the following sections, I explore the nuances of Nanjing's redevelopment plan through the experiences of two villages located within the urban core. Both are slated for immediate attention under Phase 1, however, their categorization – Rivertown Village as Type A and Willow Village as Type C – has rendered them at different points in the process with different strategies and options available to them.

Redevelopment through Dissolution: Land Acquisition and Relocation

Rivertown Village is located on the western edge of Nanjing's urban core, just outside the Ming Dynasty city wall. Nanjing began its westward expansion in the 1980s to accommodate returning youths who were sent to the countryside during the Cultural Revolution. In native Nanjing residents' mental map, the area to the west across the Qinhuai River that runs through the urban core is perceived as peripheral – crossing the river meant leaving the city (Interview, Nanjing Planning Bureau official, 30 March 2007). In the 1980 to 2000 master plan, this area to the west, known as Hexi (literally "west of the river"), was not yet part of the urban core (Nanjing Municipal Planning Bureau 2001, 17-18). During this period, in addition to the appearance of six-story low-rise work-unit housing, farmland was also being requisitioned to build factories, mostly those producing construction materials such as lumber and concrete. Gradually, small wholesale markets and warehouses for construction materials also moved in (Fieldnotes, 27 February 2006).

Subsequent master plans, forecasting growth, have designated Hexi as a secondary urban centre, conceiving of it as the city's centre for culture and sports (Nanjing Municipal Planning Bureau 2004, 14). In the early period of trying to bring projects to the area, city officials had difficulty attracting developers on whom they relied to help finance and build basic infrastructure. Therefore, officials acquired land that was easiest to compensate. Consequently, agricultural land was expropriated and developed first, leaving village settlements standing next to towering commercial high-rises. Then, in preparation to host the 2005 Tenth National Games, city planners, aided by the emergent housing market, undertook a concerted effort to transform this area (Interview, Nanjing Planning Bureau official, 30 March 2007). Block upon block of newly built commercial housing, shopping centres, landscaped parks, and Olympic-sized sports stadiums are now connected to the urban core by the subway line and a road system of wide boulevards. In this suburban landscape, lingering village settlements like Rivertown sit in jarring contrast.

As construction went on around it, the village was itself in a construction furor that had, until the recent emphasis on redevelopment, escaped tight scrutiny from the Planning Bureau. City planning at the time gave officials limited oversight and responsibilities for administratively rural land. In seeking compromises with rural villagers, within their purview, officials allowed the retention of land for self-use (*ziliudi*) and approved certain development projects (Fang, Ma, and Song 1999). Much of the construction centered on shifting toward a nonagricultural livelihood based on rental income. Its proximity to the city and the concentration of construction factories and warehouses drew many rural migrants to rent informal housing in Rivertown. Migrant workers account for about 80% of the residents living there today (Interview, RT villagers' committee member, 27 February 2006). Many occupy dilapidated housing with shared water taps and latrines self-built by landlord-villagers. In a process aptly described as "house planting" (*zhong fangzi*), villagers subdivided their homes into individual rooms and built basic boarding houses on vacant lots, charging 150 to 200 RMB per room a month. On average, each family receives 2,000 RMB a month in rental income, with some receiving as much as 7,000 RMB. Most can recoup construction costs within one year. As the locals say, it takes one year to cultivate the seedling but it yields a sizable harvest every year afterwards (Fieldnotes, 14 March 2007).

Over time, as less farmland remained and more villagers moved out, villagers had fewer incentives to invest in infrastructure improvements. Inevitably, the living environment has become terribly degraded. When it rains, inadequate drainage causes the roads to flood. In the summer heat, the smell from the poorly constructed public latrines is overwhelming. Rather than street numbers, the signs above doors read "rental unit 1," "rental unit 2," and so on. Many migrants make their living as scavengers, and their sorted recyclables, from scrap metal to cardboard boxes to plastic beverage bottles, are piled high in the alleyways. Given these inhospitable conditions, the Rivertown villagers I managed to meet – a few of whom were still living there but most of whom were only returning to collect rent – agreed that redevelopment is necessary (Fieldnotes, 14 March 2007). However, because they feel uncertain about their future and they know the great difference between the compensation they will receive and the price developers will pay the city, they want to collect as much as they can from their land while they still have the opportunity (Fieldnotes, 14 March 2007).

The migrant community in Rivertown has grown over the years. Most of the migrants come from rural areas of Jiangsu Province and neighbouring Anhui Province. Run by migrants and catering to those from their native places, there is a main street of retail shops, a fresh food market, street vendors, a small clinic, and a school. However, reacting to the attitude of villagers toward the future of Rivertown, the migrants who are renting residential and commercial spaces are cautious about spending money on maintenance and repairs. For instance, the principal of a school for migrant children had planned to fix the roof of several classrooms. However, seeing the lack of investments and anticipating redevelopment, he chose to patch the sections with the most serious leaks. The school would remain next year, although he was uncertain about the year after and was already making inquires into available space in nearby villages (Fieldnotes, 6 April 2007). Consequently, in their anticipation of eviction and demolition notices, it seems that the redevelopment of Rivertown has already begun and official action is only a matter of time.

Dissolving the village collective

Decisions at the village level are made by villagers' committees and other village governing organizations.[67] Villages, as "mass organizations of self-management at the grassroots level" (PRC Constitution, Article 111), create their own financial base from collective assets and revenues. The collective resources pay for social services (such as schools and clinics), administrative operations and wages, and economic development. While Rivertown, like all villages on the periphery of large cities, benefited financially from participating in the exchange flows of people and capital, it never had the opportunity to accumulate great wealth. In wealthy villages in Nanjing's two rural counties, collective revenue has been used to build new homes for every member of the village and provide tuition for children to attend university in the city (Fieldnotes, Gaocheng County, conversation with a villagers' committee member, 22 April 2006). Nevertheless, Rivertown villagers prefer their rural registration status (*hukou*). Residents see little benefit to having the once-treasured urban *hukou* that had meant guaranteed employment, food provision, and access to social services. Their rise in income from rents and collective dividends and their proximity to the city have long afforded them an urban lifestyle. Rather than benefits, I am told, a change to urban status would mean giving up the rural advantages of early marriage with the possibility of having two children (Fieldnotes, 13 April 2007). Furthermore, they feel at a disadvantage to compete in the urban knowledge-based labour market. While the urban *hukou* makes them eligible for low-income social assistance should they face difficulties, 300 RMB per month per person is a dramatic reduction from the rental income they currently receive (Fieldnotes, 13 April 2007).

Rivertown no longer appears in the Nanjing administrative roster of rural villages and urban shequ. The villagers' committee continues to monitor and look after the remaining villagers who have yet to receive their urban registration status and to manage the few parcels of collectively owned land. It works out of a two-story village service centre that it now shares

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[67] Village governance is composed of the villagers' committee, Party branch, village representative assembly, and economic management committee. The villagers' committee handles the day-to-day administrative tasks such as dispute mediation, public safety, tax collection, and family planning. Party branch members will typically sit on the villagers' committee. The economic management committee manages the collective assets and operates the township and village enterprises (TVEs). The village representative assembly is the ultimate overseer of village affairs; both the villagers' committee and the economic management committee are answerable to it. For a detailed discussion of village governance structure, see Choate (1997). In this chapter, the term "villagers' committee" is used to refer to village governing organizations collectively, unless specified.

with a neighbouring village in similar circumstances. A committee member explained that when villages dissolve, collective assets are either sold or reorganized into a share-holding company or cooperative. In the case of Rivertown Village, not much land remains in collective ownership. Without large amounts of assets, and thus requiring less complicated negotiations, Rivertown is in a weak position to resist redevelopment plans that seek its dissolution. What will likely happen is that collectively owned assets, such as warehouses, rental housing, valued crops and livestock, and land will be converted into cash and apportioned to village members. A portion will be given to the street office to manage any remaining affairs related to Rivertown residents as their *hukou* registration transfers to urban status, such as contributions to their social security (Interview, RT villagers' committee member, 14 March 2007).

With regard to compensating and resettling villagers, according to the *Nanjing Land Acquisition Compensation Relocation Regulations* (Nanjing Municipal Government 2004, Document 93), compensation essentially involves four calculations:

1) Crops on agricultural land: Compensation is based on the value of one season's yield. Trees with economic value are calculated separately.
2) Housing: Compensation is calculated from the number of family members and the size and cost of current housing and additions.
3) Land: Compensation is calculated based on its land category. Land in China is given a category number determined by the quality of the land/soil and the locality's socioeconomic level.
4) Labour relocation: All working-age villagers receive a one-time payment, with variations among districts.

While the calculation appears formulaic, in practice there are discrepancies in the total amounts of compensation received among villages within the same district and among households within the same village. Early compensation standards made further distinctions as to whether land was acquired for municipal projects, priority constructions, or non-municipal projects which, as one study estimates, caused compensation prices to vary significantly by between 10% and 40% (Chen and Zhou 2005).

Moreover, compensation packages have been assessed and agreed upon on a household by household basis and are not publicly disclosed. In the two cases recounted to me by a villagers' committee member, the discrepancy boiled down to a matter of timing and unexplainable bad luck. One villager had held out longer in hopes of receiving more compensation, but in the end, as part of a latter wave of residents to be relocated, his family paid more for their apartment in the affordable housing project to which they have been assigned. In another case, two villagers found out after the fact that for their comparable stone houses, one had been compensated at the low end of the stipulated range whereas his neighbour had for undocumented reasons received the high end, which allowed him to resettle into a larger and better located apartment (Interview, RT villagers' committee member, 14 March 2007).

Relocation and social integration into urban neighbourhoods

With their compensation, Rivertown villagers have been resettled into affordable housing projects across the city. While villagers may have long begun to acquire the commodities that signify an urban lifestyle, such as television sets and washing machines, adjusting to the realities of daily life after relocation is difficult. Economic hardship is often felt some time after relocation, after the monthly rental income ends and monetary compensation has been spent on moving and settling in. A recent survey conducted by Nanjing Normal University of relocated villagers in an affordable housing neighbourhood reported that the unemployment rate rose from 1.8% to 16.3% after relocation. While 43% of the relocated villagers reported an increase in income, many did not even meet Nanjing's minimum urban livelihood standards. About 40% of the residents fell below the minimum living standard of 220 RMB per month; and half of those working reported monthly earnings below the city's minimum wage of 540 RMB (Guan 2007, 10-11).

Villagers I met talked about the considerably higher expenses of urban life. Most daily necessities now need to be store-bought at urban prices. In the city, a simple daily task such as cooking rice means using metered water from the tap and electricity for the rice cooker. Because farming is no longer an option for children who do not do well in school, families feel obligated to spend money on education so their children can keep up with their urban classmates (Fieldnotes, 27 April 2007). They were not faced with these realities suddenly as their lifestyle has been constantly changing in the urbanization process. However, these

expenses multiply the overall financial pressures they feel. Gainful employment has been difficult to secure, particularly for those in their mid-40s and older. Because schools in the countryside tend to be inferior to those in the city, and also because this generation came of age during the Cultural Revolution, many of them lack the education needed to compete in the urban labour market. They also face the setback that, being close to retirement age,[68] potential employers are less willing to hire them and invest in their training (Fieldnotes, 27 April 2007).

Socially, the resettled villagers, or land-loss farmers (*shidi nongmin*) as they are typically referred to in the city, are looked down upon by their neighbours, who often regard them as "uncivil" (*bu wenmin*) or "uncultured" (*mei wenhua*). White Blossom Shequ is a mixed-income neighbourhood where relocated villagers live among the urban working class, teachers, and college professors, but each group lives in separate walled compound. In the compound where villagers have been resettled into, chives have been planted instead of grass. The vegetable gardens were unplanned. Initially, a few elderly farmers cleared small plots of land on the sides of the open space inside their compound. The centre of the open space is left as a grassed lawn because that is where neighbours tend to gather in the afternoons. The vegetable gardens became an issue after a few others went outside the compound. According to one elderly farmer, they planted narrow strips by the outer walls of the shequ compound where they believed few people frequented (Fieldnotes, 5 October 2007).

Director Li understands that many of the older relocated farmers may not enjoy the activities that the residents' committee organizes, such as choir groups, book clubs, and Chinese painting and calligraphy classes. In the past, she overlooked the vegetable gardens and placated the complaints she received about the smell of fertilizers, the pests being attracted, and the unsightliness of the neighbourhood open space being taken over by relocated farmers who brought elements of rural life with them. But, with the emphasis on Shequ Construction and the accompanying evaluation measures handed down from above with standards on neighbourhood greening and beautification, it has become more difficult for Director Li to

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[68] The retirement age in China is not uniform; it depends on the physical demands of the work and the length of time an employee has been working. Typically, for factory workers, the retirement age is 50 for women and 55 for men. For officials and professionals, it is 55 for women and 60 for men. Many state-owned enterprises permit and even encourage employees to retire in their 40s to cut labour costs and make openings for new college graduates (Fieldnotes, conversation with Sunrise staff, 6 November 2007).

excuse the vegetables. She had them unearthed once, but in the spring, the elderly farmers sowed new seeds. This time, taking a heavier hand toward resolving the matter, she intends to plant bushes and trees to make it unlikely for vegetables to grow (Interview, WB shequ director, 18 June 2007).

Shequ Construction, which began with the goal of strengthening local capacity to provide social services to laid-off workers, must now respond to all those dislocated by urban change – farmers who have lost their land as well as workers who have lost their jobs. The vegetable garden incident, while trivial, calls attention to the greater implications of Shequ Construction as a valuation system where resettled villagers and their rural practices are perceived as backwards. The former villagers must alter their conduct in line with the higher-valued urban status. In this way, their integration is linked to the broader *suzhi* discourse that sees the "low-quality" rural populace as hindering the country's advancement. [69] In the context of relocation, Shequ Construction is thus no longer a policy project solely about laid-off *danwei* workers – their sense of belonging, the provision of their social services, and the threat of unrest. Seen more broadly, the policy seeks coherence and defines what it means to be an urbanite living in an urban neighbourhood. For the resettled villagers, membership in the urban shequ means regulations and changed expectations – where to go, what procedures to follow to seek assistance, and what activities and behaviours are acceptable. The list of dos and don'ts on the shequ bulletin board clearly outlines the rules to live by: "Do not sun-dry sheets on the shequ commons. Do not burn garbage. Do conserve electricity and water. Do report suspicious activities to the residents' committee …" The low regard for the villagers' "backward" ways and the specificities of what constitutes a "pleasing environment" (*huanjing youmei*) in evaluation measures prevent the accommodation and inclusion of villagers' practices.

The elderly farmers have the most difficult time comprehending the sensibilities of these urban social norms and so they ignore the "shequ rules" (*shequ guize*). One elderly farmer

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[69] The word *suzhi* is usually translated into English as "intrinsic quality." Reform-era birth planning, rural planning, and education policies have linked the word to development and created a discourse around raising the quality of the population, and defining the characteristics of a person of quality. For instance, regulating births was framed around raising fewer children of higher quality. China's failure to modernize has been attributed to the low quality of the country's large rural population. Education reform seeks to teach and foster "high quality" or "modern" norms and behaviour (Bakken 2000; Anagnost 2004; Murphy 2004; Kipnis 2006).

who I often saw tending her corner plot related to me that her granddaughter had explained to her that in the city farming is not considered civilized conduct. Her granddaughter, with whom Director Li had spoken, found the situation embarrassing. The elderly farmer excused her background, saying that she is not educated, but defended her actions, saying that city people, like her granddaughter, are not resourceful (Fieldnotes, 5 October 2007).

Redevelopment through Integration: Conformity of Interests

With 71 villages undergoing redevelopment, acquisition and relocation depend on infrastructure projects or commercial development to initiate and finance the process. An alternative redevelopment method that city officials would like to explore is to temporarily retain the village settlement, with a focus at least for now on managing the living environment. This option is considered viable for what they deem as intact villages farther out in the periphery, where much of the farmland remains and where the incoming migrants do not yet outnumber the out-migrating villagers (Interview, Nanjing Planning Bureau official, 16 March 2007). Recent experiments with extending the Shequ Construction policy program into villages will facilitate an assessment of whether this redevelopment model is feasible for a greater number of villages.

Despite being an urban village that is to undergo redevelopment, Willow Village Villagers' Committee, has been working to bring its village up to urban shequ standards with the expectation that its redevelopment will follow this model. Willow Village sits on the northern edge of Nanjing's urban core. Its evolution into an urban village took a similar path to that of Rivertown. In the late 1980s, following the return to the household responsibility system and the decollectivization of agriculture, their village production brigade was dissolved and replaced by a villagers' committee. At that time, as China's economy was gradually taking off, nearby state-owned industries, the largest being Nanjing Automobile, acquired agricultural land for factory expansion and employee housing. Those who were employed by the industries were given urban registration status. Since, at most, only a few members of each household were eligible for urban *hukou*, families retained their village housing. Residents have not been moving out but their main source of livelihood has shifted from agricultural to rental income.

Willow Village has about 2,000 permanent residents and 6,000 migrant renters (Interview, WV shequ vice-director and villagers' committee member, 18 May 2007). Due to the smaller proportion of migrants to local residents and the village's recent administrative designation as an urban shequ, the situation in Willow Village relative to that in Rivertown Village may be described as being governed with the intention of resisting land expropriation and residents' relocation. For instance, in Willow Village, the rooming houses for migrants are generally newer and built with better materials, though likely still sub-standard by building codes in terms of fire safety, height restriction, and so forth. The village does not have the same density of migrant-centred activities as Rivertown. It is not a place where migrants congregate. During the day, most of the migrants leave the village for work at nearby factories or elsewhere in the city. Along the main commercial street are small-scale workshop factories run by both migrants and villagers, and retail shops and small eateries catering to local residents and migrant renters. It is in the evenings when activities fill the street that one feels the presence of the large migrant population. In contrast to Rivertown, it is a place where both villagers and migrants live, as opposed to one gradually being left behind by villagers and inhabited by migrants.

Co-existence of villagers' committee and shequ residents' committee

In 2006, with road construction, light rail transit, and housing developments taking place nearby, the municipal and district governments redrew street office and shequ jurisdictions. Willow Village and portions of a neighbouring village left untouched by redevelopment were grouped together to form Willow Village Shequ. For the time being, due to a lack of compensation funds, the amount of collectively owned assets, and the adequate condition of the existing infrastructure to support the existing density, memorandums issued by the municipal planning department support Willow Village's redevelopment through infrastructure upgrades as opposed to demolition and relocation. Planning officials will, however, incorporate Willow Village into the city's land reserve for prospective commercial housing development. This move allows for future development projects to finance land acquisition (Interview, Nanjing Planning Bureau official, 16 March 2007). In fact, the use of land reserves has become a crucial planning strategy. It places land with good prospects, such as along light rail constructions which the government has invested heavily, in the hands of the government. This prevents developers from negotiating joint development projects with villages and allows the city to undertake multiphased projects (Hsing 2010, 107-8).

The establishment of Willow Village shequ has created the exceptional circumstance of a villagers' committee co-existing with a residents' committee. But in fact, members of the two committees are the same group of people; they simply hold different positions in each committee. They assist residents according to their residency status: agricultural (rural), nonagricultural (urban), or temporary (migrant). As long as the village is not dissolved, the villagers' committee remains in charge of collective assets and is responsible for the welfare of its remaining hundred or so rural *hukou* residents, mostly pensioners. The residents' committee is responsible for servicing and managing the urban and temporary *hukou* holders. Their joint appointment in the residents' committee has increased the workload of the villagers' committee members. The shequ vice-director explained that under the mandate of Shequ Construction, the residents' committee's main responsibility is providing social service, with funding and direction coming down from the street office. In contrast, the villagers' committee focuses primarily on economic development and meets its needs from its own collective assets. Furthermore, they are expected to keep records of migrants' employment and legal status in the city and carry out the seemingly impossible task of overseeing the transient population's family planning (Interview, WV shequ vice-director and villagers' committee member, 18 May 2007).

It is important to consider that as the members of the residents' committee and the villagers' committee are the same and as the majority of the residents were born in Willow Village, the administrative shift to an urban neighbourhood has not changed villagers' sense of place. Willow Village is still being referred to as a village and not a *shequ*. This may change in the future as redevelopment proceeds and new housing developments alter the area's landscape and bring in residents from other parts of the city.

Standardization and the Village Shequ Construction Program
In June 2006, Nanjing Municipal Civil Affairs Bureau issued a working proposal for each district and county to set up pilot villages in which to extend the urban-based Shequ Construction policy. A year later, it followed with the document *Recommendations for Strengthening the Construction of Standardization of the City's Shequ Residents' Committees and Villagers' Committees*, with similar but separate measures to evaluate each urban neighbourhood and rural village on a 100-point scale (Nanjing Municipal Civil Affairs

Bureau 2007, Document 10).[70] While service standards can lead to greater accountability, the service areas being standardized under Village Shequ Construction carry wider implications. They raise questions with regard to how the urban-based programming is being extended to rural villages, and more critically, how the initiative seeks to prescribe norms of "good" urban governance to the "unruly" urban villages.

In accordance with the broader state agenda, Nanjing's experiments with expanding the urban-based Shequ Construction policy to villages came at a time when rural affairs dominated state policies. In January 2006, the Number 1 Document[71] (*yihao wenjian*) issued by the central authority raised specific social policy directions for the "Construction of a New Socialist Countryside." The state committed to restructuring rural taxes and fees as well as increasing its spending on rural health care and education. Nonetheless, Village Shequ Construction standards do not address any of these social issues. Kelliher (1997) observes that the debate among officials on self-government and village elections concerns controlling rural "lawlessness" rather than the ideal of autonomy. Similarly, in the Village Shequ Construction discourse self-governance centres on establishing the state's rural presence, with intentions of curbing corruption and enforcing state policies over tax collection. The *2007 Standardization* defines qualities of grassroots self-governance, outlining specific functions of villagers' committees. The highest scoring categories include adherence to village election regulations (22 points) and lawful reporting and auditing of affairs and finances (24 points). As many village leaders hold joint appointments in the Party branch, residents' committee, and villagers' committee, this emphasis on elections has them frequently preparing for elections. When I interviewed Willow Village's shequ vice-director (who is also a member of the villagers' committee and Party branch), the election for the villagers' committee had just concluded, and preparations were about to begin to elect the village Party secretary (Interview, 18 May 2007).

Despite intentions of elevating rural quality of life to urban standards, the urban-centric evaluation measures disregard some of the important differences between residents' and

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[70] Appendix 5 is a translation of the evaluation measures.

[71] Traditionally, the first document issued by the central authority (Chinese Communist Party Central Committee and the State Council) every year is interpreted as being the most important issue for the country. Since 2004, rural development has been the topic of the first document, demonstrating its urgency and the government's determination to address problems in rural areas.

villagers' committees. Villagers' committees have long been responsible for handling crucial matters of property administration, taxes, and welfare provision. In comparison, until recently the residents' committee was secondary to the workplace in importance for urban families. The policy's starting point is based on achievements in urban neighbourhoods, as opposed to what rural social issues are and how to improve rural community life. The working proposal for Village Shequ Construction pilot sites highlights the following three objectives: (1) to impart urban thought and practice toward shequ services, specifically the construction of in-community service stations to assist those most in need and bring convenience to residents' everyday life; (2) to foster the development of shequ social organizations and intermediary service organizations, such as seen in the proliferation of seniors' associations, book clubs, dance groups, and handicapped support groups in urban neighbourhoods; and (3) to increase the level and capacity of residents' participation in neighbourhood affairs, establishing similar volunteer organizations as those in urban shequ (Nanjing Municipal Civil Affairs Bureau 2006, Document 118).

As the *Standardization* was only approved in 2007, the results of how well neighbourhoods and villages performed were not yet available to me. I assumed that Willow Village Shequ would be measured as an urban neighbourhood. However, still considering itself as a village, the shequ vice-director referred to the village standards and was hopeful that Willow Village would do well (Interview, 25 May 2007). Working with the expectation that the municipal and district governments will follow through with their commitment to improve utilities connections, the village leaders themselves have undertaken several capital improvement projects. They have built a three-story service centre that is just as big and well-equipped as those in urban core neighbourhoods. The village has also repaved all the main roads.

Land politics and strategic calculations underlie the integration and village-community construction of Willow Village as much as they do the land requisition and residents' relocation of Rivertown Village. For civil affairs bureau officials, standardization serves the purpose of facilitating the future incorporation of suburban villages. At the very least, standardization would ensure that the villages are not concentrations of crime, poverty, and poor living environment (Interview, Qixia District Civil Affairs Bureau official, 21 June 2007). Furthermore, the implementation of standards has given the government indirect use

of village finances to fund major infrastructure improvements, such as road paving, that in urban neighbourhoods would need to be authorized and funded by the district or street office.

Villagers seemed satisfied with the status quo, whether labelled as an urban village or a shequ. Land tenure and improvements made in the interim will provide the villagers some leverage when they need to negotiate land acquisition and compensation. When asked whether it might be possible for the village to remain intact in the city and what that might look like, a villagers' committee member replied that he did not know how it would work out procedurally. But, he said, it may happen if Willow Village comes to be recognized as a successful case study of Village Shequ Construction. He commented further that the resulting media attention and visits by government officials would make demolition and relocation much more difficult to carry out (Interview, WV shequ vice-director and villagers' committee member, 25 May 2007). The ever-changing circumstances that villagers have been living through have demonstrated to them that there may be new arrangements in the future. In the meantime, villagers are not passive participants. They continue to invest in infrastructure improvements and look for opportunities to respond to and self-protect from the threat of land appropriation and relocation.

Negotiating Urbanization

This chapter has examined urbanization through the ways in which the redevelopment of urban villages is sought, that is how policies intend to incorporate them and how villagers are to be reconstituted as urbanites. It demonstrates that becoming urban is not marked by a particular point in time when collective land is requisitioned and administratively reclassified as urban and villagers receive their nonagricultural registration status. Rather, villagers' integration into the city is a protracted process that requires them to continually find new ways to participate in new systems.

Shequ Construction is primarily regarded as a welfare decentralization policy aimed at shifting the responsibilities for social services onto lower levels of government as urban workers are turned out from their once life-long, all-providing positions in state-owned enterprises. The ballooning demands on local governments are, where possible, transferred to residents' committees. The context of urban village redevelopment highlights the normative underpinnings of Shequ Construction to guide behaviour and instil values. In implementation,

the policy governs by way of clearly stipulating favourable practices and providing an evaluation system to measure adherence to them. "Becoming urban" involves livelihood transitions and administrative shifts but also the everyday habitual practices of being shequ residents.

On an individual level, living in an urban shequ requires learning new behaviours and practices spelled out by the shequ evaluation measures. Villagers both internalize and resist the values and judgments placed on them.[72] They may internalize their "backwardness" as the explanation for the frustrations they feel in their dealings with the shequ director. At the same time, they resist attempts to destroy their vegetable gardens. In the homogeneity of urban neighbourhoods, particularly as workers from the same work unit traditionally lived together, the normative values of what constitutes a "good" shequ are largely shared (Xu 2008). The greening of the shequ commons would not be taken to mean vegetable gardens, but rather flowers, trees, and grass.

In the name of rural and urban comprehensive planning (*chengxiang tongchou fazhan*), the expansion of Shequ Construction into villages is said to help elevate rural quality of life to urban levels. While in urban neighbourhoods the policy aims to build up the capacity of residents' committees to be self-governing, in villages, which have largely relied on collective revenues to pay for public goods and services, Village Shequ Construction has limited their relatively broad discretion by dictating certain areas of spending. Even though it is too early to determine their effectiveness, officials view conformity to standards to be instrumental for their future incorporation, particularly in a redevelopment process that is fraught with conflicts of interest. In Willow Village, village leaders accept the rationales behind the policy because it has brought improvements to the service infrastructure. Urban villages, as villagers define the interstitial spaces in which they live, are not characterized by incongruent land use but places that encompass both urban and rural advantages.

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[72] I draw on Rachel Murphy's (2004) observation that rural parents both accept and challenge the biases against their children in the education system.

7. NONPROFIT ORGANIZATIONS IN SHEQU CONSTRUCTION

Role of *minfei* organizations

The Shequ Service Industry

Dismantling the *danwei*-based welfare system has meant that local governments at the district and street office levels have become important financiers and operators of service enterprises, such as care homes for elderly without family, daycare centres for mentally disabled children, and rehabilitation centres for the handicapped. At the shequ level, the term *shequ fuwu* (services) is part of the new social service industry (*shehui fuwuye*) created under reform and opening (MCA Office of Social Welfare 1993, Document 11, section 1). It refers to social assistance provided to families undergoing hardships, administrative services for all residents, and fee-charging services, such as cultural classes and day care, that supplement residents' committees' operational revenues (ibid., section 4).

Concurrently, marketization and the growth of small independent businesses, and post-reform China's enlarged social spaces have given rise to a less discussed contributor in community-based social welfare provision – a home-grown nonprofit sector, translated into English as "civilian-run nonenterprise units" (*minban feiqiye danwei*) or *minfei* organizations for short. The Party-state's agenda of welfare socialization (*shehuifuli shehuihua*) seeks to transfer the responsibility from the central state to society, through engaging social and market actors (L. Wong 1998, 71). The residents' committee, constitutionally recognized as a mass organization at the grassroots level, is only one component of the diversifying social sector that now consists of both state-funded and privately funded social organizations. In this chapter, Shequ Construction is examined not solely as an initiative to reform the residents' committee. It brings into the discussions these social entrepreneurs engaged in shequ-based service projects as new participants in the policy's implementation.

The chapter begins with an overview of the growing number and types of social organizations in contemporary urban China. I show that it was the specificities of China's current circumstances – the pressing need for social services, limited local financial resources,

and opportunities for entrepreneurship under market socialism – that gave rise to *minfei* organizations. Then, questioning how the development of minfei organizations articulates with Shequ Construction implementation, I examine the working relationships among the local state, residents' committees, and *minfei* organizations through the work of Sunrise Senior Care Services, a shequ-based care provider. I discuss the particularly collaborative partnerships formed between local government agencies and Sunrise over the last decade. In contrast, through its most recent project in Nanjing New Village, I turn to the more estranged relationship with residents' committee members who view minfei organizations as private businesses and competitors for scarce government resources. The concluding discussion considers the implications of engaging *minfei* organizations in shequ-based social service delivery.

Social Organizations and the Emergence of *Minfei* Organizations

Definition of social organizations

Chinese social organizations operate with varying degrees of autonomy from the Party-state, and none are completely autonomous. Table 7.1 maps the broad range of officially recognized social organizations according to their legal standing and regulatory classification. It seeks to differentiate the various organizations discussed in this chapter. The term social organizations loosely include those outside the state bureaucracy that are deemed to be self-governing. Typically, three types of social organization operate in the shequ sphere: interest-based (such as seniors' associations, homeowners' associations); administrative and political (namely the CCP shequ branch and the residents' committee); and private *minfei* service providers. While all fall under the umbrella of social organizations, they differ in their function, decision-making autonomy, financial independence, and relationship to the state. For instance, with regard to their funding sources, interest-based associations are run by volunteers, residents' committees are supported by local governments, and *minfei* are self-funded.

Table 7.1 Legal categorizations of Chinese social organizations

POPULAR ORGNIZATIONS (*minjian zuzhi*)	SELF-GOVERNING MASS ORGANIZATIONS	RELIGIOUS & ETHNIC ORGANIZATIONS

A. <u>Legal entities (*fa ren*)</u>
1. Social organizations (*shehui tuanti*)
  a. Trade associations
  b. Academic associations
  c. Professional
  d. Federation
  e. Mass organizations
 	
2. Foundations (*jijinghui*)
 	
3. *Minfei* organizations
  (*minban feiqiye danwei*)
 	
B. <u>Nonlegal entities, nonprofit organizations</u>
1. Corporate entities
  (registered with trade bureaus)
 	
2. Nonlegal entities (not registered)
  a. SQ public interest groups
  b. *Danwei* subsidiary groups
  c. Rural nonprofit groups
  d. University student groups
 	
C. <u>Quasi organizations</u>
1. Public service agencies
  (*shiye danwei*)
2. Homeowners' associations
	A. Residents' committees
	
	B. Villagers' committees
		A. Religious organizations
		(e.g., China Christian Council)
		
		B. Ethnic associations

Source: Compiled from Wong and Liu (2004, chapter 1); Ma (2006, chapter 3); Lu (2008; chapter 2); Interview, NJU sociology professor, October 2007.

Prior to the recognition of *minfei* organizations in 1998, social organizations fell into two basic categories – mass organizations (*qunzhong zuzhi*) and social organizations (*shehui tuanti*). Mass organizations operate like government agencies, with cadres appointed and remunerated by the state and assigned administrative functions.[73] The major ones include All-China Women's Federation (ACWF), All-China Federation of Trade Unions (ACFTU), and

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[73] Mass organizations are often used interchangeably with people's organizations (*renmin tuanti*). However, Ma (2006, 82) makes the careful distinction that the latter, carrying greater political status, refers to organizations that participated in the first Chinese People's Political Consultative Conference in September 1949. Maintaining a united front remains the stated mission of these organizations.

Young Communist League (YCL). They fall under the supervision of the Party or the State Council, rather than the Ministry of Civil Affairs. Their official capacity has been to provide a bridge between the Chinese Communist Party and society. While they ostensibly represent their members' interests, they ultimately serve the Party; for the Party, in principle, represents the people's interests. Their memberships are broad and inclusive so that various segments of society can be represented and thus integrated into the Party's constituency. For example, the ACWF represents all urban and rural women. The organizational structure extends down to branches at the village level (ACWF), campuses (YCL), and work unit factories (ACFTU).

The second category, social organizations, is a reform era intervention. Under the 1989 *Management Regulations on the Registration of Social Organizations*, social organizations (*shehui tuanti*) are defined as "nonprofit organizations voluntarily founded by Chinese citizens for the realization of their collective purposes and [that] operate according to their charters." In the early years of economic reform, social organizations, which did not exist during the turmoil of the Cultural Revolution, began to form under the sponsorship of government bureaus, but they operated without much regulation or oversight (Whyte 1992, 88-89). The June 1989 students' democratic movement marked a change in the state's perception toward social organizations. Fearful of protests, social instability, and the potential challenges that associations posed to its legitimacy, three months after the Tiananmen Square event, the State Council approved the *1989 Management Regulations*, to take effect immediately. A new Division of Social Organizations was established under local civil affairs bureaus to register social organizations and oversee their activities. Under the *Regulations*, social organizations referred to practically all organizations outside the bureaucracy, from associations (*xiehui*) to research societies (*yanjiuhui*) and foundations (*jijinhui*; White, Howell, and Shang 1996, 102-4). As a result of this concerted registration effort, the following years saw a dramatic increase in the number of social organizations reported in national statistics (table 7.2). Organizations were required to register with their local civil affairs bureaus and to be attached to a supervisory body that oversaw their day-to-day affairs and, if able, provided financial and resource support.[74] Qualifying supervisory bodies included governmental departments, mass organizations, or state enterprises of the

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[74] Some organizations have two supervisory institutions; one is the professional supervisory agency (*yewu zhuguan danwei*) that oversees day-to-day operations and the second is the parent supervisory agency (*guakao danwei*) that provides operating budgets and benefits (Ma 2006, 64).

same sector and at the same administrative level. For instance, a city-level waterway protection group should be sponsored by the municipal environmental protection bureau. The regulations further stipulated that only one organization could represent a single interest and constituency, so, for example, there could not be two waterway protection groups in Nanjing.[75]

In 1989, there were just over 4,500 registered social organizations. A decade later, this number had increased almost 35-fold to 165,600 (table 7.2). As the number of social organizations continued to grow and as new circumstances continue to arise, the government repeatedly amended the 1989 regulatory system with more detailed provisions and the number of registered organizations increased and decreased accordingly. Particularly worth noting is the period of significant decrease between 1997 and 1999. To manage potential political consequences from the increasing number of social organizations, in 1996 Jiang Zemin, then chairman of the CCP, convened a meeting of the Politburo Standing Committee to specifically discuss the issue (Ma 2006, 63). Following this meeting, a moratorium was placed on the registration of national-level organizations until new regulations were adopted (Saich 2000, fn7). In 1998, the State Council adopted stricter regulations and reorganized social organizations into two registration categories with new regulations for each: 1) *Regulations for Registration and Management of Social Organizations;* 2) *Provisional Regulations on the Registration and Management of Civilian-run Nonenterprise Units*.[76] The new regulations initiated a nationwide re-registration campaign that resulted in the eliminations of organizations that could not meet the new requirements such as a regular staff, a minimum membership of 50 people, and a 100,000 RMB operating fund (Ma 2006, 66). Then, in April 1999 thousands of Falun Gong practitioners surrounded Zhongnanhai, the compound in Beijing which houses the Party headquarter and State Council offices, in protest against state media attacks on the group. The incident, which took public security by surprise, led to further tightening of control over the registration and activities of social organizations (Saich 2000, 135-6).

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[75] For a detailed discussion of the regulations on social organizations, see White, Howell, and Shang (1996) for the 1989 *Regulations* and Saich (2000) and Ma (2006) with regards to the 1998 *Regulations*.

[76] In 2004, the State Council passed a new *Regulations concerning the Management of Foundations*, applicable to both domestic and foreign organizations. China Development Brief (www.chinadevelopmentbrief.com) has translated the three regulations into English.

Table 7.2 Registered popular organizations, 1988 to 2007

Year	Total	Social Organization	*Minfei*	Foundation
1988	4,446	4,446		
1989	4,544	4,544		
1990	10,855	10,855		
1991	82,814	82,814		
1992	154,502	154,502		
1993	167,506	167,506		
1994	174,060	174,060		
1995	180,583	180,583		
1996	184,821	184,821		
1997	181,318	181,318		
1998	165,600	165,600		
1999	142,665	136,764	5,901	
2000	153,322	130,668	22,654	
2001	210,939	128,805	82,134	
2002	244,509	133,297	111,212	
2003	266,612	141,167	124,491	954
2004	289,476	153,359	135,181	936
2005	319,762	171,150	147,637	975
2006	354,393	191,946	161,303	1,144
2007	386,916	211,661	173,915	1,340

Source: National Statistics Bureau (NSB), Office of Social and Technological Statistics, *Social Statistical Yearbook 2008*, table 9-5.

A new category: *minfei* organizations

The increase in the number of social organizations after 2000 is largely due to the addition of *minfei* organizations (table 7.2). The *minfei* category sets apart income-generating private institutions that provide nonprofit social services. "Civilian-run nonenterprise units" – an awkward term in both Chinese and English – were thus renamed to correspond to the conventional term used for public service institutions – "state-run publicly funded units" (*guoban shiye danwei*) – that had until recently been the provider of urban social services such as education, health care, and elder care. [77]

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[77] In my fieldwork, the term *minfei* was predominantly used by officials and researchers. The alternate term *minban*, or civilian-run, was more often used by the staff of organizations to describe their organization. The latter term is likely more familiar to people. Community-run rural schools, also referred to in Chinese as *minban*, have been in existence since the founding of the People's Republic and run in conjunction with state-run primary schools (Murphy 2004). Interestingly, in their initial discussions with me, however, they used the acronym NGO, as opposed to saying nongovernmental organization (*fei zhengfu zuzhi*) in Chinese.

Initially, all private (nonstate-run) social service providers, for-profit and not-for-profit alike, registered with local industry and trade bureaus and were subjected to the same taxation requirements as commercial enterprises (Interview, Sunrise director, 31 October 2007). In 1999, one year after the passing of the *Provisional Regulations*, about 6,000 organizations were registered under the nonenterprise category. In 2005, 150,000 were registered, comprising 45% of all registered popular organizations. The *minfei* category encompasses many types of private social service providers. The education sector, which includes privately funded schools, was the first type of *minfei* organization and remains the largest registration category. Of the 150,000 registered in 2005, about 51% were engaged in education (e.g., private schools, migrant schools), followed by 18% in health (e.g., private clinics). This chapter's elder care organization falls under the civil affairs category (see table 7.3).

Table 7.3 Types of *minfei* organizations, 2005

	Total	% of total	% of total
Total number of popular organizations	319,762	100.0	
Social organizations (*shehui tuanti*)	171,150	53.5	
Civilian-run nonenterprise units (*minfei*)	147,637	46.2	100.0
Education	75,813		51.4
Public health	27,179		18.4
Culture	3,773		2.6
Science and technology	6,915		4.7
Sports	4,012		2.7
Labour	12,085		8.2
Civil affairs	10,445		7.1
Others	7,415		4.9
Foundations (*jijinghui*)	975		0.3

Source: NSB Office of Social and Technological Statistics (2006), *China Social Statistical Yearbook*, table 9-4.

The definition of *minfei* organizations, which is broad and vague, centres on profit restrictions[78] and the use of private rather than state resources. Like other social organizations, *minfei* have an official government sponsor, are registered with the Civil Affairs Bureau, and are entitled to similar tax exemptions and preferential utility rates (Interview, Sunrise director, 31 October 2007). According to the 1998 *Provisional Regulations*, they are not to distribute profits to their shareholders, and are required to put their clients' well-being and interests

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[78] The term "nonprofit" (*fei yingli*) is used to describe the nature of organizations. The term "nonprofit organization" (*fei yingli zuzhi*) does not refer to Chinese social organizations, but rather tends to be used as a translation of foreign-run groups (Ma 2006, 85).

above revenue or profits. Unlike social organizations, *minfei* do not receive any grants or donations and are largely self-dependent – they amass and control their own capital and assets, they remain operational through charging fees for services, they hire and train their own staff, and they determine the types of activities and services they offer.

The creation of the *minfei* designation has raised discussion on how the sector should be characterized and what implications its growth has for the development of civil society in China. Ma (2006) argues that in creating a *minfei* status for private nonprofit service providers and placing them in the same regulatory system as other social organizations, the government has created a false sense of an enlarged nongovernmental sector. In so doing, it has in actuality brought more organizations under its supervision (68-9). Nevertheless, Ma recognizes the significance that their formal recognition holds for social change: It has allowed an array of previously unrecognized organizations to register and be given legal protection, following the practices of countries like the United States, where institutions such as private schools, hospitals, nursing homes, and museums constitute the majority of the nonprofit sector (183-4).

Using case studies of care homes for the elderly run by *minfei* organizations, Wong and Tang (2006/2007) describe them as social enterprises. Drawing from their survey of 137 nonstate care homes in three Chinese cities, the authors call attention to some of the characteristics that *minfei* founders share with their Western social entrepreneur counterparts, such as their sense of social mission, competence, and business acumen. More specific to China, they point out, is the predominance of women as social investors, drawing attention to the vulnerability of middle-aged, laid-off women workers and the difficulties they face in entering the mainstream market economy (639-40).

Nevertheless, Lu (2008, 102) argue that *minfei* may be not-for-profit in operations and may have been founded by people who believe in and care about social causes, but they are fundamentally business enterprises engaged in social services. The public's unfamiliarity with fee-charging social service organizations has raises questions about their founders' motivations and distinction from commercial enterprises in the service industry. Consequently, there is some cynicism that these social service organizations were set up by people who found loopholes in the registration policy and whose real motivation is profit.

Consequently, the public's growing suspicion that *minfei* organizations are self-serving rather than driven by desires for social change has plagued the development of the nonprofit sector in China (ibid.).

Labels such as NPO, NGO, or social enterprise help characterize *minfei* organizations in the English language, but they are culturally loaded and often carry ideological connotations (Dimaggio and Anheier 1990; Salamon and Anheier 1997). Whether these organizations are "sites of democracy and control, sources of innovation and paralysis, instruments of and competitors to states … depends on the manner in which the NPSs [nonprofit sectors] are constituted in particular societies and on their relationship to other sectors" (Dimaggio and Anheier 1990, 153). The *minfei* phenomenon emerged in the context of a changing socioeconomic environment. Primarily, high unemployment among middle-aged urbanites and new opportunities in the private sector created the grounds for the development of *minfei* organizations. As the previous chapters discussed, economic restructuring dismantled the work unit-based system of welfare through work and lifetime employment. Massive layoffs were coupled with an inadequate social welfare system. The directors of *minfei* organizations I met founded their agency after being laid-off. They were presented with few choices: they were too young for retirement but lacked the education and credentials to compete with university graduates. Wong and Tang (2006/2007) similarly found experiences with job insecurity to have influenced the founders of the care homes they studied in three Chinese cities (635-6). With the government supporting private enterprises and self-employment under market socialism, many laid-off workers reestablished a career for themselves in the service sector, particularly in the subsector of shequ services through the new *minfei* avenue.

Sunrise Senior Care Services: A Model of Collaborative Service Provision

Since the first national conference in 1987 on shequ services in Wuhan, the sector has expanded to include fee-charging services operated by private providers. Most prevalent are private vendors of convenience stores and food stalls who rent spaces from residents' committees or street offices. Increasingly, the emergence of minfei organizations in the shequ sphere has seen more specialized services such as private clinics, elderly care, and child care. As agencies engaged in service delivery, shequ-based minfei organizations intersect with the state in complex ways. As opposed to operating under the supervision of residents' committees which have been the principal organizers and managers of shequ services, the

more professionalized *minfei* organizations will typically work with higher levels of government such as local hospitals and district or municipal bureaus, as is the case with the several elder care *minfei* organizations I was introduced to in Nanjing. The working relationship between *minfei* organizations and the local state has been characterized as public-private partnerships (Xu and Jones 2004) and as the outsourcing of social services (Jing 2008). Through the case of Sunrise Senior Care Services, this section examines the nature of the collaboration between minfei organization and the district government. Their cooperation began at a time when neither local state agencies nor private organizations had a clear understanding of the notion of a nonprofit service sector and plural model of social service provision. Their projects demonstrate the combined efforts of local officials and minfei organizations discovering how they could work together.

Sunrise Senior Care Services in Nanjing operates six shequ elder care facilities and an in-home assistance program. Sunrise's founder, Director Pan, is a laid-off worker from a now bankrupt state-owned enterprise that manufactured accessories. The people who work with her, including her staff, social work professors, and civil affairs bureau officials, describe her as a risk taker and an unassuming leader. One account I heard often was how, to ease some of the tension brewing from workers' resentment at the height of enterprise restructuring in the mid 1990s, Director Pan, as the leader of the workers' union at the factory where she worked, had volunteered to be part of the first group of workers to be laid off. Under the climate of uncertainty and fear that characterized the time, the significance of the gesture stayed in people's memories. Time and the subjectivity of memory may have exaggerated some of the details but I found her to be charismatic and entrepreneurial, open to discussing and experimenting with new ideas through learning by doing.

At the time of being laid off, Director Pan, in her mid-40s, took "the plunge into the sea of private entrepreneurship" (*xia hai*).[79] The issue of elder care for laid-off and retired workers whose pensions had been reduced became prominent across China and the Nanjing Municipal Government had begun to invest in senior services. Like the majority of urban families, Director Pan could not afford residential care for her aging mother in state-run facilities due to her diminished work-unit social security and a lack of personal savings for

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[79] The term *xiahai*, literally "seafaring, or going down into the sea," is a colloquial phrase to describe those who take the risk into the uncharted private sector.

retirement. She cared for her mother and some elderly neighbours as full-time work. Then, working closely with municipal initiatives, she established Sunrise, one of the first nonstate enterprises in the city engaged in elder care. Director Pan described the relationship with the civil affairs bureau as one of support (*zhichi*) and guidance (*zhidao*), rather than one of partnership (*xiezuo*). Wong and Tong (2006/2007) explain the subordinate-superior nature of the care homes' relationship with the state as arising from the low status of private entrepreneurs and the humility in facing the powerful state of the founders, many of whom were lower level technical cadres and had been made redundant (241). From my observations at Sunrise, I would extend this explanation by adding that local state officials also perceive their role as one of support and guidance. Civil Affairs officials and university researchers I spoke to were extremely supportive of her endeavours. They extended to her invitations to conferences and official study tours to other cities. The lack of precedents in the early 1990s frustrated policy makers and researchers and they saw in Sunrise a vehicle to jointly undertake experiments and translate ideas into practice (Interview, NJU sociology professor, 24 October 2007).

The state's role in nurturing minfei organizations has significant implications. The interdependent relationship between the local state and Sunrise arose over the last decade of experimenting with shequ services. There is a growing recognition by local officials that Sunrise can play an important role in developing and providing care and services. Consequently, as the three initiatives discussed below demonstrate, the collaboration process has resulted in Sunrise becoming closely integrated into the state bureaucracy.[80] My examination of the nature of Sunrise's collaboration with district bureaus is informed by the five dimensions of partnership discussed by McQuaid (2000, 12-18): 1) the purpose of the collaboration; 2) the structure of the relationship between the key actors; 3) the nature of the partnership over time; 4) the geographic scale of the activities; and 5) the mechanisms through which the activities are carried out.

Community college for the elderly

Community college for the elderly (*laoren daxue*, literally seniors' college) is a government sponsored continuing education program designed for seniors. The schools offer a variety of

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[80] Deguichi (2001), in characterizing the nonprofit sector in Japan, cautions this as the mainstreaming or institutionalization of private social service providers.

courses from liberal arts (such as calligraphy, literature, and history) to general interests (such cooking, fitness, and gardening). They were initially established for retired Party and government cadres but their success led to the opening of others by municipal governments and street offices (Olsen 1988, 255). Today, they respond to the new realities of aging in present-day China by providing a place for social gathering and forming friendships for the many middle-aged workers made redundant and forced into early retirement during the economic restructuring in the 1990s. They fill a gap in care for elderly parents who were increasingly less likely to live with and depend upon their adult children (Zhang 2009).

Sunrise's first residential care project evolved into a community school due to people's unfamiliarity with nonstate care facilities. At the time, in the mid 1990s, the *minfei* category had not yet been established and Sunrise was registered with the trade bureau as a business. The facility was located in a ground-floor apartment inside a residential compound. The intention was to provide in-home assistance to enable elderly residents to live independently and residential care for those who cannot manage on their own but want to live in the same neighbourhood as their family. However, as elder care had been the responsibility of families and the state through work units, having to pay for services was both unthinkable and unaffordable to the older generation. Instead, the facility became a place for the elderly to gather during the day and eat an affordable hot lunch. Rather than closing the facility, Sunrise partnered with one of the local community colleges for the elderly to provide the programming. The college was interested in expanding the reach of their programs and was seeking alternative revenue sources. Still in operation today, Sunrise staff maintains the facility, prepares the lunches, and assists in administrative duties such as course registration (Interview, Sunrise director, 31 October 2007).

Social insurance
Sunrise employs mainly laid-off and migrant workers. Migrant workers, however, often need even the most basic training, such as understanding refrigeration and the use of microwave ovens. In the past, more experienced caregivers and social work interns gave lessons on everyday urban life, from simple orientations like using kitchen appliances to more complex challenges like hospital visits. College and university professors also volunteered to give lectures on issues such as the nutritional needs of the elderly (Interview, NNU social work professor, 12 October 2007). In 2001, Director Pan, working with local civil affairs bureaus,

formally established an elder care training program with completion certificates. And, even if the graduates do not stay with Sunrise, the certificates will help them gain employment with other organizations (Fieldnotes, conversation with a Sunrise staff, 7 November 2007).

In an even more progressive move, working with the local labour bureau, she has been able to provide social insurance coverage for her organization's caregivers, urban and migrant workers alike (Interview, Sunrise director, 31 October 2007). This is a significant benefit because the majority of migrants are excluded from urban social security schemes (Solinger 1999; Wu 2006). While companies sometimes purchase insurance for technically skilled migrant workers, caregiving is typically regarded as a low-waged, low-skilled occupation. The training certificate and social insurance coverage Sunrise provides give caregivers a sense of recognition and belonging to an organization, which is particularly meaningful to "*danwei*-less" laid-off workers and "floating" migrant workers.

Government contracts

Sunrise's third governmental partnership was in the form of service contracts paid for by district governments to provide in-home assistance to low-income elderly who lived alone. In the summer of 2001, the lower Yangtze River region experienced unseasonable heat, and two elderly people living alone in Nanjing died in their homes and were not discovered until a few days later by neighbours who grew suspicious about their absence. The incidents shocked the wealthy city and brought attention to the needs of live-alone elderly (Interview, Sunrise director, 31 October 2007).[81] In a departure from the pre-reform period when welfare services were funded and provided by the state, local governments sought to outsource the delivery of services to private providers. Through an informal tendering process based on past collaborations, Sunrise was offered the service contract for the pilot year. It has since grown into a full-scale contract (Interview, Sunrise director, 31 October 2007).

A point worth noting is that the operational structure of Sunrise's in-home assistance program purposely corresponds to the street office-shequ administrative structure. Seniors

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[81] In a 2005 report, the Nanjing Old Age Commission stated that one-third of the city's residents aged over 60 lived with their spouse independent from with their adult children and 7% lived alone. The survey revealed that of those who lived by themselves, close to 40% did not receive a pension and 42% lacked access to the public health care system. Moreover, more than one-third did not have children and so were without any family support (Nanjing Municipal Old Age Commission 2006).

who are eligible for the program are determined and recommended to street offices by shequ directors. Sunrise has appointed monitors who supervise, on average, twenty caregivers working within their defined service areas which are delineated to correspond to street office jurisdictions. The monitors are all women in their 50s, many of whom were previously directors or members of residents' committees. Their work with Sunrise benefits from and builds on their past work and the relationships they have formed. Monitors file monthly reports on each worker and are essentially the organization's representatives in interactions with the elderly and their families. Under their supervision, one or two caregivers are assigned to each shequ, assisting one to seven elderly for two to three hours a week.

Compared with the last two projects, the use of service contracts illustrates how the state-*minfei* working relation has evolved into a more structured partnership – an agreed, cooperative venture that has positive outcome for those involved (Carroll and Stean 2000, 37). Furthermore, in this contract model where the district government provides the funds and Sunrise is responsible and accountable for the elderly in their care, the minfei organization has become the mainstream service provider. With the growing importance placed on Shequ Construction, the parallel street office-residents' committee structure that has been established presents greater opportunities for Sunrise's involvement in shequ-based elder care and further integrates it into the state's system of delivering care. Before discussing the implications of this trend, the next section discusses the role of the shequ in China's approach to elder care and Sunrise's operation and working relations at the neighbourhood level with residents' committees and shequ social organizations.

Shequ as the Intermediary Layer in Urban Elder Care

The new government approach and strategy to caring for China's aging population is summed up in the slogan-directive: "elder care at home as foundation; shequ elder care as support; and state institutional elder care as supplementary" *(jujia yanglao weijichu, shequ yanglao weiyituo, jigou yanglao weibuchong)*. In other words, government-funded care facilities are regarded as secondary to the family and shequ. In the reform era, the state has clearly named the family as holding the primary responsibility for providing care. The PRC Constitution declares it a duty of adult children to support their parents (Article 49).

Caring for the elderly has become a national issue, particularly as the country's population is rapidly aging at the same time that the former work-unit-based social service system is being overhauled and family capacity is eroding due to greater mobility and smaller family sizes. In 2005, people aged 65 years and over constituted close to 8% of the country's population of 1.3 billion (National Statistics Bureau 2006, table 4-7). This percentage signifies not only an aging society according to international norms,[82] but also that China is aging at a faster pace and at a much earlier stage in the country's economic development than Western countries and other newly industrializing Asian economies. Population projections forecast that by 2025 the elderly 65 and older will make up 13%, and by 2050 the percentage will escalate to 23% (United Nations 2002, 178). Whereas societies with developed economies, which have their own demographic challenges, are aging with high living standards and an established social security system, in China, family income, pension plans, and governmental resources are inadequate to respond to the potential burdens of caring for a growing elderly population (England 2005, xi-xiii).

In terms of the state's capacity to provide care, local governments have responded by investing in and expanding residential care homes, predominantly at the base level (Leung and Wong 2002; Wang and Tong 2006). From 2000 to 2004, the number of beds in social welfare residential facilities increased by more than 300,000 nationwide, with the majority of beds for elder care and in modest collectively run facilities managed and operated by urban street offices and rural townships (table 7.4). They were established primarily for the "three no" (*sanbu*) elderly – elderly with no family, no source of income, and no working ability (Leung and Wong 2002, 208). As with other state-run enterprises, welfare facilities are encouraged to become self-reliant and are now open to fee-paying clients (Zhan, Liu and Bai 2005, 170). The street office-operated facilities that I visited in Nanjing are similar to hostels, offering subsidized rental housing, basic housekeeping, and, in some places, meal services. Residents' committees, more limited in their financial capacity, supplement with services such as cultural activities, meal delivery, family mediation, and conversational partners.

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[82] The United Nations' definition of an aging society is when the percentage of people over 65 years old is more than 7% of the total population.

Table 7.4 Proportion of beds in different welfare facilities

	2000		2004		% change
		% of total		% of total	(2000-2004)
Number of facilities*	**40,491**	**100%**	**38,593**	**100%**	-5%
State-run	2,816	7.0	3,454	8.9	22
Collective-run	37,295	92.1	33,736	87.4	-10
Civilian-run	380	0.9	1,403	3.6	270
Number of beds*	**1,130,407**	**100%**	**1,467,542**	**100%**	30%
State-run	221,152	19.6	307,891	21.0	39
Collective-run	878,315	77.7	1,058,485	72.1	21
Civilian-run	30,940	2.7	101,166	6.9	227

*The number of facilities and beds include all welfare homes with residential care. Elder care facilities made about 90% of *all* facilities and 78% of *all* beds in 2000 and 2004.

Beginning in 2006, Civil Affairs Statistical Yearbooks ceased to report welfare facilities by organizational type. Instead, welfare facilities are categorized according to the population they serve, such as veterans, the elderly, and children.

Source: Ministry of Civil Affairs, *Civil Affairs Statistical Yearbook 2001*, table B-7; *Civil Affairs Statistical Yearbook 2005*, table B-12

Large state-run care institutions, such as those operated by municipal governments, are few in number. Furthermore, because they offer better equipped facilities and affiliation with hospitals, their fees are several times higher than street office facilities[83] (Zhan, Liu, and Bai 2005). Often located in the suburbs, they often boast impressive settings with expansive landscaped grounds and spacious facilities. Given the large financial resources required to maintain their operation, each city will typically focus its energy and resources on running one institution as a demonstration or model facility (Wang and Tang 2006, 237). These state-run care homes are thus not for the disadvantaged, but cater to Party elites and the wealthy (Bartlett and Phillips 1997, 154).

Family members remain the main caregivers of the elderly in China. In Nanjing, for instance, the majority of the city's 830,000 residents aged 65 and over live with their adult children, with 35% living independently and only 1% in a care facility (Nanjing Municipal Civil Affairs Bureau 2005). Recent surveys show that aging parents are choosing to live

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[83] In their study of care homes in Tianjin, Zhan, Liu, and Bai (2005, 177) found facilities owned by street offices to be the most affordable. For a single room, street offices charged 300 to 450 RMB, private homes charged 1,000 to 1,500 RMB, and the fully government-funded municipal facility charged 2,280 RMB (or 7 times that of the street office care homes).

independently rather than relying on their adult children (Whyte 2004; Wang and Xia 2001).
As may be expected, co-residency with adult children increases among widowed parents and
correlates with the parent's age and health condition (Chen 2005). However, this trend is
driven by state policies, such as limited institutional support for social services, as much as it
is by traditional values of filial piety (Logan, Bian, and Bian 1998). Consider for instance the
affordability of residential care, which in Nanjing ranges from about 800 to 1,000 RMB per
month (Zhang et al. 2006, 67). In a survey of Nanjing's live-alone elderly residents, the
monthly average pension reported was 900 RMB (ibid., 222). Adding doctors' visits and
prescription costs, their pension dollars are already stretched. Paying for residential care is
also beyond the means of their working-age children. The city's average monthly salary is
around 3,000 RMB (2007 figure; Nanjing Municipal Statistics Bureau 2008, table 3-9); with
two working adults, the average household income comes to 6,000 RMB, sufficient to cover
regular household expenses, educational costs, and savings, but not enough to also pay for
residential care for aged parents. And so, while many elderly people may need or want
residential care, there are neither enough facilities nor the means for families to afford
institutional care.

The Shequ Construction program seeks to build on the existing capacity of the street offices
and residents' committees to support families in their care of the elderly. According to the
recent Jiangsu Province's *Evaluation Guide for the Construction of Harmonious Shequ* (2007,
section 3), provisions for the elderly in each shequ are to include:

1) plans for daytime care and in-home care of the elderly;
2) social organizations for the elderly;
3) legal aid and counselling services for the elderly;
4) confirmation that in-home care workers have the proper training;
5) volunteers looking after the needs of the elderly; and
6) prevention of mistreatment and abandonment.

Presently, the attainment of these evaluation standards depends on government funding and
volunteers. The expectation is that those engaged in the shequ service industry – be they
minfei organizations, private businesses, or residents' committee-organized endeavours – will
gradually pluralize funding sources and increase the types of services available (Interview,

NJU sociology professor, 24 October 2007). *Minfei* organizations are proving to be central in the new pluralized welfare delivery system. As table 7.4 shows, the growth in the proportionate number of beds in government facilities at all levels has tapered due to a combination of operational limitations and the emergence of civilian-run nonenterprise units. While collectively run facilities still supply the highest number of beds, the greatest expansion is in *minfei* facilities, where the number of beds increased more than threefold from 30,000 to 101,000 beds, or from 3% to 7% of total provision from 2000 to 2004.

A New Type of Seniors' Centre: Lateral Partnerships at the Grass Roots

As a recent phenomenon, the notion of *minfei* organizations and their nonprofit designation are still foreign to most people. As is the case for Sunrise, this is in part because they have not been able to establish strong links with local communities and they have not effectively sought to differentiate the *minfei* sector from the business sector. Like many urbanites who are used to state-run welfare services, shequ directors are uncertain of minfei organizations' intentions and are somewhat hesitant to promote or collaborate with them on developing fee-charging services (Interview, NJU sociology professor, 24 October 2007). Consequently, despite their proximity to shequ centres, Sunrise's six facilities remain detached from the neighbourhood community in which they were purposely situated. The divide is even more pronounced in the minds of residents who associate Sunrise facilities with providing end-of-life care (Interview, Sunrise director, 14 November 2007).

Given residents' committees' reluctance to collaborate, Director Pan has alternatively sought support from shequ social organizations. During the fieldwork period that I was volunteering at Sunrise, Director Pan and a member of the Nanjing New Village Shequ Seniors' Association began experimenting with the idea of a comprehensive seniors' centre as opposed to establishing another residential care home.[84] The centre was envisioned as a complement to the main community centre, catering to the interests of all seniors in the neighbourhood. It would provide a range of services, including social activities, meal

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[84] For North American readers, the seniors' day care centres that Director Pan is experimenting with may not seem like a new idea. However, it is important to stress that in the context of urban China, elder care has shifted out of work-unit responsibilities and into the hands of the local state and society; gaps remain in infrastructure, resources, and public-private coordination. As incomes rise, the quality of life that middle-aged urbanites and adult children seek for their aging parents means that not only have the cost and responsibility transferred out of work units, but a new paradigm and model are sought for elder care.

services, respite care to temporarily relieve family care givers, and long-term care. More than a new type of community centre, what is particularly meaningful for the understanding of changing grassroots governance in China is that the centre resulted from the collaboration between Sunrise and the seniors' association. It demonstrates a community-initiated action whereby residents, working together with a *minfei* organization, self-organize the social services they need. It also illustrates a means through which *minfei* organizations can embed themselves within the local communities they serve.

Shequ seniors' associations are neighbourhood-level organizations and fall under corresponding organizations at the street office, district, and municipal levels. This vertical integration means that every administrative neighbourhood has a seniors' association, and that while organizing social activities is its primary function, it occasionally undertakes administrative duties as an organization representing seniors' interests in the community. The partnership with Sunrise was ambiguous; there was no formal agreement to work together. The chair of Nanjing New Village Shequ seniors' association, who was introduced to Director Pan by street office officials, thought the seniors' centre would fulfil the various needs of the aging community and agreed to share the proposal with its members (Interview, Sunrise director, 14 November 2007).

While the seniors' association chair had verbally agreed to lend its support, the collaboration with the shequ seniors' association was built upon the interest of a particular member in Director Pan's proposal. A retired, high-ranking cadre in his 70s, Lao Li, recognized the lack of present senior services to meet the needs of his friends and neighbours and saw the project as a worthwhile undertaking. As someone who spent his career as a civil servant in the pre-reform socialist era, Lao Li's speech and action reflected Mao's philosophy of the "mass line" where all relevant sectors, including the shequ Party branch and seniors' association, should mobilize and contribute to social needs. He is sympathetic to the government's position and accepts the fact that welfare responsibilities need to be shouldered by society. He understands that Director Pan is investing private funds into the new centre and therefore his view of *minfei* organizations centres less on their private and fee-charging features and more on their capacity to meet immediate social needs. He has said that as long as Sunrise offers an acceptable standard of care at fees pensioners can afford, whether it is a private business or a *minfei* organization is secondary (Fieldnotes, 12 November 2007).

During the planning of the new centre, Lao Li would advocate for the type of centre he believed his neighbours want and need. Refusing the help of Sunrise interns who volunteered to survey the needs of the shequ's elderly, he and his wife visited neighbours who live alone and those who require some level of assistance. His influence came from his strong personality as well as his career background. The Sunrise team met regularly in Lao Li's dining room and it was he who determined the agenda and ran the meetings. In cadre fashion, he often began by emphasizing the increasing need for community elder service provision, citing policy agendas, political speeches, and media reports on the elderly. While the relationship was not coercive, meaning that no explicit demands were made in exchange for neighbourhood support, the underlying understanding was that Lao Li's participation was instrumental in garnering shequ support. He served as the liaison between Sunrise and the shequ seniors' association and the residents' committee. Neither the seniors' association chair nor the shequ director attended the meetings in his home, but he kept them informed of the plans and progress.

The relationships among the residents' committee, seniors' association, and Sunrise raise some questions for thinking about shequ-based collaborations. First, the residents' committee and the seniors' association, and Sunrise may share the common goal of establishing a shequ-based elder care model, but the privately funded initiative did not fall under shequ supervision, rather under the street office and the district civil affairs bureau. As such, unless it was a formal meeting, such as the focus group that was convened to gather neighbourhood opinion, the residents' committee did not have a key role.

Second, the collaboration was not a joint project – an agreed, cooperative venture with shared risks and rewards – but a much looser, underdefined consultative relationship (Carroll and Steane 2000, 37). The residents' committee and seniors' association did not provide funds or space for the facility, and it was unclear whether all seniors' activities held at the shequ centre would move to the new centre. Thus, while the community provided input, neither the residents' committee nor the seniors' association is liable for Sunrise's actions and decisions. The private-public interests are managed by Lao Li, in his capacity as a member of the seniors' association as well as a long-time resident and a retired cadre. He was a volunteer and, as far as I am aware, did not receive remuneration for this time and work. The more passive role taken by the organizations (namely, the residents' committee and seniors'

associations) and the active participation by Lao Li suggest that shequ-based collaborations are dependent on the commitment of individuals.

Third, I believe the residents' committee, seniors' association, and Lao Li were aware of the support and recognition that Sunrise receives from street office and district officials. This partly contributed to their willingness to participate, though to varying degrees, in the planning and design of the centre. And so, it can be argued that the participation was driven partly by concerns over potential criticisms from higher-level officials toward the governance and leadership of the shequ.

Nanjing New Village Shequ Seniors' Centre occupies a rented ground-floor unit down a tree-lined lane from the shequ centre. Currently, it offers five beds for long-term and respite care in two rooms of the converted three-bedroom apartment. The facilities include a kitchen to cook meals that elderly residents can order from a menu; a bathroom equipped for care workers to bathe those who need assistance; and a common room for movies, lectures, discussions, and social activities. Staff members include a live-in manager, social work interns, and caregivers who come as required. Lao Li continues to volunteer. He promotes the centre within his neighbourhood and works with the centre manager to make sure that the services and quality of care continue to reflect his community's needs (Email correspondence, Sunrise staff, 2 April 2008).

Understanding Shequ Construction through *Minfei* Participation

From an official perspective, the founding of the seniors' centre in Nanjing New Village realizes the intentions behind the Shequ Construction policy: it contributes to the development of the service industry, pluralizes welfare service provision, relies on the shequ structure to provide care to the elderly in the neighbourhood in which they live, and uses the residents' committee to supervise the quality of care. This partnership brings mutual benefit to both the *minfei* organization and the shequ. Residents receive services they need that the state is slow in providing. Sunrise, which fronts the capital, receives the partnership required to gain legitimacy and earn the confidence of families.

More critically, *minfei* organizations' involvement and collaboration with shequ associations provide an alternate lens through which to evaluate the Shequ Construction policy and its

emphasis on building up the shequ as the intermediary layer in service delivery. The Sunrise case study and its initiative in Nanjing New Village illustrate the diversity of Chinese social organizations; each exhibits a different relationship with the state and this in turn shapes their relationship with each other. Previous studies of China's social organizations have tended to consider governmentally organized associations (corporatist model) separately from advocacy interest groups (civil society model). In the construction of shequ-based social service delivery, top-down and bottom-up models are simultaneously observable. Furthermore, in addition to the state-society relations that are at the centre of these approaches, the case study highlights the need to also examine lateral relationships between social organizations to understand their characteristics. As the Sunrise experiences have shown, much support came from higher levels of government. In wanting to experiment with alternatives to care provision, local officials can be lenient with *minfei* organizations. In this case, it was other social organizations that applied the control and oversight. I take up each of these points in turn.

Corporatist third sector

Perhaps because *minfei* is a relatively new category and includes a variety of types of ventures, they are discussed predominantly in recent literature on Chinese social organizations, and the focus has been on their characteristics and the appropriateness of considering them as NGOs or NPOs (Ma 2006; Lu 2008). Through working with Director Pan and observing how her organization has experimented and helped shape local elder care programs, at first I was inclined to argue that, regardless of whether there is a hidden agenda of profit making, *minfei* are providing much-needed services and filling the widening gap between state and family responsibilities. However, their articulation with the Shequ Construction policy makes it more evident that the question is not their motivation and distance from the state but a more fundamental concern that they have become the state's solution to a pressing problem. Shequ Construction, in transforming the structure of welfare responsibility, has incorporated service-providing *minfei* organizations into its design of the new three-tiered social service delivery system consisting of family, shequ, and state.

Despite *minfei*'s financial and operational autonomy from the state, the *minfei* category was created to help realize the state's welfare socialization agenda. As such, *minfei* also possess distinctive features of Chinese state corporatism. Unger and Chan (1996, 105) observe that

the state corporatist structure in China is not "a mechanism for yet further strengthening the state's grip over the economy and over society, but rather the reverse, a mechanism through which the state's grip could be loosened." Like the corporatist setup observed by scholars examining the role of the trade associations that the state created to carry out managerial and economic functions on its behalf (Solinger 1992; Wank 1995; Unger 1996; Foster 2002), the relationship between the state and *minfei* is similarly more about the transfer of responsibility than about control.

Minfei organizations' involvement in social services under Shequ Construction speaks to the development of the third sector (*disange bumen*) in China where social organizations are viewed as working in tandem with the state and expected to contribute resources and solutions to social problems. Accordingly, officials have taken a paternalistic approach toward them (Béja 2006, 82). Organizations that take on more politically sensitive issues, such as migrant rights, will instead utilize the space in the economic sphere and register as a private research firm (Béja 2006; Ho 2008b). It can therefore be argued that *minfei* organizations are registered as such so as to become embedded within the bureaucracy and enjoy the benefits and legitimacy the category confers, illustrating what Lu (2008) describes as dependent autonomy or what Ho (2008b) describes as negotiated symbiosis.

Minfei organizations are unique in that while they are privately initiated, owned, and operated, they are an important component of social welfare reform. So, while I also agree with the existing civil society literature that their label as NGOs is questionable (Ma 2006; Lu 2008), my concern is not so much about state control of *minfei* organizations and their profit-seeking motives, but rather that they have become part of the social delivery system. Since they are not voluntary, but instead have acquired an institutionalized role, whether they are more self-serving than benevolent in purpose should be a secondary consideration. For now, as *minfei* organizations are increasingly assuming a greater role in urban social service provisioning, the more urgent concern is the *lack* of control mechanisms, particularly over their quality of service. Chen (2003) argues that by mainstreaming private service organizations the government has turned the pressure to provide social services into an economic concern. First, welfare socialization has become focused on creating multi-source funding and a network of welfare service providers to care for the greatest number of people at the lowest cost to the state. Second, the rationale behind welfare socialization is to develop the service sector and

increase employment. Consequently, the increasing demand for welfare services is quantitatively framed in terms of coverage – the number of facilities, beds, and people served. The quality of care is not an irrelevant issue, but the outlook for the moment seems to be to fill the pool with as many fish as possible, and then worry about the quality of the fish later (ibid., 225).

Lateral organizational relations

In the relationships between Nanjing New Village shequ associations and Sunrise, we observe a bottom-up effort to bring in much-needed services through a *minfei* organization, but also a concern with monitoring its operations. Studies of Chinese social organizations have paid much attention to state-society relations.[85] As Saich (2000, 140) has noted, there exist important horizontal relationships in society that are often overshadowed by the attention to social organizations' vertical integration. The effectiveness of the grass roots to protect local interests, independent of the state, is often overlooked. In the case of Sunrise, state agencies have been more interested in how its services can be integrated into policy agendas; consequently Sunrise experience few controls and limitations from state agencies over its activities. Control has come instead from shequ associations. Residents' committee directors are watchful of *minfei* organizations. It would seem that a strong collaboration between Sunrise and the residents' committee could combine resources and solidify efforts on elder care. However, the distance kept by the directors, whether for reasons of competition or distrust, has led Sunrise to be more conscious of its actions. The directors are not unaware of the support that Director Pan receives from higher levels of government, but within their purview, in their everyday interactions with Sunrise staff, they can choose whether or not to facilitate their entry into the shequ. As the responsibility for welfare and social services are being devolved to local and nonstate providers, the level and availability of care will also

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[85] Analysis of state-society relations has been the focus of many studies on contemporary Chinese social organizations since the late 1980s. One strand, with increased interest in the wake of the 1989 Tiananmen Square student movement, examines the application and relevance of the civil society framework (Whiting 1991; Nevitt 1996; Frolic 1997). A second interpretive framework, social corporatism, seeks to identify the diverse arrangements between the state and social organizations (Unger 1996; White, Howell, and Shang 1996; Pearson 1997; Baum and Shevchenko 1999). Reflecting on the civil society and corporatist approaches, recent writings on state-society relations observe that past approaches have the tendency to treat state and society dichotomously and focus on characterizing organizations' degree of autonomy from the state. Examining present day China, over a decade after the 1989 protests, these studies explore the behaviours and motivations of various actors within state and society as well as their strategies in navigating bureaucratic politics to achieve organizational goals and members' interests (Saich 2000; Ho and Edmonds 2008; Lu 2008).

increasingly depend on the nature of lateral working relations and collaboration between local community stakeholders and social organizations.

White, Howell, and Shang (1996), in highlighting the growing associational life in China, distinguish a sociological definition of civil society from a political conception to broaden the inquiry from being too narrowly concerned with the desire to limit state power and institutionalize relationships between state and society with principles such as citizenship and civil rights. The sociological approach considers the formation of and the range of organizations in an intermediary stratum between state and individuals (3-4). Framing their civil society inquiry in terms of a stratum, the authors argue, freed them from a structural analysis concerned with the arrangement of power between state and society and allowed them to account for changes in the structure of Chinese society. They contend that it is necessary to examine the characteristics of this realm before taking the next step of questioning the development of civil society in contemporary China and debating its political implications (5).

As the Shequ Construction policy program is concerned with building up the shequ layer, the conception of a stratum as opposed to linkages between state and society is useful for framing the program. Within this intermediary layer, an expanding set of social organizations represents diversifying interests and operates under different constraints and opportunities. Shequ Construction is also the building of a shequ stratum. Within it are complex relations between traditional and modern organizations in the nuances of neighbourhood politics, each with their own relations to the state and alliances with one another.

8. HOMEOWNERS' ASSOCIATIONS IN SHEQU CONSTRUCTION
Their Incorporation into the Shequ Structure

Informal Community Construction

The official shequ governing authority consists of two bodies: the CCP branch and the residents' committee. In the pursuit of recognition through innovation, one of the latest shequ governance models in Nanjing is known as the "band of four" (*siwei yiti*), which adds to this structure the homeowners' association (*yezhu weiyuanhui*) and property management company (*wuye guanli gonsi*), both created by growing property interests in the market economy. A sophisticated information brochure about this governing structure has been put together by the Qinhuai District Government to describe its endorsement by Nanjing's mayor, its implementation in pilot neighbourhoods, and positive media coverage this model has received. This attention might be dismissed as simple fanfare; however, it masks important power conflicts between homeowners' associations and the other three actors in neighbourhood management. Throughout urban China, newspapers report homeowners' associations suing property management companies when the latter refuse to relinquish management fees and documents following the homeowners' switch to a new property management company. Some residents' committees, feeling that homeowners' associations should not take matters into their own hands – and, moreover, that their authority has been undermined – refuse to lend the homeowners their support. Drawing on its authority as the legal representative in neighbourhood affairs, one residents' committee went so far as to issue formal letters, one to the existing property management company directing it not to proceed with the transition, and one to the new company stating that it would be ill-advised to accept the contract from the informal, unregistered homeowners' association (Jing 2003, 134).

This chapter examines the relationship between the residents' committee, as a shequ's formal representative, and the homeowners' association, whose activities challenge the established governing structure and existing practices of neighbourhood conflict resolution. The marketization of housing, together with enlarging social spaces, have spurred the formation of the interest-based community formed to protect the common property interests of middle-

class homeowners within the place-based administrative shequ (Jing 2003; Read 2003; Tomba 2005). Homeowners' associations do not oppose the demarcation and assignment of shequ jurisdictions for all urbanites, but they have become an alternative form of grassroots self-governing organizations that arguably have more legitimacy than residents' committees when it comes to managing and making decisions on property matters.

This chapter's intent is not to juxtapose different forms of community (for instance, interest-based with administrative-based) but to use the case study of homeowners' associations to shed light on the larger issue of the nature of shequ governance. It raises questions of how alternative forms of neighbourhood self-management have been rendered by various levels of government under the Shequ Construction agenda, and how these organizations challenge or assist the work of residents' committees in responding to a diversity of interests and needs.

The chapter begins by briefly discussing the emergence of homeowners' associations in China and the recent media and research attention on their struggles to safeguard individual property interests. With homeowners becoming more active in neighbourhood affairs when it comes to protecting the commercial value of their homes, the central part of the chapter examines the less discussed issue of the relationship between homeowners' associations and residents' committees. I examine this relationship, first, empirically through findings in White Blossom Shequ of the differing understandings residents have toward each of their responsibilities. I also discuss the results of the survey conducted in a law class of mid-career government officials at Nanjing University to examine residents' understanding of the various shequ governing organizations and each of their roles. The 43 students of the class are middle-class homeowners who, through their work and education, possess an extensive knowledge of the law and an understanding of what would be deemed the appropriate channels for conflict resolution. Then, considering the working relationship between residents' committee and homeowners' association from a conceptual perspective, I review the growing debate among Chinese policy researchers over the legal basis of two self-governing organizations with overlapping responsibilities.

As the debate continues, most cities are incorporating homeowners' associations into the shequ structure. Reflecting on this trend, the last part of the chapter questions the politics of their incorporation. I argue that the incorporation of homeowners' associations has quelled

potential conflicts among homeowners' associations, residents' committees, and property management companies. At the same time, the cooptation of the organized middle-class homeowners in the governing structure favours certain social groups and reinforces the social segregation emerging in Chinese cities. The broader concern is that building community has in many ways centred on unifying diverging interests and dispelling differences.

Emergence of Homeowners' Associations

In Nanjing New Village, an older *danwei*-built housing, there is no homeowners' association. Property maintenance, coordinated by the residents' committee, includes the sweeping of walkways and stairwells, the disposal of garbage, and the posting of security guards at the shequ's two entrances. The residents' committee collects a minimal 5 RMB a month from homeowners and the work unit that built the compound still contributes a small sum. Several years ago, the shequ director organized a homeowners' association but it continued to depend on her to convene the meetings and so the group has not met for over a year. The residents, the majority of whom are retired, had purchased their apartments from their *danwei* and the few property issues that the shequ director is aware of were dealt with by the residents and the work unit (Interview, NV shequ director, 18 May 2007). To the shequ director, the homeowners' association is a reform era creation for the management of commercial housing (*shangpinfang*). This section examines the emergence of homeowners' associations – as the product of both housing reform policies and homeowners seeking to protect their home and investment.

Housing reform and the emergence homeowners' associations

Under state socialism, urban housing was state- or work-unit-owned; apartments were assigned as a component of state welfare and provided free or at nominal rent. However, because it was considered a nonproducing good, housing was underinvested. By the late 1970s, the housing system was plagued by staggering shortages and problems of an overcrowded and deteriorated housing stock serviced by an inadequate utilities infrastructure (Wang and Murie 1996, 972-4). Throughout the 1980s the central government initiated a series of experiments aimed to commercialize housing and concurrently develop a residential real estate market. Housing reform initiatives introduced in 1994 sought to hasten the state's withdrawal from housing provision and management. The state proposed a housing system whereby both employer and employee would contribute to the employee's housing savings

account. Employees would then purchase either the work-unit housing they occupied or commodity housing through the real estate market (Wang and Murie 1996; Lau and Lee 2001). Two decades later, the majority of urbanites owned their own apartment. In 2005, nearly 70% of urban residents lived in homes they had purchased.[86]

As with other social welfare sectors experimenting with market mechanisms, housing reform also sought to shift the responsibility for property maintenance and management from work units and municipal governments to private management companies and individual homeowners. Public housing was managed by housing bureaus' subordinate offices and work units' operations departments. The introduction of market mechanisms subsequently permitted these offices to become quasi-commercial enterprises that remain affiliated with government agencies and work units but undertake a range of profit-generating ventures (Duckett 2001; Bray 2005, 175). Functioning like a property management company, these offices continue to maintain most of the public housing stock, charging residents a small fee.

In new commercial housing projects, following the two principles of "he who develops manages" (*shei kaifa, shei guanli*) and "he who benefits pays" (*shei shouyi, shei chuqian*), development companies were required to handle the post-sale management of their projects (Tang 2005, 35). They were also allowed to charge monthly maintenance fees and collect contributions for a pooled reserve account to pay for future renovation projects. In these circumstances, development companies willingly established subsidiary property management companies. The cautious early home buyers interpreted developers' continued involvement in management as a sign of confidence (ibid.).

The 1994 Ministry of Construction order *Methods for Managing New Urban Residential Neighbourhoods* stipulated that in order "to gradually move toward social [nonstate] and professional management, property management companies should carry out the comprehensive professional management of residential compounds" (Article 4). In many new planned neighbourhoods (*xinjian zhuzhai xiaoqu*), property management companies were in charge of overseeing all aspects of the residential compound, including maintaining and

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[86] According to *Statistical Yearbook* figures, in 2005, the tenancy of urban residents was as follows: 25% were living in commodity housing they had purchased; 10% in subsidized commercial housing for low-income families; 32% in public housing they had purchased from their employer; 21% were renting commodity housing; and 12% were renting public housing (National Statistics Bureau 2006, table 4-17).

repairing buildings and shared facilities, regulating traffic and parking, keeping up the grounds, and monitoring security (Read 2003, 40). Furthermore, several commercial housing projects located on the outskirts of Nanjing that I visited had not yet been incorporated into a shequ jurisdiction; and here, it was the staff of the property management companies, and not the residents' committees, who saw to the neighbourhood's day-to-day affairs. In one compound, the property management company worked with the local public security bureau to manage the household registration for families who recently moved there. In the survey I conducted, about three-quarters of those who live in commercial housing reported that their housing compound is serviced by a property management company whereas only about a quarter have a residents' committee. Read (2003, 54) observes a similar trend in new developments as well as in certain types of housing, such as those for the elites and foreigners, where it appeared that local civil affairs bureaus were not planning to establish residents committees.

It was property management companies that first introduced the idea of homeowners' associations to China. In the 1990s, having had positive outcomes with involving homeowners in problem solving, Shenzhen developers were the first to experiment with formally organizing homeowners' associations, drawing on experiences from Hong Kong and Singapore (Tang 2005, 37). This practice of property management companies organizing homeowners' associations quickly spread to other cities. The government readily supported the formation of homeowners' associations, viewing this new social organization as a component of the transition toward housing privatization. Written into the 1994 Ministry of Construction's *Methods*, local housing authorities were charged with establishing homeowners' associations (then referred to as management committees) in commodity housing developments.

Local governments also sought to initiate the formation of homeowners' associations in public housing compounds to gradually transfer maintenance costs to homeowners. In Nanjing, the district governments undertook and paid for exterior renovations of older housing with the objective of subsequently handing over all future management

responsibilities to homeowners.[87] According to an official at a district-level property management office, as part of this renewal process, street offices and residents' committees were required to initiate the election of homeowners' associations (Xinhua News, Jiangsu Province Desk 2007 August 24). Nanjing's Housing Bureau director estimated that about two-thirds of the 700 homeowners' associations registered with its Office of Property Management were established by residents' committees and property companies during the 1990s, when homeowners' associations, then regarded as a novel idea, gained popularity. The one-third that he considered still active were in market housing communities and were engaged in disputes with developers and property management companies (ibid.).

The survey I conducted illustrated a mixture of opinions toward the social legitimacy of their homeowners' associations. Of the 43 homeowners surveyed, 49% reported that their residential compound has a homeowners' association. When asked whether they have ever attended a general meeting of all homeowners, which is required to establish a homeowners' association, only 14% reported that they participated in at least one. About half (49%) were satisfied, 18% were dissatisfied, and 34% replied that they were not interested in the associations.

Incidents of homeowners' resistance

With increases in mobility, income, and consumer spending, private home life has shifted from "ownership of home" to "ownership of lifestyle." The desirable qualities are privacy, a quiet and green environment, availability of daily life services within the housing estate, and proximity to amenities and facilities (Fraser 2000). As such, when people buy private housing, "they acquire not merely a domicile but also a personal, private terrain that fosters a greater sense of individual entitlement" (ibid., 27). The home, in other words, has become one of the most important investments for urban families, and one which they are willing to go to great lengths to protect.

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[87] This public works project, known as *chuxin* or "becoming new," is still ongoing today. It includes whitewashing buildings, widening shequ roads, constructing bicycle parking, and designating car parking lots. It can be contentious because it involves the demolition of illegal structures that have been erected over the years; residents protest the need for their removal when required by regulations (Interview, shequ director, 31 May 2007).

With the real estate market and legal reforms only beginning to take shape, unprecedented problems and conflicts of interest have arisen between homeowners and developers and property management companies. Conflicts predominate in situations where developers alter housing specifications or fail to fulfill contractual obligations, such as providing deeds to homes and promised amenities. Also common are disputes with property management companies over the violation of their contractual responsibilities and the misuse of maintenance fees (Read 2003, 45-46; Zou 2005, 8-9). In seeking recourse, homeowners have come to find themselves unfairly represented by the homeowners' associations that were organized by developers' property management companies.

In their frustration, homeowners have sought to organize and establish their own organizations. In many cases, this process has been fraught with challenges and bureaucratic obstacles. First, the homeowners' association that had been established by the property management had to be removed, causing friction between neighbours who supported and opposed the association. Some communities remain at this impasse, unable to organize an elected homeowners' association that is recognized by all homeowners. In projects where disputes involve developers and property managers, the companies have sought to block the formation of a homeowners' association, taking measures that range from refusing to provide a list of residents' names and removing election notices to more drastic tactics of tarnishing organizers' names in the media, and harassment and violence (Read 2003, 47). In other cases close ties exist between the companies and the residents' committee or street office. For instance, in some neighbourhoods developers have built facilities for the use of the residents' committee or street office at no cost to them. In such cases, homeowners find little sympathy from the authorities (that is, the street office or residents' committee) in assisting them to form and register a self-organized homeowners' association (Jing 2003, 124).

Homeowners in other communities, whether registered as a homeowners' association or not, have pursued lawsuits or collective complaints (*jiti shangfang*) to make demands on developers or to terminate (or, as the Chinese say colloquially, to fry [*chao*]) the services of a property management company for broken contractual promises. In protecting the commercial value of their homes, homeowners have demonstrated great capacity for learning and strategizing, and for navigating the legal system. Throughout their long struggles, they have created new forms of citizen participation and mobilization. Accounts of homeowners'

resistance describe extremely dedicated organizers and homeowners who have taken it upon themselves to research relevant policies and regulations, contact lawyers and government agencies, and enlist the help of the media and officials (Jing 2003; Read 2003; Cai 2005; Zhu and Ho 2008). This resistance and determination have given rise to concerns over the diminishing relevance of residents' committees (Read 2003, 54). Questioning how Shequ Construction articulates with this interest-based community, the next section examines the differing understanding of governing responsibilities between homeowners and the shequ director in White Blossom Shequ. This is followed by a discussion of how the relationship between residents' committee and homeowners' association iw interpreted in government regulations and debated by policy researchers.

Relations between Homeowners' Associations and Residents' Committees

Since the 1990s, as municipalities nationwide continue to implement Shequ Construction initiatives to strengthen neighbourhood governance, homeowners' associations have become more prevalent. On the surface, property disputes involving homeowners, homeowners' associations, developers, and property management companies have little to do with the provision of social services and welfare that is at the heart of shequ work. Looked at more closely, however, the policy program piloted by the Ministry of Civil Affairs is increasingly complicated by housing and property management matters. The implementation of Shequ Construction depends on the hierarchy proceeding downwards from the Ministry of Civil Affairs to its local bureaus and their office of shequ construction, and eventually to residents' committees. But, housing privatization and management follow another administrative hierarchy, from the Ministry of Construction[88] to local housing bureaus and their office of property management that monitors property management companies and registers homeowners' associations.

In ordinary neighbourhoods like White Blossom in Nanjing, where there are no media-worthy disputes to speak of as residents go about their daily lives, there is nevertheless a noteworthy tension between middle-class homeowners and the residents' committee. The homeowners' association at the "Teachers' Compound" was self-initiated and is the only one at White Blossom (Interview, homeowners' association representative, 9 November 2007).

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[88] The Ministry of Construction is now referred to as the Ministry of Housing and Urban-Rural Development.

The members are predominantly professors who purchased their housing from the education bureau, which funded the compound's construction in the 1990s to improve the living conditions of higher education teachers. Part of a particularly large shequ of eight housing compounds comprising over 6000 households, it represents only those who live in its two apartment blocks. In this large and diverse shequ, for the residents in the Teachers' Compound, their homeowners' association not only represents their property interests but also fosters a sense of community through encouraging greater interactions between neighbours. On occasion, members will organize lectures and cultural activities. The homeowners' association has created a website where notices and its meeting minutes are posted and an online forum for residents to share information and discuss management issues.

Their sense of community is also created through exclusion. In seeking separation from the rest of the shequ, the homeowners have built a wall around their compound and hired security staff to guards the entrance, thus creating a smaller, exclusive compound within a larger, already enclosed shequ. Property management for the entire White Blossom shequ is undertaken by a subsidiary of the development company (Interview, homeowners' association representative, 9 November 2007). General security guards are posted at the shequ's two gated entrances. With so many residents, it is impossible to know them all; the guards' responsibility is not so much to keep strangers out but to watch for and report suspicious activities. Inside at the Teachers' Compound, the gates are kept closed and the security guards question everyone they do not recognize. A separate cleaning staff sweeps and disposes of garbage at least once a day. The property management company collects a higher monthly maintenance fee from the Teachers' Compound homeowners than it does from the rest of the shequ. The homeowners' association had organized a meeting of all homeowners to increase their maintenance fee for the additional services. Those who attended the meeting supported the proposal. There have been no objections from those who were not in attendance as well as from new homeowners who have since purchased units in the compound. The collection of fees is handled as a matter between homeowners and the property management company. The homeowners' association representatives felt that as an unregistered group they should have oversight in how maintenance fees are spent but not direct involvement in the collection of fees. The expenses of the homeowners' association are largely paid for by the representatives themselves. The management company contributes to

printing costs when the homeowners' association needs to distribute compound-wide notices (Interview, homeowners' association representative, 9 November 2007).

The "incoherence" mentioned by the homeowners when they speak of the shequ outside their compound refers to the multitude of vendors who have set up shop, some on carts and others in illegally constructed lean-tos. In the beginning, these vendors were unemployed residents trying to earn some income by selling fruit, newspapers, and breakfast snacks. At the time, no one complained, feeling sympathetic or simply unwilling to take action. Increasingly, however, the stalls have been rented to outside vendors. Public spaces have become parking lots for residents as well as for unknown persons from outside their neighbourhood (Interview, homeowners' association representative, 12 November 2007). One homeowner suspects that some of the income from parking and vending stall rentals is shared by the management company and residents' committee (Fieldnotes, November 2007). Relocated farmers plant vegetables on the neighbourhood greens intended for trees and flowers. Last year, some of the drain caps throughout the neighbourhood were stolen during the night. In the view of the homeowners' association, neither the management company nor the residents' committee took immediate action to investigate and replace the missing drain caps (Interview, homeowners' association representative, 9 November 2007).

Because White Blossom neighbourhood has a wide income gap, the teachers recognize the residents' committee as indispensable. However, they regard its primary function to be servicing the poor, the elderly, the unemployed, and the disadvantaged, not interfering with matters pertaining to private property (Interview, homeowners' association representative, 9 November 2007). Some of the homeowners I spoke to did not even know that the residents' committee office had moved. The social functions of the residents' committee have little relevance for their daily life. Like many well-to-do urbanites, their primary affiliation remains with their work unit – the colleges and universities at which they spend most of their time and that subsidize their social welfare.

Further frustration about the intrusion of the residents' committee comes from the fact that the homeowners are well-educated middle-class professionals. In their dispute with the developer over the issuance of ownership certificates (*fangchanzheng*), the residents' committee could offer little assistance. Rather, the homeowners, through their own personal

contacts, sought support from members of the local People's Political Consultative Conference Committee, who filed the issue for discussion. Subsequently, the district housing bureau became involved to resolve the matter (Interview, homeowners' association representative, 9 November 2007).

When it comes to matters concerning the neighbourhood environment, maintenance, and collective properties, there is in fact much overlap in the responsibilities and purview of the homeowners' association and the residents' committee (Organic Law, Article 3; Property Management Regulation, Article 11). The situation that has arisen is such that communities with a functioning homeowners' association will challenge the intrusion of the residents' committee in property-related matters. When disagreements arise, homeowners are quick to point out that they should have the decision-making power. The association members regard themselves as elected residents with vested interests in the neighbourhood, whereas the shequ director and staff are paid by the district and do not even have to be shequ residents (Interview, homeowners' association representative, 9 November 2007).

On the other hand, as Director Li of White Blossom refutes, communities without a homeowners' association depend on the residents' committee to undertake management responsibilities. She believes that the discourse on homeowners' rights (*weiquan*) needs to be accompanied by discussion of being responsible (*chengdan zeren*) for one's property. In older neighbourhoods where homes were once allocated as public housing and have been purchased by sitting tenants, it has been difficult to collect monthly maintenance fees, not to mention establish and sustain homeowners' associations. In such cases, the residents' committee is tasked with collecting payments. From Director Li's perspective, it is unwarranted to overstep residents' committees on issues of property management or to regard their involvement as interference because they are the ones that government departments hold accountable (Interview, WB shequ director, 18 June 2007). Here, she is referring to shequ construction evaluations, which indirectly measures her performance and capabilities as the director.

Jiangsu Province's Shequ Construction evaluation standards, which Nanjing Municipal Government (2007, Document 22) have relayed for local implementation, designate property management as a responsibility of residents' committees. Property management includes

mediating the relationship between homeowners' association, residents' committee, and property management companies; establishing a homeowners' association; hiring a property management company through competitive tendering; and creating a system for monitoring property management and quality of service (Jiangsu Province Bureau for Qualitative Technological Monitoring 2007, section 2.3).

Given that the residents' committee members are already overburdened, they rarely intervene in the affairs of the Teachers' Compound. As the residents are mostly teachers and professors, the shequ director describes them as well-educated people of high quality (*suzhi*) who can conduct themselves and does not need her to care for them (Interview, WB shequ director, 18 June 2007). Her reluctance to talk about the homeowners' association was a departure from the manner with which she had described the internal shequ structure – the organization of residents' small groups and her teams of volunteers – that keeps abreast on all the happenings of this large shequ. There is no animosity or disrespect between them but there are apparent differences in their expectations and understanding of one another's role. Rather than addressing the causes of the growing distance and disengagement of the two organizations by clarifying their status and division of responsibilities, recent laws and regulations seek to contain the disputes and conflicts by bringing the homeowners' associations under the authority of the street office and the residents' committee, as the next section will examine.

Regulations on Homeowners' Association – Residents' Committee Relations

Attempting to resolve these conflicts and to further ground the private service sector in housing management, in 2003 (with amendments in 2007), the State Council announced the *Property Management Regulations*. Issued almost a decade after the Ministry of Construction's *Methods*, it expanded the 19 articles of the initial regulatory measure to 70 articles. As much as possible without necessitating revisions to higher-order decrees such as the *Property Law* and the *Urban Real Estate Management Law*, the document seeks to outline the rights and responsibilities of and relations among the various actors now involved in residential affairs, namely, residents' committees, developers, property management companies, and homeowners.

This recent State Council document introduces the concept of a "property management district" (*wuye guanli qu*), which can be the same or smaller than the shequ jurisdiction

depending on the neighbourhood layout and access to common facilities. For instance, although part of the same shequ, homeowners of two housing projects built by different developers have grounds to separate into two property management districts, each with its own management company and homeowners' association. Furthermore, responding to the increasing rate of home privatization,[89] assuming most urbanites are now homeowners, no distinction is made between purchasers of commodity housing and tenants of older work-unit-built public housing. Whereas the 1994 *Methods* stipulated that elected management committees represent all occupants, both owners and renters, the new regulations specify the formation of elected committees by homeowners only.

One significant change in the regulations is the clearly stated involvement of the street office and residents' committee in the formation and supervision of homeowners' associations. First, rather than being organized by homeowners themselves or by property management companies, the election of homeowners' associations is now to be guided and organized by street offices. After which, street offices are to continue to supervise and monitor homeowners' associations (Article 10). The State Council document further stipulates that homeowners' associations should support the work of residents' committees and be subjected to their leadership and monitoring. Decisions made at general meetings of all homeowners, as well as those made by homeowners' associations, are to be reported to the residents' committee and be subjected to the latter's recommendations (Article 20). Even though the policy document designates the street office and residents' committee as the authority that homeowners' associations should turn to if they encounter disputes and conflicts, it remains vague with regard to their legal standing, specifically whether they are recognized civil entities capable of opening bank accounts and representing themselves in legal cases.

Reaction at neighbourhood level

The adoption of the State Council *Regulations* has not had much impact in a shequ like White Blossom. The Teachers' Compound homeowners' association has not sought registration with the housing bureau. Its primary functions are to organize social activities and conduct meetings to discuss issues of property management, which the representatives have been able

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[89] According to a 2005 report from the Ministry of Construction, the housing privatization rate (*zhuzai siyou lu*) is 81% (Ministry of Construction 2006). This rate measures the percentage of housing in private ownership (i.e., not state-owned). This is different from housing ownership, which measures the percentage of households who own their own homes (i.e., not renters).

to do. Registering the association would not provide them with what they need the most. Currently the representatives hold their meetings either outdoors in the common area or in one of their homes. They would like to have a small space to work from and a small fund for their activities and office expenditures (Interview, homeowners' association representative, 9 November 2007). For their association, registering carries little implication because there are no disputes with the residents' committee and property management company that they have not been able to resolve. However, it also seems unclear how becoming a registered homeowners' association would help in conflict resolutions as the *Regulations* clearly state that homeowners' association are subjected to the oversight of residents' committees (Interview, homeowners' association representative, 12 November 2007).

For the shequ director, it would mean working with as many as eight homeowners' associations if each compound was to establish its own. Many questions remain as to what the benefits and drawbacks are for shequ governance. For instance, will the homeowners' association overburden the residents' committee with increasing demands or will they reduce its workload by taking on some of the property management responsibilities? The shequ director reasons that when a compound is ready to shoulder some of the property management responsibilities, it will organize its own association (Interview, WB shequ director, 18 June 2007).

Reaction at local policy level

Following the lead of the State Council *Regulations*, many local governments drew more concrete implementation plans that further embed homeowners' associations into the shequ governing structure. First, with Nanjing as an example, the 2009 *Nanjing Municipal Homeowners' General Meeting and Homeowners' Association Guidance Rules* further stipulate that the street offices must, within 30 days of receiving requests from homeowners or developers, form a Homeowners' General Meeting Preparatory Group – a five- to nine-member team composed of one official from the street office as the group's leader, one

member of the residents' committee, one staff member from the development or the property management company, and two to seven homeowners.[90]

Many cities have formally incorporated the homeowners' association into the shequ structure, similar to Nanjing Qinhuai District's four-part governing model. This move requires that street offices proactively and systematically establish homeowners' associations within their jurisdiction, rather than waiting for requests from homeowners and developers. In a memorandum accompanying the 2009 *Guidance Rules*, the Nanjing Municipal Housing Bureau elaborates that homeowners are residents of the shequ jurisdiction. The street office and the residents' committee, as the governing authorities, are responsible for all residents. Furthermore, as property management is an integral part of Shequ Construction, it falls under the oversight of street offices and residents' committees (Nanjing Municipal Real Estate Management Bureau 2009, Document 70).

The Chinese concept of integrating shequ organizations or, more specifically, for them to become "one body" (*yiti*) is more than just bringing four organizations together in meetings. Rather, in the concept of *yiti*, many members of the four governing organizations overlap, holding positions in more than one organization and sharing responsibilities. The concept has also been conceived of as a Party-building mechanism where the "one body" is the CCP. Accordingly, Party members are to be mobilized to seek membership and office in each of the organizations. In an op-ed piece[91] written by a member of the Qinhuai District Party Organization, the integrated model was described as "providing the basis for consolidating the authority of the Party" (*gonggu dangde zhizheng jichu*). Thus, the closest realization of the four-part governing shequ model is for Party members to be represented in each of the four shequ governing organizations – CCP branch, residents' committee, homeowners' association, and property management company. It is expected that their shared values as Party members will unit them and enable them to work collaboratively (Sun 2006).

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[90] Similar requirements had already been established in Beijing, Shanghai, and Shenzhen. Adopted several years earlier, Shanghai's 2003 *Recommendations Regarding Taking Forward the Strengthening of Urban Residential Property Management* and Shenzhen's 2005 *Homeowners' General Meeting and Homeowners' Association Guidance Rules* stipulate requirements for a similar preparatory group.

[91] The op-ed piece appeared in *Jinling Outlook* (*Jinling Liaowang*), belonging to Nanjing Newspaper Group (Nanjing Baoye Jituan), which is closely associated with the municipal government.

Debate over Incorporating Homeowners' Associations into the Shequ

To explore the multiplicity of governing organizations within the neighbourhood sphere and residents' understanding of each of their roles, I posed two sets of hypothetical questions in my survey of homeowners conducted with mid-career government officials. The officials' outlooks reflected the growing disengagement between the residents' committee and middle-class homeowners' association at White Blossom Shequ, particularly in matters of property management.

One set of questions presented four situations concerning shequ management and asked which organization the homeowner would turn to if confronted with them (table 8.1). In all of the situations presented, more people would turn to the property management company than residents' committee. Also, in certain situations, more homeowners would bring the issue to government departments than approach their residents' committee with it. For instance, with regard to concerns over the cleanliness of community public spaces, 70% responded that they would approach the property management company. Only 14% would take up the matter with their residents' committee. Another scenario asked: "If there were too much noise coming from a neighbourhood eatery, which of the following organizations would you turn to?" The majority (54%) would again directly approach the property management company and about a quarter of them would take the matter to the appropriate government department. Only 12% would first go to the residents' committee.

Table 8.1 Responses to survey question 14 (n=43)
"If confronted with the following problem, which organization would you turn to?"

The common area of the residential compound is poorly managed

70%	Property management company	5%	Street office
14%	Residents' committee	2%	Government department
9%	Homeowners' association	0%	Other

Your neighbour's balcony renovations violates the residential compound's standards

38%	Property management company	5%	Street office
17%	Residents' committee	9%	Government department
26%	Homeowners' association	5%	Other

There is too much noise coming from the food establishment inside the *xiaoqu*

54%	Property management company	2%	Street office
12%	Residents' committee	25%	Government department
5%	Homeowners' association	2%	Other

After the warranty period, you find that the building leaks when it rains

69%	Property management company	3%	Street office
7%	Residents' committee	12%	Government department
2%	Homeowners' association	7%	Other

Interestingly, however, while they would look to property management companies to oversee various neighbourhood affairs, they were not dismissive of residents' committees, and even as homeowners, they were cautious when it comes to the independence of homeowners' associations. Half would agree that the homeowners' association should become a social organization under the residents' committee (question 13). Furthermore, a second set of hypothetical questions listed a set of supervisory responsibilities and asked the homeowners to select which organization they thought would be most suited to handle each of them (table 8.2). While they overwhelmingly agreed that the homeowners' association should monitor the property management company (89%), they were mixed on who should supervise homeowners' associations. About 19% believed that the responsibility should rest with the residents' committee and street office respectively and 29% indicated that it should be government departments. Many of those who selected "other" (31%) wrote in "homeowners" as their response. Even if homeowners do not initiate its formation, about half believed that residents' committees should be responsible for organizing and forming homeowners' associations in their neighbourhoods.

Table 8.2 Responses to survey question 12 (n=43)
 "Which is the most suitable organization to handle the following responsibilities?"

Which should monitor and select property management companies?

| 7% | Residents' committee | 0% | Street office |
| 89% | Homeowners' association | 4% | Other |

Which should decide the amount of management standards?

2%	Property management company	21%	Government departments
3%	Residents' committee	16%	Other
58%	Homeowners' association		

Which should collect maintenance fees and decide areas of expenditure?

16%	Property management company	12%	Government departments
2%	Residents' committee	2%	Other
68%	Homeowners' association		

Which should guide and monitor homeowners' association?

2%	Property management company	29%	Government departments
19%	Residents' committee	31%	Other
19%	Street office		

If homeowners do not initiate an association, which should be responsible for convening one?

9%	No association is formed	18%	Street office
2%	Property management company	17%	Government departments
50%	Residents' committee	4%	Other

The differences in opinion among the government officials in the law class illustrate the ambiguity of existing laws and regulations with regard to the roles and relations between homeowners' associations and residents' committees. The various understandings are indicative of the debate among Chinese policy researchers and officials over the incorporation of homeowners' associations into the shequ institution as the rest of this section will discuss. Generally, I found there to be no agreement among policy scholars as to the appropriate level of independence that should be accorded homeowners' associations and the nature of their relationship with residents' committees and property management companies. However, there is a shared belief that, with time, homeowners' associations will play an increasingly larger role in neighbourhood politics. In my examination of the arguments made by Chinese policy researchers, I begin with the case made for the incorporation of homeowners' associations, which takes a gradualist approach seeking the coexistence of homeowners' associations and residents' committees. On the other side of the debate,

opponents of incorporation view homeowners' self-organization and acts of resistance as an encouraging trend in the development of Chinese civil society.

The case for incorporation

In the literature, there are three main lines of argument made in favour of incorporating homeowners' association into the shequ institution, as a community organization under the directive of the residents' committee. First, proponents of incorporation do not perceive there to be a conflict of interests between residents' committees and homeowners' association. For instance, Lu (2006) contends that the inclusion of homeowners' associations and property management companies in the shequ governance structure is appropriate because the organizations share a common purpose in bettering the quality of life of residents. Their integration offers a platform for them to collaboratively make decisions and share resources. Moreover, for the many residents' committees that oversee several residential compounds, each with its own homeowners' association, this formal arrangement brings these various organizations regularly to the table and ensures communication between them (Interview, shequ director, 27 April 2007).

Second, there is some doubt that homeowners' association can shoulder the legal responsibilities that come with being an independent entity. According to the General Principles of Civil Law (1986), an organization that can participate in civil affairs must be a "legal person" (*fa ren*) – a reform-era legal designation for private, collective, and joint economic enterprises, nonprofit public institutions, and social organizations. To qualify, organizations must not only have decision-making authority over assets and capital, but be able to independently undertake civil responsibilities and be held accountable (Chen 2008, 348-50). Homeowners' associations meet the requirement of asset ownership. Particularly in market housing projects, a large amount of capital and assets exist in the forms of collectively-owned common spaces and contingency reserve funds for repairs and maintenance (*weixiu zijin*). However, Wong (2006), a law researcher with the Shaanxi Province People's Congress, reasons that the existence of such a large amount of assets and capital may support the legitimization of the homeowners' association as a legal entity. But, considering the dispute between homeowners over the fair election of homeowners' associations, she argues, it is premature for the few members of a homeowners' association to be in control of such a large sum since none can be held individually accountable for

financial losses. Furthermore, since only the residents' committee and the property management company can be held financially accountable, homeowners' associations should be limited to monitoring the spending of maintenance fees. Building on this argument, the author further maintains that their formalization into the shequ institution does not diminish their powers. Rather, without having to make them a legal entity, their incorporation formalizes homeowners' participation, giving them sustained control over the common assets and capital, and even funds for their operations and activities (292). By contrast, many neighbourhoods now, as is the case in White Blossom's teachers' compound, rely on the willingness of homeowners to spend out of pocket.

Third, some have argued that the incorporation of residents' committees and homeowners' associations offers the flexibility of not having to establish both organizations in every neighbourhood. Particularly, in commercial housing projects located in outlying suburban areas where shequ jurisdictions have not yet been established, homeowners' associations and property management companies have demonstrated that they are sufficient in overseeing neighbourhood affairs. In these middle-class communities, issues that arise tend to revolve around property matters rather than social services. Thus, it is more fitting that homeowners' associations represent and protect these interests (Zeng 2002; Chai 2005; Zou 2006). In comparison, in mixed neighbourhoods like White Blossom New Village that are in the process of transition from public to private housing ownership, it may be necessary to have both a homeowners' association and a residents' committee to accommodate the multitude of circumstances and to provide stability through this period. Adopting a more gradualist approach, proponents insist that in due course, as the rate of privatization increases and as residents gain greater understanding of their ownership rights and responsibilities, it will then become more appropriate to push for a governance model based on homeowners' associations (Zeng 2002).

The case against incorporation

Proponents of separating residents' committees and homeowners' associations argue that the co-optation of homeowners' associations and property management companies by residents' committees confuses the nature of these groups. First, to bring them together under the shequ governing institution is to move backwards toward state socialism. Incorporation merges property and political rights instead of separating them as the country's market reforms

intended. More specifically, residents' committees, with residents as their constituents, carry administrative functions and represent the government in the neighbourhood on matters of public interest. Homeowners' associations represent private interests and protect the property rights of homeowners, who are not necessarily residents. Property management companies, as private business entities possessing economic interests, have contractual relationships with the homeowners and not with any governing authority (Tang 2006; Zou 2006).

Citing an encouraging example in Shenzhen, where homeowners from 40 different neighbourhoods self-organized a one-day symposium on rights protection, Tang (2006) concludes that homeowners' resistance is not about challenging authority. Instead, as citizens are given property rights, new types of organizations will inevitably arise to service and protect private property and assist in rights advocacy (71). Thus, laws and regulations need revisiting, and integrating the organizations into one entity impedes this discussion. Deferring to the residents' committee and street office as supervisory agencies gives no legal backing or sanctioned course of action for dispute resolution. This approach resorts to the traditional practice of governance through control and neglects the fact that Chinese urban society is undergoing a transition (71-2).

Second, in situations of a conflict of interest between homeowners and the property management company, the former should be able to take legal recourse should they choose to do so. Homeowners should be able to expect residents' committee members, as their elected representatives, to support their actions and be their advocate. However, the residents' committee takes direction from governmental offices, and one of its primary governing responsibilities is to prevent social unrest by resolving problems so they do not escalate. Thus, it is in the interest of the residents' committee to calm or suppress homeowners' protests (Yang 2006, 186-7).

From another perspective, other advocates for homeowners' independence argue that if the residents' committee is a self-governing organization as stipulated in the Organic Law, then it is supposed to be equal in status with the homeowners' association, which is also self-governing (Liu 2005). Thus, the Property Management Regulations has unlawfully placed homeowners' associations under the supervision of residents' committees. Furthermore, integration would only bring about greater control as street offices and residents' committees

push for Party members to run as candidates in their oversight of homeowners' association elections (Jiang 2006).

Shequ Governance and Neighbourhoods as Civic Spaces

The actions that the homeowners of the Teachers' Compound at White Blossom New Village have taken to safeguard their property and build a sense of community are significant demonstrations of voluntarism and civil engagement. They suggest the potential of neighbourhoods as spaces in which civil society in China can find room for expression. The self-organization of homeowners' associations raises questions on what impact the development of a capitalist economy and the creation of a middle class will have for democratization (Jing 2003; Read 2003; Tang 2005). At the same time, however, the walled seclusion from their "lesser" neighbours also gives pause to consider the social implications and impacts of their actions on the larger society. Teachers and professors are part of the growing professional middle class, raised from the low esteem held for intellectuals as one of the nine black categories during the Cultural Revolution.[92] They have benefited from reform measures in terms of both social status and economic well-being. In this neighbourhood of work-unit-built housing, the professors and teachers are at the top of the post-Mao social order. In contrast, many of their neighbours are blue-collar workers in state-owned enterprises and the private service sector. Some, including landless farmers, laid-off workers, pensioners, and migrant labourers, belong to the new stratum of China's urban poor.

Some scholars have observed that because of the country's limited political space the state-society relations paradigm has remained a major focus of the scholarship on China's post-Mao social reforms, asking what societal actors have been able to accomplish within the institutional constraints they face (Perry 1994; Ho and Edmonds 2008; Lu 2008). Less discussed still are the problems of inclusion and exclusion when some social groups are better able to form patron-client ties with state agencies, sometimes at the expense of other groups. Ogden (2002, 315) notes that discussions of associations and interest pluralism in China predominantly consider their aggregate impact, giving less attention to the private interests served by each group and their meaning for the larger society. Along a similar line

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[92] In a 1999 survey of 2,599 respondents in 63 cities on the prestige of various professions, university professors and school teachers were given a score of 90 and 77 respectively out of 100. In comparison, city mayors scored 93, cadre officials in leadership positions 86, and cadre officials 73 (Xu 2004, 129-32).

of thought, Calhoun (1993) argues that civil society discussions focus on the mere presence of institutions outside the realm of the state without addressing questions of whether those extrastate institutions have substantial capacity or will to change how political community is constituted. It is insufficient to consider the existence of a public sphere; one must critically question its inclusiveness and its recognition of diverse interests and identities. As a case in point, Calhoun points out that in the attention given to the impact the 1989 Tiananmen Square event has on the Chinese civil society discourse, little has been paid to the ambivalence of prodemocratic Chinese intellectuals and students toward the role of peasants in their cause (278).

The case of homeowners' associations, whereby middle-class homeowners are increasingly being incorporated into the shequ structure, draws attention to the existence and growing importance of socioeconomic differentiation and its ensuing impact on equal participation in neighbourhood governance. Some scholars have argued that, to some extent, the professional middle class is likely to be more conservative and less threatening to the political order than workers and peasants in defending their interests (Cai 2005), particularly because it was public policy, such as the subsidization of private housing purchases for public-sector employees in the 1990s, that opened the way to their middle-class lifestyle today (Tomba 2004).

New social categories and the growing income inequalities between them have contributed to new patterns of social and spatial segregation based on occupational class lines (Bian et al. 2005). These new patterns raise the question of whether, in their pursuit of greater protection and representation of their property interests, homeowners will be able to collaborate across class lines. They also raise a further question of what the actions of middle-class homeowners mean for other social groups. Social stratification, an important social issue in China today, has implications for thinking about the nature of shequ governance, but has received little attention so far (Xu 2008). As the privatization of public housing proceeds, home ownership will not just be for the wealthy and the professional middle class. For instance, the landless farmers who have been relocated to White Blossom also own their own homes, and some even multiple units, but they have not joined in collective actions with their white-collar neighbours. Considering the relative actions undertaken by the residents of the two compounds, the elderly farmers have not overtly challenged the authority of the residents'

committee over what should happen in their common space. As discussed in chapter 6, in the manner of a quiet resistance they have replanted the vegetables unearthed by the residents' committee. The homeowners of the Teachers' Compound have landscaped, maintained, and gated their space to protect their lifestyle and interests. These actions stand protected from the interference of the residents' committee because the space adheres to, if not surpasses, the Shequ Construction's evaluation measures on neighbourhood beautification.

The Chinese experience resonates with Western critiques of community, specifically the observed paradox that building cohesive communities inevitably entails a process of exclusion (Sennett 1970; Young 1990). While gating is a global phenomenon, the purpose of gates and walls in the Chinese residential building tradition has historically been to foster social interaction and enforce political control (Bray 2005, chapter 2; Huang 2006; Lu 2006, chapter 6). However, with housing privatization and developer-built housing for the emerging middle class, walls and gates may still bring a sense of collectivism among homeowners, but they also increasingly serve the purpose of providing the desired privacy, exclusivity, and security from the unknown "other" that characterizes American gated communities (Huang 2006) and establishing homogeneous and socially simplified neighbourhoods (Xu 2008).

The Shequ Construction policy aimed at building social cohesion has further contributed to this emerging segregation. The clientelist arrangement between middle-class homeowners' associations and the residents' committee has co-opted an emerging and important social force, a point that has been stressed in the Chinese debate over the organizations' incorporation. Furthermore, shequ models, such as Nanjing's "band of four" that seeks to reduce the social distance between homeowners and the residents' committee, have also created a process in which the lower social strata, particularly renters and migrants, continue to be marginalized. As previous chapters have discussed, the political discourse on developing a "harmonious shequ" (*hexie shequ*) seeks equality through raising people to a certain standard of urbanity. It would seem, then, that the exclusion of renters and migrants implies that they too should aspire toward home-owning middle-classdom. In her discussion of middle-class formation in China, Anagnost (2008, 515) makes the pertinent assertion that the reform-era state aims to produce a consumer-citizenship that reorients its subjects as entrepreneurial, responsible for themselves, and "whose identity as a rights-bearing subject is

defined in terms of being a consumer." In the neighbourhood context, membership is thus purchasable through the ownership of a home.

In sum, the challenge homeowner interests present to the established order of neighbourhood governance, and their consequent co-optation, draw attention to how plurality of interests is managed. In strengthening the capacity of residents' committees to handle social service needs, shequ reform is also about reformulating a new hierarchy in the neighbourhood sphere – of who leads and who monitors whom – as opposed to defining the roles and responsibilities among stakeholders. First, in initiatives such as Nanjing's four-part model, homeownership is becoming the qualifying condition for participation at the shequ decision-making table. Second, in collapsing one organization into the other, these initiatives are enfolding diverse interests and obscuring differences so that the shequ institution may act as one unanimous and unified body.

9. CONCLUSION

Shequ Construction as a Window on Urban Governance

At Policy Junctures

When I first began to research the implementation of Shequ Construction in Nanjing I held some reservations about a community-building policy initiated by an authoritarian state known for its impressive capacity for grassroots mobilization. The research process, and particularly the fieldwork, involved making sense of the policy program on the ground, and in so doing had to confront the broader problems of analyzing policy implementation. Broadly defined, policy implementation is what occurs between the establishment of an intention on the part of the government to do something and the eventual impact of this policy on the world of action (O'Toole 2000, 266). Implementation research thus focuses on a particular phase of a policy process that, in China, is protracted and based on experiments (Lieberthal and Oksenberg 1988; Heilmann 2008). The policy analyst is confronted with explaining the outcome of policy directives. Often the assumption is made that a logical coherence exists between stated intentions and eventual outcomes – a linear progression from problem identification to analysis to solution. Consequently, evaluating implementation results takes the form of assessing the congruence – or lack thereof – between intention and outcome. Resolving this dilemma requires the analyst to grasp and depict "the interrelationship among the *content* of the policy, the institutional structures in which policy is implemented, and the wider sociopolitical *context* in which these structures and processes operate" (Lampton 1987, emphasis in original, 3).

In the preceding chapters, I examined the processes of Shequ Construction as they intersect with policies of other bureaus and agendas of lower-level governments. In this way, I sought to address the crucial point that directed change cannot be understood through its policy content alone. What the state sought to change through Shequ Construction and what was accomplished cannot be understood without observing the policy's interplay with other policy initiatives and the contexts that influenced them. In examining these interconnections, my aim was to engage with the Chinese experience in neighbourhood building, not as the

dogmatic project of an authoritarian state, but as the product of policymaking mechanisms that responded to circumstances as they arose in the course of policy implementation.

Studies of rural-central relations (Oi 1999; Blecher and Shue 1996; O'Brien and Li 1999) and coordination between bureaucratic units (Lieberthal and Oksenberg 1988) have demonstrated that the disparate interests of subordinate units will often lead them to comply selectively with central decisions. This practice suggests a more fragmented bureaucracy than the highly centralized apparatus that is frequently assumed of authoritarian regimes (Lampton 1992; Lieberthal 1992). Drawing on these discussions of fragmented authority and lower-level discretion, my research has focused on the interactive effects between central mandate and local policies that contribute to a disjuncture between intentions and outcomes. The framework of policy interactions has provided a window onto how the Chinese policy system functions. It has better enabled the research to take into account multiple factors affecting policy implementation than by examining the policy program alone. Analyzing the interactions of Shequ Construction with seemingly unrelated policies has made apparent how residents' committee reform becomes interpreted in the course of implementation as local agencies contend with realities on the ground. Conversely, by articulating Shequ Construction with a diverse set of policies, my research also investigates how the shequ discourse alters the content and the implementation course of other policies. A central theme that runs through each of the case study chapters is the ways in which Shequ Construction interacts with other policies and, in the process, comes to accomplish different purposes than those intended.

Chapter 5 viewed Shequ Construction through fiscal decentralization, placing the policy in the wider context of devolving welfare responsibilities onto the base level. The discussion also drew attention to how the increased social services role played by districts has contributed to their growing importance as a level of government in the reform era. In recent years, Shequ Construction has become a major project area for district governments, particularly as they often assume the lead in local experimentation. And, it is their fiscal circumstances and priorities that determine the resources available for realizing the policy's objectives. Shequ reform is officially viewed as the principal mechanism that allows the central state to retreat from funding and providing social services. At the same time, it is a

product of district governments which, by implementing the policy, acquire not only more responsibilities but also more influence and prestige.

By looking at the experiences of two villages, chapter 6 examined the significance of Shequ Construction for the implementation of Nanjing's urban village redevelopment plan. The analysis drew attention to the ways in which local governments have adapted the policy program for governing the rural hinterland and some of the social ramifications in the rural to urban land conversion process. Likewise, furthering the current understanding of Shequ Construction, the redevelopment context has brought to light the implications of extending shequ reform from urban neighbourhoods to rural villages. The initial conception of the policy program was in large part a response to the welfare needs of urban workers laid off as a result of state-owned enterprise restructuring. However, as new circumstances arise, shequ reform has tactically been rendered a mechanism for urbanization that aims to incorporate villages into the municipal planning and regulatory system. And, neighbourhood governance is broadening to encompass other aspects, including infrastructure standards as well as social norms and behaviours.

Chapter 7 examined the growth of private social service providers in urban China and their increasing role in the realization of Shequ Construction goals. Many *minfei* organizations have received much support from district civil affairs bureaus as part of their efforts to develop a shequ-based social services provisioning scheme. The continuously expanding list of shequ services to be shouldered by the residents' committee as required by evaluation measures points to the possibilities for their involvement in delivering specialized care. However, as illustrated through the experiences of Sunrise Senior Care Services, in implementation, residents' committees still need to resolve a working partnership with *minfei* organizations. The fieldwork findings further demonstrate that the growing diversity of social organizations has created greater opportunities for collaboration between them, such as that between the shequ seniors' association and Sunrise. Thus, attention needs to be paid to the vertical relationships between state and social organizations as well as the lateral relationships forming in the intermediary sphere. More critically, this case study questions how the creation of the *minfei* category relates to the state's welfare socialization agenda. In transforming the structure of welfare responsibility, Shequ Construction has incorporated

private service organizations into its design of a new three-tiered social service delivery system consisting of the family, the shequ, and the state.

Chapter 8 explored the implications of housing privatization for shequ reform, particularly with the subsequent involvement of homeowners' associations in neighbourhood affairs. While Shequ Construction seeks to strengthen the role of residents' committees in neighbourhood governance, the emergence of homeowners' associations challenges the relevance and tests the limits of the socialist grassroots institution. The existing literature on homeowners' associations has drawn attention to their capacity to self-organize and take actions against developers and local governments (Jing 2003; Read 2003; Cai 2005). In asking how their growing presence interacts with the shequ project, this chapter raises the alternative question of whether homeowners' associations should be incorporated into the shequ governing body and how will their incorporation change the way neighbourhood membership is defined. Examining the ways that shequ reform provides local governments with greater oversight over homeowners' associations, which in some cases has led to their incorporation into the shequ institution, underscores a specific formulation of community in the shequ discourse. I argue that in constructing governable neighbourhoods, membership increasingly depends on homeownership, and diversity of interests and differences of opinion are deflected by enfolding interest groups into the shequ institution.

This concluding chapter brings together the individual case studies and discusses some of the theoretical issues that have emerged through this research. First I discuss what the study of Shequ Construction implementation has contributed to our understanding of China's interbureaucratic document system, through which Document 23 was disseminated. Then, reexamining the various implementation contexts explored in this research, I put forward the argument that Shequ Construction reveals a particular form of governmental rationality that holds good governance to be about diminishing differences. In the third section I address the absence of migrant welfare in Shequ Construction and what this point of disarticulation says about the politics of community in China. Lastly, I venture into the discourse on community deployment as a neoliberal means of government. In doing so, I contend with the notion that forms of neoliberalism are being introduced to China. However, rather than questioning how China is the same or different from Western liberal democracies, I seek a more fruitful

inquiry into how situated practices and institutions have amalgamated with governance techniques permitted by market reform.

Interbureau Memoranda in Chinese Policymaking

When we think of policy, we typically think of a specific announcement of a bold decision by the central government. In actuality, as Lieberthal and Oksenberg (1988) remind us, any important policy involves a series of minor and major mutually reinforcing decisions to keep the initiative on track. The typical translation of the word policy, *zhengce*, refers to concrete policies that are supported by administrative orders (*jueding*) and regulations (*guiding*) to achieve broad policy directions (*fangzhen*; ibid., 26). In the Chinese policy spectrum, there are also interbureaucratic documents which, in some ways, are minor decisions but are imperative for realizing major initiatives. Indeed, decisions related to Shequ Construction, disseminated through the interbureaucratic document system as memoranda, opinions, recommendations, and circulars, do not carry the weight of regulations and administrative orders. However, as this research has demonstrated, without making changes to higher-order policies and the 1989 Organic Law, efforts undertaken for Shequ Construction have facilitated the restructuring of SOEs and, over time, changed the look and operation of the socialist residents' committee. To better understand how and why Document 23 has carried the impact it has had in various areas, from village redevelopment to property management, the effectiveness of the internal bureaucratic communications system in bringing about institutional reform warrants a closer look.

China's interbureaucratic document system is the means by which bureaucratic units and levels in this vast country communicate with one another. The Central Party Committee and each of its departments, and the State Council and each of its commissions, committees, and ministries have their own document series.[93] Each document is identified by the institution that issues it, the year it is issued, and a numeral to indicate its number among the documents issued that calendar year. For example, as mentioned in chapter 4, Document 23 is short for the twenty-third document issued in the year 2000 by the General Offices of the Central Committee and the State Council, or identified in short form as "*zhongbanfa* (2000) No. 23."

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[93] For more on the structure and drafting process of the document series, see Lieberthal (1978). The monograph, one of the earlier studies of the decision-making process in the People's Republic, discusses the Politburo's central documents.

Lieberthal (1978), writing on Politburo documents, observed that when the document system works effectively, it reconciles centralism with the need for local flexibility in implementation; however, in its drafting and circulation it is also prone to being ignored and circumvented, begetting the factionalism that happened during the end of the Cultural Revolution (16-19). Building on this earlier research into the workings of the document system, this dissertation's analysis of Shequ Construction implementation offers another perspective through which to analyze the document system. Unlike the Politburo's documents, Shequ Construction memoranda are less demonstrative of elite power politics and have more to do with the day-to-day operations of governance. In this context, the interbureaucratic document system has facilitated a highly adaptive policymaking process that responds to local experiments and arising circumstances.

Shequ Construction began in the late 1980s as a neighbourhood-based social service project of the Ministry of Civil Affairs. Achievements in various localities demonstrated the potential of residents' committees to assist local governments as they contend with some of the social ramifications of SOE restructuring. Close to a decade of experiments later, Document 23 followed as a central-level document declaring the central leadership's support for the intentions and goals of shequ reform. As mentioned above, documents can take the form of opinions, decisions, and circulars providing information on specific issues. In this case, Document 23 relayed (*zhuanfa*) an opinion (*yijian*) from the Ministry of Civil Affairs. The Ministry can only send documents within its departments and to its lower-level bureaus, however. In order for the Ministry's Opinion to receive the widest exposure and dissemination down the administrative hierarchy (from central to local authorities) and across the bureaucratic units (ministries, commissions, and committees), it was relayed to and disseminated by the State Council and Central Committee. While Document 23 was not a decision (*jueding*) but a relayed opinion, the successive stream of shequ-related documents from the State Council and Central Committee (see appendix 2) suggests that it was more than simply a memorandum but a significant declaration of intentions and future directions. Notably, Document 23 permitted lateral agencies and lower levels a greater degree of latitude to experiment with implementation, producing a plethora of related initiatives from various agencies in the name of shequ construction.

At each level of government, the document is first translated into its own document series and issued for further dissemination down the administrative hierarchy. Within a context of considerable flexibility (and even ambiguity), each of the chapters in this dissertation sought to illustrate what happens to a central directive once it is disseminated to lower levels of government and how critical policymaking also takes place during the process of policy implementation. Against the backdrop of fiscal decentralization and increased burden on lower levels of government to provide social services, chapter 5 showed the latitude given to district governments to experiment and undertake initiatives given their available resources. It does not outline detailed orders to be carried out to the letter. Rather, the broadly defined content was adaptable to local circumstances and subject to reinterpretation by lower-level officials. Each of the case study chapters has shown how Shequ Construction has been operationalized in various neighbourhoods to meet local development needs. For instance, the extension of urban shequ standards to rural villages by the Nanjing Civil Affairs Bureau has in turn facilitated the city's urban village redevelopment efforts. Similarly, in local implementation plans, social organizations such as *minfei* enterprises and homeowners' associations are being folded into the formal structure to, among other purposes, contribute additional resources.

This dissertation traced the Shequ Construction policy process, from the consideration of pilot outcomes, to nationwide dissemination, to adaptation in emerging circumstances. The process shows neither a strictly top-down nor bottom-up approach to community building, but rather what Heilmann (2008, 10) describes as harbouring both local initiative and central sponsorship, with neither working without the other. Heilmann contends that through the use of provisional regulations, pilot sites, and broad local discretionary powers in designated zones, policymaking in China occurs through a process of on-the-ground experimentation. Through the implementation of Document 23, this research has shown interbureaucratic documents to be an integral part of the experiment-based policy-making process. What seemed like a top-down policy to construct community was not an "order" to be carried out to the letter down the chain of command; the policy process was much looser and less dogmatic. In fact, the strict evaluation measures of Shequ Construction came not from the centre but from the bureaucratic entrepreneurship of lower level governments to protect their own interests as well as showcase their advancement and gain recognition from above.

Building a Harmonious Society through Shequ Construction

The ambiguity of the central memorandum may allow for local adaptation. However, the way of thinking embodied in shequ documents and practices remains consistent with the prevailing ideologies and governing rationalities of the Party-state. Shequ Construction began in the late 1980s in large part as a response to the pressing need to provide social services to laid-off workers and pensioners turned out of their bankrupt work units. Then, through experiments in the 1990s, the initiative broadened to encompass the reform of the Mao-era residents' committee to undertake general tasks of neighbourhood administration and governance. Over time, the policy continued to evolve as it confronted social issues beyond the initial problem. It expanded into urban village redevelopment, incorporated nonprofit service providers, and enfolded homeowners' associations into the shequ structure. In each of these disparate iterations, Shequ Construction has consistently been about creating channels to harmonize diverging interests under the leadership of the CCP.

Under Hu Jintao's agenda of "building a harmonious society" – which has become the defining value of the fourth generation of leadership – social policies have sought to address inequalities and provide better opportunities and assistance to those faced with hardships. The pursuit of social stability for continued growth is fundamental to maintaining the Party-state's legitimacy and continued rule. This reorientation away from the past two decades' hard-lined pursuit of economic growth to include social justice and environmental sustainability under the banner of a harmonious society, however, has not meant a changed approach to governance. Recent studies have asserted that a specific form of governmental reasoning exists in China that holds good governance to be about diminishing differences and expeditiously delivering order, agreement, and harmony (Sigley 1996; Bakken 2000). Building on this argument, my research has shown that civil society is expanding to represent a plurality of interests. However, when it comes to resolving contradictions and confronting diverging interests on the ground, shequ reform has been demonstrated to be an ongoing process of managing potential conflicts through favouring homogenous and socially simplified neighbourhoods (Xu 2008, 650) and integrating emerging social organizations into the cause of the Party-state. The following discussion reflects on the politics of "harmonizing" society through Shequ Construction in the encounters between the formal shequ institution and elements of civil society in the contexts of urban villages,

neighbourhoods with nonprofit service providers, and housing compounds with active homeowners' associations.

Conformity to (urban) standards

The experiences of urban villages, as examined in chapter 6, raise the question how the creation of Village Shequ Construction has sought to bring village communities to conform to an urban imaginary. The rural version of the policy program did not begin with concerns for rural social problems but with the purpose of extending the achievements of urban neighbourhoods. In the context of urban village redevelopment, through enforcing standards such as infrastructure upgrades, exemplary neighbourly behaviour, and community centre programming, Shequ Construction has facilitated the sociocultural and physical urbanization of hinterland villages.[94] These processes have been enabled and reinforced by the broader Chinese development discourse that poses the urban to be superior to the rural. The "backwardness" and "low population quality" (s*uzhi*) of the countryside are often framed as an obstacle to the nation's progress. For example, in the context of rural education reform, Murphy (2004, 3) observes that Chinese national modernization policies portray "a large low-quality rural populace [who] hinders progression from tradition, poverty and agrarianism to modernity, prosperity and industrialism." Translating this attitude into practice, school curricula seek to civilize rural children with an emphasis on creativity, civic responsibility, and overall personal development. A similar reasoning is apparent in Shequ Construction evaluation standards that promote what urban governing elites believe to be desirable behaviours and qualities, be they volunteerism, concern for the environment, or adherence to the one-child policy.

State-*minfei* relations

From another perspective, the case study of *minfei* organizations in chapter 7 demonstrated the harmonizing of interests between the state and the nonprofit sector, acting in alliance to

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[94] Friedmann (2005, 36-38) identifies five dimensions in the construct of urban: 1) administrative urbanization where residents transfer to urban *hukou*; 2) economic urbanization where there is a sectoral employment shift from primary to secondary and tertiary, and an expansion in the trade distance from local to regional and global; 3) physical urbanization where villages become more urban in appearance with paved streets, multi-story apartment buildings, recreational facilities, as well as air pollution and other industrial environmental damage; 4) sociocultural urbanization characterized by increased household consumption, social tension, and information revolution; and 5) political urbanization characterized by increasing shared power between local officials and new business elites.

provide social care. The state's agenda to legalize and entrust the nonprofit sector with responsibilities previously held by the government is not simply a question of granting greater autonomy. China's third sector was conceived by the state to carry out social welfare functions with financial independence (Chen 2003; Beja 2006; Wong and Tang 2006). In the economic sector, recent scholarship has contended that the government, driven by the need for intermediaries to mediate between the state and enterprises in the market economy and, at the same time, retain control over the private sector, had transformed industrial bureaus into trade associations (Solinger 1992; Wank 1995; Unger 1996; Foster 2002). As the state apparatus shrank in its relative size, it has enlarged the size and resources of the nongovernmental sector (Ma 2006, 56-8). Similar to these quasi-nongovernmental trade associations organized to carry out government functions, *minfei* organizations are envisioned to provide social services that the state is no longer willing to provide. In my Nanjing case study, for example, Sunrise Senior Care Services delivers care to many urban seniors who cannot afford services in state-run or for-profit care facilities. In its provision and delivery of services, the organization seeks operational autonomy and opportunities from the state, but is unconcerned with political reform. This example draws attention to the fact that nonprofit service providers were created, using mechanisms introduced by market reform, to be part of the new social welfare system rather than an alternative to the state and market. The involvement of *minfei* organizations in Shequ Construction situates them in the state's plan of welfare socialization. Therefore, *minfei* organizations have not been so much co-opted into the system as purposely created to be a fundamental component of the reform era welfare system.

Production of inequality

In the context of middle-class housing estates, homeowners have demonstrated great capacity to self-organize and defend their property interests (Jing 2003; Read 2003; Cai 2005; Zhu and Ho 2008). This case study illustrated that rather than opposing homeowners' associations, as was their initial reaction to the activities of this new interest group (Read 2003), officials created another form of interest harmonization by enfolding them into the shequ institution. As occurred in Nanjing, localities are increasingly incorporating homeowners' associations into the shequ structure to form one unified decision-making body with the residents' committee, the shequ CCP branch, and the property management company. This form of co-optation of new elites reflects the Party-state's familiar strategic response of enfolding new

social actors who possess the skills to advance policy agendas or who pose potential threats of dissent, such as observed in the inclusion of entrepreneurs into the Chinese Communist Party (Dickson 2000), the reformulation of business associations to accommodate foreign enterprises (Pearson 1994; Unger 1996), and the establishment of the All-China Federation of Environmental Protection to coordinate environmental civil groups (Ho 2008b).

Moreover, by incorporating homeowners' associations into the shequ governing structure, rather than allowing them to exist as independent interest groups, a high regard has been placed on homeowners as legitimate shequ participants. The underlying value implication is that homeownership has become the qualifying condition for participation at the shequ decision-making table. Thus I see the production of inequality in the differentiation made between home-owning residents and their migrant and renter neighbours as illustrative of the reform-era ethos described by Anagnost (2008) that values self-reliant progress toward middle-class status. Individuals demonstrate their status in large part through private ownership of market housing, while retaining a rooted and bounded community life. I elaborate on this bounded notion of community in the next section.

A Point of Inarticulation

Exploring how Shequ Construction articulates with other social policy interventions in the neighbourhood sphere also makes evident points of inarticulation. Despite the large presence of rural migrants living and working in cities, the policy does not engage with issues of migrants' welfare. The 2003 official number, counting only those registered, recorded the rural to urban temporary migrant population to be 140 million, over 10% of the total population and 30% of the rural workforce (*People's Daily*, Online, 27 July 2005). In 2007, Nanjing's local newspaper reported 2.5 million registered temporary migrants living in the city of 6 million local *hukou*-holding residents (*Nanjing Daily* 11 March 2007). Together with their unregistered counterparts, migrants constitute the phenomenon referred to in Chinese as the "floating population" (*liudong renkou*) who, loosely defined, are all those who reside outside their registered *hukou* locality. For migrants, who negotiate between establishing a place in the city and retaining ties to their native place, the notion of community is multifaceted and thus incompatible with the state's construction that is based on a singular place of residence.

The "floaters" differs from permanent migrants (*qianyi*) who hold official transfers of household registration. This latter group, composed mainly of highly educated skilled workers, are granted residency permits that entitle them to a place in (or right to) the city, but with partial urban membership (Wang 2004; Wu 2006). For instance, the one million permanent migrants living in Nanjing are eligible for social security and welfare benefits, although those benefits are not as comprehensive as those afforded to *hukou*-holding residents. Within the limited spaces for political participation, permanent migrants are able to vote and be nominated as candidates in shequ elections, like their Nanjing native neighbours, after one year of residency.

Temporary migrants include both registered (legal) and undocumented rural migrant labourers and their families. Thus, their reported numbers are much lower than the actual population residing in the city. Migrants who are registered with the host city government's public security bureau are entitled to participate in the new social insurance system and to enrol their children in the local public schools (Wu 2006). Unless they are required by their employer to register, however, it remains doubtful whether access to these benefits influences their decision to register.[95] In some families, adult children are registered through their workplace while their elderly parents and dependent children who have accompanied them to the city are not. The majority of temporary migrants work in low-wage jobs in factories and on construction sites, in the service sector as nannies, janitors, and caretakers, and as self-employed vendors and scavengers. In the evenings they return home to overcrowded factory dormitories and substandard housing in enclaves (Wu 2002; 2004; Zhang, Zhao, and Tian 2003).

The lack of concern for migrants' welfare in Shequ Construction draws attention to the regulatory regime's intolerance toward mobility, which strengthens the persistence of the social divide between natives and non-natives in the Chinese mindset and in the notion of

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[95] While the government is gradually extending welfare benefits to temporary migrants, many do not register. Even if registered, many do not enrol in social programs. For instance, despite regulations enforcing compulsory education for local and migrant children alike, parents I talked with at a migrant children's school expressed concerns over extra fees and the prejudices their children will face in public schools. Similarly, they may have heard about the new social security and employment insurance system for migrant workers, but being uncertain that they will be permitted to remain in Nanjing indefinitely, some said that the insurance plans carry little meaning for them. Moreover, as policies are constantly changing, there is no guarantee that they will be able to take what is in their account with them when they leave (Fieldnotes, May 2007).

community. Indeed, the only mention of migrants in Shequ Construction programming, such as Jiangsu Province's shequ standards, concerns the diligent registration by the villagers' and residents' committees of their residency status and compliance with birth control regulations (Jiangsu Province Bureau for Qualitative Technological Monitoring 2007, section 6.2).

Homeownership is a means through which migrants can acquire membership in the city. That said, the housing system puts up many obstacles. As China develops a market economy, the state-distributed goods and services that constituted the core benefits of the once-treasured urban membership under the planned economy are becoming available to rural *hukou*-holding residents who are able and willing to pay. However, access to adequate housing remains difficult. Because migrants are not eligible for public housing, commodity housing purchased at market prices is their only option for homeownership. But, with local urban *hukou* as a requirement for bank mortgages, only the small wealthy minority can purchase commodity housing outright[96] (Wu 2004). Temporary migrants, who make up the majority of rural *hukou*-holding urban dwellers in most cities, are limited to renting private housing or staying in factory and construction-site dormitories.

Most dormitories do not allow families to live together, so migrant labourers often seek inexpensive private housing in suburban villages. They have transformed some of these villages into migrant enclaves where foods from their native regions are cooked and their native dialects spoken. Unable to acquire formal membership in the city through the purchase of a home, migrants have gained access to land through informal channels and created new forms of urban citizenship based on clientelistic relations with local village officials (Li 2001). The school for migrant children where I volunteered as a teacher is in a building rented from the villagers' committee. The (in)formal boundaries become blurred. As elaborated in chapter 5, for village officials, despite the illegality of their deals, leasing land has become an alternative source of income with the loss of agricultural land due to urban

[96] Up until a few years ago, migrants who purchased commodity housing of a certain size and price were granted a blue-stamp permanent resident status with the possibility of *hukou* transfer (*luohu*) to the host city after a certain period of residency. The program was a product of the Jiang Zemin era, and its objective was to encourage wealthy migrants to invest in the real estate market. The program was thought to contribute to the overheated housing market, so was cancelled and replaced with a residency permit system. The new system gives the local government varying degrees of control over migration, taking into consideration the types of talent a locality wishes to attract, its population control target, and the capacity to provide public goods (Wu 2006).

expansion. Furthermore, the migrant school, registered as a *minfei* organization and permitted to operate under the *Provisional Regulations on Schooling for Migrant Children and Juveniles*, is supported by local government officials who regard it as part of the solution to the pressing issue of educating and governing the large influx of migrant children in Nanjing (Fieldnotes, conversation with principal, 20 April 2007). This support from above for the school's operation means that higher-level officials condone the illicit leasing of land by village leaders.[97] As migrants from the same native region congregate, supporting institutions such as schools for migrant children are established, further rooting informal migrant communities in the city.

In addition to the institutional factor of housing access, the dissociation of Shequ Construction from migrant welfare draws further attention to the Chinese notion of community as fixed and bounded, and how policies make it difficult to reconcile translocal identities. In her ethnographic study of Zhejiangcun, a large migrant enclave on the outskirts of Beijing, Zhang (2001, 3) contends that "the idealized images of spatially bound social life constructed by Confucius and Taoist texts are often invoked today as a desirable way of life" and as a cultural norm. The "undesirable" life of migrants is inherent in Chinese words for them, such as *liudong* (floater) or *waidi* (outsider). Recent reforms to the *hukou* system, which added the category of "temporary urban" in an attempt to control migrants' presence in the city, illustrate the fixed sense of belonging of this cultural norm and the uncertainty with which the state approaches multiple identities. For many, particularly young adults, while they may identify with the native place named in their *hukou* booklet, part of their identity is that of an urban labourer. They bear a dual identity in that they are seen as "rural" when they are in the city and "urban" when they return to their home village (Murphy 2002).

Despite slow-changing policies, migrants come in their own ways "to reconcile a local identity oriented toward their hometown with a translocal identity based on spatial mobility" (Zhang 2001, 41). Their dual identity is shaped by repeated moves and returns between their home villages and the cities where they work. This rural-urban identity reflects the goals and

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[97] As another example, in large migrant enclaves such as Zhejiangcun in Beijing, some well-to-do migrants make their wealth by becoming migrant leaders who collaborate with local village heads to lease rural land on which they construct migrant housing to rent to those coming from the same native province. Village heads, for their part, are expected to help smooth the relationship with local officials in charge of allocating water and electricity (Zhang 2001).

consciousness of an entire generation that is referred to in Chinese as the *dagongzu*, or a cohort of labourers (Murphy 2002, 211). The migration experience, which is work driven, has created a cultural distance between migrants and their kin back home that they must learn to negotiate. This is particularly so for families where one spouse remains in the village with their children and elderly parents while the other goes to the city. On returning for holidays, for instance, some rural women migrants see themselves as different from peasant women and find rural life meaningless (ibid. 208). Through their experiences in factories, exposure to commodities, and self-supporting earnings, many migrant women have acquired a new identity that their husbands may or may not support. This constant readjustment between rural and urban identities has become a fact of life for many rural youths "who have re-formed their life goals to include staying on in the cities"; they will migrate and re-migrate until "family forces them to return to the village again on a more permanent basis" (ibid. 214).

To draw on Feuchtwang's (2004) discussion of place making, the community-building practices of the migrant population centre on the experiential. Identity is based on shared experiences, recalling a shared place of origin, collectively appropriating space in the city, and establishing a new home-place of familiarity (10-12). This process stands in sharp contrast to Shequ Construction, which produces a sense of place through territorialization. Shequ rhetoric portrays a bound and coherent physical space and a defined set of social networks for the primary purpose of service delivery and the secondary purpose of providing a sense of security and belonging. The next section expands this point beyond China, and questions how community building serves as a governing solution in other polities, and in what ways Shequ Construction is the outcome of this global trend.

Government through Community in and beyond China

Before most of my interviews with officials, a sort of debriefing would occur where I would be told that Shequ Construction is a Chinese practice based on tradition and current social needs and is not equivalent to Western practices of community building. I would have to demonstrate my knowledge of these differences and clarify that my study of shequ is aimed not at understanding how the two practices are the same or different but how, specifically, reform era social issues are resolved (or not) through the policy program. At some point during the extended period of my fieldwork, I found myself absorbed in these officials' nationalistic opposition to Western thinking. I was determined to portray Shequ Construction

through a Chinese perspective unfettered by Western theories on community development. And yet, governing through community – the downward shift of the state's welfare functions to base-level governments and social organizations so as to move the state away from providing services toward strategic planning – is observable in developing and developed economies alike. For instance, placing the shequ movement in a broader global context, Bray (2006) observes that Shequ Construction bears some resemblance to community-focused forms of governance of Third Way policies as well as the bottom-up, collectivist approach of the New Communitarians in the United States. At the same time, the juxtaposition makes evident the distinguishing features of China's model: it is built on pre-existing grassroots organizational structures (the residents' committee and local Party branch) and on an institutionalized idea of community (545-6).

In a similar vein, the perspective I have come to adopt through this research is that while it is essential to root the examination of Shequ Construction within endogenous conditions and understandings, it is equally imperative to recognize that the community-building experience is not the special case of China. Rather, what I have observed is an ongoing response to societal changes accompanying the country's economic transition and integration into the global economy. For that reason, I have purposely framed Shequ Construction not as a static case study of "this is how they do community building in China," but as how community as a governmental construct is dynamically reconstituted, utilized, and deployed to meet arising circumstances. In this regard, we may begin to draw comparisons with disparate regimes and to rethink governments' role in social service provision without talking in terms of universality and theoretical exceptions. This section reflects on community building as an emerging form of governance and raises questions about elements of Shequ Construction that may resonate with neoliberal techniques of "government through community." This discussion seeks to open a conceptual space to reconcile trends of economic liberalism and the state's retreat from welfare provision in what is still a community-building project of a strong state.

The notion of "government through community" describes how community has, in its own ways, become a means of Western liberal governments whereby planners and development experts define and direct community associations to take on the responsibility for social problems (Rose 1999, chapter 5). Under what has been termed advanced liberalism, tasks of

government are redistributed among the state, intermediary associations, and private citizens. In restructuring the public service sector based on the notion of individual responsibilization, the government's principal task has shifted from planning, managing, and providing to enabling and facilitating residents to take responsibility for finding solutions (Rose 1999, chapter 5; Isin 2000; Li 2007, chapter 7). The meaning of community, with origins in traditional social networks and local action, has become a component within techniques of governance – a resource or partner in the increasing emphasis on efficient and cost-effective government (Bray 2006, 533).

The introduction of nonstate sectors in social services is typically seen as part of China's broader market-oriented development and integration into the global economy, which has generated a dynamic debate on the neoliberalization of the Chinese form of governance (Dutton 1992; Sigley 1996; Harvey 2005; Ong 2006; Hoffman 2006). Relating to this debate, I ask in what ways Shequ Construction can be articulated with the notion of "government through community" that both reflects the Chinese experience within the worldwide turn toward reconfiguring the roles of the state under economic globalization and yet recognizes the endogenous process of China's shequ movement. I follow Ong's (2006) perspective, which considers neoliberalism not as an all-encompassing sweeping movement synonymous with globalization, but as governing solutions that allow the incorporation of market-based mechanisms where needed. The focus is on how indigenous governance practices adapt and amalgamate with new mechanisms introduced by economic reform. In other words, rather than taking the marketization of social services as emblematic of China's neoliberalization, it should be viewed as a series of exceptions made to redefine traditional areas of state responsibility. "Neoliberalism as exception," according to Ong, is deployed whereby non-Western states introduces market-driven calculations and selectively make exceptions to their usual governance practices in order to better compete in the global economy (ibid., 3-5). Thinking in terms of neoliberal exceptions offers a conceptual space to consider Shequ Construction as harbouring both a socialist legacy and market-driven mechanisms.

Shequ reform's rationale and various elements of the implementation process do resonate with the manner by which Western countries and international aid agencies have engaged individuals, private enterprises, and social organizations in community-based development approaches which are grounded in ideologies of self-responsibility and empowerment (Isin

2000; Mansuri and Rao 2004). The preceding chapters have shown, for instance, how nonprofit service agencies are created and invested with the task of service delivery, how residents are recruited and become responsibilized volunteers, and how homeowners who have taken it upon themselves to solve problems are incorporated into governing structures. Similarly, the shequ discourse deploys the language of autonomy and responsibility for particular purposes and ends. For instance, Document 23 touted the principles of "self-management, self-education, self-service, and self-monitoring" and of facilitating a "transition from a work unit person [with claims on the state] to a society person [relying on resources in the social and market sectors]."

Before accepting these neoliberal elements, however, it is necessary to recall that the shequ institution has evolved over time, retaining fragments in the transitions from imperial to Republican to socialist polities. As such, these seemingly neoliberal forms are rooted practices of governance. A significant exception to neoliberal practice is that in Chinese governmental reasoning neither individual nor market autonomy is understood in terms of distance between state and society. As such, no contradictions exist in having the market coexist with highly interventionist controls in daily life, such as the one-child policy and family planning campaigns (Sigley 1996). The leadership is sensitive to the fact that the Party-state's legitimacy greatly depends on its ability to improve relations with the common people, pursue social welfare reforms to better the lives of the disadvantaged, and maintain social stability to support continued economic development. The people, for their part, are not against the existing regime per se but want their grievances to be addressed (Ogden 2002, 131). Along similar lines of governmental reasoning, social organizations are framed as intermediaries between state and society, requiring the legitimacy and resources granted by the state to accomplish their goals; at the same time, the state relies on them to be their major contact with society (Ho and Edmonds 2008, Lu 2008).

The framework put forth by Ong (2006) focuses on changes to situated practices, as opposed to characterizing neoliberalism as a type of government structure or as a political culture of the global North infiltrating emerging economies (13). The framework is appropriate and lends itself well to analyzing policy interventions in the protracted and experiment-based Chinese policy-making process. This dissertation's case studies have illustrated how circumstances of reform such as rapid urbanization, housing privatization, and nonprofit

sector development have introduced opportunities to alter existing governing practices and to incorporate mechanisms of the market economy. Furthermore, at these junctures, we may better contemplate how the shequ infrastructure can become more responsive to social needs by utilizing alternate means of welfare service provision permitted both by market mechanisms and by new measures introduced in various areas of reform.

Shequ Construction and Chinese Urban Planning

In North American urban planning, community development is a subfield, along with land use, transportation, international development, housing, and environment. It emerged in the 1960s with the diversification of the planning field beyond the traditional concerns with the built environment. As a challenge to the rationalist planning tradition derived in part from modernist architecture and civil engineering, it is based on principles of grassroots empowerment, participation, and local action (Davidoff 1965; Friedmann 1973). In China, I found that my interest in Shequ Construction and my background in urban planning seemed incongruent to the planners and social workers I met. My business card read that my home department was the School of Community and Regional Planning and this prompted some people to ask about why community and regional planning are together and what we study.

Urban planning in China, as a field of practice and an academic discipline, is dominated by spatial concerns – master plans, transportation planning, land use management, and urban design (Abramson, Leaf, and Tan 2002; Zhang 2002; Leaf and Hou 2006; Abramson 2007). Carrying influences of Soviet modernist planning, social and economic development planning (*jihua*) is carried out separately by central and local commissions responsible for drafting comprehensive five-year plans. A principal function of urban planning (*guihua*), in contrast, is to prepare master and land development plans (Abramson, Leaf, and Tan 2002, 168; Zhang 2002, 67). Furthermore, urban planning is largely a government function with planners working predominantly above the street office level (Zhang 2002, 65; Abramson 2007, 75).

Albeit slowly, urban planning practice in China is undergoing reform and planners are responding to new roles and opportunities created by the market. Abramson (2007) observes that with the resurgence of local values community will increasingly be a significant concern for China's planning practice. He describes the changing approach in Quanzhou, Fujian

Province where planners are placing greater emphasis on public interests over revenue generation and recognizing that planning requires new skills of communication and attitudes of services that are normally not part of Chinese planning education (79). Moreover, with the ability of individual shequ to apply for programming and capital improvement funds, some planners have responded by working with more established communities to develop long-term plans (75). Despite the attention placed on Shequ Construction by central and local governments, the policy's implications for planning research and practice still need more discussion. I conclude by proposing a few areas informed by this research where shequ and urban development share common grounds.

Interdisciplinary shequ research

At present, Shequ Construction is regarded as predominantly a concern of those in the field of social work. As part of the Civil Affairs Bureau's efforts to professionalize shequ work, staff is increasingly required to take local social work certification exams[98] and are referred to as professional social workers (*zhuanzhi shegong*; Nanjing Municipal Civil Affairs Bureau 2004, Document 82; Yangzi Evening News 9 June 2009). Given the focus on providing and serving immediate needs, efforts have been directed foremost on determining the contents of shequ programming.

As I have shown in this research, Shequ Construction interacts with policy that may or may not have come from the Ministry of Civil Affairs, and thus a deeper understanding of the policy's implications could be derived from interdisciplinary research. Chinese planners have recently begun to take an interest in Shequ Construction, and are beginning to integrate social inquiry into planning education (Friedmann and Chen 2009). There exists potential for much collaboration between urban planners and social workers. For instance, one potential area for collaboration is the development of neighbourhood plans that would replace the standard shequ evaluations. Each shequ would be evaluated against criteria residents have established that may better reflect their communities' particular characteristics, strengths, and needs.

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[98] These examinations are different from the provisional national social worker certification. The discipline of social work, not to mention the subfield of shequ-based work, is still at an early stage of development and only slowly gaining recognition as a specialized profession (Wong and Pearson 2007; Yan et al. 2009).

Shequ and sustainable cities

China was one of the first countries to produce a national Agenda 21 report in which the Party-state recognized that economic growth cannot be maintained without attention to environmental protection and social development. And, a few municipalities have published their own local Agenda 21 (Yuan et al. 2003, 253). Changing the way residents see their relations to the physical and social environment through community participation is an important element in the sustainable cities discourse (Haughton and Hunter, 2005, 6; Sorensen, Marcotullio, and Grant 2004, 18). At the shequ level, efforts, although small, can overcome some of the obstacles confronting the attainment of ambitious nationwide sustainability goals. The shequ institution is a ready-made vehicle for grassroots problem solving that offers much possibility for direct social change. For instance, as part of the shequ service industry, Haidian District in Beijing has established shequ recycling stations where residents can call for recyclables to be picked up. The district is also experimenting with "conservation shequ models" (*jieyuexing shequ*) where attention is given to efforts in six areas: energy-saving retrofits, garbage separation, waste recycling, water conservation mechanisms, energy-saving products, and application of new green technology (Beijing Municipality Haidian District, News Centre 2009).

The challenge lies in identifying the specific areas of responsibility that shequ residents' committees can be the most effective. Currently, the shequ has become a catch-all container of neighbourhood-related affairs downloaded from all bureaus. Shequ Construction is undoubtedly moving into another crucial phase in its development. Whereas the past decade of Shequ Construction has primarily been about the transition of the socialist residents' committee to help local governments meet the demands for social services created by the dismantling of the *danwei*-based welfare system, at present the policy program seems to lack a clear direction. As this research has demonstrated, the meaning of "constructing community" continually evolves to meet arising circumstances such as rural development challenges and homeowners' conflicts. Consequently, the shequ has been developed into a somewhat grand institution, employing hundreds of thousands of urbanites who work out of newly built service centres and carry out an array of neighbourhood-level work for all government departments, as various as door-to-door census taking, to youth correction, to fundraising.

Community-based nonprofit sector engagement

Leaf and Hou (2006) observe that Chinese planning is decentralizing and diversifying, and the practice is no longer monopolized by central and provincial agencies. At the same time, Chinese planners are becoming more aware of their position as representatives of the "public interest" in the market-driven environment. And the authors point out, the development of community-based NGOs will impact the opportunities for planners to engage with and advocate grassroots concerns as social actors outside the bureaucracy (573). The increasing plurality of shequ social organizations presents new opportunities for participation and more discussions are needed on how the planning field can contribute to the development of community-based nonprofit sector.

However, even with growing interests and opportunities in shequ work, young planners will be deterred by the much lower wages and material benefits at the shequ level compared to that in government agencies, research institutes, and development companies. Even for the social work students I met from Nanjing University and Nanjing Normal University who are conducting shequ-based research or interning at shequ centres, there are pressures from families to sit for the civil service exams. Many explained that no matter how rewarding the job is, they find it hard to justify to their families that after completing a master's degree their monthly salary will be roughly 1000 RMB, about half of Nanjing's average. Given these realities, planners will most likely engage with shequ work through their capacity as agents of state planning, which will depend on changing the priorities of planning authorities toward including greater community participation.

A Decade of Shequ

I began this dissertation as a study into the recent Chinese experience with community building, as represented by the last decade of initiatives under the single policy program of Shequ Construction. The study of this specific policy permitted a deeper probing into the substantive concerns that may determine its implementation path and outcomes. These concerns include the history of grassroots governance in Chinese cities, the policy's origins, and the reception of the national agenda by various levels of government. Furthermore, examining the Shequ Construction policy in implementation, or at work responding to social issues as it was intended, proved to be much more complex and multifaceted than first expected. It was not realistic to examine the policy in isolation because, as society is

constantly changing, the contents of the policy must perforce change, adapting to arising circumstances and different neighbourhood contexts. Subsequently, the research took me down paths of inquiry into land redevelopment, the spectrum of Chinese social organizations, elder care, and housing reform.

At the policy junctures, I found that behind the outward forms of shequ as an imposed boundary of belonging lies the confluence of history, existing practices, borrowed models, experimentations, and, always and everywhere, local solutions. During the past three decades of reform, the shequ has demonstrated itself to be a means of governance and an arena in which numerous social policies play out. At the same time, it is also a place where people make their home and exercise their right to protect it.

Beyond the impact that the day-to-day work of shequ staff and members of neighbourhood organizations has on their community, the purpose of Shequ Construction has been to galvanize social forces (*shehui liliang*) to replace the role once held by work units under the planned economy welfare system. The policy junctures examined in this research highlight the various participants in shequ governance who compose this social force. The year 2010 marks ten years of Shequ Construction, since the promulgation of Document 23 in November 2000. Certainly, the Ministry of Civil Affairs views the year as a milestone and will conduct its own review of the policy's achievements to date. It is likely correct to speculate that Shequ Construction will continue to be a major policy area for the Ministry of Civil Affairs as the shequ movement falls in line with the recent trends of tightening state control and improving (professionalizing) public services with increased social spending. Thus, it is important to keep in mind that Shequ Construction is an indeterminate, long-term project. As China's public sphere continues to grow, the meaning and function of shequ will continue to transform as well.

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APPENDICES

Appendix 1: Shequ governing organization research survey

I posed this set of hypothetical questions to a law class. Results are discussed in chapter 7. Translation from original by author.

Shequ Governing Organization Research Survey
The purpose of this research survey is to gain a preliminary understanding of the relationship among shequ governing organizations. Thank you for taking the time to complete the survey.

1) Employment: □Teacher; □Lawyer; □Public servant (department: _____); □Other _____

2) The city in which you live： _____ **district：** _____

3) What type of xiaoqu (residential compound) do you live in? (select 1):
□ commercial housing; □ affordable housing; □ *danwei* constructed housing
When was the residential compound built? Year _____

4) How long have you lived in the xiaoqu? (select 1):
□ less than 1 year; □ 1 to 3 years; □ 3 to 5 years; □ more than 5 years
Do you have the ownership rights to the house you currently live in? (select 1): □Yes; □No

5) Has your hukou been transferred to your current place of residence? (select 1):□Yes; □No

6) Which types of governing organization exist in your xiaoqu? (can select multiple):
□ Homeowners' association; □ Residents' committee; □ Building head; □ Property management; □ Residents' representative council; □ Other:

7) In the past year, which organizations' activities did you participate in? How many times?
(can select multiple):   □ Homeowners' association; _____times
                                □ Residents' committee; _____times
                                □ Property management; _____times

8) Have you participated in your xiaoqu all-homeowners' meeting? (select 1):
□ Yes
□ No, because it has never been convened
□ No, because I could not make it
□ No, because I did not know and did not receive notice about it

9) Are you satisfied with your xiaoqu homeowners' association? (select 1):
□ Very satisfied; □ Satisfied; □ Not satisfied; □ Not concerned
Are you satisfied with your xiaoqu property management company? (select 1):
□ Very satisfied; □ Satisfied; □ Not satisfied; □ Not concerned

10) Currently, who is in charge of property management in your xiaoqu? (select 1):
□ Property management company selected by the developer;
□ property management company selected by the homeowners' association;
□ Residents' committee
How much is your monthly maintenance fee? _____RMB Or _____RMB/sq.m.

11) As far as you are aware, what are the top 3 concerns of your xiaoqu homeowners' association? (select 3):

□ Rights to the underground parking   □ Surface parking issues within xiaoqu
□ Quality of property management   □ Safety and security of xiaoqu
□ Cost of property management fee   □ Maintenance of public facilities
□ Homeowners' dissatisfaction with homeowners' association
□ Disagreements between homeowners with regards to property management decisions (e.g. whether balconies can be enclosed)   □ Other _____

12) Which is the most suitable organization to handle the following responsibilities?

a) Which should monitor and select property management companies? (select 1)
□ Residents' committee; □ Homeowners' association; □ Street office; □ Other: _____

b) Which should decide management fee standards? (select 1)
□ Property management company; □ Residents' committee; □ Homeowners' association;
□ Government department; □ Other: _____

c) Which should collect maintenance fees and decide areas of expenditure? (select 1)
□ Property management company; □ Residents' committee; □ Homeowners' association;
□ Government department; □ Other: _____

d) Which should guide and monitor homeowners' association? (select 1)
□ Property management company; □ Residents' committee; □ Street office;
□ Government department; □ Other: _____

e) If there are no homeowners to convene homeowners' association, which should be responsible for initiating the formation of homeowners' association? (select 1)
□ No homeowners' association should be formed; □ Property management company;
□ Residents' committee; □ Street office □ Government department; □ Others _____

13) Do you agree that homeowners' association should be subordinate to the shequ residents' committee, becoming one of the organizations under it? □ Agree; □ Disagree

14) If you are confronted with the following problem, which organization do you turn to?

a) The common area of the xiaoqu is poorly managed: (select 1)
□ Property management company; □ Residents' committee; □ Homeowners' association;
□ Street office; □ Government department; □ Other: _____

b) Your neighbour's balcony renovation violates the xiaoqu's standards: (select 1)
□ Property management company; □ Residents' committee; □ Homeowners' association;
□ Street office; □ Government department; □ Other: _____

c) There is too much noise coming from the food establishment inside the xiaoqu: (select 1)
□ Property management company; □ Residents' committee; □ Homeowners' association;
□ Street office; □ Government department; □ Other: _____

d) After the warranty period, you find that the building leaks when it rains: (select 1)
□ Property management company; □ Residents' committee; □ Homeowners' association;
□ Street office; □ Government department; □ Other: _____

15) As far as you aware, what are the management issues facing your *xiaoqu*?

Appendix 2: Shequ Jianshe policies and key events

This chart lists in chronological order the key events and polices discussed throughout the dissertation. My intentions for compiling the list are threefold. First, the chart situates Shequ Construction within decades of local experimentation; it was not an isolated policy program designed by bureaucrats in Beijing. Almost a decade of service-based programming (*shequ fuwu*) was undertaken before the broader shequ reform under Shequ Construction. Then, another decade of experimentation took place before the adoption of Document 23 that promulgated Shequ Construction nationwide. In the years following, localities like Nanjing translated the central directive into implementation plans and held workshops to discuss arising issues. Second, listing national and Nanjing initiatives side-by-side presents in a visual manner the relationship between central directives and local plans. Alongside national conferences and the dissemination of documents by national ministries, Nanjing district governments carried out their own experiments and hosted their own district-wide workshops. Last, I began compiling list during the course of my research as shequ-related documents were continually being issued and I found it difficult to keep track of what was issued, when, and by which ministry and bureau. I hope that the list facilitates future shequ research by tracking key documents disseminated during this early period of Shequ Construction. With this purpose in mind, the documents are recorded in Chinese with my English translation, as well as with the issuing office, date, and document number.

Year	National Policy/Key Events	Nanjing Policy/Key Events
1983	April: Eighth National Work Session of the MCA where welfare and social services reforms were raised	
1984	Urban public welfare institutions exchange experiences in Zhangzhou, Fujian. Following the meeting, MCA promoted Shanghai's model of "four layers, one dragon" which included the Residents' Committee.	
1986	MCA first raises the concept of shequ services as part of social security reform	
1987	First conference regarding shequ and shequ services in Wuhan	
1989	December: Organic Law of Urban Residents'	

Year	National Policy/Key Events	Nanjing Policy/Key Events
	Committee 中华人民共和国城市居民委员会组织法 revised and adopted, implemented 1999 January 1.	
1992	December: PRC Constitution 中华人民共和国宪法 amended at the Fifth Plenum of the Fifth National People's Congress. Article 111 specifically refers role and function of Residents' and Villagers' Committees.	
1992	First conference on Shequ Construction held in Hangzhou	
1993	August: Ministries of Civil Affairs, Finance, Personnel, Labour, Construction, Health; National Commissions of Planning, Reform, Education, State Development, Family Planning, Geriatrics; People's Bank of China; National Audit Office, Memorandum on Advancing the Development of Shequ Service Operations 关于加快发展社区服务业的意见. Minfu fa (1993), Document 11.	
1994	National conference to exchange experiences on community services in Shanghai.	
1995	Ministry of Civil Affairs, Standards for National Shequ Service Demonstration Sites and District 全国社区服务示范城区标准, Minfu fa (1995), Document 28.	
1996		September: MCA holds national conference on shequ services in Nanjing's Xuanwu District Nanjing's Xuanwu District, Qinghuai District, and Gulou District become national shequ service pilot districts. Baixia, Jianye, Xiaguan, and Dachang become provincial shequ service pilot districts.
1997	MCA holds conference on shequ services theory and practice in Qingdao to look back on the development of shequ services in the past decade.	
1999	January: Ministry of Civil Affairs, National Shequ Construction Experimental District Implementation Work Plan 全国社区建设试验区工作实施方案 February 1999 to April 2000, MCA selected 26 urban districts for Shequ Jianshe experiments (City: District): Nanjing: Gulou, Xuanwu Qingdao: Sifang, Shinan	MCA holds national conference on theories of Shequ Construction in Nanjing's Gulou District. Gulou District and Xuanwu District named experimental districts for Shequ Construction.

Year	National Policy/Key Events	Nanjing Policy/Key Events
	Shenyang: Shenhe, Heping Tianjin: Hexi, Heping Harbin: Nangang, Daoli Beijing: Xicheng Haikou: Zhenqu Hefei: Xishi Benxi: Xihu Luohe: Yuanhui Xiamen: Kaiyuan Changchun: Chaoyang Foshan: Shiqu Hangzhou: Xiacheng Chongqing: Jiangbei Wuhan: Jianghan Shanghai: Luwan Xian: Xincheng Jinan: Wanxia Shijiazhuang: Changan Kelamayi: Kelamayi	
	March: National Taxation Bureau <u>Notice Concerning Policy Issues of Tax Benefits Granted to Laid-off Workers Engaging in Shequ Residents Service Sector.</u> 国家税务局关于下岗职工从事社区居民服务业享受有关税收优惠政策问题的通知 Guoshui fa (1999), Document 43. First of many documents from various ministries on using Shequ Construction to meet the reemployment needs of the urban unemployed workers, many of whom were laid-off during the SOE restructuring in the 1990s. An early integration of the shequ institution by ministries other than Civil Affairs into their programs and services.	
	July: Ministries of Health, Education, Civil Affairs, Finances, Human Resources, Labour and Social Security, Construction, State Commission of Development Planning, State Commission of Population and Family Planning, State Chinese Medicine Management Bureau <u>Notice Concerning Opinions on the Development of Urban Shequ Health Services</u>. 关于发展城市社区卫生服务的若干意见的通知 Weijifu fa (1999), Document 326. First of many documents on establishing shequ health service centres.	June: Jiangu Province Civil Affairs, Province and Municipal Social Sciences Federation, Xuanwu District Government hold "Shequ Services and Shequ Development International Conference"
		September: Nanjing Civil Affairs holds roundtable on Shequ Construction theory. The discussion resulted in the document <u>Nanjing Government Recommendation on Strengthening Shequ Jianshe Work (Provision)</u>.
	October: Expert Conference on Shequ Structural	October: First Nanjing Shequ Residents'

Year	National Policy/Key Events	Nanjing Policy/Key Events
	Reform in Shenyang. Discussed Shenyang model which influenced the definition of shequ.	Committee Election Shequ conducted competitive election (*chaexuanju*) where the number of candidates is greater than the number of positions to establish a list of candidates. This is common for lower level elections such as Party branch and Villagers' Committee. Xuanwu District's Beiyuan Shequ and Baixia District's Youfuxijie Shequ experimented with direct election (zhixuan) where the step of competitive election is skipped. Electors directly cast votes for candidates. It has also been more common to conduct indirect election (*jianjie*) where representatives elect candidates.
		All districts begin to implement shequ reform The 853 Residents' Committees in the six urban districts are reconfigured to produce 445 Shequ Residents' Committees.
	November: All-Women's Federation, MCA, Ministry of Labour and Social Security, Ministry of Construction, National Taxation Bureau, National Domestic Trade Bureau <u>Recommendation Concerning Implementing Kerchief Shequ Services Project for Advancing Shequ Construction and Laid-off Women Worker Re-employment</u>. 关于实施 '巾帼社区服务工程' 推动社区建设和下岗女工再就业工作的意见 Fuzhi fa (1999), Document 19.	
2000	August: Ministries of Civil Affairs, Education, Public Security, Justice, Labour and Social Security, Construction, Culture, Health, State Bureau of Sports, National Office for Civility, National Workers' Committee, National Youth Federation, National Women's Federation, Chinese Handicapped Federation <u>Opinion Concerning Strengthening Shequ Work for Handicapped Persons.</u> 关于加强社区残疾人工作的意见. Canlianban fa (2000). Document 142.	
	November: General Offices of the Central Party and State Council, <u>Memorandum from the Ministry of Civil Affairs on Promoting Urban Shequ Building Throughout the Nation</u>. 民政部关于在全国推进城市社区建设的意见 Zhongban fa (2000), Document 23.	
		December: Nanjing Government holds city-wide shequ conference and site visits to discuss

Year	National Policy/Key Events	Nanjing Policy/Key Events
		the role and function of Residents' Committee. Conference theme titled "Clarify Relations, Reduce Burden, and Overcome Tendency to Bureaucratize".
2001	March: Economic and Social Development, Tenth five-year plan includes Shequ Construction (Chapter 19, Section 4). Adopted at the fourth plenum of the 9th National People's Congress.	General Offices of Jiangsu Party Committee and Provincial Government, <u>Memorandum Concerning Strengthening Urban Shequ Construction</u> 关于加强城市社区建设. Suban fa, Document 15.
	May: Ministries of Labour and Social Security, Finance, Civil Affairs, Construction, State Commission on Development Planning, State Commission on Economic Trade, Bank of China, State Commerce Bureau, State Taxation Bureau <u>Opinion Concerning Advancing Shequ Employment Services Work</u>. 关于推动社区就业工作的若干意见 Laoshebu fa, Document 7.	Baixia District and Nanjing Normal University complete study titled <u>Shequ Construction Evaluation Index System</u> 社区建设评估指标体系. This is one of the earlier initiatives on shequ standardization and evaluation.
	July: Ministry of Civil Affairs, <u>Outline Guiding Nationwide Urban Shequ Construction Demonstration Activities</u> 全国城市社区建设示范活动指导纲要. Min fa, Document 198.	
2002	August: Ministries of Public Security and Civil Affairs, Notice Concerning Recommendations on Strengthing Shequ Policing Work Construction. 关于加强社区警务建设的意见的通知. Gongtongzhi fa (2002), Document 42. Example of the increasing integration of the shequ institution in the work of ministries other than Civil Affairs.	
	September: Ministry of Justice, Opinion Concerning Strengthening Shequ Legal Services Work in Large and Middle-sized Cities. 关于加强大中城市社区法律服务工作的意见 Si fa, Document 13. Example of the increasing integration of the shequ institution in the work of ministries other than Civil Affairs.	
	February: General Office of Ministry of Civil Affairs, <u>Recommendation on Shequ Construction State of Affairs and 2002 Work Plan</u> 民政部办公厅关于社区建设工作情况和 2002 年工作安排的意见. Minban fa, Document 1.	
	August: Conference on Shequ Jianshe**. MCA selected Shequ Jianshe demonstration cities (27) and districts (148). <u>MCA Decision Concerning the</u>	March: General Offices of Nanjing Party Committee and Municipal Government disseminate <u>Memorandum on Strengthening</u>

Year	National Policy/Key Events	Nanjing Policy/Key Events

	<u>Selected National Urban Shequ Construction Demonstration City</u>. 民政部关于命名全国城市社区建设示范城的决定 Min fa, Document 140.
	
	<u>27 Cities (Province: City)</u>
	  Hebei: Baoding
	  Shandong: Taiyuan
	  Shanxi: Changzhi, Xiaoyi
	  Liaoning: Shenyang, Dalian
	  Jilin: Siping, Hunchun
	  Heilongjiang: Daqing
	  Jiangsu: Nanjing, Suzhou, Jiangyin
	  Zhejiang: Hangzhou, Ningbo, Yiwu, Zhuji, Jiangshan
	  Fujian: Fuzhou
	  Shandong: Jinan, Qingdao, Qingzhou
	  Hubei: Wuhan, Huangshi, Changsha
	  Sichuan: Pengzhou, Emeishan
	  Yunnan: Gejiu
	
	<u>148 Districts (City: District)</u>
	Beijing: Xicheng, Chaoyang, Xuanwu, Dongcheng, Shijingshan, Haidian
	Shanghai: Huangpu, Changning, Jingan, Luwan, Dongpuxinqu, Xuhui
	Tianjin: Heping, Hexi, Hedong, Tanggu
	Hebei Province
	  Shijiazhuang: Changan
	  Tangshan: Lunan
	  Zhangjiakou: Qiaoxi
	Shanxi Province
	  Taiyuan: Xinghualing
	  Changzhishi: chengqu
	  Yangquan: Kuangqu
	  Linfen: Yaodu
	Inner Mongolia Autonomous Region
	  Huhehaote: Xincheng
	  Baotou: Kundulun
	Liaoning Province
	  Shenyang: Shenyanghe, Heping
	  Dalian: Zhongshan, Xigang
	  Benxi: Xihu
	  Jinzhou: Linghe
	  Dandong: Zhenxing
	  Anshan: Tiedong
	  Panjin: Xinglong
	Jilin Province
	  Changchun: Chaoyang
	  Jilin: Chuanying
	Heilongjiang Province
	  Harbin: Daoli, Nangang
	  Daqing: Ranghulu, Saertu
	Jiangsu Province
	  Nanjing: Gulou, Xuanwu, Qinhuai, Baixia, Jianye
	  Suzhou: Jinchang, Canglang, Pingjiang
	  Changzhou: Zhonglou, Tianning
	  Wuxi: Chongan
	  Zhenjiang: Jingkou
	Zhejiang Province
	  Hangzhou: Xiacheng, Shangcheng, Jianggan,
		<u>Shequ Construction Work</u> 关于加强城市社区建设工作的意见. Ningwei fa, Document 20.

		Baixia District launches Street Office reform in Huaihailu Street Office. The experiment merged the Shequ Residents' Committee and the Street Office with the aim of reducing the number of administrative levels.
		Nanjing named National Shequ Construction Demonstration City. Districts of Gulou, Xuanwu, Baixia, Qinhuai, and Jianye named Demonstration Districts.

Year	National Policy/Key Events	Nanjing Policy/Key Events

	Gongshu, Xihu
	    Ningbo: Haishu, Jiangdong, Zhenhai, Jiangbei,
	        Beilun
	    Wenzhou: Lucheng
	Anhui Province
	    Hefei: Shushan, Luyang
	    Wuhu: Xinwu, Jinghu
	    Huaibei: Xiangshan
	    Anqing: Daguan
	    Hauinan: Tianjiaan
	Fujian Province
	    Fuzhou: Gulou, Taijiang, Jinan, Mawei
	    Xiamen: Kaiyuan, Huli
	    Quanzhou: Licheng
	Jiangxi Province
	     Nanchang: Donghu
	    Jiujiang: Xunyang
	    Ganzhou: Zhanggong
	Shandong Province
	    Jinan: Lixia, Huaiyin, Shizhong, Tianqiao
	    Qingdao: Shinan, Shibei, Sifang
	    Dongying: Dongying
	    Jining: Shizhong
	    Weifang: Weicheng
	Henan Province
	    Zhengzhou: Zhongyuan, Jinshui
	    Jiaozuo: Jiefang
	    Luoyang: Jianxi
	    Pingdingshan: Weidong
	    Puyang: Shiqu
	Hubei Province
	    Wuhan: Jianghan, Qiaokou, Jiangan, Qingshan,
	        Wuchang, Hanyang
	    Huangshi: Xisaishan, Huangshigang, Tieshan
	    Yichang: Xiling
	    Jingmen: Dongbao
	Hunan Province
	    Changsha: Yuelu, Kaifu, Furong, Yuhua
	    Zhuzhou: Shifeng, Tianyuan
	    Xiangtan: Yuhu
	    Yueyang: Yueyanglou
	Guangdong Province
	    Guangzhou: Haizhu, Liwan, Dongshan
	    Zhuhai: Xiangzhou
	    Foshan: Chengqu, Shiwan
	Guangxi Zhuang Autonomous Region
	    Nanning: Xincheng
	    Liuzhou: Liunan
	Hainan Province
	    Haikou: Zhendong
	Chongqing: Jiangbei, Yuzhong
	Sichuan Province
	    Chengdu: Jinniu
	    Mianyang: Fucheng
	    Leshan: Shizhong
	    Nanchong: Shunqing
	Guizhou Province
	    Guiyang: Nanming, Yunyan
	    Zunyi: Honghuagang
	Yunnan Province	

Year	National Policy/Key Events	Nanjing Policy/Key Events
	Kunming: Wuhua, Panlong Qujing: Qilin Tibetan Autonomous Region Lhasa: Chengguan Shaanxi Province Xian: Beilin, Xincheng Baoji: Weibin Xianyang: Qindu Gansu Province Lanzhou: Chengguan Jinchang: Jinchuan Qinghai Province Xining: Chengxi Ningxia Hui Autonomous Region Yinchuan: Chengqu Xinjiang Weiwuer (Uighur) Autonomous Region Wulumuqi: Xinshi Kelamayi: Kelamayi	
2003		Baixia District named Provincial Shequ Construction Experimental District.
		Second Nanjing Shequ Residents' Committee Election Most of the shequ conducted competitive election with 1 ballot per household. Some continued to experiment with direct election.
		Baixia District hosted national training workshop on direct election with observation of direct election in the district's Weiqiaonanhang Shequ.
		Jianye District hosted city wide symposium on fostering shequ social organization.
2004		Nanjing hosts national training workshop on improving residents' participation in shequ public affairs
2006	State Council, Recommendation Concerning Strengthening and Improving Shequ Services Work 国务院关于加强和改进社区服务工作的意见. Guofa, Document 14.	Third Nanjing Shequ Resdients' Committee Election
2007		January: Nanjing Civil Affairs disseminates <u>Memorandum on Strengthening the Standardization Construction of the City's Shequ Residents' Committee and Villagers' Committees</u> 关于加强全市社区居委会和村委会规范化建设的意见. Ningminzheng fa, Document 10. Policy document included separate evaluation measures for Shequ Residents' Committee and Villagers'

Year	National Policy/Key Events	Nanjing Policy/Key Events
		Committee.
		March: Jiangsu Province Bureau of Quality, <u>Technology, and Monitoring releases</u> <u>Evaluating Guide for Construction of</u> <u>Harmonious Community</u> 和谐社会建设评价总则, DB32/T 983-2007.
		Nanjing Party Committee and Nanjing Municipal Government, Recommendation Concerning Accelerating Harmonious Shequ Construction 关于加快推进和谐社区建设的意见. Ningwei fa, Document 22.
2008		Nanjing Government, Relaying Memorandum from Bureau of Civil Affairs, <u>Provisional</u> <u>Guiding Recommendations Concerning the</u> <u>Salary and Benefits of Shequ Staff</u> 关于统一社区专职工作者工资补贴待遇的指导意见(试行). Ningzheng fa (2008), Document 159.

Appendix 3: Summary of Nanjing third shequ election procedure, 2006

Summarized from Nanjing Municipal Government (2006). 南京市第三届社区居委会换届选举工作指导意见 (*Recommendation regarding Nanjing's Third Shequ Residents' Committee Election Guidance Work*). Document 6.

The election procedure as set by Nanjing Civil Affairs Bureau is as follows:

1) A shequ election guiding committee is set up at the district and street office. The district and street office determine the implementation procedures given their past experience in the last two elections and the socioeconomic demographics of their residents. According to the number of residents, each shequ receives 0.5 yuan per person for election expenses, such as meetings, training, announcements, and photocopies (0.2 yuan from the district and 0.3 yuan from the street office).

2) An election committee is organized in each shequ to carry out related work. The shequ election committee is headed by the shequ Party secretary and its members are chosen from the residents' representative council. The main responsibilities of the election committee are to educate the residents about the election, confirm the election procedure, register eligible voters, confirm candidate eligibility, host the election, and recommend candidates.

3) If necessary, Nanjing Civil Affairs Bureau encourages districts to train election committees and even carry out pilots in various types of shequ.

4) Eligible voters must meet the following three conditions: a) 18 years old and over; b) a resident whose hukou is registered in the shequ or a temporary (*zanzhu*) resident who has lived in the shequ for over a year. Those who do not live at the place of their hukou registration can either participate in the election of the shequ in which they live or the shequ named in their hukou booklet; c) a resident whose political powers have not been taken away by law and who are not psychologically or mentally ill.

5) Any shequ social organization and association can nominate candidates. The residents' representative council then confirms the election candidates nominated – the number of which should be more than the number of positions.

6) One or multiple polling stations are set up according to the number of eligible voters. Each polling station is staffed by at least three people.

7) There are two main methods for casting ballots: a) one ballot per household; and b) one ballot per person.

8) To be elected, the number of votes a candidate receives must be over half the number of total votes.

Appendix 4: Nanjing Gulou District shequ evaluation measures

Nanjing, Gulou District Civil Affairs (2007). 鼓楼区创建 '星级文明和谐社区' 指导评价标准 (试行) (Gulou District Initiates 'Cultivated Harmonious Shequ Star Rating' Guiding Evaluation Standards, Provisional). Unofficial translation by author.

1. Shequ Part Construction (120 points)	
Comprehensive organizational structure	a) Shequ party organization leadership is realized and has attained the required membership numbers. Within the shequ, various levels and types of party organization have been established; building and compound party branches/cells have been formed.
	b) The facility for the party is at least 50 sq. m. The infrastructure exists for party members' computer training.
Comprehensive administrative system	a) Shequ party organization leaders can carry out their responsibilities through the division of labour. A system of democratic decision making is in place.
	b) Shequ party organizational life is normalized and systematized; activities are held monthly.
	c) The various training and management of party members is regularized. A strong sense of uncorrupt shequ political culture exists in the shequ. Party members have not broken the law and have not been punished by state laws.
Clarified functions	a) Party members, in working on the project of "Cultural Harmonious Shequ Star Rating," understands, supports, and participates with a rate of 80% or higher. Residents and work units in the shequ are satisfied with the work of the shequ party organization and its members at a level of 90% or higher.
	b) Work units located in the shequ and collaborating units support the work initiated by the shequ party organization and work together on practical matters.
	c) "Shequ Party Member Discussion Forum" and "Shequ Party Member Service Station" function as exemplary models and have focused around residents' needs, accomplishing 1 to 2 projects for the residents annually.
	d) In the competition for "Shequ Party Construction Demonstration Site" and "Winning the Excellence Cup", the shequ has achieved outstanding results and has received recognition from the district level and above.
2. Residents' Self-governance (120 points)	
Democratic Election	a) Shequ residents' representative council is elected by residents' small group and shequ work units. In principle, there is a representative for every 20 to 30 households, with a minimum of 50 representatives. Shequ residents' representative council and shequ residents' committee undergo elections at the same time.
	b) Shequ residents' committee members are elected according to the law. And, the processes of recall and by-election are carried out according to the law.
	c) At least 80% of voters are registered.
Democratic Decision making	a) Shequ residents' representative council is convened at least twice a year, with at least 85% of representatives present.
	b) Shequ democratic decision making and consultative processes are established. Important shequ affairs are heard, mediated, evaluated, and decided in a timely manner. "Shequ Forum" (*shequ yishiyuan*) is held at least once every season; the recommendations and suggestions are followed through with a 100% implementation rate.
Democratic Management	a) Shequ residents' committee self-governs according to laws. It continually seeks self-improvement and proactively assists the government in handling affairs related to residents' interest. Shequ residents' committee's tasks have an annual completion rate of 100%. Residents' have at least an 80% satisfaction rate with the work of the shequ residents' committee.
	b) Shequ residents proactively participate in shequ management and service and abide

	by the "Shequ Self-governance Charter" and "Shequ Residents' Covenant." Residents' participation rate is at least 80%.
	c) Shequ social organizations are not less than 10 in number, have a registration rate of 100%, and play a beneficial role.
	d) There is a strong system of collaboration between shequ governing organizations.
Democratic Monitoring	a) Shequ has established a system for making important shequ affairs that concern residents' interest known and heard. A shequ democratic financial management group has been established. Shequ residents' committee's affairs and finances are made public quarterly. Shequ has a permanent bulletin board and suggestion box. Suggestions are responded to with a rate of 100%.

3. Safe Shequ (80 points)	
Comprehensive network	a) Shequ has established a security office, and has combined the functions of shequ policing and security prevention under one comprehensive managing organization.
	b) There is a security volunteer group, composed of 2.5% of the total shequ population; all (100%) buildings are watched over.
Measures in Place	a) Systems are in place for shequ security assessment and security announcements; shequ safety risks are reported to related departments in a timely manner. Coordinate with related departments and regularly inform residents of shequ security and safety matters.
	b) Shequ has accurate background files for the "5 types of people" [referring to floating population, prostitutes, released offenders, juvenile delinquents, and drug addicts], and has provided them with help and education.
	c) Shequ has timely and accurately grasped the floating population in the neighbourhood and their basic housing rental situation. The registration rate of the floating population is at least 95%. In the area of family planning, at least 90% of the floating population is serviced.
Clear Results	a) Shequ engages residents to carry out shequ drug prevention, fire prevention, and theft prevention. Shequ achieves shequ safety standards. In matters of safety, shequ residents have achieved an understanding rate, participation rate, and satisfaction rate of at least 90%, 80%, and 93% respectively.

4. Stable Shequ (80 points)	
Mechanisms Established	a) Shequ has established effective channels for appeal and a system for the protection and safeguard of interests. Shequ has staff responsible for ensuring stability. Civil conflicts are resolved in a timely manner. Civil conflicts are mediated with a rate of 95%, and a success rate of at least 90%.
	b) Shequ has established mechanisms for emergency preparedness and for the early-warnings of emergencies and major disasters.
Order	a) There are no criminal and public security cases arising from petitions that have not been dealt with properly. There are no public gatherings arising from issues related to petition letters.
	b) There is no "falun gong" member who has gone to Beijing to cause trouble; there are no "falun gong" activities; there are no residents' collective petitions; there are no aggressive petitions; there are no repeated petitions; and there are no irregular petitions to Beijing.

5. Fully-employed Shequ (100 points)	
Comprehensive structure	a) Shequ has set up a labour security station with an independent facility to conduct affairs and has delineated the six aspects of: agency structure, staff, facility, funds, defined tasks, and mechanisms to accomplish tasks.
Service functions in place	a) Shequ has effectively developed employment assistance activities; registered workers who have been laid off and are unemployed; proceeded with active follow-up services; offered "one-to-one" help to those with difficulties finding employment; and established plans to assist families with no one employed. Shequ has established benchmarks for assisting residents with difficulties finding employment.
	b) Shequ has a "three-one-three" service for workers who have been laid off: one time employment counseling; three times job opening referrals; and one time skills

	training. Shequ has establish an employment training standard.
Employment measures	a) Shequ has achieved a shequ without a "zero-employment" family and achieved an employment and re-employment rate of at least 90%. At least 50% are eligible for preferential policies. "Re-employment preferential certificates" have an annual review rate of 80%. A system of work ledger, follow-up records, information network, and visits is in place to realistically assess the unemployment situation.
	b) Shequ has ensured the basic livelihood of unemployed persons and ensured that unemployment benefits are received on time and in full.
	c) Annually, shequ has at least one case of self-employed entrepreneur and one cse of successful employment assistance.
6. Benevolent Shequ (150 points)	
Minimum income assistance	a) In the shequ, the minimum income assistance for urban residents should achieve the principle of: those who need assistance should receive assistance; those who should exit the program should exit the program. Minimum income assistance reaches 100% of those in need. Income assistance funds are dispensed with 100% accuracy rate.
	b) There is no person in need of assistance without assistance. There are no mistakes in who needs assistance. There are no incidents of petition that resulted from inaccuracy and irresponsibility.
	c) Able-bodied recipients of minimum income assistance are engaged in public service with a participation rate of 100%.
Charity	a) There is a charity-type shequ social organization that frequently organizes donation activities. Work units in the shequ donate with a participation rate of at least 70%. Those who need assistance are reached 100%. Children of families in need have not had to leave school. Those who are seriously ill are reached 100%. Shequ elderly without children and orphans have people to take care of them; they are provided for 100%. Children of minimum income assistance families should have an enrollment rate of 100% in health and education assistance. All families facing difficulties have, according to regulations, benefited from a reduction in various living expenses.
Convenient services	a) Shequ has organizations and agencies engaged in shequ health, family planning, elderly, and handicapped services. When requested, shequ has established services and recreational facilities for the elderly, youth, and children. Shequ has a rehabilitation centre and barrier-free facilities that meet national standards. Shequ has a health centre that undertakes work in health, family planning, and Red Cross information and services; the size of the facility should be at least 120 sq. meters.
	b) Shequ has established a shequ public service station. There is one shequ full-time staff per 300 households. Shequ staff participates at least 10 days of training each year. Shequ upholds the policy that supports the certification of shequ staff. There is a complete set of shequ services with at least 10 service categories, meeting residents' basic needs. Those who need special care are assisted 100%.
	c) Shequ regularly organizes and mobilizes residents to actively participate in shequ health centre activities, raising the residents' health knowledge and awareness and fostering healthy living habits.
	d) Shequ has a contact person to provide legal assistance. The assistance provided has a satisfaction rate of 100%.
	e) Shequ has established a volunteer registration system, with a registration rate of at least 8% of the total shequ population. Shequ has at least 3 corps of volunteers that organize at least 4 activities each year.
	f) Shequ has convenient retail services that fulfill the standards of Nanjing Shequ Business Services Demonstration Shequ. Services that meet the specific needs of shequ residents are gradually being improved.
In-home elderly care	a) There are in-home care services for the elderly. All elderly who live alone, do not have children, and are handicapped receive assistance. Establish 1 to 2 shequ seniors centre offering home or respite care. Shequ seniors' association plays a beneficial role.
Property management	a) New residential compounds are carrying out property management. Old residential compounds are gradually engaging in property management. Property management

	companies, homeowners' associations, and residents' committees have a coordinated relationship.
	b) Shequ has established a homeowners' association. Homeowners have selected a property management company through market competition mechanisms. Property management company operates according to law. Homeowners protects their rights and fulfills their obligations according to law.
7. Well-kept Shequ (80 points)	
Health and sanitation	a) Shequ has no dilapidated, decrepit, and illegal structures. Pathways are not blocked and not used as storage. There are no illegal vendors. There are no posters and graffiti on walls.
	b) Wastes are sorted for recyclables. Waste disposal has a fixed location and time. All garbage is bagged. There are no neglected corners, litter, waste water, and illicit dumping.
	c) Shequ actively promotes patriotic health and sanitation activities and initiates Saturdays as "volunteer labour day." Shequ has done well in the work to rid the "four harms" – mosquitoes, flies, mice, and cockroaches. There are no mice, mosquitoes, and fly breeding grounds; and bait stations have been set up according to standards. Residents do not have unlicensed pets. Dogs are appropriately walked. Pigeons are kept according to regulation.
Orderly management	a) All signs of place names have been standardized.
	b) Motorized and non-motorized vehicles are parked with order.
	c) Roads are evenly paved, with no potholes and pools of water. Septic tanks do not overflow and drains are not obstructed. Public infrastructure is adequate and well-maintained.
	d) In the area of health, sanitation, and environment protection, shequ has a volunteer group, an area for disseminating related information, and management guidelines.
8. Green Shequ (80 points)	
Environment protection	a) Shequ has developed public education activities on the theme of harmonious relationship between man and nature. Shequ has actively raised environmental protection awareness. Shequ residents demonstrate a strong understanding of environment and ecology
	b) Shequ has guided residents to develop good habits of conservation and environmental protection so they self-initiate actions that benefit the environment, such as conserving water and electricity and recycling. Shequ is working towards using 100% clean energy.
	c) Enterprises, restaurants, and major sources of air pollution in the shequ are being effectively monitored. Exhaust and noise pollution meet local standards. There are no coal-burning boilers under 4 tons. There are no protests arising from environmental pollution. There are no serious environmental pollution incidents reported in the shequ.
Environment beautification	a) The layout of green space is appropriate. There exists a high level of greening, beautification, and cleanliness in residential compounds. Green space makes up at least 30% and 25% of new and old shequ respectively. Spaces that should be planted with greenery are gradually done so. New residential compounds have green plants four seasons of the year, and flowers three seasons of the year.
	b) Residents have a high awareness of greening the environment. Shequ is well landscaped. There are no signs of damage to or encroachment on shequ green space.
	c) In the area of greening and maintenance, shequ has dedicated a staff and has taken responsibility and measures. Residents have a satisfaction rate of at least 95%.
9. Civilizing (*wenming*) Shequ (140 points)	
Improving civility	a) Shequ promotes activities that build civility such as acknowledging "wenmin building" and "wenmin family." At least 85% of families are "Wenming Family"; at least 50% of buildings are "Wenming Building." Family planning has an attainment rate of 99.9% (including hukou residents and migrant population).
	b) Shequ has bulletins and display windows to promote civility, rule of law, and

	popularizing science. Contents are changed monthly. The dissemination of legal knowledge reaches at least 90% of the population.
	c) Shequ residents can deal with matters following the rule of law. Residents take rational and legal measures in protecting their self-interests and rights. Residents are able to use legal mechanisms to challenge illegal conducts, building a social morality that upholds good and punishes evil.
Collective learning	a) Shequ has coordinated various educational resources and assembled a group of qualified teachers who can meet the needs of residents. Shequ has established various educational facilities to meet the needs of various social groups.
	b) Shequ has established a learning network that facilitates lifelong learning.
	c) Shequ has created activities to promote a shequ of learning and families of learning. Activities reach 40% of the population.
	d) Shequ has facilities for the popularization of science. Contents of bulletins are changed at least 6 times a year. Shequ holds activities to popularize science at least 12 times a year.
Frequent activities	a) The legal rights and interest of the elderly, women, and youth are protected. Shequ demonstrates concern for the moral education of youths and continuously improves the social environment youths are growing up in. School enrollment rate in the nine-year compulsory education is 100%.
	b) There is a plan for the establishment of a counseling office with defined responsibilities and activities. There are at least 5 residents who are responsible for observing social morality and they conduct monthly surveys. According to need, shequ organizes and plans a month-long event to raise awareness of social morality.
Culture and sports	a) Shequ's indoor, multi-purpose facility averages at least 100 sq. m. for every 2000 residents. Shequ has a library with at least 1000 volumes and at least 6 newspaper and magazine subscriptions. There is a paid staff to promote cultural activities and a social organization for armature sports that organizes at least 12 activities annually.
	b) Shequ seriously implements the "National Fitness Program", promoting a residents-led sports organization that frequently organizes fitness activities. At least 45% of residents engage in physical exercises. Shequ regularly holds forums on physical fitness. Public fitness facility averages at least 0.15 sq meters per person. There is a sports instructor for at least 12 out of 10,000 persons.
	c) Work units have opened their recreational and sports facilities to shequ residents, with an opening rate of at least 90%.
Interpersonal relations	a) The relation between neighbours is harmonious; conflicts are properly resolved.
	b) At least 5% of the total shequ population participates in shequ activities.
	c) Cases of domestic violence complaint are less than 1.5 cases per 10,000 households.
	d) Incidents of elderly abuse or neglect are less than 1.5 incidents per 10,000 households.
10. Active Participation (50 points)	
Bravely innovate	a) According to local conditions, shequ has created an identity or brand, showcasing a distinguishing characteristic. Shequ bravely puts ideas into practice and innovates. Shequ's innovations are recognized by the street office, district, municipality, and province; and are reported by municipal and provincial news media.
Extensive participation	a) Annually 40% of the work units located in the shequ and 50% of residents participate in shequ activities. Residents have a satisfaction rate of at least 90% toward shequ construction.
Excellence	a) Shequ has received awards from the district level and above (district level 5 points, municipal level 8 points, provincial level 10 points, national level 12 points).

Appendix 5: Nanjing urban shequ and rural village standardization measures

Nanjing Municipal Civil Affairs Bureau (2007). "City of Nanjing Shequ Residents' Committee and Village Committee Standards," in 关于加强全市社区居委会和村委会规范化建设的意见 (Recommendations for the Strengthening the Construction of Standardization of the City's Shequ Residents' Committees and Village Committees), Document 10. Unofficial translation by author.

Categories	Urban Standard (100pt)		Rural Standards (100pt)	
1. Function	1.1 Shequ lawfully executes the following 10 fundamental functions: 1) disseminate information, 2) implement community meeting resolutions, 3) community service, 4) monitor and supervise, 5) plan and formulate programs, 6) has open channels for discussion, 7) mediate conflicts, 8) maintain public security, 9) assist with government affairs, and 10) communicate residents' opinions.	5 pt	1.1 Village disseminates the Constitution, laws, and state policies. [Initiatives are undertaken] to instruct villagers on their legal responsibilities including filing taxes, obligatory military duties, and family planning; to protect villagers' lawful rights and interests; to liaise comments and make suggestions to the People's Government.	2 pt
	1.2 According to related laws and regulations, shequ actively assists in government work.	3	1.2 Village lawfully manages collective land, resources, and finances. [Initiatives are undertaken] to instruct villagers on the responsible use of natural resources and on protecting ecology and environment.	2
	1.3 Shequ actively fosters and trains shequ social organizations to undertake tasks downloaded from government agencies.	3	1.3 [Initiatives are undertaken] to support and organize villagers in the development of various collective economic endeavours; to shoulder village production's service and mediation work; to protect the collective economic organization, and villagers' property rights and economic interests.	2
	1.4 Shequ has established a community public service station, developing the "one-stop service stations" model.	5	1.4 [Initiatives are undertaken] to carry out village economic and social development planning and implement annual plans; to manage village's public affairs; to develop cultural education and general scientific knowledge learning to combat feudal superstition and other social ills; and to construct a new model of socialism.	2
	1.5 Shequ incrementally moves toward filing its work ledgers electronically.	2	1.5 [Initiatives are undertaken] to mediate disputes and promote unity and stability; to assist the People's Government in protecting villagers' production, way of life, and social security.	2
			1.6 Village meetings and villagers' representative meetings are convened. The decisions and resolutions of the meetings are implemented.	2

			1.7 The villagers' committee protects and implements other responsibilities as dictated by laws and regulations.	2
2. Regulation	2.1 Shequ has strengthened various democratic institutions. This refers to having: a shequ residents' representative council; stated responsibilities for shequ work committees; stated responsibilities for shequ workers; a system of democratic fiscal management; a system of making shequ affairs public; a communication system between residents' committee and residents; a community covenant; an outlined process for handling public affairs.	6	2.1 Village has strengthened various democratic institutions. This refers to having: a communication system with villagers; a system for making village affairs public; a procedure for monitoring village affairs; a system of democratic financial management; a procedure for democratically evaluating village cadres; a financial audit procedure for village cadres who have fulfilled their term or leaving office; a procedure for the joint meetings of village CCP branch and villagers' committee; a village self-governance guideline or covenant; and stated responsibilities for work committees. Information is made public through appropriate means.	8
	2.2 Using appropriate means, regulations, policies, and work progress are made public. Rules and regulations are posted on walls. Shequ circumstances and the progress of main initiatives are announced in the lobby of the service station. Other rules and regulations are put up in corresponding facilities. Important regulations are made into work booklets and leaflets to inform residents.	3	2.2 Village has lawfully elected a villages' representative council. The council meets twice annually and makes decisions regarding general concerns of villagers. The council is called into session when serious circumstances arise. Decision making follows procedure and minutes are recorded.	12
	2.3 Shequ residents' representative council meetings are held at least twice annually. Shequ residents' committee must make work reports to the council.	4	2.3 The policy of "villagers' committee director possessing one vote" (*cunweihui zuren yizhibi*) is implemented.	6
	2.4 Shequ democratically manages its finances, and gives the shequ director only one vote.	5	2.4 Village has lawfully established a small group for monitoring village affairs and a democratic financial management small group. Contents of public documents reflect the truth, processes are regulated, and monitoring mechanisms are implemented.	4
			2.5 Villagers' committee reports their work to villages' representative council annually, and provides written materials.	4
			2.6 Once or twice annually, villagers' committee cadres report their work and receive feedback from villagers' representative council. In cases where the cadres are deemed incompetent, they can be removed from office by legal process.	4

3. Physical Infrastructure	3.1 The shequ office and public service infrastructure adhere to the standard of not less than 20 sq. m. per 100 households. The office and service facility of the shequ residents' committee is at least 200 sq. m.	10	3.1 The office and service facility of the villagers' committee is at least 500 sq. m.	6
	3.2 The location of the shequ residents' committee is easily accessible by residents and suitable for the development of services. In principle, it should not be part of residential buildings. If it is, it should be on the first or second floor.	3	3.2 Villagers' committee has the following facilities: 1 point (for fitness); 2 stations (for services, family planning); 2 bulletins (for villagers' concerns, announcements); 9 rooms (for village CCP branch, villagers' committee, finances, resources, discussion, mediation, education, library, and activities).	6
	3.3 Only the plaques of the shequ residents' committee and the shequ party committee are hung on the office door of the shequ residents' committee.	3	3.3 Only the plaques of the villagers committee and the village CCP branch, and a village suggestion box are hung on the outside office walls of villagers' committee office.	2
	3.4 Shequ has the basic facility of "5 rooms [CCP branch office & residents' committee office, security office, multi-purpose room, library, and resource room], 3 stations [service, labour, family planning], 2 bulletins [residents affairs, general announcements], 1 residents' learning classroom, and 1 residents' fitness and activities centre.	8		
	3.5 The space for public services and activities comprise at least 2/3 of the total shequ work space.	4		
4. Staff	4.1 The shequ residents' committee director, vice director, and members are elected.	4	4.1 Elections strictly adhere to the *Jiangsu Province Village Committee Election Regulation*.	10
	4.2 The hiring of social work staff and the election of residents' committee occur at the same time. The district and street office collaboratively organize and implements [following the principle] of hiring by local residents in matters of local management, and lawfully sign work contracts.	4	4.2 Villagers' committee members have learned related laws and regulations, and the policies of the CPP and state. They regularly participate in district, street office, and township training activities.	3
	4.3 There is 1 shequ staff for every 400 households. In shequ with a concentration of families in need, such as affordable housing compounds, there is 1 shequ staff for every 200 to 300 households. Staff has at least a high school education level.	4	4.3 Village affairs management staff who benefits from subsidies provided by the collective shall be subject to at least one democratic evaluation annually.	5
	4.4 Social work staff hired by specific departments (family planning, labour,	3	4.4 Village cadres who have fulfilled their term or who are leaving their post must	4

	minimum income assistance) is managed together with the rest of the shequ staff and undergoes regular training.		undergo a financial audit.
	4.5 Shequ has established regulation and procedure for evaluating, rewarding, and penalizing shequ staff. Shequ encourages staff to have professional certifications. Shequ has established comprehensive and effective long-term management and incentive mechanisms.	6	
5. Work Insurance (RC only)	5.1 Each district has a budget of 20 thousand RMB per 1000 households for shequ work, and an established mechanism for its incremental increase. The two counties, depending on circumstances, can decrease this amount. Depending on circumstances, this amount can be increased for shequ with a concentration of families in need, such as affording housing compounds.	6	
	5.2 The monthly salary of shequ staff is not less than 150% of the locality's minimum wage. Staff must participate in social insurance plans, including pension, unemployment, and medical.	8	
	5.3 Pension received by retired residents' committee directors is not lower than the locality's minimum wage standard.	4	
6. Shequ Services (VC only)			6.1 Depending on the production and circumstances of villagers, village promotes various social and cultural organizations, raising the organizational capacity of villagers. Village regularly develops activities through its sociocultural and volunteer organizations.	2
			6.2 Village actively develops services that are related to production and bring benefits and convenience to villagers' daily life. Village has built its own means of production, rigorously expanding agricultural technology training.	4
			6.3 Village actively assists the government in service work related to employment assistance, elderly care, and support for the handicapped.	4
			6.4 Village actively develops popular cultural activities, enriching villagers' leisure life.	2