Keywords: Networks, Civil Associations, Local Governance.

Abstract. Due to the housing reform, a large number of homeowners’ associations have been established in urban China, and they play an increasingly important role in the reconfiguration of neighborhood space and community power structure. This paper examines the function of this kind of civil associations in neighborhood politics and the dynamics of their operation. It finds that, although the establishment of homeowners’ associations was due to the formal institutional change which had been initiated by the state, their actual operation is influenced by local social networks. In other words, through these formal civil associations, informal networks wield influence in local power structure. On the one hand, the existence of informal networks facilitates civil resistance against the domination of local authorities and citizens’ struggle for community autonomy. On the other hand, the extensive deployment of informal networks may lead to the formation of faction politics and oligarchy of a few privileged citizens to the exclusion of other ordinary citizens. The result of these interactions and struggles further shape and reshape neighborhood space. Therefore, informal networks have contextual influence on neighborhood space and local governance.

1. Introduction

The past decade has witnessed the great impact of market-oriented reforms on socio-political life in urban China. Since the 1990s, China’s urban grassroots governance has shifted from a system based on state-owned work units to one based on neighborhoods which are led by local government [1]. Therefore, neighborhood has gradually become a main site where the interests of government agencies, commercial organizations and citizens are negotiated. Especially, with the privatization reform of housing, there have emerged a large number of homeowners’ organizations (usually called as homeowners’ committee/HC, or yezhu weiyuanhui) in neighborhoods. These civil associations have been extensively involved in local public affairs, which imposed great impact on the relations among state, commercial organizations and citizens, and they thus promote the formation a new type of social relations among these actors as governance space.

After the 1949 Revolution, except state-sponsored “mass organizations” like residents’ committees, trade unions, communist youth leagues and women’s federations, which were employed by the state to control citizens, independent civil associations in grassroots communities was banned in urban China. Therefore, the formation of HCs in the 1990s implies a drastic change in neighborhood politics.

2. Housing Property, Civil Associations and Local Political Space

There have been many research on housing arrangements and homeownership, with researchers engaged in a heated debate on their influence on political space, especially on homeowners’ everyday social interactions, community involvement and political participation. Some researchers argued that, compared to renters, homeowners are friendlier to, and interact more with, their neighbors [2]; and they are more likely to participated in local affairs and community associations [3-6]. Other previous research also suggested that “Homeowners tend to be more politically active
than non-owners,” and they tend to participate in politics at various levels, through community activism, civil associations or voting [7-9]. Furthermore, a few researchers claimed that housing arrangements affect the initiation and consequences of urban social movements [10].

However, other researchers defied some of the above-claimed socio-political effects of homeownership. They found that renters are more active in interacting with their neighbors than homeowners, and homeownership “was not found to be a significant predictor of the total number of (local) meetings attended.” [10] Many research also suggested that community attachment and local participation of residents are primarily related to their age, socio-economic status, length of residence, residential stability, family structure, neighborhood networks and local identity, rather than homeownership [12, 13].

Till now, there has been little research that has systematically examined the effects of the housing reform and homeowners’ associations on China’s local governance. Benjamin L. Read’s (2003:33) suggested that the actions of HCs in new neighborhoods “show that owners of costly new homes are often not content to accept the management arrangements that are imposed upon them by developers and the state… this illustrates one way in which China’s relatively wealthy strata are beginning to assert themselves, defending their material interests in ways that have important political implications at the micro level.” [7]

He claimed that homeowners were generally prudent when dealing with local authorities [6]. And he concluded that “for most residents of Chinese cities, housing reform in the form of privatization of existing housing stocks has so far done little to change the opportunities for participation available to them.” [7]

Based on their research on a neighborhood of “sold public homes”, Cao Jingqing and Li Zongke (2000) examined the role of HCs in the management of this kind of neighborhoods [14]. Contrary to Read’s conclusion about the effects of housing reform on such neighborhoods, they found that some HCs, due to the vital role of their leaders, positively affect local governance. But their research is limited to examine the relations between HCs and property management companies. The relations between HCs and other actors in the field of neighborhood politics like government agencies, RCs and ordinary residents as well as the internal operation of this kind of civil associations have not been fully examined. There is other research suggesting that, beyond the direct manipulation of government agencies, the HCs are likely to be an engine of neighborhood democratization[15]. But how these newly-formed civil associations can affect local political space and civil engagement is inadequately addressed. This paper addresses the dynamics of local governance space in contemporary urban China, and explores the main factor (re)shaping this space. In particular, this study explores the ‘external’ effects of HCs on the wider polity or political space, and their ‘internal’ effects on individual members. Specifically, it addresses the following questions: To what extent do they represent the interests of residents? What is their influence on local governance and democratization? I argue that the transformation of local governance space is dependent on social networks in neighborhoods, which wield influence through homeowners’ organizations.

3. Homeowners’ Organizations and Local Politics: A Discussion

3.1 Homeowners’ Organizations and Local Governance Space

This paper looks at the relations between homeowners’ organizations and local administrative authorities, and commercial organizations as well. It finds that, wielding state policies, some homeowners’ organizations do not hesitate to directly argue with the local authorities and commercial organizations to articulate their interests. Based on their “rightful resistance” [16], well-organized homeowners’ organizations can be positively engaged in local decision-making. And
these civil associations are also officially approved as a pillar of the community power structure. Furthermore, homeowners’ organizations also affect citizen’s behavior in the field of neighborhood politics. In the neighborhoods where homeowners’ organizations operate well, some active residents tend to utilize these civil associations to participate in local public affairs. Therefore, the emergence of homeowners’ organizations has changed the situation of community participation and local governance space in urban China.

The research also finds that market-oriented housing reform and the empowerment from the authoritarian state provide “political opportunities” for independent homeowners’ organizations to emerge. To facilitate housing reform, the state employed market forces like estate developers and property management companies to construct and manage physical neighborhood space. But the state does not have strong administrative ability to effectively monitor the large number of commercial organizations by itself. Therefore, it had to enact laws to empower citizens themselves to oversee the work of the commercial organizations. However, local social networks are responsible for diverse situations of the operation of homeowners’ organizations. The establishment of a well-organized association is usually based on tense networks among local residents. When dealing with public affairs, homeowners’ organizations tend to utilize networks to realize their mobilization. Therefore, informal networks affect the operation of Homeowners’ organizations and the transformation of local governance space.

3.2 Homeowners’ Organizations and Local Faction Politics

But there are also many problems with vibrant homeowners’ organizations. Existing research has indicated some limitations of civil associations. As Robert Michels (1949) pointed out, although many mass organizations proclaim to promote democracy, most of them would finally shift to the “oligarchy” of a few elites [17]. Fukuyama (1999) also claimed that there was potential problem with associational activity—low level of trust [18]. According to him, associational activity usually just unites a few like-minded people, and thus has a small “radius of trust”. This study finds that homeowners’ organizations in China face similar problems. Actually, most homeowners’ organizations are dominated by a few. Due to low level of trust among residents, the enthusiasts tend to employ guanxi networks, which is exclusive in nature, to form factions to compete against one another for power. Therefore, the oligarchy of neighborhood enthusiasts further leads to the formation of local faction politics [19]. Hence, with the development of homeowners’ organizations to some extent, the primary problem within neighborhood governance space has gradually shifted from the conflicts between homeowners and local authorities, and commercial organizations as well, towards those among resident factions. These factions are built on personal networks of guanxi among a leader and followers. Such networks are usually based on common interests or the exchanges of small favors involving little personal emotion.

The formation of faction politics has adversely affected neighborhood governance and impeded complete local democratization. Firstly, these factions are bonded by diverse principles or networks, which leads to the intersection of factions along many lines of different issues. As a result, conflicts among them will result in many social splits in neighborhoods. Secondly, factions are not really much concerned with the well-beings of the whole community, and instead they fight against one another for power. As one leader of one faction commented, “there will be no faction if everyone is concerned with the benefits of the whole public.” An local official also said, “they often come to complain about their opponents, but what they highlight are always personal problems among them.” The ceaseless conflicts among factions make it hard for agreements beneficial to the whole community to be achieved. Thirdly, the existence of factions makes it feasible for local authorities to adopt a divide-and-rule strategy to impose control. Fourthly, those factions failed in competition cannot equally voice their concerns. The faction had conceded could not participate in HC affairs.
any more. Hence, there is a dilemma in the development of HCs in urban China. On the one hand, most people will not bother to spend time participating in HC affairs, which results in collapse of this kind of civil associations in many neighborhoods. On the other hand, some homeowners join in HCs just to get material benefits or power. Therefore, in the developed neighborhoods, even though residents are able to resist against the absolute power of local authorities outside of their communities with their own associations, they also face the “inside” problem of factionalism and the “oligarchy” of faction leaders. This dilemma in the development of homeowners’ organizations further affects the reconstruction of local governance space contextually.

4. Conclusion

This paper examines the operation of homeowners’ organizations and their influence on local political space. It finds that, the formation of homeowners’ organizations has provided opportunities for citizens to participate in local public affairs. In many respects, these civil associations have begun to challenge authority of existing state-sponsored institutions. Those well-organized homeowners’ organizations greatly promoted neighborhood autonomy, and they thus have ‘external’ effects on the wider polity by enhancing interest articulation and interest aggregation. Therefore, the self-governance activities of citizens through homeowners’ organizations has led to the transformation of local governance space, and greatly affected socio-political life at the local level.

This research also explores the problems of homeowners’ organizations—the tendency towards ‘oligarchy’ of a few enthusiasts and local faction politics. Actually, as the existence of small ‘radius of trust’ and splits found in this kind of civil activity contradicts Robert Putnam’s conclusion (1993:90) about the internal effect of civil associations that they “instill in their members habits of cooperation, solidarity and public-spiritedness” [20]. Therefore, even vibrant homeowners’ organizations will not necessarily result in neighborhood democratization.

This research also finds that, although the establishment of homeowners’ associations was the result of market-oriented housing reform and empowerment of the state, their actual operation is influenced by local social networks. On the one hand, the utilization of social networks facilitates the independence of homeowners’ organizations against the domination of local authorities and market forces. On the other hand, the extensive deployment of guanxi networks may lead to the formation of faction politics and oligarchy of a few privileged citizens to the exclusion of other ordinary citizens [19]. Therefore, traditional networks shapes, and has contingent and contextual influence on, local governance space.

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