Old wine in new skins? China’s neighbourhood transformation from danwei to shequ

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Manuscript submitted: 31 October 2018 / Accepted for publication: 27 June 2019 / Published online: 19 July 2019

Abstract
In this paper we argue that the urban neighborhood is a social product that serves as an instrument to ensure the social stability. Since the founding of the People’s Republic of China in 1949, the socialist work unit (danwei), which assumed a basic role in socialist policy and the embodiment of the institution, has been the elementary social cell in the planned economy. With the decline of danwei and the introduction of shequ in the market-oriented economy, neighbourhood transformation exercises a deep influence on social integration and personal unfolding and poses a big challenge for social coherence. After exploring the neighborhood concepts in the Chinese context, the paper tracks the trajectory of neighbourhood transformation from danwei to shequ and analyses the practice of neighbourhood management. It concludes that the new practice of neighbourhood management remains a sort of ‘old wine in new skins’ in regard of its top-down approach.

Zusammenfassung

Keywords China, neighbourhood transformation, danwei, shequ

Gequn Feng, Fang Chen 2019: Old wine in new skins? China’s neighbourhood transformation from danwei to shequ. – DIE ERDE 150 (2): 72-85

DOI:10.12854/erde-2019-419
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1. Introduction

The neighbourhood is a key dimension for maintaining social cohesion (Forrest and Kearns 2001). All human activities involving political, social, economic and cultural affairs are locally anchored and attached. Micro-spaces of the city play a central role for the human being and personal flourishment (Jacobs 1961; Alexander 1979; Whyte 2001; Lefebvre 2014). They are crucial for the conduct of everyday life, social reproduction, and the construction of social meanings. In the perspective of ordinary citizens, the city may be thought of as a dense, complex, and often contradictory web of meaning that, however difficult to disentangle, are yet essential to the good life (Friedmann 1999). Unfortunately, these meanings are difficult to decipher from the perspectives of strategic master planning, quantitative index systems, or theoretical models, which may appeal to the local authority. Given this lack of representation, dynamic change occasioned by planned interventions that are conceived at macro-scales leads to the alienation of the city’s lived spaces, causing widespread anomie, destroying individual as well as community bonds, and deepening an already pervasive sense of powerlessness of local inhabitants. The response to this problem must begin with an acknowledgment of the importance of places for the conduct of everyday life (Friedmann 1999; Lefebvre 2014). Therefore, it is high time for urban scholars to reclaim the neighbourhood. In doing so, it is necessary to understand the neighbourhood transformation from historical as well as contemporary perspectives.

Before analysing the practice of neighbourhood governance and its transformation in China, it is necessary to clarify some basic terms related to the neighbourhood in the Chinese context. Generally, the term refers to the immediate surroundings of homes and the relationship between the neighbours. It serves as an articulating interface of political negotiations and social intervention between the state and its citizens (Webster et al. 2005; Read 2012). Nevertheless, the connotation of the neighbourhood is culturally, socially and politically embedded. There are a number of generally used definitions of neighbourhood, such as “an area where the residents are drawn and held together by common and beneficial interests” (Choguill 2008: 42). As such, the concept of neighbourhood has drawn great interest by human geographers, urban sociologists and political scientists over the recent decades.

In the context of China, however, the concept has always been spatially embedded in the administrative structure since ancient times (Bray 2005; Friedmann 2005; Tomba 2005; Meyer 2009; Read 2012). The neighbourhoods serve as platforms for social gatherings, recreational and communal activities, but also for administrative grassroots engagement, in which the state creates, sponsors, and manages organisations that facilitate governance and policing by building institutional-personal relationships within the collective society (Heberer 2009; Read 2012; Audin 2015). From the power perspective, China adopts a model of two levels of government (city government and district government) and three levels of administration (adding the street office) (Bray 2006; Wu 2018) (Fig. 1). The term ‘community’ in China, however, unlike the understanding in the English literature, which is often related to civil society, individual empowerment, social justice and grassroots initiative, is confined within a narrow and specific definition underpinned by three key characteristics: first, the nature and functions of the community are to be determined by the government; second, the community performs a largely administrative role; and finally, each community has a clearly demarcated territorial space (Bray 2006).

Accordingly, the Chinese community (shequ) is designated as the basic unit of urban social, political and administrative organisation, aimed at developing a shared identification resting on common interests and needs. Geographically, every shequ catchment area includes several residential quarters (xiaoqus), also called neighbourhood blocks, neighbourhoods for short. In terms of governance, each community has its own community committee, neighbourhood committee or residents’ committee (shequ jumin weiyuanhui) and each is in charge of the residents living in that community. The home owners are entitled to vote for their homeowners’ association (HOA), a sort of civil organisation which represents the interests of the owners and safeguards their related concerns. Currently, with the introduction of the grid management system at the community level and the increasingly sophisticated digital technology, the neighbourhood is becoming more a political instrument to regulate, control and supervise individual behavioural patterns (Hornby 2016; Kostka 2019). This topic will be elaborated later on in this paper.
Fig. 1 Structure of urban governance in Chinese Cities. Source: Own elaboration

Normally, the average size of a shequ is between 5,000 and 12,000 inhabitants. Due to growing urban sprawl and the influx of migrants into the cities, the total number of these neighbourhood organisations has increased rapidly. In the period from 2009 to 2016, the number of street offices increased from 6,685 to 8,105, while the number of residential communities grew from 85,000 to 103,000 (Ministry of Civil Affairs 2018). These are not just the pure figures; they suggest also the social-spatial transformation and possibly more administrative organisations for the neighbourhood governance.

From the functional perspective, the Chinese neighbourhoods are also understood as a place for teaching and internalising ‘civilised behaviour’, for the ‘moral development’ of society as well as the elevation of the people’s ‘moral quality’ (Bray 2006). Visible and ubiquitous posters repeatedly emphasise that the change in values, the creation of public morals and a social awareness of the people are ‘central factors’ and goals of community development (ibid). An illustrative example is the indoctrination of ethics by big characters publicised on the walls of many shequs: ‘love the fatherland and observe all laws’; ‘be courteous, honest and sincere’; ‘show solidarity and be friendly’; ‘be industrious, frugal and progressive’; ‘have respect for work and make sacrifices’; ‘resolutely root out black and evil forces’ (The Economist 2014, 2018, 2019). It is primarily patriotism, the internalisation of moral values through propaganda campaigns, social control, and the conscientious compliance with required standards and official instructions, which are supposed to result in the development of ‘civic morality’ (Bray 2006; Heberer 2009). These slogans, in which the state authority articulates its will to the individual citizen, have always been a feature of the urban landscape in China.

After 40 years of opening and reform, China’s neighbourhoods have witnessed a significant transition from danwei to shequ, and the profiles of the neighbourhood become more diverse. As an academic response, studies on the neighbourhood transformation have emerged (Friedmann 2005; Ma and Wu 2005; 2018; Bray 2005; 2006; Read 2003 2012; Tomba 2005; 2014). Most are based on the three stages: the planned economy system prior to reform, in which the danwei played the predominant role in the neighbourhood governance (Yang and Zhou 1999; Bray 2006; Friedmann 2005; Hebel 2009), while the residents’ committees (juweihui) served as a complementary organisation (Read 2000). The second period is after the dissolution of the danwei, in which Chinese cities have seen the influx of migrants, private sector workers and laid-off workers who have fallen out of danwei system, and thus it was an imperative to reconnect those outsiders with the state (Bray 2006; Friedmann 2005; Heberer 2009; Heberer and Göbel 2013; Logan 2008). Since the initiative of the community building (shequ jianshe), more scholarship is concentrated on the civil society (Heberer 2009; Read 2003, 2012; Xu 2008; Tomba 2005, 2014); network building (Read 2012); neighbourhood elections and welfare delivery (Derleth and Koldyck 2004; Friedmann and Chen 2011). With the socio-spatial heterogeneity and individual awareness, there is more literature on the emergence of new residential forms in China, especially on gated communities (Breitung 2012; Huang 2006; Zhang 2010), social coherence (Ma and Wu 2005; Zhu et al. 2012), homeowners’ associations (Fu and Lin 2014), and everyday lives (Audin 2015; Tomba 2014; Wan 2016). To name a few, it indicates how proliferated the rapid urbanisation has inspired the academic scholars on the neighbourhood transformation. Focusing on the last 40 years of market reform, we will attempt to tell a story about Chinese neighbourhood in a multi-layered dimension.

From the brief review, we can see that both danwei and shequ have played an essential role for the state building and social stability in the old and new systems respectively. The question is then, how different is the practice of shequ building from the spatial regime of the danwei system? To answer this question, we need to understand the trajectory of China’s neighbourhood development as political and social constructs. The paper is divided into five sections. In the first section, we have discussed the terminology of neighbourhood in Chinese context and its research progress. In the second section, we describe the key
features of the *danwei* and its spatial organisation. In the third section, we examine the dismantling of the *danwei* in the market economy, and its impact on the urban socio-spatial structure. In the fourth section, we present the ongoing practice of community building and document a neighbourhood case with its spatial transformation and organisational structure. The paper concludes that the new practice of neighbourhood management remains a sort of ‘old wine in new skins’ because of its top-down approach.

Our focus throughout the paper is on the spatial governance at the neighbourhood level with regard of the social coherence in China. The paper is generally based on a literature review, longitudinal observation and documents from central and local authorities.

2. The spatial organisation of urban neighbourhoods in the planned economy – *danwei*

At the beginning of the People’s Republic of China (PRC) in 1949, the Chinese leaders had little experience in administering large cities (Friedmann 2005; Stapleton 2013). With strong support from the former Soviet Union, China had adopted the ideology of Leninism with Chinese character. In the cities, *danwei* were the predominant organisers of neighbourhood life (Wu 2002; Bray 2005; Friedmann 2005; Li and Li 2019). Meanwhile, the street offices (*jiedao*) and residents’ committees (*juweihui*), as a kind of neighbourhood agents, were established to facilitate industrial production, ideological inculcation, political and social control for the minority of the population who did not belong to the *danwei* (Whyte and Parish 1984; Friedmann 2005; Bray 2006; Zhu et al. 2012). Under such a political arrangement, Chinese cities were built as producer centres rather than consumer ones, and the planning focus was on industry, instead of commerce, services or even community (Miller 2012; Wu 2018). Physically, Chinese cities resembled those of other anti-consumerist socialist states in a shortage world involving all aspects of livelihood and social production, through which national policy was articulated, and in which the nexus of government, society and individual was anchored (Lu 1989; Yang and Zhou 1999; Bray 2005; Li and Li 2019). In this context, every factory, school, hospital, store, government bureau etc. organised its personnel into a *danwei* compound, with an associated China Communist Party (CCP) branch to take leadership.

The *danwei* compound was demarcated with a geographical, administrative and social boundary, resulting in a dual social structure between urban citizens and rural farmers. The whole city developed more as a collection of self-contained and spatially defined *danwei* compounds, invariably marked out by a high surrounding wall. The compound wall operates as a marker of social space, the wall marks the realm of the ‘production unit’ and the space within which the *danwei* reigns (Lu 1989; Yang and Zhou 1999; Bray 2005). On the walls, red political slogans were often posted to circulate the state policy and political ideology. Within the *danwei* compound, all the functional elements of production, living, service and recreation for the workers and their families were located and
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spatially organised. The production area was composed of workshop, storage and logistics, whereas in the living area the housing buildings, kindergartens, dining halls, shops, schools, and clinics, boiler room and bathhouses were gathered. Besides there was a public square, meeting hall, leisure amenities and green parkland for all the workers and their families (Du et al. 2012; Xiao and Chai 2014; Luan 2014). In the planned economy, there were millions of such danwei compounds, which have ever shaped the Chinese urban structure. A prototypical example is Baiwanzhuang, the first residential community in China after 1949. Located in the second ring of western Beijing, Baiwanzhuang was a danwei neighbourhood for the staffs of four ministries in 1956. Designed by Zhang Kajee, a famous Chinese architect, this danwei compound copied the idea of the Soviet Union’s neighbourhood for the spatial organisation of the residents’ daily lives. It covers an area of 24 ha, including private housing, middle school, public square, green land, cultural centre and commercial shops. Nevertheless, there often existed overlaps of interests or disputed issues between these functions, which demanded compromises and coordination through the danwei system (Wu 2015). Together with the hukou system, all personal activities were strictly disciplined, controlled and supervised.

In the social narrative of the danwei system, the quality of danwei was mainly judged by the social welfare and physical treatment it provided, including housing allocation, medical facilities, education and even access to desired goods and scarce products (Bray 2005; Chan and Buckingham 2008; Zhang et al. 2014; Li and Li 2019). Within the danwei, dossiers were kept on work members that specified their class background – whether they had come from a ‘good’ family of workers or a ‘bad’ family of capitalists, and class background and bad behaviour could stand in the way of a housing assignment or permission to marry. In particular, political performance and loyalty to the CCP played a critical role in treatment and career promotion. The relationship between workers’ treatment and dependent living was once generalised as an ‘organisational dependence’ mentality (Walder 1983; Read 2012; Li and Li 2019). As a result, a mind-set of identity and belonging was formed in the danwei, called compound culture (dayuan wenhua) (Yu 1991; Li et al. 2012). Once a member of the danwei, the individual’s entire personal life, including occupation, daily behaviour and social interaction, was involved and determined. It symbolised immobility and permanence in a compulsory space which offered no alternatives. Public information was channeled exclusively through the state, and any individual initiative was seen as a form of rightist deviation and was disallowed. Once involved, it was impossible to escape.

Despite the egalitarianism in the planned economy, there still existed the social-spatial differentiation between the danwei compounds in terms of the location centrality, building quality, living environment, apartment size and access to public goods (Li and Li 2019). Based on the administrative hierarchy, the most privileged danwei compound is the national institutions (like Baiwanzhuang mentioned above), followed by the provincial organs, then the military compounds, the public institutions at state and provincial level, and the municipal organs, while the non-danwei factories and the traditional neighbourhoods were located at the lowest level. Within the danwei compound, the differential accesses to provisions corresponded to the rankings and status of its members and the personal relationship with the relevant leaders. Such social-spatial differences also follow the principle of “differentiated pattern” (chaxu geju), termed by the social anthropologist Fei Xiaotong, who claimed the order of “the princes are above ministers, ministers (are) above the people” and the ethical relationship coincides with Chinese tradition (Fei 1998: 28), which further shaped the urban structure in the planned system. As a result, the danwei became the basic cell of the spatial regime and the articulation of the national, social and individual continuum, in which the national integrity and social control was ensured, while the organisations like street offices and resident committees played a marginalized role for the urban neighbourhood.

3. The dissolution of the danwei system and the challenge of urban governance

Since the reform and opening in the 1980s, the danwei system has begun to dissolve, and the once interdependent connection between government, society and danwei saw a new transition. Instead of total disappearance, danwei would then be free to pursue their core business while government took over responsibility for the provision of community services to the entire urban population (Wu 2002; Bray 2005; Heberer 2009). Nevertheless, it was supposed to be a temporary approach, at most an effort for the navigation to a new type of neighbourhood governance. Therefore,
it is necessary to examine the paradigm transformation in terms of employment, housing and spatial evolution.

3.1 Employment organisation and approaches

As mentioned above, in the danwei system, each urban citizen who is able to work should be entitled to a job created by the administration, coupled with the corresponding social welfare and healthcare (Chan and Buckingham 2008; Zhang et al. 2014; Li and Li 2019). After the reform, China introduced a new employment policy based on the job contract, and access to jobs shifted from administrative delivery to market orientation, driven by supply and demand (Unger and Chan 2004; Hebel 2009). During this transition, the market mechanism exercised a more significant role, and state owned companies lost their competitive edge and could not afford as many workers as before, leading to a great number of laid-off workers. In the same time, with increasing private enterprises, more employment opportunities were generated, which absorbed most social labour forces, and this could have alleviated the social pressure.

In the market economy, the new labour market functions as a platform through which job introductions, training programmes and unemployment insurance etc. are organised. Together with the companies, these employment organisations prepare various forums and meetings to communicate employment information and facilitate matching laid off workers, graduates, skilled professionals and migrants with jobs (Chan and Buckingham 2008; Hebel 2009). In addition, there are also other employment and recruiting channels, including Internet websites, advertisements, or even informal dissemination on the streets. Once accepted by a company, the worker would sign a contract, which regulates the duration of the job, the working obligations and the relationship between employers and employees.

3.2 The transformation of the housing market

Housing provision was one of the essential functions of the danwei system and symbolised the resource allocation of the planned economy. As long as a worker of danwei was listed in the urban citizen registry, he or she was entitled to enjoy housing allocation at low rent or for free (Chan and Buckingham 2008; Zhang et al. 2014). Given the supply shortages existing under the planned economy, housing space was often crowded and limited (with 4 m² per person on average in China in 1978) (Hua 2006; Li and Li 2019). Up to 1978, nearly 95% of the urban workforce were still danwei employees, and most lived in compounds organising their daily life (Bray 2005).

In 1998, the system of housing allocation was supplanted by a monetary mechanism, which allowed the following options for housing:

- Workers were encouraged to purchase their rented homes with a certain amount of subsidy from the company (Wu 2002; Hebel 2009).
- Workers collaborated as a common owner to build new houses with self-financing under the patronage of their danweis (Unger and Chan 2004).
- Workers in private companies, or entrepreneurs who were affected by demolition and redevelopment projects, could purchase social housing or relocation housing (Wu 2007).
- White collar and middle class workers who could afford to upgrade their residential homes moved into gated communities to enhance security and cultivate a sense of belonging (Breitung 2012).
- Migrant workers could either live in urban villages (which are located in outskirts or encircled by built environment) or in low rent houses provided by the firms recruiting them (Wu 2007).

These different housing options have greatly alleviated pressure on urban housing, avoiding large-scale slums as in other developing countries, and improving the citizens’ living conditions. Such approach has also undoubtedly boosted China’s rapid urbanisation and contributed to the high growth rate of its economic performance, which further stimulates the expectation of the housing market (Wu 2015). Unlike the hard struggle to access an apartment in danwei, it is now about the location, size of the apartment, building quality, neighbourhood relationship and the surrounding environment (Friedmann 2005; Miller 2012; Waley 2016). In other words, housing began to define the individual’s daily life or even their life destiny (e.g. access to public facility; or as a precondition for the school enrolment, marriage of young couples, raising children, or taking care of elders). Increasingly, the individual customised housing style is flourishing with the new social diversity in terms of spatial arrangement and organisation (e.g. with a fitness room, study room, sleeping room, guest room, kitchen and WC).
a result, housing has become a symbol of self-realisation and social status for citizens.

With the increasing income generated by economic development, housing has become an ambition, which, conversely, fuels the real estate growth over the past years. Nevertheless, with the slowing down of economic increment and the market saturation, the inventory assets are emphasized and the concerns of the neighbourhood are upgraded. The citizens begin to care more about their life quality, personal aspiration and the sense of community. On the one hand, the environmental awareness like Nimbyism, travel and tourism, shopping, fitness, and cultural activities, which are all generated and encouraged (for the consumption driven economic development) (Friedmann 2005; Miller 2012; Waley 2016); on the other hand, voluntary groups and social activities aimed at improving the quality of the community are flourishing, which are motivated by citizens and tolerated by the local government. As a result, different programmes aimed at improving the community structure are practised and promoted (Tomba 2005; Wu 2018).

3.3 The urban socio-spatial restructuring

With the market-oriented economy and housing reform in 1998, the whole urban space is being restructured in forms of Fordism, Modernism and Post-modernism (Wu 2015). Driven by the boom of the private companies, a bulging middle class of entrepreneurs has emerged, who became the first group to purchase the luxurious apartments and villas in the favourable locations. Increasingly, the introduction of housing transaction system has prompted the reshuffle of the housing distribution structure. Such monetisation and deregulation of the housing market has enhanced socio-spatial transformation, causing mosaic landscapes to arise within a city, which resulted at least in three types of housing and neighbourhood:

- Old tenements and lane- or courtyard-housing in the inner-city, in which jiedao and juweihui have played a significant role in organising local collective industries as well as political and social life, and where most housing was put under the control of the municipal housing bureau during the socialist transformation (Hua 2006; Li and Li 2019). At the same time, major swaths of the old cities have been cleared for redevelopment into high-rise apartment compounds and commercial complexes, as well as expansive public squares, landscaped boulevards, and other urban amenities as part of municipal governments’ place-making endeavours (Wu 2015; Friedmann and Chen 2011). In the most favourable location, there is the western style of central business district (CBD) and the complex of hotel, office, park, shopping mall, convention and apartment (HOPSCA), where the high-end productive services and headquarters are concentrated.

- Commodity-housing estates in redeveloped inner-city neighbourhoods and newly developed suburban districts, such as the large housing estates or neighbourhoods catering primarily to the nouveau riche and new middle class of professional and managerial workers. The great majority of these housing estates are gated and heavily guarded, and provided with such amenities as landscape gardens, tennis courts, and swimming pools (Li et al.2012). In addition, there are exclusive designated areas like the industrial parks, technological development zones and wholesale centres aimed at bolstering urban development.

- Urban villages and resettlement neighbourhoods on the former urban-rural fringe. In theory, the land in such villages is owned by rural collectives, or collectively by the villagers. Yet these villages today are completely encircled by urban expansion (Wu 2007; Li et al.2012). In fact, much of the land within each village has been requisitioned for development purposes. Deprived of the single most important means of production – the land they formerly farmed – individual peasant households built multi-story housing on the land reserved for their own consumption and rented out the unneeded space mainly to inbound migrants from the vast rural hinterlands.

Among the three housing types, the commercial apartment buildings, which correspond the former privileged danwei compound, dominate the highest quality of the neighbourhood, followed by the newly established resettlement, then the old danwei compound, while the old neighbourhood located at the lowest level of the quality ranking. Within each type, there are detailed categories, e.g. the commercial estates have high, middle class and affordable housing, while the resettlement housings are divided into an old demolition area and the suburban village area. Simultaneously, these housing types have demonstrated distinctive sets of residential experiences and neighborhood relations. As such, these spatial entities
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exhibit an array of behavioral and social markers (Wu 2002; Li et al. 2012). In general, the urban transformation is featuring material fetishism, consumption and philistinism reflected in service and entertainment streetscapes, such as trendy restaurants, beauty shops, KTV (karaoke clubs) and shopping centres. Within the inner city, local residents are crowded out because of skyrocketing housing prices arising from luxury housing development and upgrading infrastructure, generating a process of gentrification. In suburban areas, new housing buildings are booming, driven by strong demand (Waley 2016). With encroachment and the relocation programme, these areas have been converted into the built environment and institutionalised in the urban administrative districts (Wu 2015). Although the former villagers’ status is incorporated into citizenship hukou, most have kept their entrenched behaviours and habits as if they were still living in their traditional rural community with its informal buildings (Roy 2005; Saunders 2012). Urban gardening activities, like planting vegetables or even raising chickens in the neighbourhood, are still prevalent. In the urban villages, there is the widespread thriving of the informal sectors which are so typical of developing countries, such as floating vendors, street hawkers and migrant workers with their families, eking out their livings (Kochan 2015). Meanwhile, most young university graduates who cannot afford decent apartments are living in mortgage houses (Caijing 2013; Huang 2010), or informal places like underground rooms (nicknamed yi zu or ant tribe), tiny apartments (nicknamed wo ju zu or snail-house tribe) or as nomads (Gu et al. 2015).

3.4 Spatial transformation of the danwei compound

In the danwei system, the worker’s house was often located near the factory or within the compound, forming an independent society separated from outside. There are some scholars who view such spatial proximity as certain advantages, including saving time and avoiding traffic jams when travelling to and from work (Chai 2014). With the socioeconomic and institutional transformation, the urban spatial change is also mirrored in the danwei compound. First, the inner land use of the danwei is being intensified via the urban land reform; second, driven by skyrocketing demand, more buildings make the spatial arrangement much more crowded and chaotic. Particularly after the 1990s, the residential land use in danwei saw a dramatic increase after most non-productive facilities, like the auditorium, canteen, workers’ centre and bathrooms, were demolished (Luan 2014).

The freedom of personal mobility between danwei and the outside also contributes to a heterogeneous space. As a result, the danwei that bounded the former workers together has lost its meaning, and the proximity model of working and living has collapsed (Chai 2014). With the increasing density of the built environment, public space, squares and green land are being encroached and squeezed. For those danwei compounds with an industrial function, the production function is relocated to suburban industrial parks, while the old production area within the inner city has been converted to commercial, service and housing use (Du et al. 2012). The dissolution of the danwei system prompted more labour mobility throughout the whole country and neighbourhood heterogeneity was increased. Decentralised economic decision-making legalised previously banned forms of private and semi-private enterprise, opening China to foreign investment and trade, and encouraging workers to move freely at their will (Friedmann 2005; Wu 2015). Consequently, the model of home-work proximity has collapsed and the danwei compound is now integrated into the urban community district.

After the reform, four decades of rapid economic growth have completely transformed China’s urban landscape, and its urbanisation has supplanted industrialisation as the main pillar of regional development (Wu 2015). During this period, the overall rate of urbanisation has increased from 18 per cent in 1978 to 43 per cent in 2005; in 2017 the figure was over 60% (China’s National Bureau of Statistics 2018). In the meantime, more Chinese have enjoyed unprecedented levels of affluence and a surprising degree of personal autonomy and freedom of movement, to accommodate the overwhelming number of new citizens prompts more buildings, facilities and infrastructures. This rapid pace of urban development has resulted in a range of economic decentralization, social mobility and spatial heterogeneity. The cities have seen the influx of rural migrants, laid-off workers and private company workers who are no longer attached to the danwei (Chai 2014). At the same time, the former organisations like juweihui and juweihui were challenged by the formidable social service for different groups (Bray 2006). Given this transitional situation and coupled with the urban individualism, social centrifugal forces began to form, leaving a vacuum of urban governance and social bonding (Friedmann 2012).
2005; Heberer and Goebel 2013; Shieh and Friedmann 2008; Wu 2018). Accordingly, a new form of the neighbourhood governance is urgently needed.

4. The new practice of neighbourhood governance: community building (shequ jianshe)

With the demise of the danwei and the increase of socio-spatial mobility, the public service and welfare delivery for the neighbourhood was withdrawn, and the central government faced the risk of social problems due to the demise of the old governance model (Bray 2006; Heberer 2009; Wu 2018). One of the main challenges was the disappearance of the organisational base for providing social services (Heberer and Goebel 2013; Audin 2015). To cope with this problem and to ensure social stability at the local level, the central government initiated the concept of ‘community building’ (shequ jianshe) in 2000. Defined by housing units, shequ is regarded as an interface between the administration and the population that enables residents to participate in public affairs and decision-making on local issues, which could further increase social connectedness (Friedmann 2005; Tomba 2014). Together with the local government, the shequ forms a kind of grassroots organisation aimed at self-management, education and service to maintain urban stability. All the concerns and complaints of residents, including public policy, social services and organisational activities, should be collected by the shequ, which transfers them on to the local government (Fig. 2). Initially, the shequ management model implies the beginning of a bottom-up civil society under top-down guidance at the local government level (Solinger 1999; Bray 2006; Friedmann and Chen 2011; Heberer and Goebel 2013; Audin 2015). Since its release, major efforts have been undertaken by authorities in most cities to implement and popularize the program of shequ jianshe. The objective is to carry out a major re-organisation and re-ordering of urban society (Bray 2006; Heberer and Goebel 2013). In this respect, the potential implications are significant.

To further strengthen the shequ organisation, the central government issued the document “Views on Strengthening and Improving shequ jianshe” in 2010 (Ministry of Civil Affairs 2010), which identified three main goals of the residential committee, i.e. to enhance the residents’ ability to govern by themselves; to cooperate with the local authority for the public issues; and to supervise community activities. As a management unit, the shequ has a defined territory and population, it is staffed by a corps of professional
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officials trained in the methods of shequ jianshe, and it has a budget (ibid). According to its organisation, the director of the shequ is in charge of overall coordination with support by an assistant director. Each staff member is responsible for a specific area related to the overall goals. Initially, the shequ are supposed to be self-administered entities. In reality, the shequ are less concerned with self-administration but rather with activities which used to be the tasks of the state, like birth control, paying out pensions, examining preconditions for income support to families with no or low income, mediating conflicts among residents, handling divorce applications, care of sick persons, of handicapped people, drug addicts and persons with a previous conviction, and psychological advice (e.g. domestic violence or attempted suicide) (ibid). In concrete terms, these areas overlap. More important, one of their crucial tasks is to mobilize residents to become involved in social community affairs like taking care of the socially weak (elderly, disabled or sick persons, etc.) (Heberer and Goebel 2013). If the shequ jianshe is even partly successful, then, it will reduce the future costs of government considerably. Moreover, it may partially alleviate the dangerous dislocations, ruptures and disparities that currently threaten to undermine the remaining vestiges of state legitimacy in present-day China (Heberer 2009). Nevertheless, the operation of shequ is largely affected by the street office, especially its personal influence on the designation of shequ committee. Such institutional arrangement is often criticised as a kind of participatory bureaucratisation (Audin 2015; Wu 2018).

In 2017, to improve the management and the organisational capability of the shequ under the CCP leadership, the central government issued the ‘Opinions of the CCP Central Committee and the State Council on Strengthening and Improving Urban and Rural Community Governance’ (CPC Central Committee and the State Council 2017). Consequently, the shequ contain within them cells of the CCP, and the relationship between the shequ and the CCP is becoming ambiguous. More often, their directors double as party secretaries, which can strengthen party control and political surveillance.

At the national level, although the effort to promote the shequ is enthusiastically extolled at by the CCP and coordinated by the national MCA, the animating force behind the shequ jianshe has been a highly statist conception of this malleable term. Rhetoric to the contrary, what the MCA has in mind is not the fostering of self-organising communities as collectives empowered to act as a group toward independently determined goals (Read 2012; Wu 2018). On the surface, the project has an ambiguous relationship to the building of the kind of interpersonal networks and solidarity among citizens that might normally be termed urban community (Heberer 2009; Audin 2015). In fact, its primary aim is to bolster and reequip the state’s organisational mechanisms within residential neighbourhoods while devising new ways to make this organisation useful to residents so that it is viewed favourably by them. As Heberer and Göbel (2013) argue in their study of communities in Shenyang, Chongqing, and Shenzhen: the reorganisation of China’s shequ has greatly increased the infrastructural power of the party state, as it has deepened the CCP’s penetration of the urban grassroots (Heberer and Göbel 2013; Kostka 2019). Normally, the national level formulates a broad policy and its goals. Provincial and local governments then translate them into concrete guidelines and measures, with the aim to standardise the practices. Nevertheless, the policies of shequ jianshe are mostly concerned with physical planning and sophisticated technology. This is typically reflected by the latest “Document on the Pilot-Project of shequ jianshe in the Future in Zhejiang Province”, published in March 2019 (Commission of Development and Reform of Zhejiang Province 2019). The document includes nine scenarios of shequ jianshe including health, enterprise, architecture, transport, environment and service to management. In the project, the concepts of digital technology, smart city and social credit system are highlighted, and the leadership of the CCP and the guidance of the government regarding neighbourhood management are repeatedly stressed (ibid). In the long term, the CCP and the MCA expect to implement and popularise the best practice of shequ experiment, and possibly, to promote it in all neighbourhoods in China.

With the improvement of living standards and the rise of consumerism in China, the ownership awareness of the residents is enhanced (Friedmann 2005). Early in 1991, the first ‘Home-Owners Self-Organization Committee’ (HOSOC) was established in Shenzhen, their boards were supposed to be elected by all house owners and are accountable to them. Such organisations differ from the shequ committee by being bottom-up organisations and by representing the interests of their constituents (Heberer 2009). However, the political discussion are off-limit. In 2007, it was institutionalised and renamed as ‘Home Owner Association’
(HOA) based on the ‘Regulation of Property Right’\(^5\). Following the regulation, the HOAs are entitled to hire property management companies (PMC) which are responsible for the maintenance of apartments and cleanliness, public security of their neighbourhood (Fig. 3). When problems in the neighbourhoods occur, the HOAs try to sort them out in negotiations with the PMC. In contrast to the shequ elections, most home owners are well informed about the elections of their HOA and regard it as an autonomous organ (Heberer 2009). Albeit, the local authorities now and then intervene their daily activities.

\[\text{(HOA) based on the ‘Regulation of Property Right’\(^5\). Following the regulation, the HOAs are entitled to hire property management companies (PMC) which are responsible for the maintenance of apartments and cleanliness, public security of their neighbourhood (Fig. 3).}\]

Fig. 3 Organisational framework of xiaoqu. Source: Own elaboration

5. Conclusion

All political is areal, and the local scale is an effective tool to implement state policy. In the liberal democracy, neighbourhoods are regarded as area-based leverage, where the bottom-up civil society is anchored and empowered (Drilling and Schnur 2012; Friedmann and Chen 2011; Wan 2016). In China, however, the government-orchestrated neighbourhoods are utilised as a spatial regime for social engineering. In the planned economy, the danwei was a sort of organisational and productive platform for state building and for securing social stability. With the political, economic and social transformation following the reform and opening policy, the spatial structure of the danwei has been deconstructed and social heterogeneity has emerged in Chinese cities. The socialisation and externalisation of non-productive danwei functions have prompted the spatial shift from danwei to shequ. The micro-scale transformation of the neighbourhood epitomises the broader urban restructuring in China, thus it is of huge significance for the understanding of China’s urban transition and urban challenges from a continuum perspective.

After four decades of sustained economic growth, China’s spatial management is facing new challenges for the social cohesion involving the various expectations of different interest groups. The government has made social stability its top priority because of rapid urbanisation, large social discrepancies, spatial mobility, individualism and conflict interest, which could spawn social crises or even political unrest. Therefore, both the central and local authorities have been enthusiastically promoting a harmonious society and peaceful community as a rhetoric for community building to counter centrifugal trends in the social sphere. The practice of shequ jianshe, initiated by the central government, aims at maintaining social stability at the local level and at alleviating the frictions triggered by institutional reforms. Initially, the shequ model was supposed to replace danwei, which not only addresses the various needs and requests of residents, but also controls and supervises all channels of social reproductions in a new institutional paradigm. The practice of shequ jianshe, however, remains still tentative development based on the pilot project.
Old wine in new skins? China’s neighbourhood transformation from danwei to shequ

Unlike in the danwei, work and residence in shequs are no longer spatially integrated. People have become much more mobile, both vertically (social class) and horizontally (space), and this transformation has been mapped onto urban space as patterns of exclusive gated communities and dilapidated neighbourhoods. The city continues to expand outward and undergoes spatial restructuring. But from the operation of the power, the shequ still bears some resemblance to the danwei system, like ‘old wine in new skins’, especially with regard to its top-down governance. Even without the danwei system, the CCP and the state continue to dominate all aspects of personal and neighbourhood life, irrespective of rapidly rising incomes and the neoliberal rhetoric of privatisation and commodification (Wan 2016; Wu 2018). All this has demonstrated that the shequ management fails to stimulate bottom-up initiatives and empower residents to unfold human flourishment and revitalise social interaction. With its physical deterioration, the sense of belonging to the neighbourhood, the sense of place identity, and the sense of community are seriously disturbed despite of the awareness of housing property. Given the current authoritarian political framework, this would hardly be improved in the near future. Ultimately, to achieve the goal of shequ jianshe, it is necessary to boost the citizen’s involvement and foster the civil society (Friedmann and Chen 2011). In sum, the material lives of the citizens are generally better off, but the bottom-up initiatives like social engagement and public participation, which correspond the spirit of community building, are unable to keep pace with the rapid transformation of urban society.

Notes

1 While the district governments (quzhengfu) focus on economic development issues, the street office (jiedao banchicha), an outpost agency of a district, directly organises and manages the residential community.

2 According to Urban Residential Planning and Design Standard GB 50180-2018, xiaoqu, also called neighbourhood block, refers to the residential area surrounded by urban roads or natural boundaries, and corresponding to 1,000-3,000 residents, about 300-1,000 sets of housing, land area of 2 ha to 4 ha, equipped with a set of public service facilities that can meet the basic material and cultural life needs of the residents. It is designed after Clarence Perry’s ‘Neighbourhood Unit’ in 1929 (Perry et al. 1929).

3 More details see part 4, Fig. 2 and Fig. 3.


5 The PRC Property Law was published in March 2007.

Acknowledgments

This paper has benefited from the helpful comments and constructive suggestions from the journal editors and two anonymous reviewers. The authors gratefully acknowledge the support of K.C. Wong Education Foundation, Hong Kong. We would like to thank Werner Breitung, Matthias Drilling, Gerhard Braun and Joanna Crowson who made very helpful comments, suggestions and improvements on this work.

Funding

This research is supported by National Natural Science Foundation project of China (No. 41771174) on “Research the coastal urban human settlements evolution mechanism based on the industry restructuring: case of Ningbo and Zhoushan”.

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