Manifestation of Authoritarian Resilience?: Evolution of Property Management in Beijing*

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This article discusses how middle-class homeowners in urban China have made advancement in collective interest representation and thus protection of private property rights in more systematic ways: not just by contending but by participating in public policy process. This is quite salient in their participation in relevant legislation, from the Property Law in 2007 to the Ordinance on Property Management in Beijing in 2010 and a new version of property management-related local legislation underway. Further investigation of this topic sheds lights on theoretical issues of in what ways and to what extents the state-society interaction in contemporary China is evolving.

Keywords: Homeowners, Private Property Rights, Public Policy Process, Participation, Legislation, State-Society Interaction

1. INTRODUCTION

How to explain resilience and sustainability of an authoritarian regime has been an intriguing question to the students of Chinese politics. Since Andrew Nathan’s clairvoyant work which has highlighted the concept of “authoritarian resilience” (Nathan, 2003), the so-called “authoritarianism with adjectives” literature flourished in the recent decade: flexible/modernized authoritarianism (Cabestan, 2004), adaptive authoritarianism (Shambaugh, 2008), fragmented authoritarianism 2.0 (Mertha, 2009), deliberative authoritarianism (He and Thøgersen, 2010; He and Warren, 2011), contentious authoritarianism (Chen, 2011), attentive authoritarianism (Perry, 2012), consultative authoritarianism (Teets, 2013), bargained authoritarianism (Lee and Zhang, 2013), and responsive authoritarianism (Heurlin, 2016) are such examples.

Such trend reflects that the main dependent variable in Chinese politics has gradually moved from democracy to governance: that is, rather than trying to find ideal forms of “civil society” in China, understanding how China is actually working—how state and society interacts while utilizing limited institutional arrangements—has become the focus of academic analysis. In other words, understanding how a non-competitive authoritarian regime such as China provides accountability, transparency, responsiveness, and efficiency and thus remain sustainable has become important (Tsai, 2015). China is currently situated at the turning point from making quantitative growth to qualitative growth. Unprecedented diverse socio-economic issues have emerged, and Chinese citizens gush out complaints about government policies in regards to issues they are concerned about. Chinese society has become volatile and turbulent, resembling a “volcano” (Whyte, 2010). How the Chinese state adroitly copes with the growing contention over socio-economic issues will determine the sustainability of the one party rule. In that sense, it is worth to take a close look at how the Chinese state deals with diversifying demands from society.

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Among many socio-economic issues, this article focuses on private property rights and the changing mode of state-society interaction in this issue domain. Main social actors are urban middle-class homeowners who are well aware of their legal rights over the purchased properties. What is notable about them is that they have relatively high degree of political awareness and sensitivity.\(^1\) They started to mobilize themselves and find ways to defend their interests in sophisticated ways, from waging contentious activities for rights claiming to seeking participation in relevant policy processes. Now they have established virtual countrywide networks, and have begun to share successful stories and legal strategies.

In what ways and to what extent have urban homeowners been able to influence public governance in the given issue domain? In other words, in what ways and to what extent have urban homeowners been able to achieve political efficacy albeit at a limited level? What implication does it offer to the sustainability of an authoritarian regime? Finding answers to these questions lead us to a nuanced understanding of state-society interaction in the present-day China. Over the past few decades, the dynamics in the commodified housing (\textit{shangpinfang}) sector has evolved towards supporting further representation of homeowner interests. Reflecting homeowners’ voices to local legislation succinctly shows such advancement and this insinuates important change in the ways the state perceives and treats urban homeowners: from suspicion about newly emerged social actors to their inclusion in relevant policy process. Of course, achievements and limits are simultaneously observed in this evolutionary process, and it is still too early to draw any definitive conclusions about the future direction of the state-society interaction. The aim of this article is to understand ongoing empirical phenomena in an important socio-economic issue domain and lay the groundwork for further discussion of state-society relations in China as well as resilience of an authoritarian regime.

This article describes the current state-society dynamics in the commodified housing sector based on cumulative fieldwork conducted in Beijing since 2009. More specifically, the process through which a new local legislation on property management has emerged in Beijing around 2010 is discussed as a core case. This article traces the process through which homeowners have participated in recent local legislation in Beijing around 2010 and thereafter. It includes in-depth interviews with local scholars, government officials, and homeowner activists who have been involved in such local legislations. The remainder of this article is presented as follows. The next section proposes a framework for discussing evolution of state-society interaction. The following section introduces the case and its background. Analysis is offered in three phases: macro-legal environment, policy making process, and policy implementation/feedback. The article ends with a brief summary, discussion of theoretical implication, and suggestion for future work on this subject.

2. ANALYTICAL FRAMEWORK

Unlike in competitive authoritarianism, electoral competition and legislature do not play much role in a regime such as China. Thus, a nuanced understanding of state-society

\(^1\) While electing their own representatives, urban homeowners experience “elections” in their daily life. Moreover, they are interested in participating in the existing electoral institutions even though such institutions have flaws. Residents Committees or People’s Congress at grassroots are such targets. For instance, see Guan and Cai (2015).
interaction becomes more necessary for comprehending authoritarian resilience: that is, how the Chinese state aptly deals with complaints, conflicts, and contentions coming out of the society, and in what alternative ways the Chinese state gains legitimacy. Coercion (or repression) still remains as a valid tool of authoritarian governance (Yang, 2017). However, choice of coercive measures accompany costs that the regime does not want—such as loss of legitimacy—thus finding a balance between repression and concession through “political arrangement” seems to be a reasonable choice of the state (Cai, 2008). As such, it is worthwhile to delve into how the Chinese state has made efforts towards deploying non-coercive ways to govern and how this contributes to the sustainability of an authoritarian regime.

The state-society relations in contemporary China could be depicted as a strategic interaction between the two. Chinese state authority has started to pay attention to the demands of the society and, accordingly, the room for citizens to influence public policy is gradually on the rise. It is because the state-society interaction has become the process of negotiating and exchanging interest representation and regime legitimacy. While it does not rely on competing parties and representative bodies, the Chinese state does have to show its capacity to deal with the growing interest articulation by its constituencies (Chung, 2015). Securing stability is connected to confirming its legitimacy to govern society. Frequently, the state even makes intentional efforts to “buy stability” and pro-actively monitor protests and gather information about citizen complaints. Moreover, the state acts on such gathered information (Heurlin, 2016). By doing so, an authoritarian state shows its own adaptation to the rapidly changing reality. In this vein, social actors’ participation in public governance is an advanced form of communication between the state and society. How it helps and undergirds authoritarian governance needs further study.

Against such backdrop, in what ways and to what extent social actors are able to influence public governance in China? The state-society interaction can take many forms, and the ways and extents social actors can influence public policy differ across issue domains. Given such possibility of variations, it is hard to make an all-around generalization about state-society interaction with one sentence. Thus, for a comparative and comprehensive understanding of state-society interaction, we can formulate a two by two table as the following. To put it simply, a state strategy can take either strong or soft form; the same can be applied to society strategies. More specifically, strategies by state may form a spectrum, from dire repression to cooperation with society. Similarly, strategies by society may have another spectrum, from determined resistance to cooperation with the state (Hsu and Chang, 2016). What has been projected by Table 1 does not necessarily mean that the division between strong and soft strategies is dichotomous. Rather, it insinuates a range of possible options that could be deployed by both the state and society actors.

The issue domain that will be discussed in this article belongs to the category III. The current state-society interaction regarding private property rights represents “soft-soft interaction,” in which both state and society actors intend to build collaborative ties with each other. It is conjectured that the possibility of policy change is relatively high in this category. Discussing one specific category of state-society interaction has shortcomings in producing all-encompassing generalization. Yet, it can still show what soft-soft interaction, which is

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2 According to Cai (2008), authoritarian resilience is explained by “political arrangements (which) grant conditional autonomy (to local governments).” Such idea could be stretched to the relations between the state and society.
visibly increasing in numbers as a form of state-society interaction in contemporary China, can produce as a result. In regards to the research question posed above—to what extent social actors in China can bring changes to governance—to postulate, soft-soft interaction may not bring dramatic changes to governance itself. Yet it is expected to bring about some changes in the quality of governance. While it may be seen as limited achievements of social actors, such piecemeal change contributes to the broader goal of the CCP’s keeping in power (Stockmann and Gallagher, 2011). This point will be revisited at the end of this article.

3. CASE: A NEW MODE OF PROPERTY MANAGEMENT IN BEIJING

Urban homeowners (yèzhu) are characterized by their acquisition of purchased property. However, what the issue of private property rights conveys is more than material. Being equipped with a strong awareness of rights and with resources to actively defend their rights, these social actors are different from their counterparts at the periphery, such as peasants and laborers. In other words, as relative winners of reform, these people who are often classified as “middle-class” have explored their relationship with the state in more skillful ways. Early works find that the interests of homeowners collide with the interests of the state (especially the local state). The state has not been active in processing the requests from homeowners which is clearly identifying property rights. Or the state has often been delaying or disturbing such process. For instance, establishing a Homeowners Committee was a difficult task. Local state agencies at grassroots level such as street offices (jiedaoban) and residents committees (juweihui) were reluctant to grant permission (Read, 2003; Cai, 2005; Tomba, 2005; Shi and Cai, 2006).

However, gradually, some meaningful changes have occurred in the relationship between homeowners and the state. While they have not directly challenged the state authority and have rather raised incessant complaints, homeowner activism has been effective in requesting more responsibility from the state in clearly defining and guaranteeing protection of private property rights. One such salient example is homeowner activists’ participation in local legislation. The local state in Beijing, through the Beijing Housing Construction Committee (Beijing Zhujianwei) which is the main state actor in property management, has clearly and openly expressed its position to allow more room for homeowner interest representation. The

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3 It could also be said that they have benefited from the state project of creating housing market and consumers. Bargain sale of work unit housing to employees and many other subsidization policies followed to boost the nascent housing market during the 1990s (Tomba, 2014).
Ordinance on Property Management in Beijing (Beijingshi Wuye Guanli Banfa) announced in May 2010⁴ has essentialized such changes.

Several key features in this Ordinance draw attention: (1) it clearly states that homeowners are the main actors of property management (yezhu zixing guanli); (2) more specific steps regarding the establishment of homeowner organizations (i.e. Homeowners Committees (yezhu weiyuanhui) and Homeowners Assemblies (yezhu dahui)) have been suggested, for instance, an inclusion of a preparation team (choubeizu), an inclusion of a pre-registration process (beian), implementation of a fixed-term appointment system with partial re-election (renqizhi), and an establishment of a board of supervisors (jianshehui); and (3) ideas about how to make homeowner organizations substantial entities (shitihua) have been suggested, including securing full-time staffs equipped with professional knowledge about property management.

In particular, with regards to substantializing homeowner organizations, the idea of turning Homeowners Assemblies into legal entities (faren) is noteworthy. Considering that the legitimate status of homeowner organizations has not been clearly confirmed as of yet, such an idea proposed by the new Ordinance has been regarded as a revolutionary move. According to the new Ordinance, it is now possible for a Homeowners Assembly, which represents the total number of homeowners in a given neighborhood, to be registered as a legal entity. Having acquired legal status, a Homeowners Assembly can be the main actor in litigation, fund management, and interaction with the state. In addition, the deputy director of the Beijing Housing Construction Committee, who has played a key role in the process of preparing the Ordinance, confirmed the changed stance of the local state through publicizing documents which he had personally authored.⁵

Yet, instead of a full-scale application of the newly proposed agenda of turning Homeowners Assemblies into legal entities (yezhu dahui farenhua), the situation in Beijing is that an “experimental application” in a specific district has been completed and then halted. A full-scale incorporation of Homeowners Assemblies in Beijing will need some more time. This experimental incorporation plan has garnered mixed reviews when it was first launched by Beijing municipal government. Some have welcomed it as a meaningful breakthrough in the history of Beijing homeowner activism while others have responded with skepticism discounting that it is but a hollow experiment. Despite many loopholes and uncertainty, the very fact that such an experiment has been attempted denotes a big change in local governance. Moreover, it should be noted that social inputs have drawn out such policy outputs. In this vein, the new mode of property management in Beijing is discussed as a core case.

Even though some limitations have been noticed, the case of local legislation in Beijing in 2010 is not necessarily a failure. Because of fierce contest between the two camps which stand for vested interests and new interests (citizens’ interests), respectively, the experimental application in one district could not be expanded to apply across the city. Leadership change in the Beijing Housing Construction Committee followed as well. However, governance is about solving problems through institutionalized ways, and such attempts are under way. After an experimental attempt around 2010 had ended in incompleteness, problems regarding property management remained and citizens’ requests of responsibility in governance have

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⁴ The Ordinance went into effect in October 2010. For the full text, see Zhongguowang (2010).
⁵ A representative one is “Rebuilding Property Management with Chinese Characteristics (Zhongguo Tese Wuye Guanli Moshide Zaizaoshi)” which has been publicized on-line.
continued. Thus, another round of social participation in property management is going on. The Beijing city is preparing a new version of local legislation on property management, involving new actors such as Association of Lawyers in the Beijing city (Beijingshi lushi xiehui) and People’s Congress in the Beijing city (Beijingshi Renda). What has happened at the previous stage laid the foundation for the current development.

A few brief notes on why Beijing has been chosen as the core case should be mentioned here. Beijing is a pioneer in the overall movement of homeowner activism in China (and social movements in other issue domains as well). In terms of state-society interaction, the attitude of the local state in Beijing is regarded as one of the most progressive, when taking into account the extent that the local state accepts and responds to voices from society.\(^6\) The new Ordinance issued by Beijing’s municipal government in 2010 has been regarded as the most progressive interpretation of the Property Law which came out in early 2007 (Interview August 2012). Although it cannot be argued that what happened in Beijing is representative of overall changes occurring in China, it satisfies some conditions to be considered a critically groundbreaking case. It has future expandability as well: once institutionalized, the Beijing case is highly likely to be expanded to other areas.\(^7\)

4. CHANGING DYNAMICS

4.1 Phase One: Changes in Macro Legal Environment

Up until the 2000s, the macro legal environment that undergirds the protection of private property rights had been quite murky. Two higher laws with a nationwide application scope had emerged: the Property Law (wuquanfa) in 2007 and the Ordinance on Property Management (waye guanli tiaoli) in 2003 and then 2007. Whereas the former had defined ownership broadly, the latter had suggested necessary conditions for establishing and managing homeowner organizations. In this big framework, many details were missing for actual practice of the property rights. The initial version of the Ordinance on Property Management (2003) had come out much earlier than the Property Law (2007), creating an ironic situation in which many clauses regarding homeowner organizations in the Ordinance were not being backed by the highest law of the country. Some murky clauses of the Property Law, because they left much room for interpretation, have been denounced harshly.\(^8\) The actual interpretation and implementation of property rights had thus fallen under the discretion of local governments.

In Beijing, prior to the emergence of the new version in 2010, the earlier version of the local ordinance on property management was the one issued in 1995, the Ordinance on Community Management in Beijing (beijingshi zhuzhai xiaoqu guanli banfa). The period between two local ordinances regarding property management (1995–2010) had literally been a grey period. A few implications could be drawn about this period. First, the lack of clearly defined legal environment for property rights, unexpectedly, gave some space for

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\(^6\) Fulda et al. (2012) has shown how social actors in Beijing, despite their relative inferiority in power relations, can access the state proactively and induce changes.

\(^7\) Comparative case studies, if available and possible, will enhance generalizability.

\(^8\) For instance, unclearly defined divisional ownership (qufen suoyouquan) has brought about much controversy.
social power to grow. One homeowner activist commented, “In a sense, after the issuance of a very specific local ordinance with legal effect, I am afraid that social space will shrink. As everything was murky, we had more freedom (Interview August 2012).” Such remark reveals that the lack of clearly defined institutional environment was perceived as a window of opportunity for social actors to utilize. Second, both the local state and society did not have enough information about the real intentions of the other party in the beginning; through frequent encounters in various forms, both parties went through a period of mutual learning and understanding. Many homeowner activists testify that the suspicious and hostile attitude of the state towards them gradually ameliorated (Interviews August 2012 and August 2014). It testifies the state’s changed perception toward these social actors.9

Throughout this unclearly defined transition period, homeowners as aggregated social power have emerged and grown. Homeowners responded to perceived opportunities by mobilizing themselves and turning them into actors who can effectively represent and deliver collective interest of homeowners. It is well-known that, with the emergence of commodified housing, homeowners have started to form Homeowners Committees in each neighborhood as a representative organization with their interests at heart. Homeowners who have purchased housings in a given neighborhood, elected their representatives and utilized their leaders and organizations to convey their complaints about housing maintenance, living environment, and general quality of life to housing business actors (such as real estate developers and property management companies) and relevant government units (Read, 2003; Cai, 2005; Tomba, 2005; Shi and Cai, 2006).

In the early stage of housing commodification, many conflicts surrounding property management have occurred between housing business actors and homeowners, because of their different expectations. Some initial conflicts emanated from developers who have built housing with poor quality. Others emanated from lack of clearly specified property ownership (suoyouquan). More conflicts occurred surrounding the issue of how the purchased properties are managed, including maintaining communal public facilities such as elevators, green space, and parking lots, and providing security and cleaning services in the residential complexes. Homeowners Committees have played an important role in conveying residents’ complaints regarding these issues to other relevant actors. For instance, based on the approval of a majority of homeowners, Homeowners Committees have attempted to dismiss unsatisfactory management companies and recruit new ones. They also resorted to collecting petitions, initiating litigations and pursuing collective action to articulate and defend homeowners’ interests.

As time went on, horizontal linkages that connect Homeowners Committees across multiple neighborhoods have emerged. This means that homeowners have started to mobilize themselves beyond the state-set boundaries of individual neighborhoods (Yip and Jiang, 2011; Chung, 2015). As further aggregated social force, horizontal linkages of homeowners across the city have enabled better representation of collective interest of homeowners. Soon, horizontal linkages of homeowners became the main actors representing society in this issue domain. Change of macro legal environment such as the emergence of the Property Law in 2007 has offered opportunities for these social groups to come forward and raise their voices: open forums, press conferences, and signature-collecting campaigns followed. The main goal of their activities showed meaningful advancement: beyond fighting against vicious housing entrepreneurs, they now attempt to change rules and regulations that bind their rights over

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9 Regarding the process “mutual suspicion” is changed into “mutual benefit”, see Spires (2011).
purchased properties. There are two representative horizontal linkages of homeowners in the Beijing city. One is Governance and Community Institute (hexie shequ fazhan zhongxin) and the other is Beijing Association of Homeowners’ Committees’ Bidding Committee (beijingshi yezhu weiyuanhui xiehui shenban weiyuanhui). The former purports to be a research-oriented organization. It interacts with homeowners and other actors through forums, seminars, and conferences. As a formally registered social organization, while avoiding direct confrontation with the state, it has developed with relative stability. In the case of the latter, members are heads of Homeowner Committees from multiple neighborhoods. It claims to be more independent and more directly representative of homeowner interests, and at the same time, not reluctant to wage aggressive strategies in its interaction with the state. It has been engaged in many neighborhoods disputes and have directly provided help to contending homeowners.

These two organizations represent somewhat different stances towards interaction with the state. Compared with the former, the latter adopts relatively more aggressive behavioral strategies. The state responded also in different ways. The state granted formal legal status to the former while not granting such opportunity to the latter. However, the commonality of these two organizations has been that they have been steadily seeking engagement with the state. Social organizations in China have heuristically learned that, rather than seeking absolute autonomy, it helps their survival and development if they engage the state. Meanwhile, the state has also realized that interaction with these organizations—regardless of their specific differences—contributes to governance as the state can gather from these organizations information about issues that have growing importance in local society. The following sections demonstrate how these two horizontal linkages of homeowners have actively been involved in the relevant policy process.

4.2 Phase Two: Homeowners’ Participation in Local Legislation around 2010

At this stage, meaningful changes have occurred in the concept and practice of “property management (wuye guanli).” Property management is basically about material interests: homeowners care about how the quality, the comfort level, and the value of the property they have purchased are maintained. They get disgruntled when they feel that they do not get the due service in proportion to the management service fee they pay. Moreover, they feel helpless when they find they cannot dismiss an unsatisfactory management company at will. The underlying problem is more than material: it concerns who becomes the main actor controlling property management, through which mechanism clashes of interests are discussed, and whether homeowners’ interests are enhanced through such process. As conflicts in commodified residential complexes increase in number, the state has begun to take note of the seriousness of this underlying issue.

The changed perception of the state on property management has been confirmed through many examples of evidence. Through the 17th National Congress of the Chinese Communist Party, the central state mentioned that “grassroots self-governance is one important self-governance pushed by the PRC (jiceng zizhishi zhonggong zizhi zhiyi).” Such a statement

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10 Given this development, Homeowners Committees in individual neighborhoods are not the focus of this article.
11 For the full text of what has been discussed at the 17th National Congress of the Chinese Communist Party, see Zhongguowang (2007).
implies that top leaders have started to regard self-governance of urban residents as important as the self-governance of ethnic minorities in the country, and that promoting the self-governance of urban residents is included in the macro-level policy directions of the central state. The stance of the Beijing local state seemed being along these same lines. In preparing a new version of local ordinance around 2010, the Beijing municipal government has shown a willingness to allow more room for homeowners’ rights in deciding the matters that are germane to their everyday life within residential complexes. Although there is much to be done to achieve self-governance in a truer sense, through the promulgation of the new Ordinance in 2010, at least some more feasible action plans to engage or absorb citizen requests have been suggested.

Incessant complaints and requests from society have played a certain role in inducing such a change in the mindset of the state. The primary target of complaints by homeowners has been housing business actors. Local state in general or specific state agencies related to the property management have also become the target of homeowner complaints. The Beijing Housing and Construction Committee used to receive 6000 cases of complaints or disputes annually, which is a considerable administrative burden (Interview August 2012). An official in the Housing Construction Committee acknowledged that they have been paying close attention to the strengthened rights awareness and advancement and sophistication in the rights protection strategies by homeowners. He also added that not only his own agency but also many other relevant government agencies have become more aware of the importance of allowing and facilitating the growth of homeowner organizations, because such measure would ease their burden (Interview September 2012).

Similarly, the change in the objective condition for property management business has also affected the mindset of relevant bureaucrats. Unlike in the past, property management is no longer likely to remain a lucrative business. Because of continuing inflation and homeowners’ general attitude of not welcoming increases in their service fees, many management companies now worry about deficit operation or even just maintaining the status quo. Supposing that such a situation becomes exacerbated, if the state remains the supporter of management companies which fall short of providing due quality service, the responsibility then falls onto the shoulders of the local state. Then the state should keep providing direct material subsidies to the malfunctioning management companies. “It would be like going back to the mode of property management prior to housing commodification, and the burden the state should take will be insurmountable,” an interviewee who is working as an adviser to the Beijing city government projected a dim future for the property management business (Interview September 2012).

Faced with such a situation, it has become a rational choice for the state to acknowledge and invite in homeowners as one of the main actors of property management. The state has begun to expect that such choice would have a dampening effect on the increasing trend of disputes in the commodified housing sector, and help enhance the long-term sustainability of property management (Interview September 2012). Out of the newly issued Ordinance in 2010, the policy agenda which has drawn the most attention is the one which turns Homeowners Assemblies into legal entities (faren). Strictly speaking, because of unresolved issues, the term “de facto legal entities” (shizhi faren) is used to refer to this agenda. To be a de facto legal entity, a Homeowners Assembly needs to be registered with the county/

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12 However, the complaints directed to the Beijing Housing and Construction Committee decreased rapidly after the promulgation of the new local Ordinance in 2010 (Interview September 2012).
township government and Street Office. The final ratification is completed with getting the stamp of the local Housing Land and Resource Bureau (fangdiju). Homeowners Assemblies as legal entities can open their own independent bank accounts and control funds such as management fees and public funding earmarked for repairs (gonggong weixiu jijin). Since fund control has been at the center of disputes in many residential complexes, the official goal of pushing this policy agenda is to mitigate disputes and homeowners’ dissatisfaction regarding property management. “By granting officially recognized legal status to homeowner organizations, we encourage homeowners to resolve issues through legitimate channels. It may help to either decrease or prevent disputes related to property management,” an official at the Beijing Housing Construction Committee foresaw (Interview September 2012).

The changed policy position of the state is to actively recognize homeowner organizations and include them as partners in governance. Alternatively speaking, the state regards homeowners and their organizations as the main agents for outsourcing governance in a particular issue domain where the state’s continuously taking responsibility is inefficient and even risky. Under the previous workplace system (danwei), through the Housing Authority (i.e. fangguanju or fangguansuo), the state managed long-term rental of public housing. However, the state has recognized that such an administrative approach with the state taking responsibility in this manner would not work in commodified housing. Intensifying the responsibility of business actors has proven to be an inefficient solution as well. The alternative solution is for the state to give more leeway for homeowners to express their thoughts and to incorporate such thoughts to the actual property management in residential complexes. In dealing with these issues, the primary policy agency of the state is the Beijing Housing Construction Committee. Most of the important local regulations regarding property management are prepared by the Beijing Housing Construction Committee, even though such regulations are publicized by the Beijing city government. Given the characteristics of the property management which requires cooperation from many functional state agencies, state agencies in charge of taxes, public security, quality control, and civil affairs are also involved. In particular, for pushing forward the agenda of turning Homeowners Assemblies into legal entities, securing the agreement of these related functional agencies was crucial, as the required procedure dictates the final confirmation of legal status of Homeowners Assemblies depends on their consent. The Beijing Housing Construction Committee took initiatives in persuading these agencies—which did not welcome such an idea from the beginning—one by one (Interviews August and September 2012).

On the other hand, the fact that different levels or lines (xitong) of state agencies have different interests, and the tensions arising thereof between them are evident. Simply speaking, the Housing Construction Committee and lower level government organizations have different interests. Grassroots level government organizations, which have traditionally exerted territorial control in local society, still do not welcome homeowner organizations as their counterparts on an equal footing. Economic incentive also matters, since district governments and Street Offices often have symbiotic interests with business actors in the commodified housing sector. However, higher level governments or agencies (i.e., the Beijing City Government and Housing Construction Committee) have more interest in maintaining general stability, decreasing conflicts in residential complexes, and raising efficiency of community management. The diverging local state interests and goals denote fragmented state authority; when observed by social power, it can be utilized for achieving their goals (Spires, 2011). The interviewed homeowners were well aware of such possible access points
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for them (Interviews August and September 2012).

To evaluate, the policy making process of the 2010 Ordinance contained some degrees of inclusiveness, responsiveness and deliberation, in the sense that there have been decision-making state agencies’ opinion-gathering processes from social actors. While preparing the drafts for the new Ordinance, the Beijing Housing Construction Committee has held numerous public hearings (tingzhenghui)—opinions from legal professionals, officials in other related government agencies, business actors, and social activists have been actively sought.13 Well-known homeowner activists in the city mostly had the shared experience of being invited to attend such meetings prepared by relevant state agencies,14 with some being individually consulted as well. Aforementioned two horizontal linkages of homeowners across Beijing have also participated in such processes actively. The case of Beijing Association of Homeowners’ Committees’ Bidding Committee is more interesting: even though it does not have a formal legal status and tend to express critical opinions towards government policies without reserve, it has been frequently contacted and consulted.15 Qualitative interviews also revealed that the idea of turning Homeowners Assemblies into legal entities has been actually proposed by homeowners themselves, rather than by state agencies (Interviews August and September 2012).

Besides the opinion-gathering platforms prepared by state agencies, the development of information technology has facilitated discussion between stakeholders of different stances. In addition to the traditional media (i.e. TV and newspapers), the influence of the new media is crucial in forming any kind of political discourse these days. Regardless of the intention of the state, the new media has contributed in raising the transparency of the policy making process, because the drafts of important policies are disclosed to the public through formal legal documents and through the internet immediately. For instance, microblogging (weibo) is quite popular among people who have an interest in socially sensitive issues. Through microblogs, homeowner activists and relevant state agencies, and even homeowners of different stances are able to have intense debates. One informant said, “I used to argue with those who are working in the Housing Construction Committee about the new version of local legislation. I gushed out critical opinions without reserve. After a few intense debates, they disappeared from the web space. Maybe they were offended by my criticism.” (Interview September 2012). As such, online discussion also worked as a venue through which the local state and social actors can interact and exchange opinions with.16

On the other hand, pluralization of the policy making process means that instead of there being just one strand of interest groups to pressure policy makers, now multiple interest groups can be involved. Thus policy making state agencies can face difficulties in compromising with different interests or face repercussions afterwards. The changed policy stance of the Beijing city government sides more with homeowners rather than business

13 According to He and Warren (2011), these are “deliberate” mechanisms that undergird Chinese authoritarianism.

14 One homeowner activist testified that the number of meetings (huiyi) he has participated is over twenty. He also added that he has contributed to making at least four clauses of the 2010 Ordinance (Interview September 2014).

15 Regarding similar cases of environmental NGOs, Yang (2008) points out that this shows the state’s tolerance of spontaneous social groups in the given issue domain.

16 On-line forum of homeowners facilitate interaction among them within neighborhoods as well (Li and Li, 2013).
actors. On many occasions before and after the promulgation of the new Ordinance, the deputy director of the Beijing Housing Construction Committee then (who is named Zhang Nongke) has openly acknowledged the shortcomings and malpractices of property management practices of the past.\(^{17}\) He also had a clear sense about which direction upcoming local legislation should go. This has been received as a surprise since it is not easy for a leader of a government agency which oversees property management of the whole city to openly acknowledge the problems of his own agency. Most interviewees I have met with have commonly pointed out the importance of the individual leader which made possible the recent progressive move by the Housing Construction Committee (Interviews September 2012 and September 2014).

To summarize, at this stage, social actors’ participation in public governance—agenda-setting and decision-making—has been duly noted. It was possible since local state made some changes in its perception towards homeowners and property management. A reform minded leader in the core agency relevant to property management had interests and initiatives in interacting with social actors. Interview accounts backs up this was not perfunctory gestures but strenuous efforts for better communication made by the Beijing Housing Construction Committee then (Interviews August and September 2012). Eventually, a new local legislation has come to contain many clauses allowing more room for homeowner interest representation, including turning Homeowners Assemblies (Yezhu Dahui) into legal entities (faren) as a representative example.

4.3 Phase Three: Homeowners’ Participation in Implementation and Feedback

In regards to the implementation of the new Ordinance, a two-track approach has been attempted: (1) by the state directly; and (2) by the state-sponsored social organizations. The former track refers to the state-directed experimental implementation of Homeowners Assembly incorporation. It is exclusive-scope experimentation in one specific district in Beijing. The latter track refers to the state-sponsored social organizations’ facilitation of establishing homeowner organizations across the city. In the former, in the experimental district, Homeowners Committees and Homeowners Assemblies have been established in every community, showing a one hundred percent establishment rate. Such state-directed implementation has met criticism. Some have depicted it as “planned economy-style implementation (jihua jingji fangshi)” and “forced democracy (beiminzhu),” showing disappointment about the way such an agenda gets implemented (Interviews September 2012).

In the latter track, to facilitate the establishment of homeowner organizations across the city, the local state supported establishing two “guidance centers (budao zhongxin)” in late 2011. Two well-known homeowner activists in the city each direct one of these guidance centers.\(^{18}\) The stated goals of these centers include: helping the establishment of homeowner organizations, educating and producing human resources equipped with professional knowledge in property management, and building platforms for exchange and

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\(^{17}\) Mr. Zhang Nongke was recruited from outside. As he is not a lifelong bureaucrat, he did not have entrenched interests with relevant stakeholders and was able to take bold steps to intensify homeowners’ voices vis-à-vis those of business actors.

\(^{18}\) The leaders of these two guidance centers are from the aforementioned two horizontal linkages of homeowners, respectively.
learning between homeowners. The emergence of these intermediating organizations is the result of overlapping interests between the state agencies and social actors. The state needs social stability. For the specific state agencies, if disputes can be decreased by building more homeowner organizations, it counts towards their work achievements (zhengji). The state’s provision of financial subsidies to these social organizations could be understood as the state’s purchase of social services.\(^{19}\)

Social actors directing these new organizations said they wanted to take advantage of the opportunity to propel the activities which are meaningful for the development of society. They know that the state does need their services, and that state sponsorship can bring stability to running social organizations.

The two-track approach has been implemented for only about a year, and then has been halted. The situation confirmed as of September 2012 is that after completing an experimental application at one district in Beijing, further expansion of incorporation has stopped. Meanwhile, opinions of social actors have been sought for evaluating the implementation of the incorporation plan. The Housing Construction Committee of the Beijing city has invited Governance and Community Institute—a well-known horizontal linkage of homeowners, which has also played an active role during the legislation process—to make an across-the-board evaluation of the new local Ordinance. This implies that social actors have played a certain role even in providing feedback or evaluation of the given policy. According to Fulda et al. (2012), social actors’ turning expert knowledge into policy evaluation and suggestion constitutes an important part of state-society collaboration.

Despite having been a revolutionary attempt, it has become quite unclear whether the idea suggested by the new Ordinance could be further implemented (Interviews August September 2012 and August 2014). It is largely because the deputy director of the Housing Construction Committee has been posted to somewhere else. Zhang Nongke was a reform-minded leader who has been opened to accept the requests from social actors. Under his leadership, Beijing Housing Construction Committee actively sought for the opinions from homeowner activists, and accordingly devised many clauses in the local Ordinance which are thought to be quite progressive at that time. It is not an exaggeration to say that without him it would have been impossible to issue the new Ordinance in 2010. Of course, homeowner activists welcomed him (Bei, 2011) yet backlash from the other side have made Mr. Zhang leave his post. Pushed by housing business actors (i.e. developers and management companies) who think their vested interests have been encroached upon by the recent changes initiated by the Beijing Housing Construction Committee, the deputy director was reassigned to another position which does not deal with property management and its legislation directly (Interview September 2014).\(^{20}\)

What is surmised from this is that property management is the sector where clash of interests between related stakeholders is fierce. Those who have vested interests in the sustenance of close relations between the state and housing related industry did not want to see the pendulum swing in favor of social actors. They did not want to see radical change

\(^{19}\) In addition to the basic subsidy to run organizations, a performance-based subsidy (in the amount of ten thousand RMB per every additional Homeowners Committee established) has been offered (Interviews August and September 2012).

\(^{20}\) This story of Mr. Zhang implies that the individual leader factor still holds in the Chinese system. In regards to the importance of “First-in-Command (yihashou)”, see Fulda et al. (2012). Some others point out this factor as the shortcoming of the current system which cannot guarantee continuity of reform policies, adding uncertainty to the future direction.
of the existing dynamics between relevant stakeholders in property management. However, even though the backlash from veto players has deterred radical reform, in regards to which direction future state-society relations should go in the issue domain, the voice of social actors have not decreased but actually continued to increase. Since there are many unresolved problems regarding property management, homeowners have kept up making efforts to deliver their voices to policy makers. A change in a major actor of Housing Construction Committee was not enough to reduce citizens’ interests in this issue; rather, citizen awareness of their legal rights has been heightened.

Now the local state is situated between old and new actors, trying to find a solution that can find a balance between multiple actors. The future solution in this issue domain tends to be sought through multi-actor involvement. Multi-actor involvement and thus coordination of clashing interests seems to be the macro direction of policy in this issue domain. After Mr. Zhang’s leave, the Beijing city government realized that one specific government agency cannot deal with the heavy burden, and Beijing People’s Congress came forward to take over. It was thought that Beijing People’s Congress is in a better position to deal with local legislation and collect opinions from multiple actors. Association of Lawyers in Beijing is also playing a role in preparation for another round of local legislation (Interviews August September 2014). These attempts are still under way, and seeing the final result will take some more years.

With the advent of Xi Jinping era, many reports suggest that the Chinese “society” has shrunk and the prospect that social organizations will survive is dim.21 It also means that the state-society relationship can become strained. However, it is also premised that the space social actors can maneuver may differ across issue domains. In the case of private property rights, main social actors have testified that they have not experienced direct or indirect repression and that their activities have not been withered by any coercive measures by the state in the Xi Jinping era (Interviews August and September 2014). As aforementioned in introduction, the state has a range of policy options. It may not necessarily deploy the same measure to all segments of populations indiscriminately. Cumulative fieldwork suggests that the state, rather than adopting coercive measures, is more inclined towards utilizing conciliatory measures towards this issue domain.22

5. DISCUSSION AND CONCLUSION

Surrounding the issue of how private property rights are clarified and protected, the recent state-society dynamics have shown important evidences that the policy process in China has become more pluralized. The changing mode of property management in Beijing suggests that the request from society, the corresponding recognition of the local state, and the interactive communication between the two parties have produced the innovative outcome of local legislation in 2010. Despite meaningful breakthroughs, some limitations in the system have also been noticed. The implementation of some innovative idea in local legislation has remained incomplete. Thus, the attempt in 2010 has met with limited success. However,

21 For instance, see Campbell (2016); Guardian (2015); South China Morning Post (2012).
22 In general, such collaborative interactions are frequently observed when social actors and the local state common problems to solve (Fulda et al., 2012: 684) and when social actors can supplement tangible and intangible resources that the state lacks.
MANIFESTATION OF AUTHORITARIAN RESILIENCE?

Despite some vicissitudes, new local experiment is going on and social actors are continuing to make efforts to reflect their voices to policy making, thus turning themselves into virtual "policy entrepreneurs" (Mertha, 2009).

To summarize, social actors in this issue domain have succeeded in political mobilization to a certain extent, and have become actors who can express their opinions about relevant policies. In that sense, social empowerment is observed, which could be counted as achievement of social actors. The reaction from the state has shown certain extent of responsiveness as they have provided the social actors with an input channel. In terms of policy outcome, drastic change has not occurred. Exclusive-scope experimentation in one specific district in Beijing has not been further expanded. However, while not dramatic in terms of amendment, the change of quality in governance is noticed. Departing from its former stance, the local state now shows the intention and willingness to interact with the society and pays attention to the voice of homeowners by inviting in these actors to the relevant local legislation process. Currently, a new version of property management-related local legislation is underway, and homeowner activists in Beijing are making incessant efforts to reflect their voices to a new legislation.

In the sense that mutual need has constructed symbiotic (i.e. non-adversarial) statesociety interaction, this case is categorized as soft-soft interaction in Table 1. While avoiding direct confrontation, both of the state and society have interests to be engaged with each other.\(^{23}\) The state tends to invite in social actors to solve pending problems and enhance quality of governance. Society attempts to utilize this opportunity for the advocacy of their cause. In this kind of state-society interaction—which is complementary in essence—even though it may not bring about dramatic change to the existing institution or policy, it is highly likely to result in experimental application. At the same time, when both parties gain something by mutual engagement, the state-society relationship is likely to be collaborative.\(^{24}\) Although this cannot represent a complete picture of state-society relationship contemporary China,\(^{25}\) for instance, the issue domain of environment (i.e. anti-incineration campaign) tends to show similar trend: the issue domains that involve urban middle-class actors who have legal knowledge, material resource, and networking show similar trend in state-society interaction.\(^{26}\)

This case offers implications about governance capacity and societal perception toward state legitimacy: in regards to urban middle-class citizens, the state has come to be aware that it can enhance legitimacy when they include these actors in relevant policy process and offer them opportunities to experience political efficacy. It is less costly and a more efficient way to deal with urban middle-class citizens than dire repression, unless these people cross the ultimate redline. Rather than leaving these people disgruntled with the system, giving them the actual opportunities to reflect their voices to relevant policy process can make

\(^{23}\) Early works focused on emerging homeowner organizations within neighborhoods and their confrontational potential. However, homeowner activism has entered a more mature phase. The focus of this article is on the latest phase, which is non-confrontational and participatory.

\(^{24}\) Making the relationship “mutually beneficial” guarantees sustainable development of a given social group (Spires, 2011).

\(^{25}\) For instance, the landscape of state-society relations would be quite different in the issue domains of labor, religion, and ethnicity, which are regarded as politically sensitive.

\(^{26}\) See how citizens have turned themselves into participants in waste sorting projects (Johnson, 2013).
these people feel that they have something to expect and achieve from the existing system.\textsuperscript{27} That is the way modernized authoritarian state exerts resilience, while finding a balance between repression and concession: citizens with enhanced political awareness may test the boundary of state tolerance (Cai, 2008; Yang, 2005); however, it is better to keep them as an enthusiastic audience of the system. This also leads to incremental changes of the system and helps to avoid abrupt ones which may incur subversive impact. It is also pointed out that policy-based and issue-based contentions could help the state’s gaining and strengthening legitimacy (Liu, 2017).

Studies of state-society relations have shown some divisions so far. Whereas the works focusing on state dominance has a long tradition (Bernstein, 2003; Duckett, 1998; Hsu and Hasmath, 2014; Hsueh, 2011; Oi, 1992, 1999; Shue, 1998; Thornton, 2013; Whyte, 1993; Yang, 2004), the attempts to find civil society in China have been continuously made (Brook and Frolic, 1997; Jude, 2007; Ma, 2005; Mertha, 2009; Saich, 2000; Tai, 2014; White, Howell, and Shang, 1996). Recently, the works that find nuanced interaction between the state and society have emerged and gained strength (Baum and Alexei Shevchenko, 1999; Fulda, Andreas, Yanyan Li, and Qinghua Song, 2012; Lu, 2009; Mertha, 2009; Spires, 2011; Yang, 2005). Discussion on authoritarian resilience resonates with the latest strand of research that finds nuanced interaction between the state and society. As the Chinese authoritarianism adapts itself to changing reality, complex interdependence between the state and society has increased rapidly and will keep increasing.

However, even admitting such recent trend, it seems that further specified analysis on authoritarian resilience is necessary. The main focus of this article has been placed upon private property rights and homeowners in urban China. Although it offers some implications about transitioning state-society relations, what has been observed about urban homeowners would not necessarily be equally applied to other segments of population in the Chinese society. It is highly likely that different strategies—so to speak, “divide and rule” strategy—will be applied to different segments of populations. Table 1 suggests such possibility of internal variations within authoritarian resilience. Our field is still void of a big picture regarding how state-society interactions differ across issue domains and how such variations could bring about different implications about sustained legitimacy in contemporary China. Besides private property rights, through comparative research with other socio-economic issue domains, future studies could further theorize the resilience of China’s authoritarianism.

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\textsuperscript{27} It is pointed out that inclusion of social actors would avoid their dissent (Hsu and Hasmath, 2014).


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