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Infrastructural Power and Neighbourhood Governance: The 1980s Transformation of Residents' Committees in Shanghai

SUN Xiaoyi and YIP Ngai Ming

This article examines the capacity of China to adapt in the face of the political and social challenges brought about by economic reforms, and argues that the regime's resilience lies in the state's capacity to establish infrastructural power at the urban grass-roots level. The 1980s was an invaluable historical period, which witnessed the early stages of the economic reforms and the Chinese state experimenting with ways to adapt to the emerging challenges. As the danwei (work unit) system weakened, the state rebuilt the logistical infrastructure by means of handling burning issues, accumulating resources for expanding welfare coverage, facilitating residential-based grass-roots administrative networks, and consolidating its power through building institutional infrastructure for urban governance.

INTRODUCTION

Scholars have marvelled at China's durability and resilience, even in the face of the collapse of communism in the former Soviet Union and Eastern European countries and of the simultaneous challenges and shocks to social order brought about by its economic reforms. The transformation from central planning to a market economy did not just shrink the resources at the disposal of the state, but more importantly undermined the institutional foundation of the authority that promotes and maintains order. The weakening of the *danwei* (work unit) system has eroded citizens' organisational dependence on the state as well as the Party's capacity to monitor and sanction citizens'

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behaviour.¹ Nevertheless, the past three decades have witnessed a remarkably stable Chinese society while the country has been experiencing rapid and continuous economic growth. Researchers in China studies began to examine the resilience or adaptive capacity of the authoritarian regime as manifested in its dealings with political and social changes.² China's secret recipe for its regime's resilience had been explored from the perspectives of governance structure adjustments, improved participation and consultation channels, and enhanced capacities to resolve conflicts.³ One of the CPC's (Communist Party of China) commitments was to rebuild and consolidate institutional infrastructure so that it could regain control of a rapidly transitional society. Heberer and Gobel conceived community-building as a "regrouping" of the CPC in the sense that it enhanced its infrastructural power to regulate social life on the one hand, while consolidating its legitimacy through fostering local self-governance on the other.⁴ Similarly, Bray regarded community-building as a combination of direct governmental intervention and a voluntary service system that aims to achieve "governance through community".⁵

Against this backdrop, this article intends to examine the ways the CPC adapted to one of its biggest challenges following the economic reforms in 1978. The marketisation of China's economy had a huge impact on inefficient state-owned enterprises, contributing to the gradual erosion of the *danwei*, the system that had been the foundation of urban China. The *danwei* not only assumed an all-encompassing responsibility for the lives of enterprise employees such as job allocation and welfare provision, but also served as the CPC's hierarchical control system that monitored and controlled urbanites.⁶ The resulting power vacuum, instead of being replaced by non-state self-organised local governing organisations (which implicitly implies the existence of breeding grounds for civil society), was quickly being "filled up by the extension

¹ Andrew G. Walder, "The Decline of Communist Power: Elements of a Theory of Institutional Change", *Theory and Society* 23, no. 2 (1994): 297–323. For other literature of the *danwei*, see Andrew G. Walder, *Communist Neo-traditionalism: Work and Authority in Chinese Industry* (Berkeley, CA: University of California Press, 1986); Martin K. Whyte and William L. Parish, *Urban Life in Contemporary China* (Chicago, IL: University of Chicago Press, 1984); David Bray, *Social Space and Governance in Urban China: The Danwei System from Origins to Reform* (Stanford, CA: Stanford University Press, 2005).

² Andrew J. Nathan, "Authoritarian Resilience", *Journal of Democracy* 14, no. 1 (2003): 6–17; Cai Yongshun, "Power Structure and Regime Resilience: Contentious Politics in China", *British Journal of Political Science* 38, no. 3 (2008): 411–32.

³ He Baogang and Stig Thøgersen, "Giving the People a Voice? Experiments with Consultative Authoritarian Institutions in China", *Journal of Contemporary China* 19, no. 66 (2010): 675–92; Lee Ching Kwan and Zhang Yonghong, "The Power of Instability: Unraveling the Microfoundations of Bargained Authoritarianism in China", *American Journal of Sociology* 118, no. 6 (2013): 1475–508.

⁴ Thomas Heberer and Christian Gobel, *The Politics of Community Building in Urban China* (Abingdon, Oxon and New York: Routledge, 2011).

⁵ David Bray, "Building 'Community': New Strategies of Governance in Urban China", *Economy and Society* 35, no. 4 (2006): 530–49.

⁶ Bray, *Social Space and Governance in Urban China*.

of government functions into the base level”.⁷ It is argued that the regime’s resilience is underpinned by its capacity to consolidate and enhance infrastructural power at the most local level of urban society. With the weakening of the *danwei*, territorial-based governing entities were reinvented under the banner of a community-building campaign.⁸ Such initiatives were undertaken to re-establish the CPC’s infrastructural power through establishing and improving logistical infrastructure, such as the administrative apparatus, legal frameworks and regulative capacities, in order to penetrate and control urban society.⁹

Existing studies on Chinese neighbourhood politics tend to claim that the community-building campaign employed by the Party since the 1990s fundamentally changed the texture of urban neighbourhoods. The tendency towards this view, however, runs the risk of attributing all the changes to the introduction of the *shequ* discourse, which neglects the fact that Chinese economic and social reforms were advanced in a trial and error, gradualist manner.¹⁰ This article argues that the transformation of urban grass-roots management had already begun to occur in the 1980s when efforts and experiments were carried out in the early stages of the economic reform to meet new demands. A careful scrutiny of this “experimental period” helps us understand how the Chinese authority groped around among various experiments and found a way to adapt to the changing social conditions. As the state’s “nerve tips”,¹¹ the residents’ committee is a critical institutional tool that the authority used to rebuild infrastructural power over urban society during the transitional period. This article therefore attempts to fill the knowledge gap in the state’s experimentation of reinventing residents’ committees in the 1980s, and to provide enhanced understanding of the process how the state built its infrastructural power at the urban grass-roots.

Shanghai, being the pioneer of residents’ committee innovation following the economic reforms, presents an ideal case to study the development of residents’ committees. As China’s industrial base in the pre-reform era, Shanghai experienced the pains of the state-owned enterprise reforms. Over the past few decades, Shanghai

⁷ Wu Fulong, “China’s Changing Urban Governance in the Transition Towards a More Market-oriented Economy”, *Urban Studies* 39, no. 7 (2002): 1071–93.

⁸ For community building literature, see Heberer and Gobel, *The Politics of Community Building in Urban China*; James Derleth and Daniel R. Koldyk, “The *Shequ* Experiment: Grassroots Political Reform in Urban China”, *Journal of Contemporary China* 13, no. 41 (2004): 747–77; Bray, “Building ‘Community’”.

⁹ Luigi Tomba, *The Government Next Door: Neighborhood Politics in Urban China* (Ithaca, NY and London: Cornell University Press, 2014); Benjamin L. Read, *Roots of the State: Neighborhood Organization and Social Networks in Beijing and Taipei* (Stanford, CA: Stanford University Press, 2012); He Yanling, *Dushi jiequ zhong de guojia yu shehui (State and Society in Urban Neighbourhoods)* (Beijing: Social Sciences Academic Press, 2007).

¹⁰ Barry Naughton, *Growing Out of the Plan—Chinese Economic Reform 1978–1993* (New York: Cambridge University Press, 1995); Wu Jinglian, *Understanding and Interpreting Chinese Economic Reform* (Mason, OH: Thomson/South-Western, 2005); Thomas G. Rawski, “Implication of China’s Reform Experience”, *The China Quarterly* 144 (1995): 1150–73.

¹¹ Benjamin L. Read, “Revitalizing the State’s Urban ‘Nerve Tips’”, *The China Quarterly* 163 (2000): 806–20.

has acclaimed itself not only as one of the most economically developed cities in China, but also for having a strong government-led urban management model—i.e. the municipal government possessing the capacity and resources to reach the grass-roots and implement its decisions. Hence, Shanghai's success in reinventing and establishing the residents' committees as the cornerstone of infrastructural power during the early years of the economic reforms presents a rich data source for this study.¹²

Empirical data was collected from a wide range of archival materials which included residents' committee handbooks, statistical yearbooks, meeting minutes, relevant research and working reports from the Shanghai City Archives Office, the Library of Shanghai Civil Affairs Bureau, the online Shanghai Chorography Office and the online newspaper archives of the *People's Daily*, as well as the University Service Centre at the Chinese University of Hong Kong. The archival data was supplemented by in-depth interviews. Using the snowball sampling method, interviewees who had worked in residents' committees in Shanghai in the 1980s were recruited. A focus group interview including six residents' committee officials, who were either still working or had retired, was conducted in December 2010 to construct a general picture of grass-roots governance in the 1980s. In early 2011, follow-up interviews with four residents' committee officials were conducted to scrutinise details of the transformation. These interviews helped substantiate and verify the information available on the transformative processes of residents' committees at critical historical junctures.

THEORETICAL FRAMEWORK

Mann's theory of state power, and his distinction between despotic power and infrastructural power in particular, have offered rich ground for scholars of political economy to examine the development, mechanisms and results of state power in various types of regimes.¹³ Mann's framework captures the characteristics of state power in the modern industrial era. Despotic power refers to the power that state elites use to exert control over society without routine negotiation with civil society groups. Infrastructural power, on the other hand, is "the capacity of the state

¹² There emerged three general types of community development in the community-building campaign initiated in the late 1990s; see Derleth and Koldyk, "The Shequ Experiment". The first type was the Shanghai model characterised by government leadership and grass-roots administration. The second was the Shenyang model featured by community autonomy and public participation. The third was the Wuhan model which is a hybrid of the former two. In light of this, the Shanghai experience is more applicable to cities with similar features, especially well-established grass-roots institutions, abundant funding sources and strong governance capacities.

¹³ Michael Mann, "The Autonomous Power of the State: Its Origins, Mechanisms and Results", *European Journal of Sociology* 25, no. 2 (1984): 185–213; Linda Weiss, "Infrastructural Power, Economic Transformation, and Globalization", in *An Anatomy of Power: The Social Theory of Michael Mann*, ed. John A. Hall and Ralph Schroeder (Cambridge and New York: Cambridge University Press, 2006); Daniel Ziblatt, "Why Some Cities Provide More Public Goods than Others: A Subnational Comparison of the Provision of Public Goods in German Cities in 1912", *Studies in Comparative International Development* 43 (2008): 273–89.

actually to penetrate civil society, and to implement logistically political decisions throughout the realm".¹⁴ It focuses on the reach of the state, that is, the extent that state bureaucracy can reach to enforce policies and exert control over society.¹⁵ According to Mann, despotic power of modern states, or the power of autonomy, is declining, but the infrastructural power of these states is powerfully developed in terms of its territorial reach, information collection and taxation capability, etc.¹⁶ Empirical studies have demonstrated that a good comprehension of infrastructural power is essential for understanding the relationship between state capacity and regime types,¹⁷ economic development,¹⁸ public goods provision¹⁹ and social stability maintenance.²⁰

The essence of infrastructural power lies in the logistical techniques through which the state is capable of penetrating, coordinating and controlling its civil society. Mann pointed out the various logistical techniques which facilitate the state's penetration of social life—for instance, the division of labour and having a centrally coordinated bureaucracy and army, literacy, coinage, weights and measures, the communication of messages and the transport of people and resources.²¹ Empirical studies inspired by Mann's framework have also indicated that the capacity to extract revenue and implement policy, the tradition of mass mobilisation, and the reach of state institutions across the territory are important indicators of a state's infrastructural power.²²

Existing studies, however, have not paid sufficient attention as to how infrastructural power has been elaborately developed by the state. According to Mann, logistical techniques are not specific to the state. The reason why the state is able to exploit these techniques to facilitate infrastructural power lies in its centrality, that is, the fact that certain services are indeed more effectively provided in a centrally coordinated way.²³ In order to ensure stability in the provision of services, the state establishes institutions and agents which enable it to penetrate, extract and coordinate social relations. It is imperative to set up institutional establishments and logistical techniques at the base level in order to ensure that state policies and decisions are duly implemented even at the most local level of society.

¹⁴ Mann, "The Autonomous Power of the State", p. 113.

¹⁵ Hillel Soifer, "State Infrastructural Power: Approaches to Conceptualization and Measurement", *Studies in Comparative International Development* 43 (2008): 231–51.

¹⁶ Mann, "The Autonomous Power of the State".

¹⁷ John Lucas, "The Tension between Despotic and Infrastructural Power: The Military and Political Class in Nigeria, 1985–1993", *Studies in Comparative International Development* 33, no. 3 (1998): 90–113.

¹⁸ Weiss, "Infrastructural Power, Economic Transformation, and Globalization".

¹⁹ Ziblatt, "Why Some Cities Provide More Public Goods than Others".

²⁰ Lee and Zhang, "The Power of Instability".

²¹ Mann, "The Autonomous Power of the State".

²² Mann, *The Sources of Social Power*, vol. 2 (Cambridge: Cambridge University Press, 1993); Soifer, "State Infrastructural Power"; Jeff Goodwin, *No Other Way Out: States and Revolutionary Movements 1945–1991* (Cambridge: Cambridge University Press, 1999).

²³ Mann, "The Autonomous Power of the State".

In an authoritarian regime like China, building infrastructural power entails unique characteristics. The residents' committees in urban China, inherited from its *baojia* (a community-based system of law enforcement and social control) heritage, undertake all-encompassing functions at the urban grass-roots level, covering policy implementation, public security and social control, welfare provision, information collection and mass mobilisation. As these organisations are fully sponsored by the local government, committee officials are in fact appointed by and accountable to their administrative superiors, even though the stipulation states that they are to be elected by local residents. This implies that the Chinese authority possesses more comprehensive power of penetration and also demands greater efforts in building and maintaining these institutional infrastructures, compared to its Western counterparts.

In addition, China has been in the midst of one of its most fundamental transitions, that is, from a planned to a market economy since 1978. The economic reforms not only affected the country's economic operation but also has had a profound impact on its political and social control over urban society. The decade-long Cultural Revolution that occurred before the economic reforms, which concentrated on class struggles and crushed routine city administration and public order, made the situation even worse. The 1980s was a crucial period when the regime sought to restore and develop its infrastructural power in the face of all kinds of chaos and transitions.

In the light of this, the authors proposed a theoretical framework to examine how infrastructural power was cultivated by the CPC at the base level of urban society during the critical period in history. The (re)building of infrastructural power involved four related tasks. First and foremost was the need to handle the burning issues created by the economic reforms. The key to the power of the authoritarian regime lay in its capacity to adapt to political and social changes through employing pragmatic and experimental measures. The most urgent challenge in the early years of the reforms was unemployment. This was created, partly by the massive return of people who were mobilised for the "up to the mountains and down to the countryside" movement during the Cultural Revolution, and largely by redundant workers displaced from the failing state enterprises. Such an issue, if not handled properly, might pose potential risks to public order and the stability of society.

Second, with the centrally planned economy in retreat, the capacity of failing state enterprises to offer welfare to their workers, particularly those who had retired, had been seriously weakened. The creation of a new platform for welfare protection became imminent. This was important for mitigating grievances of those who had been marginalised by the market transition in order to reduce opposition to the market reforms.

The third task involved exploring an alternative platform of social control to replace the waning *danwei* system, which used to perform such functions in the pre-reform era. A residential-based administrative network approach, implemented by the street offices and residents' committees, was the apparent candidate for enabling the Party-state to achieve the deepest penetration into the grass-roots.

Fourth, the rebuilding of infrastructural power at the grass-roots was complete with the institutionalisation of infrastructure, in such areas as consolidating legal frameworks and enhancing the supporting administrative apparatus, as well as improving the financial and operative capacities of these grass-roots governing entities.

THE WANING OF THE *DANWEI* AND THE REBIRTH OF THE RESIDENTS' COMMITTEE

The work unit, *danwei*, was the fundamental building block of the socialist city, offering not only jobs but also social welfare (housing, medical, retirement benefits, etc.) to workers and their family members despite having been planned as an economic institution. As nearly every urban dweller belonged to, and was in fact highly dependent on, the work unit, the *danwei* became a convenient platform for political control by the Party-state as well as a centre of social identity.²⁴ The economic reforms, which reintroduced alternate market institutions, created a serious threat to the *danwei*. Unlike their competitors in the private sector, state enterprises' responsibility for their employees' welfare and other social welfare benefits had undermined their competitiveness in the newly created market economy. This was further exacerbated by the departure of productive workers and managers, who headed for the more promising private enterprises and left behind the older and less productive workers, who were apparently still attracted by the benefits and job security.²⁵ As market competition intensified and more state-enterprises began operating at a loss, it was no longer feasible for the state to sustain the ailing state enterprises with fiscal subsidies. When ailing state enterprises were allowed to wind up, the *danwei*-based urban management system also began to disintegrate, albeit this was apparently not a planned policy.²⁶

The residents' committee (RC) eventually evolved to fill the vacuum in social control and the provision of welfare at the grass-roots level left by the waning of the *danwei* system. The residents' committee was founded in the early 1950s to assist the Party-state restore social order in urban residential neighbourhoods by mobilising residents to participate in the government's appeals, maintaining public security, mediating civil disputes and providing residential services.²⁷ However, the *danwei*'s dominance in the urban management system pushed residents' committees into only

²⁴ Bray, *Social Space and Governance in Urban China*.

²⁵ Hua Wei, "Danwei zhi xiang shequ zhi de huigui—Zhongguo chengshi jiceng guanli tizhi 50 nian bianqian", (From Work Unit to Community—50-Year Transformation of China's Urban Grass-roots Management System), *Strategy and Management*, no. 1 (2000): 86–99.

²⁶ Walder, "The Decline of Communist Power".

²⁷ Pan Tianshu, *Neighborhood Shanghai: Community Building in Five Mile Bridge*, PhD thesis, Harvard University, 2002, ch. 3; Read, "Revitalizing the State's Urban 'Nerve Tips'"; Benjamin L Read and Michelson Ethan, "Mediating the Mediation Debate: Conflict Resolution and the Local State in China", *Journal of Conflict Resolution* 52, no. 5 (2008): 737–64; J. Neil Diamant, "Conflict and Conflict Resolution in China: Beyond Mediation-centered Approaches", *Journal of Conflict Resolution* 44, no. 4 (2000): 523–46.

assuming a peripheral role in taking care of a small fraction of the non-productive marginalised population of the *danwei*, such as the disabled and the unemployed.²⁸ During the Cultural Revolution, the main task of the residents' committee was shifted from routine neighbourhood management to continual political campaigns and this further undermined its power and governing capacity.²⁹

The transformation of the residents' committee started as early as the 1980s in Shanghai when the municipal government mobilised the residents' committee to tackle urban problems in the aftermath of the Cultural Revolution, as well as those created by the economic reforms. Four particular steps were adopted in establishing the infrastructural power over urban society in a critical transitional period, such as handling burning issues created by the reforms, accumulating resources for expanding welfare coverage, facilitating residential-based grass-roots administrative networks and building institutional infrastructure for urban governance.

THE PROBLEM OF UNEMPLOYED RETURNING YOUTHS

Millions of educated youths from cities were mobilised (or forced) to relocate to the countryside during the Cultural Revolution in the “up to the mountains and down to the countryside to be re-educated by the peasants” campaign. When the embargo on returning was lifted, it was seriously beyond the capacity of the city government to create jobs for the huge number of returning youths. Jobless returnees petitioned the municipal government and the number of protesters even reached 9,000 in a day.³⁰ This put immense political pressure on the municipal government.

The municipal government began to explore the creation of jobs in neighbourhood-based small-scale production units (*shengchan zu*) to localise the employment pressure. Simple processing work from state-owned enterprises was subcontracted to the residents' committees, which in turn mobilised their residents to work either at home or in temporary sheds in the neighbourhood. State enterprises welcomed such initiatives as they were able to save on their production costs by using low-cost subcontracting as well as benefitting from the tax exemptions associated with the scheme. Workers were remunerated, either on a daily basis (e.g. 0.7 yuan per day), or on a piecework basis (e.g. 0.1 yuan for sealing a hundred envelopes).³¹ Residents' committee officials

²⁸ James R. Townsend, *Political Participation in Communist China* (Berkeley, CA: University of California Press, 1969), ch. 6.

²⁹ Hua, “Danwei zhi xiang shequ zhi de huigui—Zhongguo chengshi jiceng guanli tizhi 50 nian bianqian” (From Work Unit to Community—50-Year Transformation of China's Urban Grass-roots Management System); Guo Shengli, *Jumin weiyuanhui de chuangjian yu biange* (*The Establishment and Reform of Residents' Committees*) (Beijing: China Society Press, 2006), ch. 5.

³⁰ Hua, “Danwei zhi xiang shequ zhi de huigui—Zhongguo chengshi jiceng guanli tizhi 50 nian bianqian.” (From Work Unit to Community—50-Year Transformation of China's Urban Grass-roots Management System).

³¹ Interview with Ms. Li, who worked in a residents' committee in the 1980s, 4 March 2011, Shanghai.

were also motivated as the profit from subcontracting could be channelled to top up their wages or used for fringe benefit supplements.

Such initiatives were successful in creating the much-needed job opportunities for the returning youth. For instance, in 1983, 13,292 unemployed youth were settled in the neighbourhood-level workshops in Yangpu district, among which 12,695 were allocated to neighbourhood production units and 597 were encouraged to start their own businesses.³² More importantly, such schemes helped to retain the youths in the neighbourhood and to elevate the status of residents' committee officials. As recalled by a retired residents' committee official,

“The officials enjoyed quite a high status in the 1980s. They recommended jobs for unemployed youth, and in return, the youth attended neighbourhood activities more often to show their gratitude.”³³

Despite the fact that the neighbourhood production unit was not a new invention in the 1980s as similar schemes were launched in the late 1950s and early 1960s, it is worth noting that there were different driving forces behind the setting up of such production units between the two historical periods. The schemes in the late 1950s were an echo of Mao's call for modernisation by mobilising surplus female labour (the housewives) in the neighbourhood for iron and steel production. This was later expanded in the early 1960s by building communes in the city to cultivate a collective way of living (e.g. community canteens and child care). In this respect, the initiatives of the neighbourhood production units in the early 1980s, which were underpinned by the entrepreneurial impulses of residents' committee officials, contrasted sharply with the politically motivated forces that drove the Great Leap Forward campaign in the 1950s and 1960s.

However, as state-owned enterprises began to show signs of operating at a loss, neighbourhood workshops were no longer profitable. These workshops were merged under the Collective Enterprise Office (*jiti shiye guanliju*) to achieve the economies of scale. They had been replaced by “convenience services” (*bianmin fuwu*) outlets that offered a wide range of livelihood-related services such as child care, haircuts and milk delivery at slightly below market prices. In fact, convenience services achieved even greater success, not only in sustaining job creation in the neighbourhood, but also in improving the undersupply of daily necessities that was associated with central planning.

The provision of convenience services in Shanghai was recognised by the Ministry of Civil Affairs in 1982 as a positive measure to alleviate youth unemployment and to supplement the inadequate financial resources of the residents' committee.³⁴ With governmental push, convenience services developed rapidly. According to a

³² “Yangpu juan” (Yangpu District Volume), in *Shanghai gaige kaifang er shi nian xilie congshu* (Series on Shanghai's 20 Years of Reform and Opening up) (Shanghai: Shanghai Far East Publishers, 1998), pp. 493–6.

³³ Focus group interview with six residents' committee officials working in the 1980s, 28 December 2010, Shanghai.

³⁴ Guo, “Jumin weiyuanhui de chuangjian yu biange”, p. 122.

report by the Shanghai Collective Enterprise Office in 1984, more than 27,000 workers were employed in more than 1,500 enterprises operated by the street offices and residents' committees, generating about 150 million yuan in annual revenue and 16 million yuan in profits. The average revenue and profit grew respectively at 34.5 per cent and 27.8 per cent from 1980 to 1985 (Table 1).³⁵

Profits from the convenience services were distributed between the street offices and the residents' committees on a contract basis, and then returned to the residents' committee as bonuses for the officials. This triggered enormous enthusiasm from residents' committee officials for running the service. As recalled by a residents' committee official,

“Our Party secretary and director put more emphasis on local economies. After all, those economies were more beneficial to us. We took commission from running them well.”³⁶

However, residents' committee-operated convenience services also led to corruption. According to a residents' committee official,

“The residents' committee's economy is associated with the convenience services. For example, if we rent out our office at 1,000 yuan, 200 yuan is used as a bonus for residents' committee officials. Or we can charge those who use our office as a classroom for financial courses fees, and then divide the money.”³⁷

The governments' attitude towards the convenience services was ambiguous. On the one hand, convenience services supplemented the market's supply of services, and helped to raise funds for neighbourhood development and offer financial incentives to the underpaid residents' committee officials. On the other, these economic activities distracted residents' committee officials from their routine tasks and even created opportunities for corruption. This was tolerated in the 1980s when the underfunding issue of residents' committees was perceived as an urgent one. However, as the residents' committees were bestowed the new mission of embarking on a community-building campaign, and coupled with the improving fiscal conditions of the municipal government, the convenience services began to be phased out. The residents' committees were expected to focus better on their administrative tasks and ideological missions, and not be distracted by economic lures.

³⁵ “Jiedao shenghuo fuwu shiye ‘qi.wu’ fazhan guihua” (The Seventh Five-Year-Plan for Street-level Convenience Services Development), Shanghai Municipal Archives, B87-1-61-70.

³⁶ Interview with Ms. Li, who worked in residents' committee in the 1980s, 4 March 2011, Shanghai.

³⁷ Ibid.

TABLE 1
THE DEVELOPMENT OF STREET-LEVEL CONVENIENCE SERVICES IN THE 1980s

	1980	1984	1985	Annual growth 1980-1985 (%)	1986	1987	1988	1989	1990	Expected annual growth 1986-1990 (%)
Repairing	Income (RMB10,000)	2,192	11,153	14,500	18,125	21,750	26,100	30,015	34,517	18.9
	Profit (RMB10,000)	317	1,340	1,742	2,178	2,613	3,135	3,604	4,144	18.9
	Unit	567	555							
Canteen	Employees	10,731	8,542							
	Income	698	1,461	1,899	2,373	2,848	3,418	3,930	4,520	18.9
	Profit	102	204	266	332	398	478	550	632	18.9
Nursery	Unit	384	332							
	Employees	5,153	3,957							
	Income	1,295	1,842	2,026	2,229	2,452	2,697	29,667	3,263	10
Total	Profit	188	55	61	67	74	81	89	98	10
	Unit	564	643							
	Employees	11,797	14,582							
Total	Income	4,186	14,456	18,425	22,727	27,050	32,215	36,912	42,300	18.1
	Profit	608	1,600	2,068	2,576	3,085	3,694	4,243	4,874	18.7
	Unit	1,515	1,530							
Employee	27,681	27,081								

Source: "Jiedao shenghuo fuwu shiye 'qi-wu' fazhan guihua" (The Seventh Five-Year Plan for Street-level Convenience Services Development), B87-1-61-70, Shanghai Municipal Archives.

ACCUMULATING RESOURCES FOR THE EXPANDING WELFARE COVERAGE

As the market reforms prevailed, less efficient state enterprises began to unload their welfare burdens as they strove for survival in the increasingly competitive market. Not only were the wages and benefits of workers reduced, state enterprises were also forced to lay off workers (*xiagang*). To offset the impact of the reduced welfare, the state authority actively promoted the “socialisation” of social welfare (*shehui fuli shehuihua*).³⁸ After decades of socialist rule, the state has squeezed “society” to the bare minimum and there was in fact no avenue by which the welfare could be “socialised”. The residents’ committees were perhaps the only choice as “non-state” agents, and at least they were registered as autonomous organisations. The expansion of state-sponsored service providers in the neighbourhood seemed to be a prudent move when market or third-sector service provisions were non-existent.

Although the residents’ committees were requested to take up responsibilities similar to those of “socialised” services in the 1950s, the underlying role residents’ committee played in delivering welfare and social services in the 1980s was very different. In the early 1950s, the residents’ committees were set up with the political mission of taking over the *baojia* system (a community-based system of law enforcement and social control) from the previous Kuomintang government and controlling crime. The “socialisation” of tap water supply, an important but scarce resource under the control of the heads of the *baojia* system, became an important instrument in this process. Water was then supplied as a communal welfare service free of charge. This helped to consolidate the residents’ committee as an agent of urban grass-roots management. Although the activities that residents’ committees engaged in during the 1980s can be perceived as a political mission, the residents’ committee acted as an agent of change rather than a target of change. It helped reinvigorate the welfare and social functions left over by the *danwei* and develop such services as a reinvented safety net, thereby reducing public opposition to the economic reforms and creating a favourable environment for the reforms’ further consolidation.

With a high capacity for administration, the Shanghai municipality led the country in pioneering the socialisation of welfare services in the neighbourhood. Street offices were responsible for the implementation, while residents’ committees were exploited as useful tools in the process.³⁹ The Wudinglu Street Office is a case in point. Under the guiding principles advocating “proximity, small scale, diversity, dispersion

³⁸ For more details, see Linda Wong and Bernard Poon, “From Serving Neighbors to Recontrolling Urban Society”, *China Information* 19, no. 3 (2005): 413–42.

³⁹ Traditional urban grass-roots management includes street offices and residents’ committees. Street offices, also known as sub-district-level government, formed the base-level government in terms of administrative power and resource allocation. Residents’ committees, although stipulated by law as self-governing organisations, performed as extensions of street offices in urban neighbourhoods. Street offices not only provided funding but also designated the heads of residents’ committees.

and flexibility”,⁴⁰ this street office quickly assembled a three-layer service delivery network, forming four neighbourhood clusters (*piankuai*), to coordinate services in the 24 residents’ committees under its jurisdiction.⁴¹ These neighbourhood clusters integrated resources (e.g. *danwei*, social institutions, residents, etc.) and mobilised resources beyond the reach of individual residents’ committees. Such networks were largely successful and served 28,000 residents or 60 per cent of the population covered by the Wudinglu Street Office in the late 1980s.⁴²

The residents’ committees were crucial actors and their success depended on their experiences in the provision of re-employment service to the marginal groups, as well as the know-how they had accumulated from running the convenience services, mobilising resources and tapping demands. The experience of the Dahua Residents’ Committee in Jingan district is exemplary. Having established a successful model for community services provision, the committee received the “Civilised Unit Award” for four times, consecutively:

The residents’ committee raised its own funds and started a wide range of community services in 1984. More than 40 low-income residents were hired by businesses run by the residents’ committee. Using profits generated from community services, the residents’ committee equipped itself with a colour television, a washing machine, a radio, etc. for residents’ use. The officials held celebration activities for children and the elderly, and organised sightseeing tours for neighbourhood loyalists.⁴³

In addition to providing community services directly to residents, residents’ committees also played a proactive role in mobilising them to participate in community facilities upgrading. For instance, in the early 1980s, as communal water taps—a norm in neighbourhoods in the socialist era—could no longer meet the needs of the rising

⁴⁰ “Cong shiji chufa, jianli sanji fuwu wangluo, zhubu wanshan shequ fuwu yunxing jizhi,” (Build Three-layer Servicing Network and Gradually Improve Community Services Operating Mechanisms), in *Shanghai shi shequ fuwu gongzuo huiyi cailiao* (*Minutes of Meeting on Shanghai Community Services*) (Shanghai Civil Affairs Bureau Archives, 1989), pp. 1–6. The Wudinglu Street Office was located in the north-east of Jingan district, the urban centre of Shanghai with over 60 years of history. The Wudinglu district was small and densely populated, with obsolete facilities.

⁴¹ Neighbourhood clusters were established as an initiative of the Wudinglu Street Office to solve a dilemma in community service provision: for community services provided by individual residents’ committees, they were lacking in varieties due to space, funding and personnel constraints of the committee; for community services centrally provided by the street office, the services were located too far away from residents and thus lacked convenience. The Wudinglu Street Office therefore created a new layer of neighbourhood clusters between the street office and the residents’ committees to maintain the balance of variety and proximity of the community services provided.

⁴² “Cong shiji chufa, jianli sanji fuwu wangluo, zhubu wanshan shequ fuwu yunxing jizhi” (Build Three-layer Servicing Network and Gradually Improve Community Service Operating Mechanisms).

⁴³ “Jumin weiyuanhui xuanjie” (Excerpts for Advanced Residents’ Committees), Shanghai Chorography Office, at <<http://www.shtong.gov.cn/node2/node4/node2249/node4412/node17431/node17653/node62239/userobject1ai6488.html>> [22 July 2012].

population, the government planned to replace them with private water taps in each home.⁴⁴ During the 1981–1982 period, 149 water supply stations were demolished, and at the same time 5,053 water meters were installed in 7,785 households in Jingan district.⁴⁵ In the name of “contributing to the community”, local networks were mobilised to assist with the implementation:

Residents’ committee officials assumed a heavy responsibility coordinating the outfit work of water meters, initiating the project, collecting fees from door to door and contacting the water utilities...we also made an effort to convince affected residents to have the water meters installed in their flats. They finally agreed with positive responses like “no problem, you can install that in my place”.⁴⁶

Subsequently, mobilising residents to help each other supplement the local government’s provision of basic social services was recognised by the central government in 1987 as a standard national policy for offering protection to disadvantaged populations who were marginalised in the competitive market environment.⁴⁷ Local officials’ achievements in community service provision was also an important indicator of their performance.

FACILITATING RESIDENTIAL-BASED GRASS-ROOTS ADMINISTRATIVE NETWORKS

As more urban dwellers slipped out of the *danwei* system, the system gradually lost its dominance of control over employees’ behaviour.⁴⁸ This seriously weakened the traditional social control system and the crime rate began to soar in the early 1980s (Figure 1).

Maintaining public order in the neighbourhood was one of the primary responsibilities of the residents’ committees, since their establishment in the 1950s to conduct surveillance on suspected criminals and potential political enemies.⁴⁹ A variety of mass campaigns were mobilised to monitor class enemies and gangster crime as well as to enhance neighbourhood security. The situation in the 1980s, however, took

⁴⁴ “Yi Songjiang shuichang tongjian gongfang taoshi xiaoshuibiao anzhuang he gongyong jishuizhan gaizao” (Recollections of the Installation of Water Meters in Public Housing and Renovation of Public Water Supply Stations), Shanghai Songjiang Tap Water Company, at <http://watersj.vip13.eogu.com/expo_info.asp?newsID=16> [29 May 2012].

⁴⁵ “Gongshui” (Water Supply), Shanghai Chorography Office, at <<http://www.shtong.gov.cn/node2/node4/node2249/node4412/node17437/node18453/node62255/userobject1ai6857.html>> [29 May 2012].

⁴⁶ Focus group interview with six residents’ committee officials working in the 1980s, 28 December 2010, Shanghai.

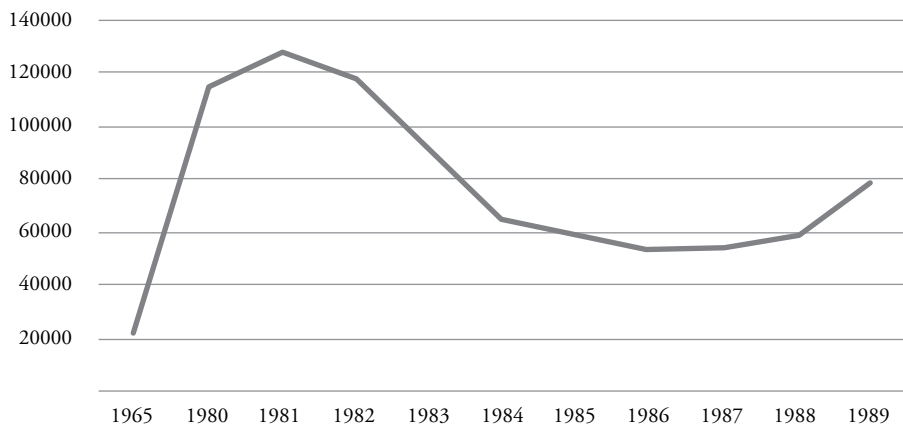
⁴⁷ Liu Weineng, “Shequ fuwu de linian, gongneng he tese” (The Concept, Functions and Features of Community Service), *China Social Work*, no. 2 (1997): 7–9.

⁴⁸ Walder, “The Decline of Communist Power”.

⁴⁹ Read, “Revitalizing the State’s Urban ‘Nerve Tips’”.

a different turn. The focus was more on restoring social order following the chaos brought about by the economic reforms rather than on spying on class enemies. The highest priority is given to re-establishing a territorial-based social control network to counteract the weakening of the *danwei* system and the loosening of the household registration system caused by increased mobility.

Figure 1. Total Public Security Cases in the 1980s



Source: “Zhi’an guanli chufa” (Public Security Penalty), Shanghai Chorography Office, at <<http://www.shtong.gov.cn/node2/node2245/node4476/node58285/node58381/node58391/userobject1ai46275.html>> [23 July 2012].

At a national symposium on urban grass-roots governance in 1987, the Ministry of Civil Affairs ranked public order maintenance at the top of the agenda for residents’ committees. A citywide campaign known as the Comprehensive Treatment of Social Security (*shehui zhi’an zonghe zhili*) was launched in Shanghai. Street offices were requested to coordinate all departments within their jurisdiction to fight and prevent crime. Residents’ committees, being the nerve centre of the campaign, took major responsibilities in this endeavour.

A decree that was issued by the Ministry of Public Security in 1988 to “strengthen public security committees under new situations” suggested empowering the residents’ committees with social control functions by setting up a public security committee under the supervision of both the director of the residents’ committee and the local police offices. This had essentially elevated the position of the residents’ committee within the power hierarchy of grass-roots governance. The decree also signalled a shift in focus from monitoring and remoulding political enemies to preventing crime and maintaining public security. Residents’ committees were required to commit more efforts in educating residents of laws and policies, engaging at-risk youths, and assisting the police in crime control as well as mediating minor civil disputes.

In developing a neighbourhood-based network for crime prevention, volunteers were extensively mobilised to form Neighbourhood Watch Teams. Most of these volunteers were Party members, retired workers and Party loyalists within the

neighbourhood. The Neighbourhood Watch Team was stationed in the residents' committee office in the daytime and performed patrol duties at night.⁵⁰ As a retired residents' committee official recalled in an interview,

Residents' committee offices were located in the centre of the neighbourhood so that the officials were within easy reach of any activities that happened. The Chinese authority managed to control its citizens to the most trivial detail with the help of the residents' committee. Residents' committee officials would definitely know if a stranger or a "politically suspicious" person came into the neighbourhood. If we find residents playing mahjong at home, we would confiscate the game set and put it in a gunnysack because playing mahjong was regarded as gambling and banned by the authority. No matter how hard residents tried to hide their mahjong game set, whether in rice barrels or elsewhere, we were still able to find out about it anyway.⁵¹

In addition to routine tasks, such social control networks demonstrated their value in times of crisis. For instance, a large-scale outbreak of hepatitis A caused by contaminated subcrenata happened in Shanghai in 1988 causing 310,000 infections. It resulted in 31 deaths and more than 10 per cent of Shanghai's population were virus carriers at the time.⁵² Residents' committees played a crucial role in controlling the infection and preventing public panic at the local level. Residents' committee officials collected information and kept a comprehensive record of the infected residents to ensure that infected residents adhered to doctors' treatment instructions and to quarantine them at home so as to keep the disease at bay. In an interview, a retired residents' committee official described what they did at the time:

When I was informed that residents were infected with hepatitis A, I went to their homes immediately to help them undergo disinfection. I also offered to buy water and food for them, because they were quarantined at that time. I had to make sure that the infected residents did not step outside and people from outside did not come in.⁵³

The residents' committees had been generally successful in facilitating the much-needed logistical infrastructure, such as financial resources, mobilisation capacities and social networks, to help overcome the practical difficulties brought about by the economic reforms at urban grass-roots. For instance, the residents' committees not only created and expanded small-scale production units that relieved unemployment

⁵⁰ "Xianjin juweihui xuanjie" (Excerpts of Advanced Residents' Committees) Shanghai Chorography Office, at <<http://www.shtong.gov.cn/node2/node4/node2249/yangpu/node45634/node45636/node45638/userobject1ai31763.html>> [29 May 2012].

⁵¹ Focus group interview with six residents' committee officials working in the 1980s, 28 December 2012, Shanghai.

⁵² "Jibing kuosan ruhe zibao" (How to Protect Yourself When Diseases Spread) *Xinhua News*, at <http://news.xinhuanet.com/zhengfu/2003-11/13/content_1176454.htm> [9 May 2012].

⁵³ Interview with Ms. Li, who worked in the residents' committee in the 1980s, 4 March 2011, Shanghai.

pressures, but also generated funding for the committees' use as well as accumulated the know-how and experiences for future development of community services. As a result of these activities from which the residents also benefited, residents' committee officials won repute and gained trust among local residents. However, consolidating such pilot and experimental endeavours required further institutionalisation. Legal frameworks and administrative apparatus were needed to equip residents' committees with legitimate power and appropriate procedures for operating in the urban grass-roots.

CONSOLIDATING THE INSTITUTIONAL INFRASTRUCTURE OF URBAN GOVERNANCE

It became apparent that maximising the potential of the residents' committees to the fullest had to be accompanied by a formal institutionalisation process. The first requirement for institution-building was to reconsolidate the legal status of the residents' committees. The "Regulations on the Formation of Residents' Committees"—an old legislation enacted in 1954—was suspended during the Cultural Revolution, but was revoked in 1980. The promulgation of the 1982 Constitution further defined the residents' committees' self-governing tasks into public affairs management, disputes mediation, public security maintenance, and representation of public opinion to the government. These initiatives set up the legal framework for the functioning of the residents' committees.

At the municipal level, a citywide reform was initiated in Shanghai in 1983, aimed at advancing the institutionalisation of residents' committees. One of the pressing problems faced by residents' committees was the need to streamline the many chores forced upon them by local government departments. These chores ranged from receiving deposits and collecting rent to issuing over 40 kinds of certificates (e.g. proofs of low income status, proofs of abortion, etc.).⁵⁴ Streamlining the tasks between government departments and residents' committees helped to set a clear boundary for residents' committees' job duties and avoided the arbitrary transferral of tasks, which would relieve the work burden.⁵⁵ It would enable the residents' committees

⁵⁴ "Guanyu minzhengbu zhaokai chengshi jiceng zhengquan jianshe zuotanhui de qingkuang huibao" (Report on the Symposium of Urban Grass-roots Administration Held by the Ministry of Civil Affairs), in *Hu min she* (*Social Welfare Volume*), Shanghai Civil Affairs Bureau Archives, 1983, no. 5.

⁵⁵ "Guanyu yajian he gaijin juweihui gongzuo de yijian" (Opinion on Relieving and Improving the Working Loads of Residents' Committees), in *Pu fu* (Governmental Documents of Putuo District), Shanghai Civil Affairs Bureau Archives, 1983, no. 71.

to have spare capacity for experimenting with new functions such as welfare delivery and social control.⁵⁶

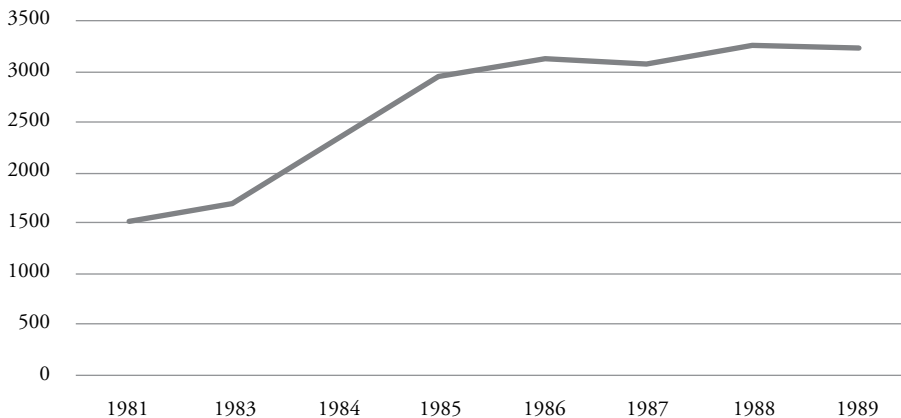
The reform also downsized the jurisdiction of residents' committees in Shanghai from an average 1,000 households (Table 2), which was much higher than recommended by the regulations (600 households), to around 500 to 800 households, thus increasing the number of residents' committees in Shanghai from 2,350 to 2,964 in 1985 (Figure 2). This helped residents' committees build closer ties with their constituents as well as remove "blank spots" of coverage in their neighbourhoods. These reform measures were later institutionalised in the Residents' Committee Statute of 1986.

TABLE 2
SCOPE AND JURISDICTION SIZE OF GRASS-ROOTS ADMINISTRATION IN SHANGHAI

Level	Number of units	Average population per unit
District governments	12	125,000
Street offices	119	50,000
Residents' committees	1,455	5,000

Source: "Guanyu minzhengbu zhaokai chengshi jiceng zhengquan jianshe zuotanhui de qingkuang huibao" (Report on the Symposium of Urban Grass-roots Administration Held by the Ministry of Civil Affairs), in *Hu min she (Social Welfare Volume)* (Shanghai: Shanghai Civil Affairs Bureau Archives, 1983), no. 5.

Figure 2. Numbers of Residents' Committee Institutions in the 1980s



Source: "Shanghai shi guomin jingji he shehui fazhan lishi tongji ziliao (1949–2000)" (Historical Statistics of National Economy and Social Development in Shanghai [1949–2000]) (Shanghai: China Statistics Press, 2001).

⁵⁶ It should be noted that the effort to streamline residents' committees' administrative tasks has hardly been successful. Till today, residents' committee officials still have to deal with all kinds of administrative tasks assigned by various government departments. See Gui Yong and Cui Zhiyu, "Xingzhenghua jincheng zhong de chengshi juweihui tizhi bianqian—dui Shanghai shi de ge'an yanjiu" (Organisational Transformation of Residents' Committees in the Administrativization Process—A Case Study of Shanghai), *Journal of Huazhong University of Science and Technology (Social Science Edition)*, no. 14 (2000): 1–5.

More significantly, the Ministry of Civil Affairs worked on a plan to improve the qualification of residents' committee staff, the majority of whom were then old and poorly educated. For instance, a survey indicated that most residents' committee officials in Huangpu district were retired workers and of 57 years old on average.⁵⁷ Therefore, for most residents' committees, adopting new tasks was challenging and succession planning also became a major concern. The "Report on Urban Street Offices and Residents' Committees" issued in 1987 suggested residents' committees expand the pool for new recruitment to include retired workers and unemployed educated youth, as well as cadres and workers from collective enterprises. There was a need to improve staff wages, working conditions and training in order to enhance the status and hence, the attractiveness of residents' committee positions. It was stipulated that the local government should increase financial support for residents' committees, which would include pay supplements for residents' committee staff, adequate living allowances for retired residents' committee officials, ample administrative expenses and office space. For instance, allowances for full-time officials increased from 45 yuan per month in 1983 to 90 yuan per month in 1989 (at a 12 per cent annual growth rate).⁵⁸ The steady increase in income motivated in-service staff on the one hand, and enhanced the appeal of working for the committees to potential candidates on the other.

CONCLUDING REMARKS

Residents' committees play a strategic and instrumental role in the territorial-based approach to urban government by replacing the *danwei*, which served a pivotal role in the socialist era. This new approach not only signifies a new way of delivering welfare and services in the neighbourhoods, but also shapes a new mentality and introduces new techniques for state control at the urban grass-roots level. The *danwei* resembles despotic power in Mann's definition of state power, exerting hierarchical control on employees through monopolising essential resources such as income, welfare and other services. Despotic power would no longer be effective in a territorial-based governance system as the neighbourhood can no longer monopolise resources and control them. The new approach to infrastructural power plays an ever more important role in governing urban society as the logistical infrastructure it establishes is able to penetrate and coordinate civil society. The transition to a new governance system mirrors Mann's observation that a state's despotic power, on the path to modernity, declines while its infrastructural power is on the rise.⁵⁹

However, like other aspects of the economic reforms in China, the reinvigoration of the ailing residents' committees in the early 1980s to fill the expected vacuum left

⁵⁷ "Guanyu minzhengbu zhaokai chengshi jiceng zhengquan jianshe zuotanhui de qingkuang huibao" (Report on the Symposium of Urban Grass-roots Administration Held by the Ministry of Civil Affairs).

⁵⁸ "Jiceng zizhi zuzhi jianshe" (The Building of Grass-roots Autonomous Organisations), Shanghai Chorography Office, at <<http://www.shtong.gov.cn/node2/node2245/node65977/node65986/node66009/userobject1ai61574.html>> [6 May 2012].

⁵⁹ Mann, "The Autonomous Power of the State".

by the waning of the *danwei* system was not the result of a grand plan, but of the path-dependent and incremental moves driven by pragmatism and entrepreneurial instinct.

To understand the evolution of the current neighbourhood-based urban governance system, the 1980s constituted a critical historical juncture when the state groped its way among various experiments and incrementally set up the institutional infrastructure at the urban grass-roots level in response to the rapidly changing political and social environments. This article bases its investigation on residential neighbourhoods in Shanghai that had experimented with various methods in their endeavour to find appropriate ways of governing at the grass-roots level during the early phase of the economic reforms. It offers important missing pieces to the jigsaw.

The Chinese authority's adaptation to political and social challenges caused by the economic reforms offers an invaluable case study of China's authoritarian resilience and adaptive capacity. This has attracted interest from many China Studies researchers. A crucial endeavour was to rebuild institutional infrastructure to ensure outreach to the most local level of urban society. As the Party-state's control in the wider social and economic arena has substantially been diminished after the economic reforms, Heberer and Gobel argue that reinventing urban communities is a regrouping strategy of the Party-state for enhancing infrastructural power and governance capacities so that it can exert control over the urban grass-roots.⁶⁰ So long as state institutions and agents quickly fill the power vacuum left by the *danwei*, the political and social spaces for the development of market and civil society forces are effectively constrained.⁶¹ Seen in this light, the revitalisation of territorial governing entities, such as residents' committees, can be regarded as a prudent move for power consolidation of the Party-state in the wake of a possible strengthening of civic society.⁶²

This research contributes to our understanding of how infrastructural power is elaborately built up by the state. While much attention has been paid to the measurements and impact of infrastructural power,⁶³ the process by which this infrastructural power is being built is largely neglected. As Mann points out, logistical techniques do not necessarily lead to infrastructural power. In fact, the state deliberately builds up such power through performing services and activities in a centrally coordinated way.⁶⁴ This article also identifies the four approaches upon which the Chinese authority built its infrastructural power at the urban grass-roots: first, by handling the unemployment pressure posed by the returning youth; second, by expanding welfare coverage and social service provision; third, by strengthening grass-

⁶⁰ Heberer and Gobel, *The Politics of Community Building in Urban China*.

⁶¹ Wu, "China's Changing Urban Governance in the Transition towards a More Market-oriented Economy."

⁶² Heberer Thomas, "Evolution of Citizenship in Urban China or Authoritarian Communitarianism?", *Journal of Contemporary China* 18, no. 61 (2009): 491–515.

⁶³ Soifer, "State Infrastructural Power".

⁶⁴ Mann, "The Autonomous Power of the State".

roots networks among local residents; and fourth, by building institutional infrastructure for urban governance.

The effectiveness of the ongoing infrastructural power-building in urban China deserves more discussion. This research is based on the experience of Shanghai, which features strong government leadership, abundant administrative resources and higher levels of governing capacities. These features influence the choice of how organisational infrastructure should be built. In determining the jurisdiction size of the residents' committee, the Shanghai municipal government preferred to downsize the coverage to a manageable level. This enhanced the state's capacity to reach out to every corner of Shanghai's urban society, facilitating information collection and policy implementation. This also implied that the municipal government needed to invest more resources in building such infrastructure, as well as in providing welfare and services to local residents. Similarly, the initiative to enhance the work quality of the residents' committee staff had proven to be helpful, since the 1990s, in governing commercial neighbourhoods with a high proportion of middle-class homeowners who have quite different demands compared to residents in conventional neighbourhoods. Meanwhile, these initiatives also demanded sizeable governmental investment. As such, the building of organisational infrastructure in Shanghai largely depended on substantial funding sources from the government, which in turn, also may have placed a constraint on the sustainability of infrastructural power-building.