

THE PARADIGM SHIFTS OF COMMUNITY GOVERNANCE IN CHINA

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Abstract. This paper provides a description of the community governance paradigm shifts in China over the past 4 decades. By taking a historical review of Chinese tradition in community governance, a brief history of the transformation of property rights in the former Soviet Bloc, plus a theoretical analysis from the perspective of social physics, this study clarifies the inherent logic for the community governance evolution across China. The influence that ancient dynasties, up to 1949, exerted upon the modern community governance has been large, which has formed certain social governance inertia. However, there have emerged many new forms of power among which the homeowners are the strongest group to demand more autonomy. By using a social physics framework, this article sheds light on the ongoing tension between the traditional inertia and the emerging trend of autonomy in real estate. Furthermore, the logic could be employed for predicting the future community governance style in China.

Keywords: *Autonomy, community governance, homeowner association, polycentrism, real estate.*

INTRODUCTION

China's institutional reform and opening-up policy was adopted 40 years ago and resulted in tremendous changes in many industries, including the real estate industry. Compared to the "chronic shortages under communism" (Rapaczynski, 1996, p. 96), China after reform has witnessed the rapid growth of real estate development. According to the National Statics Bureau of China, in the last two decades, the houses built totalled 9797 million meters squared in size. The Chinese Real Estate Association also reports that there are 1 760 000 houses for sale with a total transaction value estimated to be 309 billion dollars as of November 2018. Chinese achievement is another interesting case for the force of Smithian invisible hand (Smith, 2007), under which developers and homeowners have great incentives to build and to transfer property. However, behind the boom, China is also faced with growing pains, as Buchanan & Tullock (1999) quoted Machiavelli, "it is impossible in all human affairs to remove one inconvenience without another emerging" (p. 43). The same goes for China's restructuring over the past decades, and while China's reform brought forth achievement, at the same time, the success brought forth challenges to the established institutions, including traditional community governance paradigm.

On the one hand, the gradual but significant restructuring initiatives did improve the national economy and public welfare by breaking through the established paradigms with an open mind and learning spirit. On the other hand, as the housing distribution system in planned economy yields to house purchase model in a market economy, the communities' governance paradigm will make a transfer from past strict social control to something more suitable to the emerging environment. The tension between traditional rigid community control style and the homeowners' increasing demand for autonomy becomes one of the most noticeable challenges for China to deal with.

Underpinned by the fact that a sound community order is a critical ingredient for a sound society, China has historically given communities significant importance and attention. One major concern for the Chinese government with respect to communities is to continue to ensure political stability at the community level. Meanwhile, the emerging homeowner class is realizing their identity shift from mere dwellers of a government distributed shelter in the past to private property owners at present. Even though the ownership of housing in China can last only for limited years, the homeowners still have the incentive to reduce their maintenance cost and increase the revenue from leasing certain community resources. As Rapaczynski indicates, institutional change is far from fulfilled with rules rewritten (Rapaczynski, 1996), the actual community governance is more complicated and filled with serious conflicts affecting people's everyday lives and the overall social well-being. That is what makes the society worry about:

The conflicts in communities not only are widespread but also appear very furious sometimes. In extreme, some irritated homeowners would be bold enough to go petitioning against those they have labeled as intruders to their legal rights and interests. Sometimes physical conflicts would even break out due to ideological divergences or rights disputes (Chang, 2016, p. 7).

The community issues involve various stakeholders, such as homeowners, property management companies, and relevant government agencies. Afraid of threatening the normal order, the Chinese government has attached great importance to the community governance during these crucial changes. A basic tenet in China is that the government is obliged to ensure the expected order at the community level. A weak grass-root level community governance would eventually shake the whole construction of social stability and political dominance, as illustrated by a popular saying, "housing problems have the tendency of arousing transition in China" (Chang, 2016). Based on historically comparative research and theoretical analyses, this article will identify the issues, their origin, causes, and evolution logic.

1. RESEARCH METHOD

Through this study, we sought to understand the status quo of Chinese community governance, the origin and evolution, the new challenges against the

established community paradigm, and the tension between the traditional housing model and the emerging demands for autonomy by the homeowners. Mello and Flint (2009) suggested that grounded theory should be used to generate theory directly from field data. As Glaser & Strauss describes, this research attempts “to discover theory from data” (2006, p. 1), based on three years of field observation in modern Chinese communities, wide communication with the advocates or charismatic leaders for homeowner autonomy, and relevant literature studies. Grounded by the collected data, we aspired to establish an explanatory framework from the perspective of social physics and further explore the inherent logic for community governance, and thereupon interpret and predict the transformation of Chinese community governance.

2. LITERATURE REVIEW

2.1. Property Right and Community Governance

The core question in community problems lies in how to respect property rights in a community composed of commercialized condominiums. The disputes between homeowners and property management companies are generally related to the revenue of community resource lease, public maintenance fund management or property management fee pricing and collection. From the perspective of homeowners, the community belongs to all of the purchasers of houses inside it, so homeowners should be seen as the true master of all common resources in the community. However, the property management company will make use of Property Rights Law to defend their positions as the law states that the community ought to be managed by homeowner associations or by property management companies. The ambiguity in rights and responsibilities becomes the leading factor for the community disputes.

Coase's (Coase Theorem) eloquent argument for the role of property is often quoted to emphasise the critical role of private property in a market economy. Given “unambiguous and secure” property right, it is believed “even if the state gets some of the initial statements wrong... the parties, if free to contract, will correct this by appropriate private agreements” (Rapaczynski, 1996, p. 87). However, Rapaczynski raised a deeper question, that is, how a sound property right system can be effectively set up and function well? Although most people will think of rule of law as the answer, Rapaczynski was not satisfied with such a reply. Instead, he discovered that “property rights can be only marginally enforced by the legal system”, so he attempted to track down the ultimate factor underpinning the property rights regime and the market economy. Therefore, Rapaczynski compared the experience of post-communist countries in Eastern Europe and found that property right could not be effectively protected by “benevolent dictators”, nor could it be ensured by only moral norms or by “legal system” on paper. In his opinion, any substantial transformation would not proceed without a comprehensive overall remedy. Not only should the rules be sustained, but also a series of “complex institutions must be created in an unusually short period of time”, which might be called “shock remedy” as well. When exemplifying with

some eastern European real estate development, he reiterated his argument that laws or property rights without powerful and literal performance would only “be on the books” or “remain pieces of paper”. As such, his advice for a sound property regime is to put market institutions in place, and for that purpose, both state and market institutions can play their respective and important roles.

Rapaczynski’s framework of analysis above can be used to better understand current Chinese community issues. Contrary to the common assumption that clear-cut property rights are a precondition of a sound community, the acceptable community governance pattern with market-driven force will be the prerequisite for a viable private property ownership structure. As Rapaczynski (1996, p. 87) states, “The creation of a system of enforceable entitlements to the diverse and complex forms of wealth characteristic of modern society is in fact largely a product of market forces, rather than governmental fiat”. After all, any conformance to rules or institutions without reference to actual conditions or changes will be doomed to disappointment, which has been constantly predicted by today’s economists. Putnam (1994) once compared the northern and southern parts of Italy and found that even the existence of the same institutions could lead to contrasting results. Therefore, when considering community governance, we must make sure the exact meaning of community is established as well as the specific requirement or desirable goals for community governance. On the one hand, after years of real estate development, Chinese President Xi simply insists that “houses are only for living in rather than for investment”; on the other, for many Chinese people, as Binovska et al. (2018) described Baltic nations, houses are really a “favourable investment”. How we perceive our community going forward will directly influence where our attention shall be paid. When communities are seen only as a shelter collection, “public order supervision” will be taken as a priority, but when the community is considered a consortium composed of investors of houses in the same community, the attention will be diverted to the asset maintenance, proper management, and appreciation.

2.2. Connotations of Community and Community Governance

Dunbar (2010) emphasises the role of the community by writing “community is what makes the world go around” (p. 35). As a matter of fact, the community tends to remind us of something positive and desirable, like unity, harmony, inclusion, and sense of belonging, and so forth. Moreover, for some, a community is an integral component to having their various levels of Maslowian demand met.

The community is usually understood to be a body of people living in one place, district, or country and considered as one unit. As an academic concept, it has been regarded as initiated by Tonnies (2011). Tonnies gave a dichotomy between “small-scale, kinship, and neighbourhood-based communities” and “large-scale, competitive market societies” (p. 17).

Although this concept was echoed by Dunbar who emphasised that “community... consisted almost entirely of kin” (Dunbar, 2010, p. 38), such a narrow understanding of community is not consistent with most current and broad definitions. Even Tonnies himself frankly recognised that there was a trend for

human civilization to transition from a community paradigm to a society paradigm (Tonnies, 2011, p. 254). Or perhaps community would be more similar to what Anderson (1991) called “imagined” existence. For example, Zheng (2016) proposed that community construction involved certain mechanisms of cognition and imagination (p. 241). However, a community with its strong appealing power to human emotions has succeeded in acting as a banner to cater for some of the human needs and the sense of belonging in Maslow’s theory.

Many scholars would argue that a sound society is ultimately based on, and embodied by, active and energetic community lives. Congruent with this position, Putnam (2001) constantly advocates for the value of social capital and the revitalization of communities. By comparison, as early as in the 1930s, many Chinese scholars have found the necessity of revitalizing the community order while the industrialization had a considerable impact on it. The scholars invariably paid attention on rural communities, and chances were that they thought the urban areas were far from what they interpreted as a community in a real sense (Fei, 1939; Liang, 2006; Yan, 2003).

The concept of community has a particular meaning in the Chinese context. Moreover, for the current administration, the community does not only pertain to certain people in certain areas but acts as a grass-roots administrative unit used by the government as a total social control mechanism. The following diagram (Fig. 1) shows how the grass-roots administrative unit plays a critical role both in real estate management and in the social control system of China overall.

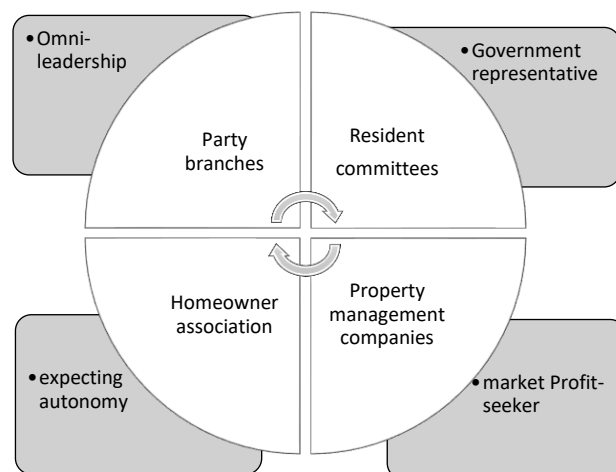


Fig. 1. The compound identity of community in China (developed by the authors).

Congruent to the definition of community in the context of the USA, the authors found that even a city could be called a community. In practice, William J. Barlow, the mayor of Oswego, New York, considers the entire city as one community by saying:

...welcome you to our community... On behalf of all City residents, I invite you to experience all the unique assets within our community... Currently in the City of Oswego, and we are changing as a community (Barlow, 2018).

Community, in fact, is a really fuzzy concept referring to different scales of organisations with a term, but the key common point lies in a community's quest "to form perfect union" where "public welfare" could be get effectively promoted and members' rights and responsibilities could get well balanced (Etzioni, 1993, pp. 9–10). As a communitarian, Etzioni hopes to see community play a substantial role in preventing illogical or unethical encroachment from leviathan bodies.

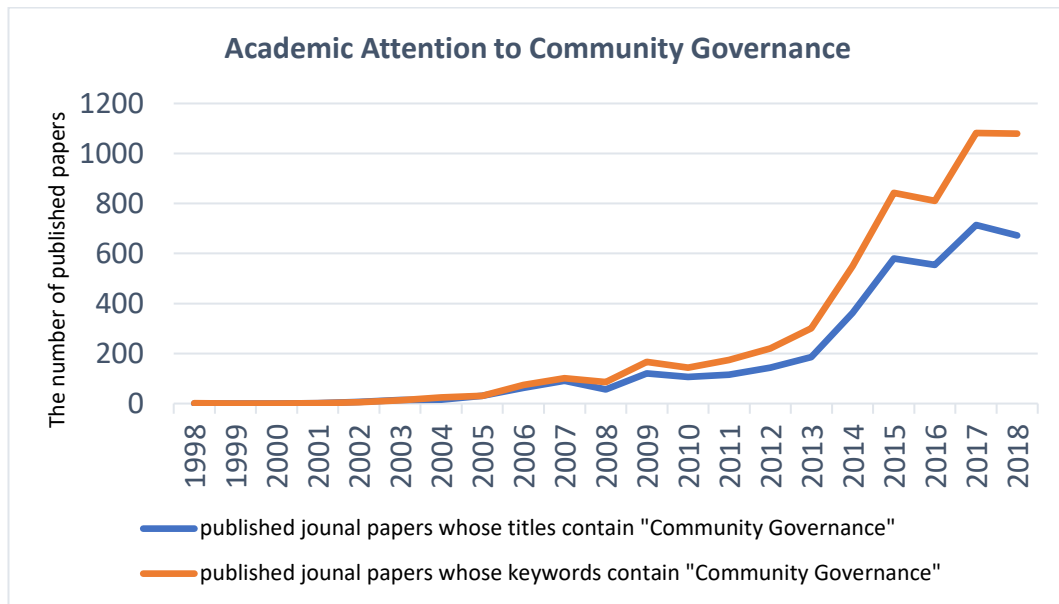
However, in a Chinese context, a much narrower sense of this concept of community is found. In China, the Communist Party-Controlled Resident Committees are the physical representation for a community, which has been virtually co-opted into the overall bureaucratic administration mechanism. At the same time, homeownership has emerged and increased in number and influence during the past twenty years. Homeownership associations (HOAs) have become more active in seeking autonomous rights in communities. This emerging trend is similar to what Etzioni expected, while the old Chinese system is what he suggested to be avoided.

Community for the average Chinese citizen is the space for routine interactions; but for the government, it is an object of control; and for property management companies, it becomes just a market to derive profit from. In other words, the widespread property management companies often take advantage of every opportunity to increase their profits, sometimes even unscrupulously at a very unfair cost of the homeowners as the property owners and the consumers of those companies' services.

The understanding of the community that is limited to a group of people who are living in the same area and share common interests is too general. In fact, the ongoing community in China is more than that, in many cases, the community is turning into a mixture of stakeholders who might have various or conflicting interests. The present official sense of community governance is focused on how to control the grass-root society, which might be a little derailing from what the homeowners are looking forward to.

2.3. Overview of the Public Attention to Community Affairs

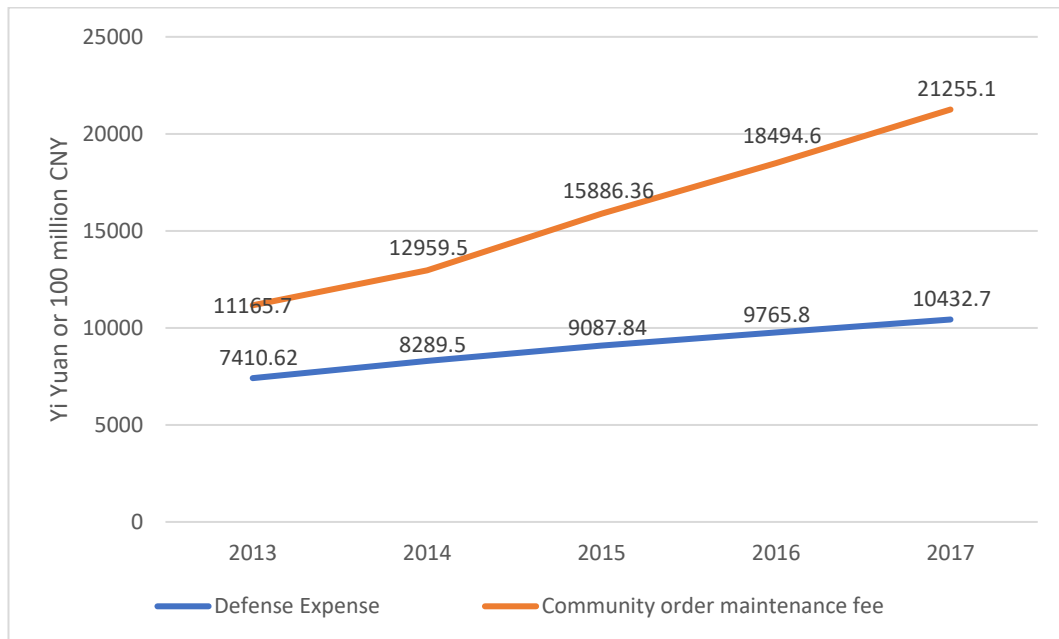
Community governance has become one of the hottest topics, especially with substantial social transitions. A great deal of research around, the community, has been conducted by scholars within different fields, aiming to offer true description and prescription of present community governance. It is recorded that since the first paper on community governance being published in 1998 when China's real estate market was officially open to private owners/investors, the number of the articles in this regard keeps increasing. Figure 2 below exhibits the increase of the papers written regarding community governance.



Note: the data for 2018 are not fully counted on 15 Nov. 2018, when this paper was being composed

Fig. 2. The number of published papers on “Community Governance” in China over the past two decades (developed by the authors, based on China National Knowledge Infrastructure, 2018).

One major reason is the increasing number of troubles related to real estate and community governance. The number of conflicts in communities has also soared up in recent years. Hu (2016) believes that most of the community problems are related to the arguments over community resource ownership and management. Further, community-level issues have been listed as one of the top four serious issues confronting Chinese society (the other three being about labour-capital relation, hospital-patient tension, and the trade-off between economic growth and environmental protection) that is endangering the social stability (Fan, 2016). Hayek was right by observing that “the ability to force obedience always becomes No.1 virtue in the planned state” (Hayek, 2005, p. 84). Additionally, it is widely known that stability maintenance is the Chinese government’s enduring priority. Since China used to employ a planned long-term structured economy, such preference is prone to be deep-rooted. The National Statistics Bureau reports that the effort to keep control over communities through financial investment is very large, even surpassing what is granted to national defence as depicted in Fig. 3 below.



Unit: Yi Yuan or 100 million CNY (approximately equal to US \$15 million)

Fig. 3. The comparison of the Chinese government's investment in community order maintenance and national defence (developed by the authors, based on National Bureau of Statistics of China, 2018).

A great financial investment in community affairs is evidence of China's determination to keep the community in strict control; however, such generous input is not necessarily able to provide the expected stability or maintain the past order easily. Instead, communities in China are still simmering with various kinds of tensions, conflicts, and even fights. According to Ningbo City Court, the numbers of reported cases around community property right conflicts rocketed from 167 in 2011 to 895 in 2014 (Jing, 2016). That is why Xi (2018), as the incumbent Chinese president, solemnly declares that "just as a mountain deprived of a solid foundation would be shaking and collapsing, the total society will risk falling into turmoil when losing the expected community order and stability. Correspondingly, each level of government, including the central one, has turned highly alert to tackle these menacing community problems, which often escalate to petitions or even social riots. In 2015, the Central Party Office and National Council Office co-issued a document, deliberating a strategic plan for community governance by solving problems, encouraging community solidarity and boosting public welfare.

It has become a routine that any of Party's or government's concerns and agenda will invariably become the research projects of academic scholars. The social concerns, as well as the political attention to community issues also opened the windows of opportunity for the people to have heated and thorough discussion of this topic, which helps explain why the papers about community governance have occupied massive columns in many Chinese journals.

These research endeavours did contribute significantly to our understanding of the current opportunities and challenges for community governance. Xia (2002)

proposed with nostalgic emotion to create the community in Tonnies' image that would be characteristic of warmth and intimacy among community members. This argument sounds very attractive, but a bit romantic as the members in modern communities of China are generally connected more by rational interest than by emotional attachments. In order to balance such optimistic proposition, some scholars would like to weaken the role of primitive bonds that used to tie people together; instead, they propose prioritizing economic concerns in maintaining a worldly community. Liu J. (2003) believes that community interest and welfare need to be above the spiritual and cultural elements because he thinks the success of most communities in developed countries is due to their putting economic considerations as their priority. Ten years later, Liu went further in the welfare state logic by trying to set up a close-knit welfare net in Chinese communities. It seems that he equates community governance to state-funded welfare provision so that individuals will continue to be dependent upon the community and at the same time the community can exert virtual control over those individuals (Zuo & Liu, 2013).

This stark idea creates some disagreements. For example, Yang T. (2013) was expecting more freedom for civil society and more participation from the common dwellers and his ideal pattern of community governance was a partnership among government, enterprises, social organisations, and common citizens. However, considering the totalitarian nature of social control in China, and considering mass people's history of habitual dependence on authority, Chen J. (2006) cautiously reminds us that it is a long way to go in order to attain that democratic and participatory paradigm of community governance.

Given the latest years of observations of community governance in China, this paper would not completely accept Liu's optimistic stance nor Chen's pessimistic idea. By contrast, we think challenges and opportunities co-exist for modern Chinese transition in the area of community formation and governance. Before we begin to deliberate on this argument, we would like to make a more specific narration of the community governance at present. In general, most authors either tend to describe specific problems or attempt to offer prescriptions for what they presume to be a desirable state. To put it simply, there have been at least three types of arguments concerning the prospect of Chinese community governance.

2.4. Homeowner Claiming for Autonomy

The first school argues that community should be autonomous literally (Liu, A., 2005; Xie, 2007; Shao, 2010; Hu & Zhou, 2015; Liu, 2015; Yang Z., 2016; Ling, 2016; Dai, 2017; Xia, 2017; Tan, 2018). This argument was based on the modern community's nature of private ownership. Since China started the real estate marketization in the 1980s, private ownership of the property began taking root in the once fully communist China land. Deng, the so-called chief designer of Chinese restructure, was famous for his application of utilitarian "cat theory" to support his transition from former rigid national control to relatively free marketization. According to Deng (1989), just as a rat is competent only if it can seize rats no matter what colour it is, any institution is acceptable; suppose it can bring welfare to people's livelihood and can liberate productive force. Under the

guidance of such a philosophy, Chinese socialism boldly commenced absorbing what used to be labelled as capitalist, including land use right transfer and private home ownership. Besides, this allowance of the market in real estate field is also interpreted as a habitat revolution for Chinese people over the past thousands of years because modern real estate developer has invariably chosen the tall apartments, which can accommodate a lot of homes. Oftentimes, a tall condominium functions like an ancient village while a community composed of such buildings would be like a small town in population scale. Take Tian-tong-yuan in Beijing City as one example, the community is shared by nearly 500,000 people, just the size of a medium-sized city.

According to the official statistics, floor size of the commercialized houses has reached 9543 kilometres squared by 2016 (National Statistics Bureau, 2018), where 80 % of urban citizens of China are living (Ling, 2016). However, as Chen Y. (2016) points, many commercialized communities must shoulder the public functions, which should have been taken by governments, like safety, environment beautifications, and public utility maintenance, among others. Therefore, the homeowner right advocates are striving for a literal balance between responsibilities and rights. In other words, when the homeowners should pay a property management fee to maintain the community environment, safety, and public utilities, they should be completely granted the power to run the community management affairs.

2.5. Communist Party & Government's Interference With Community Affairs

The second school of thought is diametrically opposite to the first claim. Chen et al. (2018) have recently argued that the institutional innovation of “red” property companies (i.e., property management companies permeating communist party ideologies) can help the communist party take the firm control of the market agents, and hence are significant in realising expected “good community governance”. In practice, there is an influential example in Jiangnan District of Wuhan City. It is reported that all the property management companies have been called “Red Property Companies” as all the 187 property management companies that are serving 382 communities there have been involved in an initiative called “Red Engine Project” for which special “Red Fund” for community governance has been appropriated by local governments to exert powerful influence over community members. The community management companies have been regarded as the so-called Red Cells of communist party system as each company should not run without establishing one Communist Party Branch (Zhu, 2017; Mao M., 2017). Another case in point is in Puyang, Henan province. This city government requires a four-step manoeuvre (see Table 1) to make effective interference with community affairs in the jurisdiction.

Table 1. Local Government's Four-step Interference with Community Affairs
Source: Hualong District Government, 2017)

Time Span	Goals/Duties
16–23 Nov. 2017	Governments, esp. Real estate administrations, influence local property management companies and homeowner associations
24–30 Nov. 2017	Puyang Party Committee & real estate administrations produce a specific plan to strengthen the party's role at the community level
1–30 Dec. 2018	Implement the plan by encouraging more communist party branches to be set up at the community level, and hold more comprehensive control over these party branches
Feb.–Mar. 2018	Evaluate the result of this initiative and set model organisations arising from the movement to spread communist party influence across communities

All these endeavours, various in forms, are the same with their aim, which is to harden the base of Communist Party Control over communities. In line with such a paradigm, it will be believed that community agency is virtually the Party/or Government' grass-root executive body. The expected vision for the efforts is "where there are people, there is a communist party that is working" and "where there are communist party members, there is a strong organisation to get them tied together" (Hualong District Government, 2017). Following this logic, we could easily foresee such communities with communist philosophy or ideology prevailing not only in party members but also in property companies, homeowner associations or even real estate developers (Nanjing Daily, 2017). It is reported that one sub-district government in Nanjing has decided to invest 6 million Yuan (nearly 1 million dollars) for the property companies to be willing to cooperate (Nanjing Daily, 2018).

2.6. Pluralist Communist Governance Pattern as a Compromise

The third argument about community governance will be different from both above. Hu J. (2016) proposed in *Making Harmonious Community Work* that the community governance is not society-centred, nor state-centred, but the so-called state-led social pluralism (pp. 46–54). Under that logic, a pluralist framework is promoted to present community issues. The pluralist also reviewed the process of Chinese community governance in the past decades and arrived at a conclusion that the good governance community relied on government bodies, market organisations and social agents to play their respective roles properly (Ge, 2018). If such a statement is a bit too general, then Wang et al. have given a more specific description of what they thought to be a desirable poly-centric cooperative pattern or mechanism in community governance. Considering the obvious problems in this regard, like blurry vision, disabled cooperative platform, and citizens' lacking the drive to participate in community affairs, Wang et al. proposed forging an institution that could combine the positive forces from government and society,

encourage the sense of inclusiveness among residential committee, homeowner associations and other social organisations, and encourage the local elites to contribute their ideas, resources and efforts to the community welfare (Wang et al., 2018). This pattern stresses the mutuality between government power and the civil society's spontaneous order. The prescription can remind us of the IAD framework developed by Ostrom et al. (1994). Bloomington school's IAD framework is shown at Figure 4.

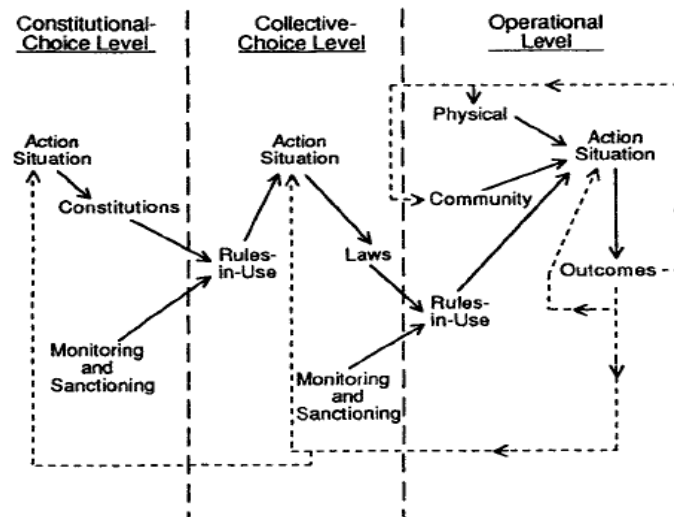


Fig. 4. Bloomington school's IAD framework (Ostrom et al., 1994, p. 47).

The poly-centrist will see community problems involving a different level of agents and stakeholders. At the constitutional choice level, people are looking forward to a clear vision of community construction, set up and maintenance of the basic rules. At the collective choice level, the real estate administrations and other local agencies can be responsible for the specific regulations for the community agents to follow. Finally, at the operational level, community stakeholders are supposed to behave as prescribed by law. At all levels, monitoring and sanctioning are necessary for keeping the mechanism functioning well. With the balance forged among various stakeholders, no agent can be the sole decider of the community problems or conflicts, instead, each decision related to the local people's common welfare must pass through the commonly recognised process during which people can talk, negotiate, debate or compromise. Therefore, the advocated pattern can be interpreted as a polycentric paradigm, under which both visible hand and the invisible hand can be employed to their strengths.

As mentioned earlier, most of the existent academic reflections over Chinese community governance are synchronic and prescriptive. Although many authors have given their solutions to the challenges confronting modern Chinese communities, the reasons for their respective proposals are for the greatest benefit of the governance of the community. In our review of the literature collected, there are very few materials that attempt to extend their eyesight further into Chinese history, as it pertains to community governance, to see the track and to spot any inherent logic about this issue.

3. EXPLORATION INTO THE COMMUNITY GOVERNANCE MEME

3.1. Tenacious Historical Archetype of Community Governance

Diachronically, Chinese idiosyncrasy is used to keep civil society in tight control and is embedded in their administrative meme ever since the Qin Dynasties took power about 2,000 years ago. The meme is a tenacious historical archetype of Chinese community governance. Although there have been such philosophers in ancient China as Mencius, who argued that “people need giving top priority while state affairs come second and the rulers themselves will be the last to take into consideration” (Wan & Dong, 2006, p. 324). Moreover, the Qin dynasty was determined to get rid of any schools of thought which were different from the favourite ideology of totalitarianism (Sima, 1999, pp. 169, 183). In addition, Qin employed strong military forces to forge his firm way of keeping all in a firm grip. In keeping with Qin’s ideology, Qin launched the programmes of strict supervision over the civil society. According to Sima (1999), people in Qin dynasty were ordered to form certain miniature organisations where the members were required to watch each other and by so doing to prevent each other from committing anything against government regulations. For this purpose, all the community members, regardless of clans’ blood-ties or regional ties, would be Lianzuo-ed. Lianzuo was an institution designed to ensure all the members of a community receive penalties if one of the members was found guilty of a crime. According to Zhang (2013), the social miniature groups had been adopted into the overall government bureaucratic system, as shown in the following Fig. 5.

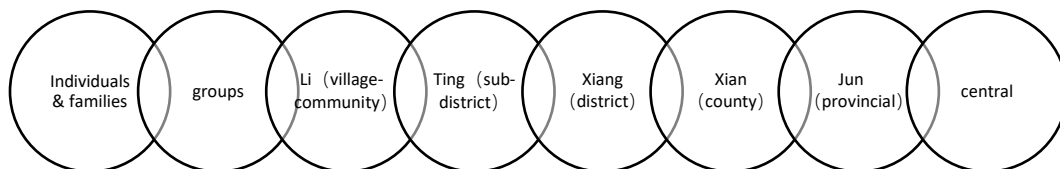
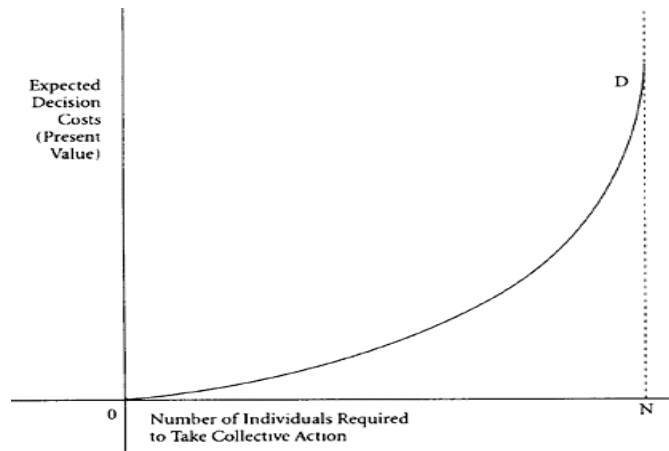


Fig. 5. The archetype of traditional Chinese Community Governance originated from the Qin Dynasty (developed by the authors).

Through this chain, each of the national citizens would be organised into a closely-knit hierarchy whose ultimate control lies in the central power, the Emperor (also called “Zhen” in Chinese meaning oligarch). According to Buchanan and Tullock (1999), this was a typical institutional design efficient in making policy (see (a) in Fig. 6), but with great external cost, (b) in Fig. 6. Highly reductionist and risky as this institution was, it turned out quite far-reaching and popular with generations of rulers so much that nearly all of them would adopt it. The most attractive element is the minimum decision cost, as shown in the following figure (pp. 70–71).

a)



b)

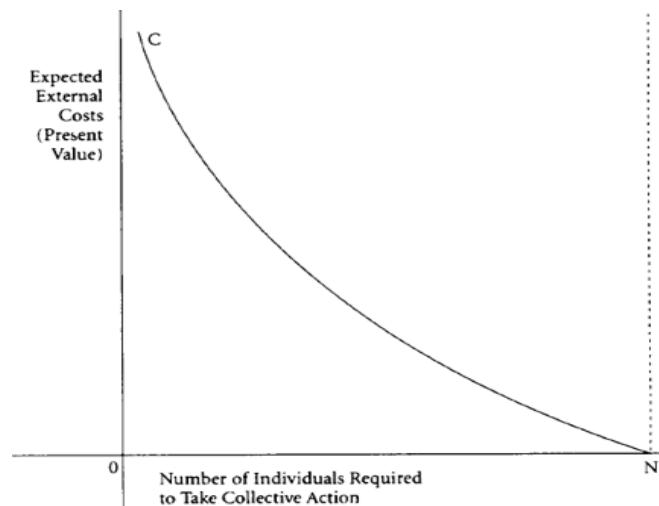


Fig. 6. The decider number's influence on the decision cost and external cost (Buchanan & Tullock, 1999, pp. 70–71).

If the western democratic institutions are designed to lower external cost, Chinese ruling systems instead had kept on minimizing decision cost ever since Qin dynasties. When Qin dynasty ended, the system it embraced survived in all his successors until the People's Republic of China (PRC) was founded. For example, when the Han Dynasty (202 B.C. to 220 A. D.) overthrew the Qin rulers, the Han Dynasty inherited Qin's legacy of bureaucratic control system altogether. Considering the prolonged existence of Qin's totalitarian system of social control, Mao Zedong once summarised by stating "the past dynasties in China invariably found it pretty convenient to exploit the mono-centrist system invented from Qin age, hence absorbing it in controlling society" (Mao T., 1973). Although there might be a few alterations for the names (like Dujia System or Baojia System, etc.), the controlling concepts were of the identical paradigm, as shown in the Table 2.

Table 2. Community Governance Paradigm Traditions in Ancient China
(developed by the authors, based on Baidu Encyclopaedia., 2018)

Dynasties	Years	Community Governance Systems
East Zhou	770 B.C. to 221 B.C.	Bianhu system: 5 families were a Gui, and 10 Guis made a Li; 4 Li-s made a Lian; and 10 Lian-s made a Xiang, and 5 Xiang-s made a Jun
Qin	221 B.C. to 206 B.C.	Xiangli system: 100 families made a Li; 10 Li made a Ting; 10 Ting-s made a Xiang
Han	206 B.C to 220 A.D.	
Bei Wei	386–534	Sanzhang system (Tri-levelled governance system): 5 families were in charge of the neighbourhood leader; Five neighbourhoods were in the charge of the Li leader; while five Li-s were under a Dang Leader. All levels of leaders should be appointed from those powerful and wise
Tang	618–907	Xiangbao system: 5 families were a Bao, and 100 families made a Li; 5 Li-s made a Xiang
Song	960–1279	Xiangbao system: 10 families were a Bao, and 5 Bao made a Super-Bao system; 10 Superbao-s made a Du-bao; only the admired could be made the leader of Dubao
Yuan	1271–1368	Cunshe system: 50 families compose a she (community)
Ming	1368–1644	Lijia system (also called Baojia): 110 families made a Li, among which 10 families who provided most taxes were named leaders while the rest 100 families were called common Jia-s
Qing	1644–1911	Baojia System:10 families made a Paitou; 10 Paitou-s made a Jiatou;10 Jiatou-s made a Bao
Republic of China	1912–1949	Hukou system and later changed back into Baojia

Although diverse in names, the community governance paradigms share the same core idea, i.e., the governments throughout the ages or dynasties proved accustomed to using totalitarian control style in community governance. That is why Cheng (2013) believes that the monocentrism is a necessary choice over Chinese history.

In ancient times, the rulers preferred to see a well-knit and closely-organised community where the members could be easily tracked down and watched. The organisation medium could be dependent upon their blood ties or regional factors.

For example, an identical-surnamed clan could make up a community, and the members are expected to look after each other and supervise each other. Usually, the members were forbidden to move freely. The leaders in the communities might be co-opted into the huge bureaucratic system as the system's feeler agents stretching into the grass-root communities. The major functions of these feelers would take responsibility for ensuring harmonious conformance to the requirements from above. To a large extent, this tradition lasts until the foundation of the PRC. After all, just before communist China was set up, the Kuomintang government had been still using Baojia System to exert his close supervision over common communities. Centrism is not the patent ideology to communism as conventionally believed, at least not in China. Long before communism prevailed in China, the community governance style was totalitarian. And, of course, the socialized movement that PRC founded has made this state advanced.

3.2. The Unit-Based Community Governance in Socialized Reform

As soon as PRC was founded, the new authorities began considering how to build one fresh social order after the old one had been thought to be abandoned. Ironically, it might be human's bounded rationality that made their imagination virtually limited within a certain boundary. As the saying goes, "There is nothing new under the sun". This saying seems to remind us that although some apparent forms and expression might differ, the certain gene-like human core would continue to hold firmly to the initial beliefs. As for China's community governance institution, we could easily see the existence of an invisible boundary, which was the idiosyncrasy of social control. Even prevailing in China for two thousand years, it keeps the potential of continuing to dominate in a new technological environment. In practice, PRC, under the powerful leadership of CCP (Chinese Communist Party), in order to realise optimum social control, has gradually divided Chinese society into two main parts, as shown in Fig. 7.

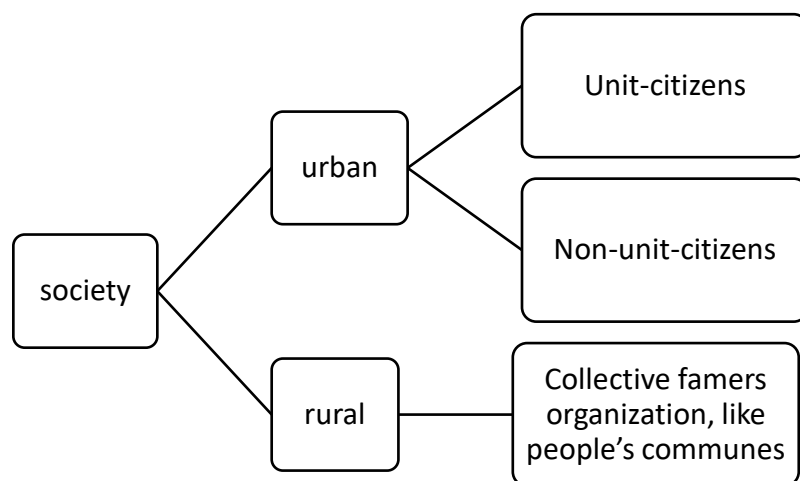


Fig. 7. The general pattern of social control at the initial stage of PRC (developed by the authors).

The unit-citizens refer to those so-called working class and administrative cadres who have a certain organisational unit to take charge of, as it pertains to their all-around welfare, including not only wages but also medical care, shelters, and even babysitting in kindergartens. As pointed by Hayek, “there is hardly an aspect of it, from our primary needs to our relations with our family and friends, from the nature of our work to the use of our leisure, over which the planner would not exercise his ‘conscious control’” (Hayek, 2005, p. 63). Such positions were usually seen greatly desirable and once obtaining such identities, a unit-citizen would need to care little about his own welfare, as his or her Unit would become the source he could turn to for help whenever he would be in need.

Of course, the unit would meanwhile exert considerable authority over him in many respects. Chances are that the persons attached to the certain unit could be described with a coined name, unitizens. Additionally, these units would become a productive unit, service unit as well as a community itself. At this time, people’s dependency on their blood-tied relatives has weakened while attachment to the unit turned strong. If people could not live without these unit systems; then the units would be the substantial master of them, and as these units must be reliant upon government, the ultimate master of all communities would be the government. Thus, the government would not need to be greatly concerned about these unitizens, as these individuals are thus highly dependent upon the whole bureaucratic system.

However, there were more people within the country than could be absorbed into the unit system; therefore, it was those members of society that caused the government the greatest amount of concern. These unabsorbed people committed acts beyond normal order, causing the government to find some approaches to get them organised into certain quasi-units. This minority of people, who lived in cities but went without being absorbed by any unit, would be put in charge of Residential Committees. It is said Chairman Mao Zedong once praised Pengzhen, the Mayor of Beijing City in the 1950s, for his support of the proposals to get the urban citizens organised with such institution. Moreover, Mayor Peng also advocated to set up Sub-district Agencies to take a better charge of the urban citizens that were outside the unit system. Although such institutions as Resident Committee and Sub-district Agencies used to be designed as makeshift choices to prevent the non-unitizens from getting too free, this kind of organisation produced very long-standing institutions that were still prevailing and influential in the grass-roots society of China. For example, the number of staff members in community agencies was reported to be 15 million as of 2015, according to the National Statistics Bureau of China. Meantime, the number of Residential Committees, the namely autonomous but bureaucratic community organisation, also came up to 103,292 in 2017 (National Bureau of Statistics of China, 2018). Additionally, there is the emergence of another kind of organisation currently called community service station, which has been designed to implement government’s programmes, such as charities and aid to families in need, among other public services, in the residential areas.

Besides the Residential Committees, Public Service Stations, and the Sub-district Agencies, there are also party committees and their branches in this field. The three organisations could be categorised into authority-backgrounded agents.

These organisations generally have two major functions. The first is to be responsive to the government officials. For example, they performed neighbour-watching jobs, especially against any suspects who might do harm to the social order or stability, and they supported propaganda of the government policies or other callings, like sanitation awareness or military recruit ads. The other is to serve the common residents. In this sense, the organisations are more like government-supported charity organisations. For example, some family would go to them for application for low-income subsidies, affordable economic housing provisions, among other welfare. At the same time, they would start some entertainment activities to attract the residents in the jurisdiction to get more involved and participative. Nevertheless, it is often the senior citizens who attend such initiatives as the young prefer to work, study or just play in other ways instead of taking part in the formally organised community initiatives.

In this sense, the effects of the government-financed community agencies, like the Residential Committees, the Community Service Stations, and, of course, the basic-level CCP branches, are rather limited in motivating the local people. Instead, their function would mainly be in keeping the community order and stability which is expected by the authorities. In brief, the official community governance style is still in line with the traditional inertia of strict and totalitarian control.

3.3. The Dilemma for Unit-Based Planned Community Governance

China's reform has been the last resort when the planned economy turned out a failure; however, a planned community paradigm is far from being restructured. Thus, we can see a significant shifting of momentum regarding community governance, due to the big challenges facing the established institutions. The most notable challenges include but are not limited to:

- 1) The former Unit-based social control paradigm is at risk of coming to an end since most units in China have let go of the functions of social control and social services; and even worse, some units just disappeared because of bankruptcy or reorganisations.
- 2) The number of the out-of-unit citizens exploded as the unemployment increased, and the industrialization also attracted many former peasants into cities to find jobs and become immigrant-but-informal citizens in cities.
- 3) The urbanization of many countrysides has engendered more communities from the former villages. However, the management of the new communities or peasants continues to be an issue.
- 4) The real estate industry mushroomed after the reform policy was launched, especially during the last two decades in China. On the one hand, it has made many Chinese people move into modern buildings; on the other hand, it also drained many citizen's family assets. Moreover, the real-estate reform movement has also turned millions of residents into homeowners. As Mencius points out, where one's asset is, one's concerns will lie. Therefore, the homeowner's management strategies became greatly important as the communities made up much of their hard-earned assets.

- 5) The emerging agents, especially the homeowners and their associations, are increasingly aware of their rights of management and benefit with regard to their community as a common pool resource.

The impacts brought by reform, esp. by the Rapid Real Estate Development on Community Governance are analysed in the next subpart.

3.4. The Impacts Brought by Reform, esp. by the Rapid Real Estate Development on Community Governance

There was no such thing as a Chinese real estate market from the foundation of PRC to 1978 when the reform was launched. At that period, all of the real estate belonging to the nation was distributed to millions of units and the units further distributed them to individuals. It is believed that “collective freedom is ...the unlimited freedom of the planner to do with society that which he pleases”, and it is seen as a “familiar fact that the more the state ‘plans’, the more difficult planning becomes for the individual” (Hayek, 2005, p. 57). However, planned distribution of houses proved unsustainable. In addition, a chain of social problems kept springing up, like a shortage of houses, unfair practices, or corruptions with the distribution of houses. Thus, the authority had to find an alternative to ease the tensions and to revitalize the national economy as well since house building was a heavy financial burden for the government. Then, under the directorship of Deng’s cat theory, China was led to reform the real estate industry resulting in unprecedented opportunity.

At the same time, the former unit-distributing-house system came to an end. One reason is the welfare proved a too heavy burden for most units to shoulder. This Chinese experience is similar to what occurred in the former Soviet Union. Rapaczynski described what happened when the former Soviet Bloc went through similar changes when he stated, “While extreme housing shortages persist, housing stocks in the hands of many enterprises and governmental units have been viewed as liabilities rather than assets” (Rapaczynski, 1996, p. 97).

Similarly, when the planned economy failed in China, the market economy had to be adopted. In 1987, The Communist Party of China opened the 13th National Congress where the party pointed out an idea that was shockingly different from the old ideology, i.e., real estate was also a kind of productive element to be absorbed into a socialist economy. With this initiative, communities are turning commercialized, and former residents or unitizens attached to public welfare houses into independent homeowners, who are now obliged to take care of the community affairs and pay for the property services. It was recognised by the National Council in 1988 that real estate had been a mainstay industry with the huge driving force and wide relations to other industries (China National Council, 2015). According to National Statistics, the Chinese real estate industry has provided 9 797 340 000 metres squared of buildings during 19 years from 1998 to 2016. As given by the National Statistics Bureau, only this year China has witnessed a gigantic business in the real estate market. The Size and Sales of Real Estate across China from Jan. to Oct. 2018 is shown at Table 3.

Table 3. The Size and Sales of Real Estate across China from Jan. to Oct. 2018
(National Bureau of Statistics of China, 2018)

Areas	Commodity house size		Sales amount	
	Absolute number	Relative increase	Absolute number	Relative increase
	Million metre squared	(%)	Billion Yuan	(%)
Total	1331.17	2.2	11591.4	12.5
Eastern	535.45	-4.7	6168	5.4
Middle	377.33	8.7	2538	21.1
Western	354.3	8.6	2416.5	26
North-eastern	64.09	-4.7	468.8	7.2

This change was a great achievement for China's real estate market and it also turned millions of Chinese people into homeowners. Although China once was called a proletariat dictatorship, now it is inhabited by numerous homeowners of private property.

As mentioned in the previous section, the Chinese units in the past planned economy were also in charge of the general public's housing distribution and their maintenance affairs, among other social control duties. Since the planned economy has been proven less efficient than a market economy, and the old system has failed to meet the growing demand for more housing, China has had to launch a series of reform initiatives, aiming at applying invisible hand to solve the shortage problems of houses and the unfairness in discriminating housing distributions among the members of society.

As a result, the real estate market was greatly encouraged to fill the vacancies, while accumulating a large sum of money for public finance. Objectively speaking, the marketization did function efficiently in providing a large number of houses across China. It is estimated that just in the last twenty years, the Chinese real estate market provided more than 5000 km squared in floor area. While also tripling the average per capita size, some significant transitions are accompanying Chinese real estate marketization. First, the former residents have given way to the present homeowners or tenants; second, the former communities in the charge of units have been separated from the old management modes, especially for the new communities with commercialized houses, the public goods, including safety, greenery, sanitation, fire preventions, property maintenance, and even air defence projects would be paid by the homeowners; third, the physical residential nature has become replaced by investors' club nature. However, many community functions that are being undertaken by homeowners themselves should have been undertaken by the government (Chen Y., 2016).

Furthermore, even if the burdens must shift onto the homeowners, the management affairs then also should be decided by the homeowners. But in fact, it is estimated that only 20 % of communities in China have succeeded in setting up their own organisation. That means, most of the Chinese communities at present are going without an entity to represent them. This occurred when the developer chose certain property management companies to perform his job, but when the developer sold all the houses and left the community, the property management companies would function as the fee collector and service provider regardless of the buyer's preference. Therefore, the community governance in modern time seems lagging behind the real estate development advances. As a matter of fact, the institutions matched with the former planned economy still exist, with more emphasis on rigid state interference with communities, which will diminish the individual homeowners' autonomy right over their communities. With the power of the homeowners growing, they are trying to get more rights and interest with community governance. Therefore, two strong forces are in tension, one is from the traditional inertia of keeping strict control and supervision of communities, and the other is from the modern homeowners who are striving for their freedom and autonomy in managing their own communities. The communities, with community space and parking lot lease or advertisement tendering, can easily generate a large sum of money. But when abiding by the current Law of Property, many communities must employ certain property management companies to take care of these businesses while the profit will go to the companies instead of the homeowners. Homeowners find the struggle over revenue unfair and hope for a complete change by organising their own homeowner associations. However, this organising process is muted by government agency over-interference. Especially, the sub-districts, the residential committees, and the house administration bureaus, which are invariably makeshift institutions in the specially planned economy era, have exerted big resisting force against the trend of homeowner organisations. Hence, the rate of HOAs across Chinese communities is very low, estimated to be less than 20 %. That means many property companies are operating in Chinese communities, with official approval but lack of proper consent from the basic homeowners!

As for the low-rate of HOAs in present Chinese communities, one reason for that is the striking hardship in attempting to set up one such organisation. At first, the foundation of HOA should be put under the directorship of the real estate administrative agencies of local governments (sub-district, district, country: various levels). Second, the homeowners of the community should be informed no less than 15 days ahead of the HOA election date. Third, there should be a preparatory incubator group for the to-be-elected HOA, and the group should be composed of representatives from government officials, Residential Committee members, and homeowners. And all the group members could not be elected as HOA committee members. Fourth, the election would be valid only when more than half of the all the homeowners agree to the result, and what is more, the home sizes added together have to be more than half of the whole size of the community floor size. Finally, the elected HOAs will not be recognised as legal unless get approved by the sub-district government. When a community is composed of thousands of homes, the

election tends to be very troublesome and costly. Suppose there would not be incentivized homeowners for this organizing effort, the HOA would not be set up. What is worse, even if the process for starting an HOA is acceptable, a government agency might disqualify it, and sometimes the debate over the validity of HOA election process can only be resolved after a series of lawsuits (Zhao, 2018).

This is a problem caused by the clash between new demands of the emerging propertied class and the old path dependence of community governance paradigm. Interestingly, this long-established inertia of community control is just like the inertia effect in physics. As Comte proposed, the social problem might well be interpreted with natural scientific concepts, principles, and paradigms. The next section will explore this idea.

3.5. Path Dependency in Social Physics Sense

The notion of path dependence has been discussed and utilised in various social sciences during the past decades. Under this concept, the improvement or shift regardless of technology or institution is very similar to the inertia property of physics. Once a pattern was formed and followed, it would be relied upon by most people in most time; therefore, during this process, the path-dependency would get more strengthened as if it were a self-evident truth.

North (1990) believed that the long-run implication of the cultural processing of information is that “it plays an important role in the incremental way by which institutions evolve and hence is a source of path dependence” (p. 44). What is more, the path dependency theory argues that once equilibrium is reached, the solution is difficult to exit, and such an effect is called “lock-in” state or path dependence; in other words, the consequence of chance circumstances can determine solutions that once prevailing will lead people to a particular path. The role of path dependency is “to narrow conceptually the choice set and link decision making through time” (North, 1990, pp. 94, 98). Furthermore, considering that the Chinese people have undergone thousands of years of rigid community control, we think such a pattern will also exhibit some lock-in nature, and the generations of people living on China land will also find it convenient to follow the inertia from tradition. Path of dependency has become a substantial factor in determining what community governance will be like.

More than a century ago, Comte (1853) pointed out, “the complex and special nature of social phenomena is the chief reason why social study has remained imperfect”. Therefore, he looked forward to seeing an application of natural science into social interpretations. Douglas North has succeeded in applying this methodology in his economic research to discover the past economic institutions’ deep and far-reaching influence. We think that this methodology can also be used in community studies.

On the one hand, community problems are complex and with different nature; on the other hand, people from various perspectives have raised too many solutions. But it is easier to give prescriptions than to ensure their real effects. As Qian (1988) warned social scientists, “although many theories in social science sound very

convincing, I still have a doubt, that is, suppose your suggestions were luckily adopted by authority, dare you to sign your names to show you can be accountable for any mishaps with implementing your proposals” (pp. 16–17). This poignant statement was meant to help social research to be more scientific. We believe that community governance research is in greater need of such influence. For example, A argues for community autonomy in a literal sense, while B thinks that community would better always be put in the charge of the communist party. The contradiction is apparent, but only quarrel or free speech regarding this topic is not enough, and what we need is a framework to help us relatively clearly see the trend. A newly developed analysis framework of community governance paradigm shift can be found at Figure 8.

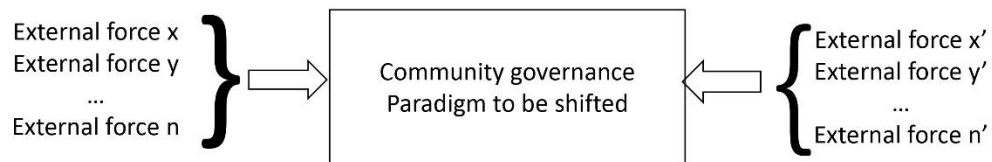


Fig. 8. Social physics framework of analysis into the community governance shift (developed by the authors).

If we suppose the traditional inertia with community governance in China has certain inertia, whereas the homeowners’ struggle for their autonomy of community affairs as one combined force, then we could use the Newtonian laws of motion to understand the prospect of shift or change, expressed in the formula:

$$a = \frac{F}{m}, \quad (1)$$

where

a is the prospect of a shift or change;

F is the combined force of homeowners’ struggle for their autonomy of community affairs;

M is the traditional inertia with community governance in China.

Without fresh forces exerted from outside, the momentum of Chinese community governance will be kept the same as before. In Newtonian motion theory, any moving object has inertia to keep the existent state, and it is likely that the human-crafted institutions and their mind-sets or paradigms would also be of such a tendency.

Given the super-long tradition of social control (as seen in the table above), we can reasonably presuppose that the community governance shall be considerably influenced by the mono-centric power. In ancient times, it would be the emperor and his families to take the ultimate discretion, and nowadays, it would be a communist party and its administrative governments to play the role. After all, in a country with 1.3 billion of the population, the established centralism will naturally entail such an omni-leadership of the party (Hayek, 2005, p. 50). As reiterated in

the Chinese Communist Party Constitution, “The Party will be an all-around leader in everywhere and not only in party affairs but also in government, in troops, in civil administrations, and in education and academics” (CPC, 2017). Such a statement has been held by generations of Party leaders, which has been a respectable major premise in a syllogism (Xue, 2018; CPC, 2017). The modern embodiment of community governance inertia as a paradigm is represented at Figure 9.

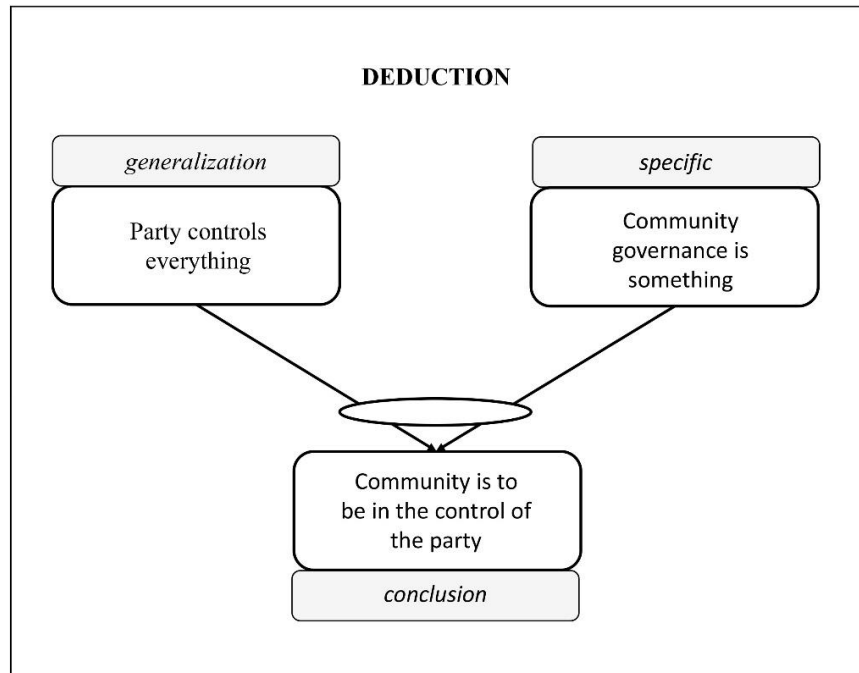


Fig 9. The modern embodiment of community governance inertia as a paradigm (developed by the authors, based on CPC, 2017).

Ironically, we find that the control-preferred government agencies will not take over the management of the public services in communities started by real estate development; instead, the government appropriation of the fund will be left for Residential Committees’ activities whereas the public needs in communities as such are supposed to be met in an autonomous way.

However, with industrialization, marketization and real estate development, new forces have taken on increasingly important parts in community governance. At first, the homeowners in most of the Chinese communities tend to live together in tall buildings, hence sharing the common plumbers, utilities, and environment. As prescribed by the Property Law of China, all the community-wide public service should be provided by professional property management companies at the expense of homeowners in the form of property fee (the exact amount depends on the community location, luxurious degree, and service items). The property management fee collection and expenditure will be very sensitive to the property management companies and homeowners as well. What is more, the quality of their

service, as well as their charge process and amount, often become the factors leading to community conflicts, troubles or fights (Hu, J. 2016, p. 64).

Under such responsibility-autonomy but the right-mono-centric pattern, the homeowners find it very hard to get problem well tackled. What they argue for is the true autonomy right so that they could decide on what to be done with the community at what cost. For example, in the past original base of proletariat revolution, the propertied homeowners were launching another kind of restructure movement, which was characterized by Wu (2017) as “Politics of Housing Rights”. The homeowners’ strong petition for autonomy is shown at Figure 10.

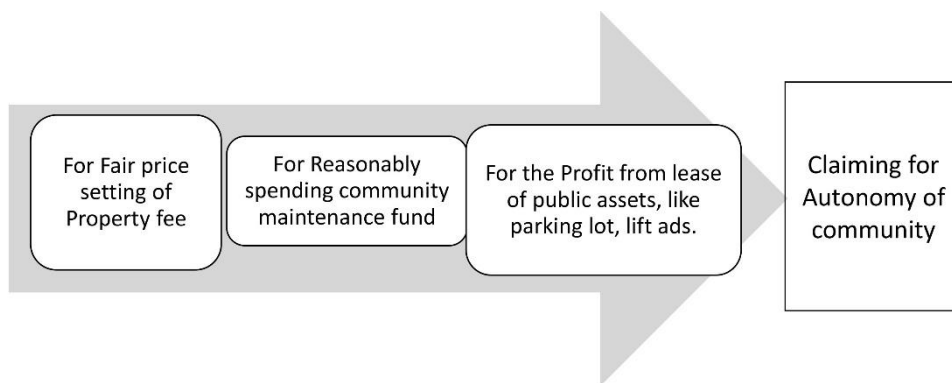


Fig. 10. The homeowners’ strong petition for autonomy (developed by the authors).

The emerging agents like homeowner associations, property management companies, and other professional service providers are new factors that are giving the traditional paradigm of community governance a real challenge.

CONCLUSION

The failure of the planned economy in China has caused the Chinese government to adopt many market-economy-oriented reforms. These reforms include the commercialization of real estate and a shift in the community governance paradigm. This transition liberated a large productive and innovative force across the entire national economy. As for the building industry, the market economy has also succeeded in providing the Chinese people with the appropriate size of shelter, which solved an urgent problem. However, the reforms have given birth to other problems. The reform of the real estate industry is a catalyst for positive social and economic change but, at the same time, a catalyst for new community governance problems.

How to manage the modern community often is a question arousing heated quarrels and fights. On the one hand, homeowners tend to be the true master of the community by exerting complete autonomy; on the other hand, the authority,

perhaps by supporting certain property management companies, prefers to keep closely-controlled governance across communities. This difference of perspectives will be the basic reason for all the petitions and conflicts taking place at the community level in many areas across China.

In retrospect, Chinese community governance has strong inertia, which is hidden deep in the cultural gene or meme. As observed, in social groups there are “implicit social contracts: individuals are obliged to accept that they must forgo some of their more immediate personal demands in the interests of keeping the group together” (Dunbar, 2010, p. 285). Over the past two thousand years, Chinese rulers have succeeded in crafting various institutions to keep such a pattern in effect. Individuals and families were always put into the certain hierarchical system so that every part of the community could be virtually monitored and checked. Although they would use distinct names, the nature of the community governance institutions would be identical, which is control, order, and stability. But according to a report given by the Ministry of Civil Affairs, this kind of institution is critical to maintain the stability at the community level and cannot tolerate any flexibility, negotiation, shakings or criticism (Dai Zhiwei, 2008). As informed by Hayek regarding Russian enterprise: “Whilst the work is in progress, any public expression of doubt that the plan will be successful is an act of disloyalty and even of treachery because of the possible effect on the will and efforts of the rest of the staff” (Hayek, 2005, p. 55). The enduring preference to keep the community in rigid grasp has been a driving force against the emerging homeowners’ claiming for property rights, democratic negotiation, and community autonomy.

In the framework of social science, the deeply embedded traditional forces function as tenacious inertia resisting any force for the opposite direction, such as the force embodied in homeowners’ movement for their property rights and self-interest motives. Although China witnessed many years without the concept of homeowners, the real estate reform liberated a large amount of space for civil society. Furthermore, the failure of the former unit system was one of the major reasons behind the desire of Chinese citizens to self-organise outside government interference. If we agree that the unit system was based on the planned economy, then with the substantial breakdown of the planned economy, the planned community governance paradigm should also meet challenges from emerging demands for homeowner autonomy. Therefore, just as the spontaneous order has succeeded in revitalizing the country-town businesses and realising the rural land reform, the market economy-oriented reforms will play a critical role in the transition of the community governance paradigm in China from planned or controlled style to the autonomous and free pattern.

Nevertheless, according to the analysis framework of social physics, the traditional paradigm will still have significant and tenacious inertia. In practice, the great sums of investment to grass-level representative agencies, institutional blockages against homeowners’ free organisations, and advocating “red property management” are invariably the embodiment of this momentum. But when homeowners’ demand for autonomy over their communities starts to balance the ongoing inertia, a possibility arises for an ultimate shift of community governance in China.

Just as China's successful experience in releasing rural development and township enterprises brought forth a valuable innovation and productive force, we believe the community governance shift from rigid government/party interference to homeowner autonomy will also conduce to harmonious and stable communities. That is what the philosophical saying means to authority: the less interfering, the better governance in communities. If people are trusted, they could exhibit more wisdom, ingenuity, and discipline than expected.

To conclude, as far as community governance is concerned, suppression or distrustful monitoring is not an advisable approach; instead, allowing homeowners to realise their desired autonomy, in an updated or adapted legal framework, might be the only way out from the present community governance dilemma. In other words, the homeowners will be the true force that can be relied upon to maintain the expected order and stability at the community level in China.

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