

Final version should be cited as "Urban Chinese Homeowners as Consumer-Citizens" Pp. 281- in The Ambivalent Consumer edited by Sheldon Garon and Patricia Maclachlan (Cornell University Press, 2006)

*Chinese Homeowners as Citizen-Consumers*¹

Deborah S. Davis
July 2004

Introduction

In the years immediately after the founding of the People's Republic of China in 1949 the Chinese Communist Party (CCP) drew on a rhetoric of modernization that lionized the industrial proletariat, stigmatized private property, and celebrated the state's ability to meet the material needs of "the people" (人民). Citizenship (公民的身份) did not justify equal claims to the nation's resources and the first constitution differentiated among citizens so that only the subset belonging to "the people" could enjoy the full benefits of the socialist transformation. Thus, Xingzhong Yu has recently observed that "for the sake of survival (most Chinese) would identify themselves as members of the people rather than as citizens."²

For urban residents these early CCP definitions of modernity and citizenship not only defined authority relations between urban residents and local state agents, but also created distinctively bureaucratized patterns of consumption. The post-1949 CCP blueprint for development de-commercialized city life and contained consumption within locations of production.³ Ration tickets previously associated with wartime hardship controlled the peacetime sale of basic food items as well as a wide range of household furnishings and daily use items.⁴ Housing became a de-commoditized welfare benefit that bureaucrats distributed to the most deserving "suplicants" in a public housing

queue.⁵ By the late 1970s, urban families routinely purchased their staples from warehouses located on enterprise (单位) property, lived in homes rented through an enterprise housing office, and even depended on employers for entry to theatres and recreation centers.⁶

To some extent, Soviet experience guided the CCP leaders' decision to de-commercialize the urban economy and subordinate individual consumption to state-directed production quotas. However, Chinese leaders also built directly on their own civil war practices in the Yan'an base camps, and ultimately went further than the Russians in erasing consumers as economic actors and encapsulating urban life within production-focused enclaves.⁷ Furthermore, because lifetime job assignments and police control over residential mobility intensified the dependence of urban residents on bureaucrats for the allocation of necessities, urban China took a path to modernization after 1949 that was particularly hostile to consumerism.⁸

Then, between 1979 and 1983, Deng Xiaoping decisively broke with these ideological preferences for de-commoditized modernity and collective consumption.⁹ The central leadership began to channel more investment into the production of consumer goods, discontinued rationing for consumer durables, and advocated a substantial role for consumer markets as drivers of economic growth. For urban residents the governments' enthusiasm for personal consumption dramatically improved the average standard of living. At the outset of Deng's market reforms, only a small minority of urban households had owned a television, a washing machine, or a refrigerator. Home telephones and air conditioners were unknown outside the compounds of high officials. Twenty years later, all these consumer items had become routine—non-rationed—purchases (see table 1

below). Most remarkably, urban home ownership had soared to the highest level in the world, from 15 percent in 1992 to over 80 percent in 2002.¹⁰

Table 1: Ownership of Consumer Durables among Urban Households Dec.2001
(across 7 income levels)

	Lowest 10%	next 10%	next 20%	middle 20%	next 20%	next 10%	highest 10%
Color TV	103%	109%	115%	121%	126%	132%	138%
VCR	26%	31%	37%	43%	50%	54%	56%
Computer	4%	6%	8%	12%	17%	22%	26%
Camera	21%	26%	32%	40%	47%	54%	61%
AC	14%	20%	25%	35%	43%	53%	63%
Washing Machine	79%	85%	90%	93%	96%	99%	101%
Refrigerator	63%	71%	77%	84%	88%	93%	95%
Electric Rice Cooker	79%	86%	97%	108%	120%	126%	137%
Shower	31%	39%	45%	52%	59%	67%	71%
Stove Smoke Hood	34%	41%	49%	58%	64%	68%	72%
Mobile Phone	10%	15%	22%	32%	45%	53%	62%

Source: *Zhongguo tongji nianjian (China Statistical Yearbook 2002)* (Beijing: Chinese Statistics Press, 2002), 330.

In terms of material living standards and increased reliance on commercial transactions, re-legitimizing markets produced a consumer revolution for urban households.¹¹ It also reshaped a political system that for four decades had relied on controlled access to necessities—or what Dorothy Solinger has termed "organized solicitude"—to discipline and motivate urban citizens.¹²

After 1979, officials increasingly defined national success in terms of consumer gains, and citizens in turn calibrated the legitimacy of the party-state in terms of improved standard of living. These trends do not mean that China by the twenty-first century had become a middle-class society where consumer demands drove national politics or that all households had reaped equal consumer gains.¹³ Rather it is to argue that the Deng reforms so dramatically reduced the dependency of households on bureaucratic allocation that urban residents experienced a heightened sense of autonomy in their personal relationships. At the same time, state agents became increasingly tolerant of unofficial forms of sociability centered on personal consumption.¹⁴ In the case of new urban homeowners, control over a valuable financial asset liberated them from "the organized solicitude" of the Mao years (1949-1976). To place the experience of these new homeowners in a larger institutional perspective, I first review the policy shifts of the 1950s that had created the supplicant role and then describe how the new political economy after 1978 both restored private property rights and opened up a new social and political space for consumer-based activism.

Creating a Socialist Property Regime

After their 1949 victory in the Civil War, the CCP prioritized heavy industry and socialist transformation. Their development blueprint marginalized—and later

obliterated—individual property rights and they envisioned a new China built on the superiority of collective ownership and bureaucratic management. For urban housing the leadership proposed a low rent, publicly-owned real estate system that would provide every household a self-contained apartment with the amenities that previously had been enjoyed only by bourgeoisie: running water, flush toilets, electric outlets in every room, and indoor kitchens with gas burners. Material shortages and the CCP's primary commitment to heavy industry compromised these ideals and forced the new leadership to tolerate communal apartments and pre-revolution levels of homeownership.¹⁵ Despite these compromises, the government quickly established the ideological and legal foundations for a socialist urban property regime.

In 1950, all urban land became property of the people (全民所有制). Current homeowners could retain title to their homes, but they could not transfer their property rights to any one other than a state agent or an immediate family member. Real estate development moved from the productive to the non-productive side of accounting ledgers, and urban shelter became a welfare benefit that employers allocated according to need and seniority. The initial outcome in Chinese cities was a socialist property regime that guaranteed the social right to shelter while dissolving the civil rights of property ownership.

Over time, however, the material consequences of de-commoditizing urban real estate became increasingly problematic. After the economic catastrophe of the Great Leap Forward (1958-1960), the leadership further concentrated public funds on industrial development and residential construction came to a virtual halt for the next twenty years.¹⁶ As the urban population increased and the baby boomers of the early 1950s came

of marriage age, crowding increased and building quality and maintenance deteriorated. By 1978 average per capita living space was less than it had been in 1952.¹⁷ In response to these hardships, Deng Xiaoping announced the first experiments to increase levels of home ownership, thereby igniting a long-term process of commercialization that ultimately dismantled the institutions of the socialist property regime by the end of the 1990s.¹⁸

Dismantling a Socialist Property Regime

When the Chinese leadership ideologically embraced the benefits of markets, they also explicitly endorsed the benefits of private ownership and commercial real estate.¹⁹ In principle, the ideological shift away from the planned economy and collective ownership might have justified an immediate dismantling of the socialist property regime in urban China. However, during the first decade of economic reform, privatization of urban real estate lagged behind marketization of trade and industrial production. Urban shelter therefore remained a workplace welfare benefit through the early 1990s.²⁰ Employers continued to be the primary developers and proprietors, and urban residents continued to strategize for new housing as supplicants, not consumers with choices.

Nevertheless, even in advance of the spectacular privatization of the late 1990s, the government had established the foundations for a new property regime in which individual consumers, not administrative staff, would determine the distribution of most new housing units. In 1988, the National People's Congress (NPC) amended the constitution to allow transfer of land use rights and in 1990, the NPC passed an ordinance allowing cities to sell long-term leaseholds on state land and retain the profits.²¹ In 1991, Shanghai adopted the Singapore model of provident funds that required both employees and employers to

contribute to savings accounts dedicated to home purchase, and subsequently state banks developed a range of financial instruments for individual loans and long-term mortgages.²² Large coastal cities aggressively courted overseas real estate developers, and a national housing reform group worked with central and local governments to clarify ownership rights for those who bought flats that had previously been collective rentals. The most decisive break with past practice came in 1998. For several months, Premier Zhu Rongji spoke repeatedly in favor of full commercialization. In July, State Council Circular No.23 announced that as of December employers would be out of the housing business and that "welfare housing" (福利房) would be restricted to a small minority of low-income households.²³

Over the next twelve months, the central and local governments completed the full capitalization of urban housing stock by legitimating the resale of public flats and expanding the role of commercial banks in underwriting individual loans.²⁴ Most critical to this final stage toward full privatization were the Temporary Procedures (No. 69) issued by the Ministry of Construction on the resale of the collectively-owned flats that had been sold to sitting tenants at highly subsidized prices. These procedures went into effect May 1, 1999.²⁵ Henceforth all those who held full rights to their homes, regardless if they had purchased the home privately or through a subsidized sale of their original rental units had the right to sell the property and retain all after-tax profits.²⁶ Three years later, the government announced that 80 percent of previously collectively-owned housing stock was in private hands.²⁷ For all practical purposes, the socialist system of welfare housing had vanished, and the bulk of urban housing stock had become capitalized, privately-owned assets.²⁸

Did this revolution of homeownership create consumers willing to take action in defense of their new property rights, or did it simply extend the existing social rights to shelter without eroding party-state monopolies of power? Because privatization of property rights in China did not occur simultaneously with political reforms as it had in the former Soviet Union, privatization of real estate may simply leave urban residents politically inert within the new hybrid system of communist-capitalism. Five years after the demise of "welfare housing," it is too soon to assess the long-term political consequences of the rapid privatization on consumer activism. But to the extent that they represent official discourse, the public record and new consumer legislation identify consumers as an ideal type of deserving citizen. Furthermore, fieldwork completed by several scholars in the major coastal cities, as well as my own observations in Shanghai, document how increased home ownership has fostered awareness of consumer rights. To be sure, this tilt toward consumerism in the media and among new homeowners is neither unproblematic nor uncontested. Moreover, since 1998, the persistence of a powerful party-state has constrained the efforts of urban citizens to realize their consumer rights and function as effective citizen-consumers. Nevertheless, the rhetorical enthusiasm of the official media for consumers as well as passage of new legislation to explicitly protect consumers indicate that the post-Mao Chinese leadership may harbor a lower degree of ambivalence towards rising consumer spending than has been observed in Japan or South Korea during comparable years of rapid economic growth.²⁹

The Party-State's Rhetorical Embrace of Consumers

Over the decade of the 1990s, Chinese official media diversified and direct CCP control weakened.³⁰ Newspapers and magazines proliferated and the Internet created an

entirely new terrain for exchange of commercial information.³¹ Nevertheless, the party-state not only remained vigilant against criticism of national leaders but also continued to view the state-owned media as a primary tool to disseminate party-state orthodoxy throughout the country.³² Therefore, even in the midst of heightened media commercialization, articles on consumers and consumer rights in the state-owned newspapers and magazines continued to provide a template of official policy positions. Below I summarize results from an overview of articles published between 1995 and 2002 in *People's Daily* (人民日报) and in *Chinese Civil Affairs* (中国民政), a monthly magazine sent to local officials in residential neighborhoods throughout China.³³ Because the first Consumer Protection Law was implemented in 1995 and China entered the WTO in 2002, one could hypothesize that during these years the official media might increase their attention to the roles of consumer rights and consumer purchases. I then situate the contemporary discourse historically by examining coverage of consumers over the past half-century.

Between January 1995 and 2002, *People's Daily* ran 6,154 stories containing the word consumer (消费者). Using this crude indicator, approximately 80 percent of the selected articles used “consumer” to identify a general economic actor whose purchasing decisions sent signals to producers.³⁴ At the same time, there were only 117 articles that mentioned both consumers and excessive luxury (豪华), and only 181 that discussed consumers and waste (浪费). Moreover, over these eight years this pairing of consumption and excess declined while those including both consumers and waste remained steady at about 3 percent.³⁵

The decline of negative stories on consumption in *People's Daily* did not translate into explicit support for consumer rights. Only 18 percent of the selected articles included any mention of consumer rights or interests (权益), and the specific phrase consumer rights (消费者权利) appeared exactly seven times between 1995 and 2002. Nevertheless, it was noticeable that the first two articles in *People's Daily* to describe homeowners as activist consumers presented the government as standing on the side of the consumer.³⁶ In each case, residents initiated complaints of shoddy construction by approaching the local government and party leaders and then seeking monetary compensation from the private contractors through the courts. On the other hand, in at least the second case, *People's Daily* reported that the court had been unable to force the developer to compensate the new owners.

Overall, between 1995 and 2002, *People's Daily* presented consumers as economic actors who improved the functioning of the macro-economy. Reporters explained that because consumers shop for the best quality at the lowest price they send signals to producers, thereby increasing overall efficiency and eliminating damaging monopolies.³⁷ In one March 1995 editorial, the writer went so far as to praise the perfect virtue (仁) of consumers because in their purchasing decisions consumers were free of all selfishness.³⁸ More startling, however, was the invocation of icons of orthodox Leninism when reporters wrote about the need for officials to be responsive to consumer complaints. One such remarkable citation appeared in a January 4, 1995 article that favorably identified consumers as "gods" (上帝) and then as those whom Party organizations should serve in the spirit of Lei Feng.³⁹

For a political party committed to the superiority of atheism, praise for deities is certainly remarkable, but drawing on the iconic Maoist hero, Lei Feng, is even more striking. Lei Feng was a soldier in the People's Liberation Army who was lionized during the Cultural Revolution for his life of ascetic simplicity and dedication to serving the people. Hand-written copies of his diary were extolled throughout the 1960s and 1970s, but by the early 1980s, Lei Feng had become a dark joke about the meaningless sacrifices of youth during the Mao years. The reporter's exhortation for government officials to serve consumers in the spirit of Lei Feng, therefore, represents a conspicuously positive endorsement of consumers in the official discourse of post-Mao modernity.

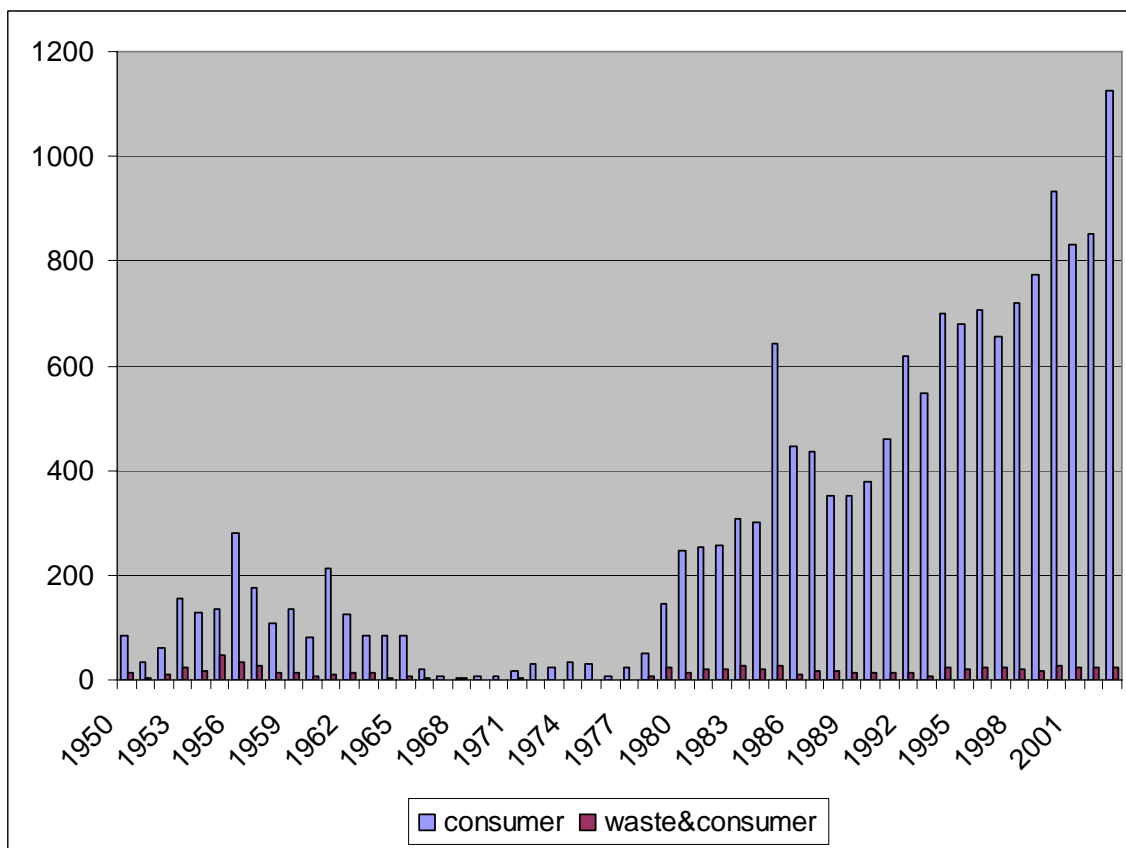
People's Daily is responsible for disseminating the general views and policy directions of the central government on the macro-economy to a national and international readership. By contrast, *Chinese Civil Affairs* has a narrower readership of government employees. Consequently, I had expected to find more ambivalent attitudes toward consumers in this publication than in *People's Daily*. However, between 1994 and 2002, articles in *Chinese Civil Affairs* were no more critical of consumers or rising consumer spending than those in *People's Daily*. Editorials never once exhorted their targeted readers—that is, CCP administrative staff in city and residential offices—to mount campaigns to eliminate waste or curb excessive consumption by city residents.⁴⁰ Rather the most dominant theme over these years was instruction on how best to capitalize upon the economic gains of creating fee-paying “consumers” for traditional welfare programs.

A second key theme for the editors of *Chinese Civil Affairs* was the need for local officials to educate residents about their consumer rights and to teach them to be vigilant

against purchasing dangerous or substandard goods. However, the largest cluster of articles explained the economic benefits of developing welfare services in response to consumer demand. Historically, the Ministry of Civil Affairs has encouraged its welfare programs to be self-sufficient. Orphans and the disabled who fell within the care of the Ministry not only worked in gardens and kitchens of welfare institutions, they also produced goods and services whose profits paid the wages of ministry staff. However, essays published in *Chinese Civil Affairs* after 1993 go beyond promoting frugality and self-sufficiency to urge the creation of profit-making services. Of the forty-six articles that used the word consumer, ten focused explicitly on how to develop welfare services—particularly among the elderly—that could generate profit.⁴¹

To place the official discussion of consumers in a larger historical perspective, I also reviewed the frequency with which the word consumer and the pairing of consumer and waste occurred in *People's Daily* articles published between 1950 and 2003. Figure 1 summarizes the overall trend. During the 1950s, *People's Daily* published 1,297 articles with the word consumer and 203 with both consumer and waste. During the decade of the Cultural Revolution (1966-1976), consumers virtually disappeared from the pages of *People's Daily* and there were only nine occurrences of consumers and waste.⁴² But after market reforms took off in 1978, the rate rose steadily and after 1991 never fell below 500. Not only does the basic frequency remain high, but between 1995 and 2003 consumers became even more visible than either workers (工人) or university students (大学生).⁴³ Simple enumerations only capture the grossest distinctions, but they do effectively document the quantitative shifts over the entire post-1949 era.

Figure 1: Coverage of Consumers and Waste in People's Daily 1950-2003



Source: <http://willard.library> that sends one to 《人民日报》(1946-2003)图文电子版

Explicit encouragement of profit making among social service agencies in the pages of *Chinese Civil Affairs* indicated a substantive break with the Maoist rhetoric of bureaucratic allocation. However, overall the official discourse in the pages of *People's Daily* and *Chinese Civil Affairs* after 1994 presents the consumer as a neutral and universal economic actor. The word consumer is used interchangeably with buyer and there is little attention to consumers as profligate spenders who divert savings to wasteful indulgence. Thus, the key change in official discourse after 1978 has been increased attention to consumers, not a dramatic shift from negative to positive connotations.

Consumer Protection Law

In October 1993, the National People's Congress passed China's first Consumer Protection Law.⁴⁴ In September of that year, the NPC had passed the Law Against Unfair Trade and a year later the Advertising Law.⁴⁵ Together these three pieces of legislation established the legal framework within which homeowners could seek compensation for shoddy construction or lack of advertised facilities. Like most of the legislation passed after 1978, the Consumer Protection Law strengthened individual rights in the marketplace. Most relevant to urban homeowners were the articles that guaranteed consumers the right to correct information (articles 8 and 13), the right to choose and exercise supervision over commodities and services (articles 9 and 15), the right to fair trade including fair measurement (article 10), the right to receive compensation for damages (articles 11, 35, 36, 37, 38, 39, and 49), and the right to form social groups to safeguard their legitimate rights and interests (articles 12, 31, and 32). In addition, the law required the state to listen to consumer opinions when formulating laws (article 26) and the courts to simplify the procedures for consumers to file a lawsuit (article 30).

Since 1949, the CCP party-state has consistently disregarded the letter of the law whenever individual entitlements threatened its monopolies of power, and rarely have courts enforced claims of individuals against those of the party-state.⁴⁶ Moreover, as noted in the analysis of *People's Daily*, the explicit phrase consumer rights (消费者权利) occurred no more than twice in any one year between 1995 and 2002. Therefore, it would be naive to read the new Consumer Protection Law either as an enforceable contract between citizens and the government or as official endorsement of consumer activism. On the other hand, the passage of the Consumer Protection Law occurred within an

expansion of legal rights that empowered citizens and weakened their dependence on local state agents.⁴⁷ Between 1982 and 2004, China revised its constitution four times to provide more legal protection to market institutions and Chinese citizens gained substantial new rights and protections particularly in civil disputes. But as legal scholar Stanley Lubman has observed, Chinese citizens remain "caged" by the politicization of the courts and the monopoly power of the CCP. Top-down legal reforms enlarged their degrees of freedom but only persistent citizen struggle and mobilization can realize the protection promised by the new laws.⁴⁸

In the case of the Consumer Protection Law and its application to homeowners' issues, we find a good example of this imperfect—but not trivial—extension of consumer rights. Legal scholar Benjamin Liebman has demonstrated how consumer demands for compensation provided under the provisions of these several consumer protection laws created important precedents for future consumer plaintiffs by strengthening the more general application of the Civil Procedure Law to class action suits.⁴⁹ In the most famous case, three hundred Beijing residents were financially compensated when it was revealed that contrary to the promises of advertisers, the Mao anniversary watches they had purchased contained neither gold nor diamonds.

Since 1994, the Consumer Protection Law has also gained prominence in official publications directed at professionals. In 2003, the weekly magazine of the China Law Society identified the Consumer Protection Law as one of the ten most influential laws enacted since the beginning of market reform.⁵⁰ To illustrate the law's significant impact on Chinese society, the Law Society cited surveys that showed an increase of more than 50 percent in the number of consumers filing for damages between 1994 and 1999; by

1999, it reported, even those whose losses were less than 2,000 *yuan* (or approximately \$240) were routinely seeking compensation.⁵¹

For homeowners seeking redress, one major obstacle to applying the Consumer Protection Law was the argument of developers that housing was not a consumer item. Article 49 of the law guaranteed compensation of double the sale price whenever consumers could prove that merchants had sold a fraudulent product or shoddy service. During the late 1990s, consumer activist Wang Hai popularized this principle of "double compensation" and tirelessly publicized his success via television appearances and his own website.⁵² Evidence of his success even reached the pages of *Chinese Civil Affairs*, motivating one local official to post an article to explain why "hero" Wang Hai need not pay income tax on the refunds he got from merchants who had sold him faulty merchandise.⁵³

Whenever homeowners tried to follow Wang Hai's example and invoke Article 49, however, developers argued that Article 49 applied only to moveable items for daily use and the courts generally supported them.⁵⁴ Recently, at least one official government organ of the real estate industry has taken the side of homeowners and argued for application of Article 49 to housing disputes. Since the argument comes from a state agency and explicates in detail the application of Article 49 to homeowners, I summarize it below.⁵⁵

First, the authors explained that while it once was true that homes were investments of enterprises, they were now considered individual consumer purchases. They also stressed that consumer protection laws in other countries normally extend to home purchases, and that homebuyers use money just as in any other consumer purchase.

Moreover, they noted that the original law never put any restrictions on the type of consumer purchase to be protected other than to stipulate that the item be a commercially available item for personal use. Finally, they emphasized that because buyers have less information than sellers do, consumers are in the weaker position. The Consumer Protection Law, they concluded, was specifically drafted to protect the weak. Unlike the reporters of *People's Daily*, these authors repeatedly linked consumer rights to those of individual citizens: "In comparing the individual citizen (公民个人) and the corporate legal entity, the former stands in the position of weakness; thus for the law to realize the principle of fairness (公平的宗旨) it must tilt toward the consumer."⁵⁶ When the house organ of the state real estate industry speaks unambiguously in support of consumers and explicitly against past court rulings, millions of homeowners who are prepared to sue and hire consultants to defend their claims gain principled support from the agents of the party-state.

On the other hand, the reality of fifty-five years of CCP rule cautions against interpreting the arguments of reporters working for the real estates industry as official guidance for subsequent court decisions. Moreover, fieldwork done after 1998 in homeowner-dominated neighborhoods in several of China's largest cities raises serious doubts about the ability of homeowners to realize the consumer rights promised in recent legislation. These studies of homeowners in Beijing, Guangzhou, Shanghai, and Shenzhen consistently find that while owners have a heightened sense of their consumer rights, they have rarely succeeded in gaining significant compensation.⁵⁷ In short, casework indicates that despite unambiguous endorsement of consumers in official discourse, market-friendly communist leaders are most likely to side with developers

while administrative procedures and party power at the local level generally constrain, rather than support, citizen's exercise of their consumer rights.

I next draw on my own observations of one Shanghai estate between 2002 and 2004 to further illustrate how administrative power has prevented a voluntary association of owners from organizing in support of their consumer rights. By focusing on one particular case, I illuminate the ways in which officials simultaneously embraced consumerist language but remained vigilant against organized consumer activism.

The Limits of Consumer Power in a Communist Party State

Throughout the Mao years, a nested honeycomb of party-state control extended into every urban neighborhood through a system of residents' committees that were tightly linked and subordinated to the next higher level of city government.⁵⁸ The committees oversaw sanitation, maintained the household registries, and after 1978, monitored compliance with the one-child campaign and re-employment of laid-off workers. On average, a committee of five to eight residents supervised four hundred to six hundred families living in adjacent buildings.

During the early 1990s, city governments seeking to professionalize municipal services appointed non-resident administrative staff to the residents' committees.⁵⁹ However, by the end of the decade party leaders reversed course and again looked to local residents to "strengthen the connections and emotions between the party and the masses."⁶⁰ Despite their desire to re-insert party power into the neighborhood fabric, home ownership and the new consumer freedoms that had destroyed the "organized solicitude" of the Mao years challenged an easy return to past practice. Two specific

market-based innovations of the commercial residential estates—management companies and owner’s committees—assumed key obligations that had previously fallen under the jurisdiction of the residents’ committees. Management companies and owner’s committees first appeared after 1994 in estates built by Hong Kong and Singaporean developers.⁶¹ Both organizations subsequently appeared in commercial estates throughout China. The management companies were fee-charging businesses that provided sanitation services, routine building maintenance, and care of the grounds. Owner’s committees, on the other hand, were voluntary, elected associations that represented the consumer interests of owners in their negotiations with the management company, the developer, other owners, and the local government.

Fieldwork by several scholars between 1999 and 2002 indicated that while legally the party-state supported consumer empowerment through elected owner’s committees, in practice local officials generally opposed the associational autonomy promised in Articles 12, 31, and 32 of the Consumer Protection Law.⁶² My own interviews in one Shanghai estate—which I will call Western Garden—illustrate the complexity of the current situation. On one hand, the official media consistently presents consumers as a positive force and the city government has officially incorporated the residents’ committees into the new commercial estates. Like the developers, residents’ committee staff members address the residents as individuals whose consumer demands set the menu of services that define residential quality of life. On the other hand, we find owners disempowered when they tried to use their elected organizations to advance their consumerist property rights.

Western Garden is a commercial estate selling two- and three-bedroom apartments at prices that are average for new neighborhoods outside the city center.⁶³ The first buyers moved in during 1994, and by July 2002 there were more than nine thousand residents. In April 2004, the estate had reached its planned capacity of 4,300 units with more than twelve thousand residents. Like most new commercial estates in urban China, Western Garden is a gated community, which the developer has marketed as much for its modern life style as location or price. The developer maintains an elaborate website with multiple chat rooms where residents can register complaints or link up with other residents for a wide range of recreational activities.⁶⁴ The website also has multiple links to real estate listings in adjoining estates and in other cities of China. Pop-up advertisements and short video clips constantly move across the screen promoting a wide variety of consumer services as well as new real estate offerings of the developer.

Western Garden is not exclusively a residential neighborhood. Within the estate, there are many private businesses. In the oldest buildings these stores, beauty salons, and restaurants occupy the first floor and face parking spaces and interior roads. In Phase III, retailers were clustered in a two-story mini-mall across the street from the central administration building and tennis courts. It was here during a visit in April 2004 that I observed a striking documentation of the explicit links between homeownership and consumers. On more than fifty light posts, the developer had installed multi-color banners promoting his newest logo. There were similar promotional decorations along residential sidewalks in other developments I visited at that time. But only in Western Garden did I find a logo that so explicitly defined residential areas as neighborhoods built around

shared consumption. At Western Garden the banners read in English: "New Center & New Life," and in Chinese: "consumers make neighbors" (消费者作邻居).

When I first visited Western Garden, the residents' committee occupied a five-room suite in a block built in 1994; by 2004 the committee had moved to new quarters within a separate building that also housed a rental office and the offices of the management company. When I asked in 2002 why the residents' committee had such large accommodations within a private estate, the party secretary of the committee explained that government regulations require developers to provide space for a residents' committee in proportion to building construction.

In her briefing, the party secretary read directly from a promotional script of the developer that stated the percentage of open space, the size of the security staff, and the wealth of recreational facilities. She stressed that the estate was a "closed community" and that since 1995 had been recognized as a city level "civilized district" (文明小区), a designation the city government grants to residential neighborhoods that have had no sanitation violations, no reports of crime, and no members of the heterodox religious group FalunGong. In 2004, a rental agent told me that the designation of "civilized district" also increased real estate values.

When the first tenants moved to Western Garden in 1994, the developer sponsored a directly elected owner's committee. However, in 1998, after the leaders of the owner's committee had tried to mobilize other owners to seek compensation for shoddy building materials, the district government installed a residents' committee and prohibited the formation of owner's committees in Phases II and III. The party secretary explained that because the owners' committee included many non-owners, the local

government deemed it an illegal organization. Subsequently, the residents' committee asked each household to nominate one member to vote for seven representatives whose main duties were to operate a nightly telephone hot line. Nevertheless, the party secretary told me that she found it difficult to control non-party members and negatively compared the activism among the members of the owners' committee to that of residents who had volunteered to host informational sessions for perspective buyers.

In a 2002 interview a retired cadre living in Phase II—a building without a representative to the owners' committee—explained why he was not enthusiastic about such non-party organizations exercising administrative power. His point of comparison was the factory where he had previously been a chief engineer:

In an enterprise, in a factory, you know each person's job and position.

You also know their past and that you will continue to work with them.

However, with an owners' committee the situation is entirely different.

His wife, a former teacher, continued:

An owner's committee is a new thing, so it is not easy to develop. You also need professionals to run it. There are at least three kinds of problems in setting up and running an owner's committee. First, there is conflict between the one who controls and those that are controlled. Second, there are issues with money. Who will take responsibility if it disappears? This is not like an enterprise. Here there is turnover, and you do not know what anyone did before they moved here. Third, who is an owner? In many cases, it is the resident, but in other cases, it is like us. Our daughter bought this place and she is the legal owner. But she has no time for this

kind of stuff. She gets home late and she is often away. How would she have time for such a committee?

In Western Garden, we observe a situation in which the government has withdrawn support for a consumerist organization that it once endorsed as an ideal form of community governance for new commercial estates. But we also see a merging of state and market authority over private residential space and marked commercialization of the official obligations of local government staff. In Western Garden, the Chinese party-state has become deeply implicated in consumer politics. To date the party-state holds the balance of power, and it is not obvious when the provisions of the Consumer Protection Law will fulfill its designation by the Lawyers' Association as one of the most influential legal reforms since 1980. However, Lizabeth Cohen's work on the ebb and flow of consumer power in twentieth-century America, Patricia Maclachlan's account of the struggles of the Japanese consumer movement since 1945, and Frank Trentmann's discussion of the changing political influence of British consumers over the nineteenth and twentieth centuries suggest that the inability of Chinese consumers to realize legal promises is not attributable only to an authoritarian communist polity.⁶⁵

Consumer identity has rarely provided a focus for broad-based citizen activism. In contrast to business associations or large corporations, consumer organizations are weak because they cannot easily tax members or redirect profits to fund lengthy legal battles. In China, the CCP's hostility to any form of pluralist politics, the legal constraints on all NGOs, and the weakness of civil society further challenge consumer activism.⁶⁶ To readers familiar with the Maoist assault on all forms of material pleasures and the criminalization of private entrepreneurship during the Cultural Revolution, the possibility

of citizen-consumers wresting legal protection from a still strong communist party may seem unbelievable.⁶⁷ Nevertheless, despite the continuity of Leninist political monopolies, I would conclude that the rhetorical support for consumers in the official media, explicit legislative protection for consumer rights, and the experience of consumerist organizations like the owner's committees—even when they fail—have made consumer activism and consumer rights part of the contemporary political landscape. Moreover, because several structural trends in the macro-economy support a central role for consumer spending and consumer satisfaction, the role of citizen-consumer in urban China is likely to become increasingly salient during the first decade of the twenty-first century.

Conclusion

During the 1990s, Chinese city dwellers became a population of homeowners who defined themselves—and were defined by the official media—as consumers (消费) and proprietors (业主) with rights to seek compensation and organize to protect their property interests. Private ownership empowered citizens as consumers and in the Consumer Protection Law, the party-state provided national legislation that designated consumers as active architects of a newly commercial society. These gains for urban homeowners occurred because the CCP leadership had fundamentally abandoned the Maoist developmental plan of ascetic autarky that had previously constrained consumer spending and consumer autonomy. By the early 1990s, the leadership had fully adopted growth strategies compatible with WTO regulations that pushed nations with huge reservoirs of semi-skilled labor to prioritize investment in light industry and consumer goods. Within

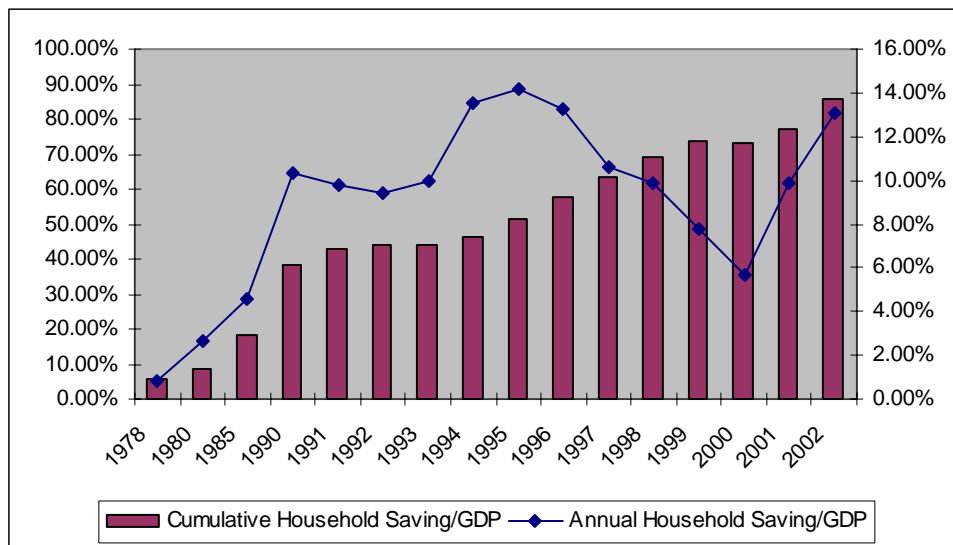
this global division of labor, the Chinese economy grew steadily, disposable per capita income rose dramatically, and rising Chinese consumption became an engine of growth.⁶⁸

Looking at Internet use and expenditures on telecommunications and cars, one observes that Chinese consumers are spending their disposable incomes to become increasingly connected and mobile. By December 2003, there were more than 79 million regular Internet users, and experts predicted that within two years China would surpass the number of users in the US.⁶⁹ During the 1990s, China became a major producer of cell phones for the world market, but in the first six months of 2003, more than half of the 82 million new phone sets were sold domestically.⁷⁰ In 2003, Chinese consumers bought more than 1.9 million new cars, almost all of which were produced domestically by multinational firms.⁷¹

The size of China's huge domestic market and the enormous pent up demand after decades of sacrifice for public investment played a crucial role in the consumer revolution of the 1990s. These factors will continue to be consequential in the near future. By 2002, China had both the world's largest population and "the highest savings rate of any major nation."⁷² As a result, Chinese leaders looked for future growth in the domestic consumer markets as much as in increased exports to Japan, North America, and the EU. High levels of ownership of consumer durables across all income levels as seen in Table 1 documented the consumer gains through 2001, but high rates of household saving and sustained growth in per capita income suggest greater consumer spending in the near future. Figure 2 below describes the steady increase in cumulative and annual savings rates during the years after 1978. During this same period, both rural and urban

households experienced a nearly four-fold increase in the real value of their consumption.⁷³

Figure 2: Cumulative and Annual Household Savings Rates 1978-2002



Source: compiled from data in the on-line version of the China Statistical Yearbook 2003.⁷⁴

Initially, it may appear paradoxical that the leadership of one of the few remaining communist nations has so unambiguously embraced consumer spending as an engine for national prosperity. But when one examines the unfolding of the Chinese consumer revolution within the context of China's recent past, the communist leadership's enthusiasm is not paradoxical. China enjoyed twenty years of high growth by rejecting thirty years of socialist import-substitution in favor of export-processing zones and foreign investment in joint ventures geared to world consumer markets. Yet, the long-term future for the world's sixth largest economy lies as much in its huge domestic market as in attracting FDI. Therefore, unlike the small city-state of Singapore, or even

medium-sized Malaysia and Korea, China looks inward to its 1.3 billion consumer-citizens as the key to becoming the world's second largest economy by 2030. Unlike their orthodox Maoist predecessors, moreover, recent political leaders have chosen not to view personal consumption as a zero-sum threat to investment and saving.

Official misgivings about Chinese consumers occur not when officials see ordinary people spending more of their incomes on cars, leisure travel, or restaurant meals, but when consumers demand their legal rights and associational autonomy. Thus, as I have illustrated in my analysis of the collapse of the owner's committee at Western Garden, challenges to political authority, as opposed to ideological ambivalence about increased consumer spending, constitute the primary source of government "discontent" with consumer culture.

To date, the weakness of the courts and the extensive police powers of the local state and CCP organizations have severely limited consumer activism. Other actions of the party-state, however, serve to legitimate and encourage consumer activism and thereby shift the balance of power more toward consumers. For example, the rhetorical support for consumer autonomy in the official media as well as such consumer-friendly laws as the Consumer Protection Law (1993), the Advertising Law, (1994) and the Compensation Law (1994) provide well-publicized justification for consumer activism. Praise for Wang Hai on the pages of *Chinese Civil Affairs* and the invocation of Lei Feng as a model for serving consumers in *People's Daily* place the party-state publicly on the side of consumers. Among scholars who have studied growing activism among rural residents there is substantial evidence that ordinary Chinese citizens have succeeded in defending their interests when they have been able to "talk back" to state agents in the

language of the state's own discourse. Thus, as Kevin O'Brien has discovered in his analysis of the successes of rural protestors during the 1990s, when ordinary people become informed of their legal rights they "exploit the symbolic and material capital made available by the communist party-state itself " and force the Chinese state to compromise with their "rightful resistance."⁷⁵

The commoditization of public goods has reduced the dependence of urban residents on state provisions and thereby enlarged the space for consumers to be decision makers. In Western Garden, old modes of governance survived and continued to limit civic autonomy. However, at the level of the macro-economy, the environment has decisively shifted in favor of more limited government control and supervision. Even residents' committees share responsibility for serving the neighborhood with market and voluntary associations—the management company and the owner's committees. Because the law clearly protects consumer rights, the party-state itself has legitimated the economic and political institutions that could support active citizen-consumers.

Successful institutionalization of the formal promises to Chinese consumers will require at least as much struggle as consumer movements have confronted in democratic capitalist nations such as the United States, Britain, and Japan. The government's opposition to elected owner's committees and the inability of consumers to receive compensation even when the courts decide in their favor are just some of the barriers to consumer-citizenship in contemporary China. But at the same time, by the late 1990s the party-state had thoroughly valorized consumers as essential agents in the national project of modernization. There is discontent among Chinese consumers and discontent among

the CCP leadership, but it is insufficient to derail the long-term trajectory of greater consumer autonomy and independence.

¹ The author wishes to thank Peng Chen, Jean Hung, Jianying Li, Danni Wong, Shuping Wang, and the members of the 2002 CUHK-Yale summer workshop for their help with data collection, as well as the Cheng-Lee Endowment at Yale University for financial support. James Farrer, Belinda Liu, Kevin O'Brien, Florence Padovani, Dorothy Solinger, and the editors provided valuable criticism and substantive comments for revision.

² Xingdong Yu, "Citizenship, Ideology, and the PRC Constitution," in Merle Goldman and Elizabeth J. Perry, eds., *Changing Meanings of Citizenship in Modern China* (Cambridge: Harvard University Press, 2002), 293.

³ Piper Gaubatz, "China's Urban Transformation," *Urban Studies* 36, no.9 (1999):1495-1521; Deborah Davis, "Social Transformations of Metropolitan China since 1949," in Joseph Guggler, ed., *Cities in the Developing World* (Oxford: Oxford University Press, 1997), 248-258.

⁴ Martin Whyte and William Parish, *Urban Life in Contemporary China* (Chicago: University of Chicago Press, 1984), 85-90.

⁵ Deborah Davis, "Urban Household: Supplicants to a Socialist State," in Deborah Davis and Stevan Harrell eds., *Chinese Families in the Post-Mao Era* (Berkeley: University of California Press, 1993), 50-76. For the rural majority, land on which homes stood became collective property, but individual homes remained personal property. While this essay focuses exclusively on the privatization of a former public good in urban areas, the larger argument about the extension of rights via more privatized consumption also applies to rural residents.

⁶ Hanlong Lu, "To Be Relatively Comfortable in an Egalitarian Society," in Deborah Davis ed., *The Consumer Revolution in Urban China* (Berkeley: University of California Press, 2000), 124-144; Shaoguang Wang, "The Politics of Private Time," in Deborah Davis, Richard Kraus, Barry Naughton, Elizabeth Perry eds., *Urban Spaces* (Cambridge: Cambridge University Press, 1995), 149-172; Whyte and Parish, *Urban Life in Contemporary China*, 57-106.

⁷ Xiaobo Lu, "Minor Public Economy: The Revolutionary Origins of the *Danwei*," in Xiaobo Lu and Elizabeth Perry, eds., *Danwei: The Changing Chinese Workplace* (Armonk: M.E.Sharpe, 1997), 21-41.

⁸ Kamwing Chan and Li Zhang, "The Hukou System and Rural-Urban Migration in China," *The China Quarterly* no. 160 (December 1999):818-855; Xiangming Chen, "China's City Hierarchy, Urban Policy, and Spatial Development in the 1980s," *Urban Studies* 28, no.3 (1991):341-67.

⁹ Barry Naughton, *Growing out of the Plan* (Cambridge: Cambridge University Press, 1995), 59-94.

¹⁰Xinhua News Agency, 9 August 2002. By comparison in the United States, which has one of the highest levels of home ownership, only 68 percent of all residential units were owner-occupied in 2003, and this was the highest level in over 100 years. For U.S. census data, see www.calvert-henderson.com/shelter2.

¹¹ Deborah Davis, "Introduction," in Davis, ed., *The Consumer Revolution in Urban China*, 1-24.

¹² Dorothy Solinger, *Contesting Citizenship in Urban China* (Berkeley: University of California Press, 1999), 2.

¹³ The literature on increased inequality is enormous. I therefore cite only a few sources from among those published since 1998: Eugene Chang, "Growing Income Inequality," *China Economic Review* 11 (2002):335-340; Azizur Khan and Carl Riskin, *Inequality and Poverty in China in the Age of Globalization* (Oxford: Oxford University Press, 2001); Xueguang Zhou, "Economic Transformation and Income Inequality in Urban China," *The American Journal of Sociology* 105 (2000):1135-74.

¹⁴ Davis, "Introduction."

¹⁵ Davis, "Urban Households"; Whyte and Parish, *Urban Life in Contemporary China*, 81-83. Ministry of Civil Affairs staff Yao Zhonghua told me on July 1, 2002 that private ownership in Shanghai was 11 percent in 1978.

¹⁶ Whyte and Parish, *Urban Life in Contemporary China*, 80.

¹⁷ Whyte and Parish, *Urban Life in Contemporary China*, 79.

¹⁸ Zhongyi Tong and R. Allen Hays, "The Transformation of the Urban Housing System in China," *Urban Affairs Review* 31, no.5 (May 1996): 625-658, Peter Nan-shong Lee, "Housing Privatization with Chinese Characteristics," in Linda Wong and Stewart MacPherson eds., *Social Change and Social Policy in Contemporary China* (Aldershot, England: Avebury, 1995), 126., Yaping Wang and Alan Murie, *Housing Policy and Practice in China* (London: MacMillan, 1999), 137.

¹⁹ Tong and Hays, "The Transformation of the Urban Housing System in China," 636-640.

²⁰ *Renmin Ribao* (*People's Daily*) 14 May 1995,p.1; Youqin Huang and William Clarke, "Housing Tenure Choice in Transitional China," *Urban Studies* 39, no.1 (2002):7-32.

²¹ Tong and Hays, "The Transformation of the Urban Housing System in China.

²² Deborah Davis, "From Welfare Benefit to Capitalized Asset," in Ray Forrest and James Lee eds., *Housing and Social Change* (London: Routledge, 2003), 187-188. For these first provident funds, the government required employees to contribute 3 percent of their gross salaries and employers between 5 and 7 percent to individual savings accounts which could only be accessed for the purchase of homes. For a fuller discussion of the Singapore model, which has much higher rates of contribution, see Sheldon Garon in this volume.

²³ *Guowuyuan Gongbao* 1998 (Gazette of the State Council): 679-682.

²⁴ First, the Central Government issued a series of documents that took housing reform to the next level by elaborating financial instruments that supported twenty-year home mortgages and clarified the rules for capitalization of use-rights through resale.

Document No. 43 of the Construction Ministry addressed a range of practical problems encountered by individuals in selling public flats and reiterated the need for discounts after January 2000. Between February and April 1999, there were a variety of decrees from the central government to facilitate home mortgages. In February, Banking Bill No. 73 announced that qualified borrowers could henceforth take out mortgages equal to 80% of the sale price. In March, State Council Decree No. 262 issued new guidelines on creating and withdrawing funds from provident funds and in April, Banking Bill No. 129 announced that new guidelines for handling loans for building low-cost housing would be in effect immediately. *Guowuyuan Gongbao* 1999: 268-271, 310-311 and 852-854.

²⁵ *Guowuyuan Gongbao* 1999: 1005-1008.

²⁶ In fact, buyers of public flats had been selling their occupancy and use rights for several years, but May 1999 marked the point at which the central government fully legitimated privatization of this former public good on a nationwide scale, thereby

completely commoditizing the rights of transfer. By December 1999, the government announced that 70% of all new housing had been sold directly to individuals—rather than to municipal housing offices or state enterprises—and that half of all cities had opened second-hand markets for individual sales of the old public flats. See *Zhongguo fang dichan bao* (Chinese Real Estate News), 1 March 2000, p.1.

²⁷ Xinhua News Agency, 9 August 2003.

²⁸ By December 1999, a State Statistical Survey of 150,000 urban residents reported that nearly 70% of urban households held individual property rights (*geren suoyou quan* 个人所有权). However, one must stress that the housing conditions of migrants—who constituted 25% of the urban population—were not captured by this survey because they remained officially registered as rural residents.. Because the majority of these migrants rented urban housing at market rates, if one added migrants to the totals, the percentage of owners would fall below 70%, but the percentage of those relying on the market rather than drawing work place benefits would rise. Li Xuefan, “Chengshi Zhumin Zhufang,” *Beijing Fangdichan* (monthly), 15 May 2000, pp.18-22; *Zhongguo Fangdichan Bao*, 19 April 2000, p.1.

²⁹ See chapters by Garon, Gordon, and Nelson.

³⁰ In 1978, there were 186 newspapers, 32 television stations, and about 15,000 new book titles. In 2001, there were over 2,000 newspapers, 350 television stations, and 154,000 new book titles. See *Zhongguo tongji nianjian 2002* (China Statistical Yearbook) (Beijing: Chinese Statistics Press, 2002), 758-760. Equally dramatic was the new role of private business in the exponential growth on the Internet. In July 1997, approximately 600,000 had spent an hour a week logged onto the Internet. By July 2000, it had increased to 17

million and by July 2001, to 26.5 million. Bu Wei "New Communications Technology and Women," *FunuYanjiu (Women's Studies)*, no. 3 (2003):13-18.

³¹ In 1997, Ding Lei created Netease, the first commercial Internet provider, and approximately 600,000 people logged on. By 2003 Ding was the wealthiest man in China, 68 million people per week were logging on, and 48 percent of the 470,000 sites in China were commercial. See also Guobin Yang, "The Co-evolution of the Internet in Civil Society in China," *Asian Survey* (May/June 2003):405-22; Liang Guo, "Surveying Internet Usage and Impact in Twelve Cities" (October 2003), <http://www.markle.org>.

³² In 1998, the government created a new ministry of the information industry and arrested Lin Hai for providing 30,000 e-mail addresses to private organizations. Arrests of political activists have continued to this day, and political surveillance of cyberspace becomes ever more sophisticated. See Harvard law school website <http://cyber.law.harvard.edu/filtering/china>.

³³ Practical considerations also necessitated this time interval. In 2004 when the research for this essay was completed, electronic archives for *Chinese Civil Affairs* did not go back further than 1994.

³⁴ *People's Daily* is available online and searchable from January 1995 at <http://search.people.com.cn>. The frequencies I use represent the number of hits through this search engine. Eighty percent of articles dealt with consumers as generalized-economic-actors with no mention of the word "rights."

³⁵ Over the eight years, there were 117 articles that contained the words consumer and luxury, and 181 that contained the words consumer and waste. In 1995, in 4.4 percent of all articles in which consumers were mentioned, there was also discussion of luxury (豪

华). After 2000 the percentage never went above 1.5 percent. For waste (浪费) the corresponding percentages remained steady at approximately 3 percent.

³⁶ *People's Daily*, 1 March 1998, p. 4, provided an account of a dispute over quality of construction in a government subsidized building in Qinghai that had been subcontracted to a private construction company. *People's Daily*, 4 March 1998, p.10, described the grievances of a group of homeowners in a privately-built commercial estate in Zhejiang.

³⁷ In 1998 and 1999, the Consumer Protection Law was bundled with the law on product quality and the law against unfair competition as the "3 laws" that were most tied to improving the quality of life. *People's Daily*, 12 October 1998, p. 4; 3 December 1998, p.3; and 12 May 1999, p.2.

³⁸ *People's Daily*, 16 March 1995, p.6.

³⁹ *People's Daily*, 4 January 1995, p.10.

⁴⁰ Based on electronic search of all issues published between 1994 and 2002, there are only 46 essays that used the word consumer. <http://online.eastview.com/cnki>.

⁴¹ Civil Affairs Social Investigation Group, "Seek Gain According to Local Conditions," *Zhongguo Minzhen* (June 2000):26-28; Sun Taojun, "Investigate Thoroughly a Model of District Welfare Home Care," *Zhongguo Minzhen* (November 2000):15-16; Huang Xuzu, "Use Opening Up the West as Model," *Zhongguo Minzhen* (January 2001):19-20; Li Kang, "In Regard to Investigation on Selling Government Services," *Zhongguo Minzhen* (June 2001): 23-25; Cui Jingui, "Courage of a Private Entrepreneur," *Zhongguo Minzhen* (July 1994):16-17; Liu Xingfa, "Pay Attention to Peripheral Areas," *Zhongguo Minzhen* (April 1995):6; Lin Qingyun, "How to Take the Market Road," *Zhongguo Minzhen* (October 1995):10; Jai Daishou, "He Fangyi", *Zhongguo Minzhen* (February 1997):23; Zhu Hong, "The Market," *Zhongguo Minzhen*

(February 1999):38-40;Zhu Yong, "Expand Internal Demand," *Zhongguo Minzhen* (April 1999):8-9.

⁴² The table below gives the number of articles in each year of *People's Daily* that included at least one reference to consumers:

1950	85	1961	213	1972	31	1983	309	1994	700
1951	34	1962	125	1973	22	1984	300	1995	681
1952	60	1963	85	1974	33	1985	641	1996	705
1953	156	1964	83	1975	32	1986	446	1997	657
1954	128	1965	83	1976	7	1987	438	1998	719
1955	136	1966	20	1977	22	1988	424	1999	775
1956	281	1967	6	1978	50	1989	352	2000	934
1957	176	1968	5	1979	146	1990	378	2001	831
1958	107	1969	7	1980	247	1991	460	2002	852
1959	135	1970	7	1981	254	1992	619	2003	1126
1960	82	1971	17	1982	257	1993	549		

Source: <http://willard.library> that sends one to 《人民日报》(1946-2003)图文电子版

⁴³ The *People's Daily* archive that is accessible through <http://willard.library> reported 681 articles that included at least one reference to consumers, 504 to university students, 1,231 to workers, 3,450 to peasants, and 4,074 to the masses in 1995. For 2003, the comparable frequencies were 1,126 to consumers, 814 to students, 1,058 to workers, 3,768 to peasants, and 6,621 to the masses.

⁴⁴ For English translations see <http://www.qis.net/chinalaw/prclaw26.htm>.

⁴⁵ Copies of these laws can be found on the website of the China Consumers' Association, www.cca.org.cn, and www.lawbase.com.cn.

⁴⁶ Kevin O'Brien and Lianjiang Li, "Suing the Local State," *The China Journal*, no. 51 (January 2004):75-96.

⁴⁷ Stanley Lubman, *Bird in a Cage* (Stanford: Stanford University Press, 1999), 250-319.

⁴⁸ Lubman, *Bird in a Cage*, 318-319.

⁴⁹ Benjamin Liebman, "Class Action Litigation in China," *Harvard Law Review*, 111 (1998):1523-1541.

⁵⁰ The other nine were: the new Economic Contract Law (1981), the Constitution of 1982, the new Code of Civil Procedure (1986), a draft Law for Village Elections (1987), Administrative Litigation Law (1989), the first Company Law (1993), the first Compensation Law (1994), the new Criminal Code (1997), and the 2000 Legislative Procedure Law. "Gaizao zhongguo de shinian dajing dianli," *Minzu yu Fazhi Shibao*, 12 March 2002, pp.12-15.

⁵¹ "Gaizao zhongguo de shinian dajing dianli," 14.

⁵² See <http://www.wanghai.com/business>.

⁵³ Chengning Ren, "For Destroying Fakes a Hero Must Not Pay Taxes," *Zhongguo Minzheng* (September 1996):6.

⁵⁴ In 2002, the muckraking weekly of Guangzhou, *Nanfang Zhoumo* gave extensive coverage to homeowners who had been swindled and could find no legal redress. See *Nanfang Zhoumo*, 24 January 2002, p. 5. For stories on home owners in Wuhan, see 7 March 2002, p. 15; Guiyang, Beijing, Guangzhou, and Shanghai, 11 April 2002, p.8; Beijing, 18 April 2002, p.7; Shanxi and Tianjin, 25 April 2002, pp 25-28; Chongqing, Guangzhou, Pan Yu, and Shanghai, 12 Sept 2002, p. 14; for Shanghai, 26 Sept 2002, p. 9.

⁵⁵ Huidong Chen and Zhao Li, "Home Buyers are Consumers," *Zhongguo Fangdi Chan* no.3 (2003):41-45.

⁵⁶ Chen and Li "Goumai fangzi shi xiaofeizhe," 46.

⁵⁷ Benjamin Read, "Democratizing the Neighborhood," *The China Journal*, no. 49 (January 2003):31-60; Luigi Tomba, "Creating an Urban Middle Class," *The China*

Journal, no. 51 (January 2004):1-26; and "To Rebel is Justified," paper presented at the conference "Globalization, the State and Urban Transformation in China," Hong Kong Baptist University, December 15-17, 2003.

⁵⁸ For an extensive study of residence committees in Beijing and an excellent overview of their historical role, see Benjamin L. Read, "State, Social Networks, and Citizens in China's Urban Neighborhoods," thesis for the Department of Government, Harvard University, submitted May 2003, and Benjamin Read, "Revitalizing the State's Urban 'Nerve Tips,'" *The China Quarterly*, no.163 (Sept. 2000):806-820.

⁵⁹ Read, "Revitalizing the State's Urban 'Nerve Tips.'"

⁶⁰ *People's Daily*, 24 June 2001, p.1.

⁶¹ There is some disagreement if the first owners' committees were established in 1994 or 1997, and if they were proactive or reactive experiments by the state. Like me, Benjamin Read cites national legislation in 1994. Benjamin Read, "Democratizing the Neighborhood," 31-60. Luigi Tomba, working in Beijing, cites municipal legislation in 1997. Luigi Tomba, "Creating an Urban Middle Class," 1-26, and "To Rebel is Justified."

⁶² Read, "Democratizing the Neighborhood"; Tomba, "Creating an Urban Middle Class," and "To Rebel is Justified;" and conversations at the Chinese University of Hong Kong with doctoral candidate Belinda Liu, who conducted fieldwork in 2003 and 2004 in one estate in Shenzhen.

⁶³ The older units along a main road are seven story walk-ups in which the top unit is a duplex. In 1994 homes in Phase I sold for 2,300 *yuan* per square meter, and most have subsequently appreciated. Flats in Phase II, which went on the market in 1998, sold for

over 4,000 *yuan* per square meter. Phase III has only semi-detached town houses of 150-200 square meters that sold for more than 6,000 *yuan* per square meter in 2003.

⁶⁴ Because I cannot identify the location of the fieldwork, I cannot give the exact web address, but readers who want to explore this rich archive can read the several thousand comparable websites through the main portal, www.house.focus.cn.

⁶⁵ Elizabeth Cohen, *A Consumer Republic: The Politics of Mass Consumption in Postwar America* (New York: Knopf, 2003); Patricia Maclachlan, *Consumer Politics in Postwar Japan: The Institutional Boundaries of Citizen Activism* (New York: Columbia University Press, 2002); Frank Trentmann in this volume.

⁶⁶ Stanley Lubman, *Bird in a Cage*, 298-319; O'Brien and Li, "Suing the Local State"; Read, "Democratizing the Neighborhood"; Tomba, "Creating an Urban Middle Class."

⁶⁷ Anita Chan, *Children of Mao* (London: Macmillan, 1985); Nian Cheng, *Life and Death in Shanghai* (New York: Grove Press, 1986); B. Michael Frolic, *Mao's People* (Cambridge: Harvard University Press, 1980); Heng Liang and Judith Shapiro, *Son of the Revolution* (New York: Knopf, 1983).

⁶⁸ Nicholas Lardy, *Integrating China into the Global Economy* (Washington D.C.: The Brookings Institute Press, 2002), 1-22; Naughton, *Growing out of the Plan*, 309-325.

⁶⁹ Jayanthi Iyenjan, "Digital China Booming," in *Asia Times* online, 18 February 2004, www.atimes.com/atimes/china.fb18ado1.

⁷⁰ Bloomberg, cited in online version of *South China Morning Post*, accessed 1 August 2003. <http://www.scmp.com/>.

⁷¹ Five related to home decorating codes or criteria for consumer suits, two to regulating the real estate industry, two to building standards issued by the Ministry of Construction,

and one each to rent regulation in the city of Beijing, the quality of building materials, and false advertising.

⁷² Lardy, *Integrating China into the Global Economy*, 3.

⁷³ *China Statistical Yearbook 2002* (Beijing: China Statistics Press, 2002), 68.

⁷⁴ Table created by Professor Shaoguang Wang at the Chinese University of Hong Kong, 20 May 2004.

⁷⁵ Kevin O'Brien, "Rightful Resistance" *World Politics* 49, no. 1 (1996):34.