Enterprise Society: 
A Study of Harbin Measuring & Cutting Tool Works

by

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July, 1989

SUBMITTED TO THE DEPARTMENT OF ARCHITECTURE
IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE DEGREE OF
MASTER OF SCIENCE IN ARCHITECTURE STUDIES

AT THE

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

JUNE, 1992

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JUN 05 1992
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Submitted to the Department of Architecture on May, 8, 1992
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Abstract

The Enterprise Society was established under the Socialism system, with planned economy, public ownership of property and equal wealth distribution. Workers are the owners of the factory and the factory is the home of workers. It was the primary form of China's residential settlements built after 1949. After about 40 years of practice, these settlements have shown many special characteristics different from the other residential areas.

By using Harbin Measuring & Cutting Tool Works, Inc., a prime factory in China's tool industry, as a case study, this thesis has done an evaluation of this settlement form. Through a study of the organization, quality of social and physical environment inside the enterprise, the thesis analyzes the advantages and disadvantages of enterprise societies in relationship to the changing economic and social backgrounds.

The current reform in China is changing the country's economic and ideological structures which are causing many related systems to change. Among the housing in China, a large percentage is operated by big enterprises. Basing on the analysis the thesis concluded by offering some suggestions on housing reform in enterprise societies.

Thesis Advisor: Julian Beinart
Title: Professor of Architecture
Thesis Readers: Reinhard Goethert
Sandra Howell
Dedicated to my parents and the residents of Ha Liang
Acknowledgments

I would like to thank my advisor and readers: Julian Beinart, Reinhart Goethert and Sandra Howell for their valuable feedback and criticism as well as patience and encouragement in directing and supporting me through this inquiry; I also want to thank Gary Hack and Michael Joroff for arranging me the survey trip to China, without which this study could have been impossible.

Most of the credits go to my parents who did not just give me their full support for this study but more importantly also had given me life experience with enterprise society by raising me up in Ha Liang. Besides, I want to thank people in Ha Liang who provided me all the precious materials on the enterprise and helped me to the best as they could during my research there. Thanks to the residents of Ha Liang, all the old or new friends, who opened their hearts to me when telling me their life stories as well as hopes and wishes.

A number of friends have been particularly supportive during my research and writing. Particularly, Brook williams, Jianqiang Chang, Serena Li, Shufen Chang,
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Prologue: Growing Up in *Ha Liang*
Growing Up in *Ha Liang*

Being the son of an engineer who works for Harbin Measuring & Cutting Tool Works (HMCTW), I lived in the factory town until I was 16, when for the first time in my life I left my parents and the familiar community, where most of my friends were, for Beijing for college.

HMCTW is a factory with about seven thousands employees. As its name says, it manufactures industrial tools, with a brand name "LINKS". Established in early 1950s', it is now the largest factory in China in this field.

My family moved here in 1965 when my father was sent to the factory after finishing graduate school in Beijing. He came to Harbin with my mother and my little 3-year-old elder sister. Since they had no place to stay in Harbin, the enterprise allotted them one 12-sqm room of in an apartment inside the factory town, sharing kitchen and bathroom with another couple. There, I was born and raised. Since then, in about thirty years, my family had moved three times to four different units including the one my parents just moved into recently.

All of the residents in the community were worker and staff families of the factory. They were neighbors as well as colleagues. The same factory life provided them with endless common topics to talk about when neighbors sat out after dinner in a breezy summer evening. Everybody who had been in the factory for long knew each other not just by living together but more by making the same living. Old neighbors moved out, new neighbors moved in, but no strangers, they are all members of one big family.

Cadre with high positions in the factory were frightening figures in to us as children. Adults liked to talk about them at home and their names sounded so heavy to us. We usually could only see their faces on the VIP seats in some large fairs like the annual Factory Games. In our eyes as kids, they were higher than the Prime Minister of the country.

When we moved to our second home, the neighbor upstairs was the Party

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1Chinese abbreviated pronunciation of Harbin Measuring & Cutting Tool Works
Secretary of the factory. In the stair case, I would sometimes bump into him with his always-serious face that I was so afraid of. They lived in a much larger unit with many rooms where lots of luxurious "little things" were placed. Their door was always closed and seemed so mysterious. Even his family members seemed to me to have an arrogant temperament to me. In the morning on our way to school, we sometimes could see a white "Shanghai" car parking in front of our section entrance which we all knew was for him. Many people went to visit him with gifts, which were for more of a business visit than friendship. Sometimes they were seen by other neighbors and then rumors of him accepting bribe started to spread.

My father is a workaholic, therefore most of my family's best friends were his colleagues of the same workshop. They were the familiar faces I could often see in my home, on weekends outings, or whenever we needed help. Also their homes were the places we visited the most. They all lived nearby and I was often sent to bring some things my mother wanted to give them or help out on some labor jobs. Every home had its own characters. Uncle Wang lived in one of the row houses with a little yard at the back which we kids living in the apartment buildings were so excited about. Uncle Zhao's family was among the first people who bought TV sets for their homes. In the first few weeks of they brought, on every Wednesday and Saturday, my father would take me there to watch the KongFu TV series "Huo Yuanjia". After all these years, though my father no longer works in that workshop, they are still the best friends of my family. Whenever we need help, they are the people that are always available. Each time I go back, I visit those families because to me they are part of my home.

The kids I played with the most in my pre-school years were boys who lived in the same building and at about the same age as me, although I had some more formal relationships with children of my family's friends. In our eyes as children, there were cliques between kids of different areas, or even different buildings in the same area. Each group had their own rules and do not mix with others.

Xiao Jun lived next door and was born just about half a year after me, we grew up together and later became diehard friends. We used to compete running...
on the road at the back of our building with my father as the umpire and audience. Xiao Hui is the daughter of the couple we shared the apartment with and also is just one month younger than I am. Her mother worked in the same office with my mother where adults always joked about the two of us getting married later. Since she was a girl, we did not play together much, but she was the one whom my parents would always compare me to. Maybe because of their relationship with her parents. Later when we both graduated from the same class of the same high school, we got very close scores in the College Entrance Exam. We did not get married, but many kids like this in the factory later did. Their parents were old friends and they were "Tsing Mei Zhu Ma", a relationship built up from childhood, building a stronger ties among the residents of the factory.

Within the factory territory, there was a small area not occupied by workers of the factory, but people of a construction company who helped build the factory when it was first established and had remained there since then. They lived in about twenty row houses, which were built temporarily for the construction period, with materials, no water supply and sewage system. Because they were not factory people, the factory was not responsible for the maintenance of these row houses. After, twenty years, they became the worst area in the factory. Children there were the wildest and toughest. Kids from our neighborhood often got beaten up by them for no reason, therefore we were all told by our mothers not to go near that area. However, because the grain shop was right next to it, every couple of weeks I was sent there to carry back a bag of rice or flour. Each time I passed that area, I was very frightened. To me, that entire neighborhood had a different feeling.

Later when we went to kindergarten and elementary school, we all hoped that the old cliques would be assigned into the same class, so that we could have a strong group and won't be bullied by others. Xiao Jun, me, and couple of the other kids in our building all got into one class. Because of our brotherhood and our good athletic prowess, we soon became leaders of the class. All the students in school were children of factory workers. Sometimes the students' status in school followed their parents' positions in the factory. Wang Xiaogui, the son of a senior director of the factory and Lee Hai, the son of the Chief Accountant of the factory, were the two naughtiest boys when I was in school,
partially because the teachers did not want to bother their fathers too much by punishing them for misbehaving.

During the years I grew up, there were lots of things going on inside the factory community that we kids loved. Summer was the time when all kinds of sports games were organized. The ones most favored by the residents were the basketball matches between workshops and departments. Everyday after five o'clock, there were couple of games at the basket ball courts in front of the big auditorium as part of a championship tournament. Watching the games was a lot of fun for most of the residents who had nothing to do after dinner. Important games would have such a large number of audience that the court was sealed by layers of people. There were no bleachers around the courts, therefore watchers closest to the court would have to sit on the ground and far back would stand on their bicycles, stools or even climb up the trees nearby. Watching the good games was more exciting to me than doing anything else especially the games my father played for his workshop when I could sit at their base listening to strategies.

The games caused basketball fever in the factory. Every year, during the tournament or a period after that, we could see more people practicing basketball everywhere. Good players in the games became stars in the factory and heroes in our mind as children's. "No. 5" played front court for the often-winning team of Gong Ju (tool) workshop. His brilliant performance and handsome beard, which is rare in Harbin, had once made him one of the hottest persons in the factory. Every body called him "No. 5". I would have never known his real name if he had not later become a close friend of my family.

My father used to be an excellent marathon runner in college. Years of hard training had given him a strong body and talents at many sports. Even though retired from running competitively, he had kept exercising and being active in sports until his fifties. Growing up with my father, I picked up his hobbies and automatically became a sports fan. He taught me how to run, how to play tennis, how to skate and later sent me to an athletic school to practice swimming, where I was trained to become a competitive swimmer.
Summer is short in Harbin, therefore people treasure the limited time when the sky is bright and temperature are high. Their minds are more on how to enjoy the weather than how to do their work. Every summer, workshops and departments would organize their people and their families for a group outing, when those factory buses would take us to a place far away from city where hills, water, beach and forest could be found. Again, the group were mostly familiar faces. We did not feel restrained or nervous when playing.

Like everywhere in the world, winter is the season of holidays and celebrations. In the factory, at around Yuan Dan (the New Year's Day) and Chun Jie (the Chinese New Year), all kinds of entertainment shows were performed by workers would make the auditorium very busy. TVs were not as popularized at that time and very few movies were made every year, which we had all seen several times, therefore people had to entertain themselves. Among the seven thousands workers and staffs of the factory, there were many talented people who could sing, dance, act or play instruments well. The holidays gave them a perfect opportunity to show their talents. They were extremely busy during the entertainment seasons and the talented ones became hot in the factory.

We loved watching those shows, because they featured by ourselves, unlike the ones by professional artists. The performers were all familiar people to us, some were even neighbors. My classmate Da Wei's father once played a major villain in a successful humorous drama, which was played many times in and outside the factory. His performance was so real that since then, the character's name had become his new nick name and Da Wei more popular in school. Wherever his father went, there was always laugh.

The hostess of many of the factory shows was one of the most beautiful women in the factory. The way she dressed, walked, spoke on the stage became models of other women. Mothers liked to talk about her at home as well as other pretty women and make comparisons among them. In our children's eyes, she was the symbol of beauty. My sister and I sometimes would wait at our window just to watch her passing by every noon when she went home for lunch. It was so enjoyable.

Through out the years, there were many physical changes in the factory which
people did not realize until they reviewed the old pictures.

When I was small, there were only about one dozen three-story apartment buildings and most of the other housings for workers were one-story row houses that were suppose to be their short-term housing before more apartment buildings could be built. However, since they lasted much longer than they were expected to, a common situation in many Chinese cities.

Every four apartment buildings face each other forming a central court as gardens or play grounds for all the residents in the four apartment buildings. However, in my memory, they have never been gardens or play grounds. We children would rather play marbles and rope skipping in the space right in front of our home or "Da Baoqiu", kind of like a mini soft ball, at the gap between our building and the next one, because we feel secure there. Therefore the center became an anonymous space in which nobody felt intimate. Once there was an idea of making them into basketball courts but they did not have enough money to set up fences around them. The first floor residents were worried about their windows being broken and were strongly against that idea. No basketball courts have ever been built there.

In the 70's, when the whole country's attention was focused on Class Struggle, any intention to live a better life would be criticized as "Bourgeois Ideas". The factory did almost nothing to improve the physical environment. No new buildings were built, roads were always muddy and no new trees were planted. However, the Cultural Revolution could not stop the population from increasing and they all needed space to live. The baby boomers of the early 1960s' had all grown up, so family sizes had become much larger. The residents had to get extra living space themselves. Unlike the quiet week days, Sundays were always noisy in the neighborhood. "Bing-bing Bang-bang" could be heard everywhere. Residents had to spend this break from "Class Struggle" on their endless homework like making furniture, casting mud bricks, building house extensions, fixing up fences, and digging pits, etc. Boys were the major helpers of the fathers on these jobs. The Zhang family had three strong, industrious boys who could always get the jobs done nicely and therefore were admired by neighbors.
Winter in Harbin is cold and long. Therefore there were no fresh vegetables available. In order to keep a vegetable supply, every family had to dig a little pit underground to store larger amount of cabbage, potato, and carrots they bought in Fall, keeping them from being frosted. These pits were about three meters deep, where it is warmer, with large interior and a small opening on the ground covered by a small tuff wooden lid where locks were placed. Strong young lads in the neighborhood were always asked to help dig them by families without many laborers.

The unsuccessful central "garden" was once occupied by hundreds of these pits with their square lids everywhere on the ground which sometimes stumble passer-by. Some pit openings were left uncovered on a warm days to help vegetables breath and some undurable lids sometimes caused fast-running kids to fall in with their arms or legs broken. As they caused more and more trouble, the factory later decided to fill all of the self-dug pits, and build centralized ones where every family gets their own cell at selected locations.

After the decapitation of the "Gang of Four"\textsuperscript{2}, China's economy was put back on track. In the eighties, things were much better. The factory made a good profit and spent a lot of money on improving the living condition of its workers and staffs. In the early years of 1980s', the area was filled with heavy duty trucks, bulldozers, hoists and road rollers. They ran around our neighborhood making roaring noises and misty dust. The whole factory campus seemed like a big construction site. Many of the old row houses were torn down and redeveloped into new apartment buildings. All the dirt roads were resurfaced with asphalt, illegal shanties were cleared, and new trees were planted. In several years, our neighborhood looked much better. The ground in front of our building was no longer bumpy so we could play badminton there with my mother watching from our kitchen window.

Many families moved to new apartments and so did we. We had a two-bedroom unit that was much better than the small one-bedroom one in which we used to live. My sister had gone to college, so I could even have a room of

\textsuperscript{2}Wang, hongwen; Zhang, Chunchao; Jiang, Ching; Yao, Wenyuan. Who planed to seize the power after the death of Mao. For detail see Yan, Jiaqi, Wenhua Da Geming Shinian Shi (The Ten-Year History of Cultural Revolution), People's Press, 1988
my own. I wished this had happened before, so four of us did not have to live in the same room for seven years.

However much inconvenience the construction had brought us, we were very excited by it, because there existed our hope. We would check the progress of the buildings everyday when passing the construction sites on our way to school, dreaming about our new homes. Biking on the new asphalt roads, I felt that I was the happiest person in the world.

Until I was 16, I received my education, from kindergarten to high school, at the factory schools inside our community. The schools were all sponsored by the factory therefore only children of the factory workers could get in. Comparing with other public schools, our school had much better facilities. The factory also has a professional school that trains their prospective technical workers. I knew many teachers there because my mother used to work there. Many of my high school classmates went there after graduation and later became technicians in the factory, but I have never had a chance to go.

In those years, kids could only go to schools near where they lived and there was no difference between schools in terms of educational quality. Every school was treated the same and so was every student. Since "class struggle" was everything, who cared about education anyway. But starting in about 1978, people began to value science, technology and education after ten years of "More knowledge, More counter revolution". We were always told by parents: if you want a future, you've got to study hard now. Suddenly schools were classified into different levels. Some were named "Key School" which were better equipped and could recruit good students from all over the city. All kinds of exams started to come and in order to get in those good schools, we had to do well in them. Life became full of pressure.

Factory schools could not become the "Key School" because of their different organization, therefore good kids in the factory were all taken away by good public schools, where they had to commute long distance everyday. Our school used to do well in the district, but now, we had fallen behind.

Children are the hope of parents. As their future depended largely on their
education, the quality of the factory's school system became a major concern of workers. Studying hard and going to college was the new fad in the factory as well as in the entire country. Children who did well in the annual national College Entrance Exam became hero kids in the factory. Every year, the school would write a list of students names who were accepted by colleges on a large red paper and post it right at the factory entrance, where thousands of workers go through twice a day, making their parents feel very proud. My memory of high school was mostly about how to survive all the pressures, from school, from parents, from neighbors and from the society. Many working hard nights, and very few happy hours. To me, not being able to go to college was the end of the world.

Regardless of what was going on in the city, inside the enterprise, we had a happy, peaceful and friendly life. We liked our schools because the teachers were also our "uncles" and "aunts"; We liked our stores because the clerks were our neighbors; We liked our small hospital because we knew the doctors well and could get personal care there, even though it was not as well equipped as the city hospitals. Besides, we all loved the enterprise which brought us together and was what every family in the community had dedicated to. The factory was our home. The factory's future was every resident's future. The same life and goals of the neighbors had made them very close.

Grownup in Ha Liang, I had a strong sense of belonging. I remember being identified as a "Ha Liang" kid at the athletic school where I practiced swimming. Returning to the factory is always an emotionally satisfying to me, Not just because my parents are still there, but also because my old friends whom I grew up with and who watched me growing up as well as the familiar physical environment that are always in my memory but a little different each time I see them. The whole community is my home. Getting together with the old friends in an old setting can make me like going back in time. Nothing has changed much. The moment I walked into that area, I started to see familiar faces and things, as if I was still that little "Ha Liang" kid after all these years. A sense of eternity came across my mind.

Having lived in many other places, including abroad, since I left home at 16, I could hardly find the sense of community I used to experience in Ha Liang,
which makes me ask why. This thesis will allow me to rationally study this form of settlement and sort out the realities inside the enterprise society. Hopefully, this re-examination of memory will give myself as well as readers a better understanding of Chinese enterprise societies.
Introduction: The Enterprise Society

Introduction to Thesis
The Enterprise Society
Literature Review
Socialist Cities
Research Methodology
Framework of Thesis
Introduction to Thesis

This thesis is a study of the primary form of residential settlement in China, the Enterprise Society. The purpose of this study are 1) to evaluate this settlement form through an analysis of advantages and disadvantages of this settlement form as summarized from a comparative study with another settlement form, 2) to provide references for housing reform in China which will fundamentally change the housing system in the country. With the different way of housing delivery and allocation process of the new housing system, both the physical and social environment of enterprise society will be dramatically changed. Right now, in order to release the housing shortage and also to echo the economic and political reform, there is an active search for new housing systems and means to implement them in China as well as in many East European countries. However, discussions on concrete policies and detailed measures for housing reform is not the main emphasis of this thesis.

So far, most of the effort on housing reform has been on the privatization and marketization of the housing system which are aiming at improving the physical living conditions in urban areas, which is the fundamental and urgent needs for city residents in most socialist countries. On the other hand, one can easily see that these effort is nothing more than copying the housing systems in capitalist world, which in itself is not a perfect system. As a return of satisfaction of physical comfort and maximum freedom and multiple choices, many residential areas in capitalist realm have lost the social qualities that exist in many communities of socialist countries. As Oscar Newman described it: "The small-town environments, rural or urban, which once framed and enforced their own moral codes, have virtually disappeared. We have become strangers sharing the largest collective habitats in human history." Should these habitats then be the future residence of the people in socialist countries? Can we maintain the virtues inside our current neighborhoods when at the same time improve the physical living conditions?

Thus the purpose of this thesis is to explore the advantages and disadvantages of these about-to-be-changed neighborhoods to provide references to the

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3 Newman, Oscar, Defensible Space, Collier Books, P.1
reform designers when planning for the future directions of housing reforms. At the end, although this thesis does give some suggestions on housing reform in enterprise societies in response to the results of the analysis, that will be only on a very schematic level and does not touch any of the detailed concrete measures and policies.

The Enterprise Society

Unlike in other East European countries, where cooperative, city and even private housing all have large proportion, "Dan Wei (work unit) housing" is the primary form of residential settlement in China, taking 60-73% of the entire urban housing stock. Enterprise housing is a large part of this category.

The Enterprise Society is a settlement where working and living is put together as one relatively independent unit. Within this unit, service, entertainment, education as well as recreation and medical facilities are all provided and run by the enterprise. Therefore, it is not just a certain physical arrangement, but also a different organization compared with most of the residential settlements capitalist world. Housing is built and owned by the enterprise and allocated to people who work there according to certain policies. Thus most of the residents are workers or staffs and their family members of the enterprise. Only a very small portion are outsiders who exchanged their housing elsewhere with people of the enterprise. Fair exchange of housing by users for personal reasons is usually allowed.

The rents for this housing are very low, which could be as low as a few US dollars a month. It is more of a symbolic charge than actual cost. In socialist system, "Housing is defined as a right of city residents, not a commodity." The general housing policy in China is that: the agricultural population live in their own houses, industrial and the urban population live in subsidized state-owned housings. A free housing market has never existed in China until very recently.

4Housing built by work units themselves and allocated to their employees
5 Kim, Joochul, China's Current Housing Issues and Policies, APA Journal (APA, Spring, 1987)
6 Chao, Baoshan, Guanyu Fanachan Gaige (On Housing Reform), JianChu Xuebao (Architecture Journal) (June, 1989), p. 56
Besides industrial enterprises, this residential form is also adopted by other big units with a large staff, like universities, research institutes, government institutes, military commands, etc. Some of them even build walls around their entire working and living area, therefore are called "compound housing".

Small work units with few staff, like architecture offices, small government agencies, small service companies, high schools, etc., cannot afford building and maintaining their own "compound housing", therefore they have to buy apartments from big enterprises or the city. People who work in these Dan Wei usually do not live together.

Besides Dan Wei housing, there is city-owned and small portion of privately owned housing, respectively taking 12-20% and 15-20% of urban housing in China. The city-owned housing has mostly two types. One is the old downtown housing which were confiscated from the "bourgeois landlords" and then distributed equally among local citizens when socialists took over China. The other type is the new housing development at various locations, mostly remote from city centers. Now they are owned by the city and occupied by the old local citizens who work at all kinds of different places. This type of housing is similar to the regular city housing in most capitalist countries, except that the rent is as cheap as the "compound housing" and the residents do not move often.

Because of the composition of residents there, I borrowed the word from many sociologists and call it "anonymous" residential area. The residents there are identified purely as neighbors, not by their jobs or social status, unlike in the Dan Wei housing area, residents live with their roles in their Dan Wei..

The special physical form and administrative organization of the enterprise society has created its different social environment. The residents are not just neighbors, they are colleagues as well. The work relationship among residents has added special character to the life inside the community. Living in a

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enterprise society is like living in a huge family of which every residents is a member

Literature Review

This thesis is a combination of a few studies of different fields. In order to understand the social aspects inside the society, one needs to do sociological study of the community. There has been many sociological studies about communities, neighborhood, such as Herbert Gans' *Urban Villagers*, Gerald Suttle's *The Social Order of the Slum*, Michael Young and Peter willmott's *Family and Kinship in East London*, Elliot Liebow's *Tally's Corner*, and Dan Rose's *Black American Street Life*. All these literature had their emphasis on a particular aspect of communities. None of them talked specifically about the type of community as the one I studied. The work relationship of residents in those communities, in a general sense, such as similar socioeconomic status, residents compatibility, etc., were in many different ways explored in their studies but not as a major topic. These writings had introduced me into the field of sociological study and armed me in understanding the behaviors of residents inside various neighborhoods I studied. Besides, they had also taught me the methods needed to conduct studies of this kind.


As to the housing reform, there are numerous published and unpublished materials of larger or smaller pieces on issues regarding the current economic and housing reforms in the socialist realm around the world. Since this is a hot topic, these articles, essays, surveys and reports can be found every where in newspapers, magazines of these days. Most of them talked about either the physical backwardness of housing conditions in these socialist countries or how to release the housing crisis or the issues on the implementation of housing
reform aiming at the marketization and privatization of housing system. Few had paid attention to the social aspect of the residential communities under those systems.

**The Socialist Cities**

The Enterprise society was not invented in China. It was actually imported from Soviet Union, who had always been the "big brother" of the "new" socialist China. It was the result of the search for a new urban form to house the new social order by Soviet architects in 1920-1930s'. In order to study the Chinese enterprise societies, also to understand the ideological and theoretical basis of this settlement form, it is necessary to first take a look at the Russian debates concerning what the socialist cities should be after Russia became USSR in 1917. Although some of their ideas sound extreme and utopian, these thoughts did have a great impact on the formation of the new urban forms now existing in many socialist countries.

**The Socialist Man**

The Russian discussions started by studying the life pattern of a "whole new socialist man" of the new society. The new man, as defined by Anatole Kopp, "is to divide his time among work, collective study, cultural recreation, sports and physical training. A man who has as little as possible individuality and does everything collectively with others. A man with a variety of skills and talents, provided by the most efficient education system of the society, and regards work no longer as an unavoidable hardship but a voluntary participation in the common task. A man who loves his children and, precisely because he loved them, was willing to entrust their education to specialists and see them only he was free of all preoccupation and was able to give them his full attention. A man for whom marriage was not a enforced submission of one partner to the other, but a free and considered association based on mutual esteem, an association, moreover, that could be dissolved whenever harmony ceased to exist."

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Like the planned economy, a man’s life and all his relationships were carefully calculated by a small group of politicians or scholars. A spatial form was then created based on these relationships to house his entire life.

A Chart illustrating the man’s social relationships and the physical facilities to house the relationships

Communal Life

The new life of the society was no longer organized around each individual or family, but around the entire collective as a whole. Individuality is no longer encouraged. People work and live in common and improve each other by participating in a collective life. Everybody has the right to work. Women will be liberated from domestic tasks which are taken care of by the collective. Each individual will become a responsible member of the society. There will be no

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9Gutnov, A., et al., The Ideal Communist City, Brazillier, p. 27
place for the "shortsighted egocentric individualists of the past"\textsuperscript{8}. Some radical theorists even proposed a moral revolution which would separate children from adults, abolishes family and had men and women live separately by groups on a prescribed common schedule. Children are not raised by their parents but by the society as a way of getting the best and fastest education. They no longer belong to a particular couple but the whole society. Adults are no longer husbands and wives, nor are they parents. They are all members of a big family of the society. Sexual relationships between males and females was just for continuation of generations.

\textit{Social Condenser}

To house the new communal life, physical facilities like the worker's club, communal housing with collective canteen and laundry, kindergartens, and nursery schools, etc. became the "new social condensers"\textsuperscript{10}. The new worker's club was fundamentally different from the type existing in capitalist cities which were to "serve only a small group of nobles or wealthy bourgeois"\textsuperscript{11}. "It is a place where the mass of the members must be directly involved. They must not approach it or be channeled into it from the outside as mere entertainment. They themselves must find maximum of self-expression"\textsuperscript{12}. "It is a school of culture, a place, outside the family, where everybody was made to feel as a member of a collective"\textsuperscript{13}. In a communal house, "individual kitchens were removed, bathrooms were shared and cultural activities and recreation were dispensed in public rooms."\textsuperscript{14} The space for every individual was made smaller and smaller to favor the collective and functions previously regarded as family concerns were transferred to collective sectors.

\textsuperscript{11} Ibid, p.116
\textsuperscript{12} Ibid, p.116
\textsuperscript{13} Ibid, p.116
\textsuperscript{14} Ibid p.144
A Deurbanized Country

Since the socialist system is superior to other, it should produce the fastest economic growth and technology development. The new "all-electric-factory-palaces that created neither dust nor smoke could be built without reservation in residential districts." The highly complicated electric and transportation network throughout the country would enable the entire continent to be covered with industrial and agricultural complexes which combine working and living facilities together and are located according to their access to natural resources. No more cities, no more countries. No more center and periphery. No more industrial and residential areas. "The dispersal of factories and thus the dispersal of population from one end of the country to the other would finally reach the goal set by Engels of eliminating the inequalities between urban and rural areas."

Some Realities: The Formation of Industrial Centers

Since industrialization was the priority of the first five-year plan in USSR, these planning ideas were implemented first in many newly built industrial complexes. To establish a solid industrial structure for the country, many mines, dams, and factories were built with great urgency throughout the country on virgin lands that were not even completely mapped. Since industrial construction was the main area of building activities in USSR, the socialist architects all played an active role in the planning and designing of these industrial centers. The communal life style became the sociological base for the organizations of these industrial centers. Surrounding the factories, housing was also built for future workers as well as all kinds of "social condensers". The construction workers for these projects were mostly peasants recruited from the surrounding rural areas. Most of them later became industrial workers in the factories they had built and settled permanently inside the industrial centers.

15 Gutnov, A., et al., The Ideal Communist City, Brazillier, p.159
Research Methodology

To evaluate enterprise societies in China, I chose Harbin Measuring & Cutting Tool Works, Inc., which was called Ha Liang by the local residents, as the case of study. Located in Harbin, it is a typical industrial complex built in the new socialist China in the early 50s' following examples in the Soviet Union. After nearly 40 years of development, the factory now has about seven thousand workers and staff, among whom about five thousands live in the enterprise society. Including family members of workers and staff, the entire community has about fifty thousand residents.

To study the social environment of this society, I adopted the method of "participant observation" as called by Herbert Gans. By personally living there for about one month with the research task, I spent most of the time hanging out in the neighborhood, doing observations, visiting the residents homes, conducting formal and informal interviews. However, the length of stay did not allow me to do statistical surveys and analysis. Most information I got were from interviews and my own memories about this place, therefore the study is based on perception information rather than facts. But as Reihnard Geothort, a professor of urban design at MIT, said, for urban studies, perceptions can be just as good as facts.

Besides the one month stay in Ha Liang, 16 years of living there have given me a relatively complete exposure of life inside the community and a chance to track the changes that have happened over years both in terms of physical and social environments. However, a big concern in my study was that my personal affection for this place might affect my judgment and childhood memories might sometimes be misleading. In order to avoid these possibilities, I based my study mostly on the interviews and surveys I did this time and looked at many sociological studies on neighborhood and communities done by sociologist in order to apply theories to this place. Besides, I checked my memories with both adults and children of my childhood.

See Gans, Herbert J., The Urban Villagers, The free Press, 82, p.397-399
Since I grew up in *Ha Liang*, also because my parents are still living there, I have always considered it as my home. Many residents there are old friends of my family. The many connections I have inside the factory society gave me a lot of help in doing this study. I never had to spend time introducing myself or explaining what I was trying to do to my interviewees, because we knew each other well and they were never cautious in answering my questions. The intimate relationships I had with many residents there allowed me to conduct very informal but in-depth interviews and to take pictures inside and outside their homes. Visiting residents' homes with my father, who is now the president of the factory, I learned a lot about their daily concerns, which raised many questions in my mind, because they liked to talk about these things with cadres. Just by staying at home chatting with visitors, who came to meet my father for special considerations, I could feel the relationship between the factory and its people.

In order to figure out the advantages and disadvantages of enterprise society, I conducted a comparative study between *Ha Liang* and another anonymous community in the same city, where housing is owned and run by the city and residents do not work at the same places. Both places are where I have connections inside and personal knowledge about, therefore research went equally smooth.

**Framework**

A community is composed of its physical and social environment. A neighborhood with nice houses and good facilities could be boring if the people there are not friendly or interactive. The general social relationship of a society creates the form of its physical environment. On the other hand, the physical form can help generate some social interaction and thus promote certain social relationships within a community, which architects deeply believe in.

An enterprise society consists of the enterprise and the residents. It is the special relationship between the two that created the society. In *Ha Liang*'s case, the residents are all workers of the factory, and their families. Under the socialist system, they are the owners of the enterprise and the enterprise is their home. In practice this relationship is expressed through a set of welfare
systems and the general attitude of the factory and workers toward each other. Learning these systems is the key in understanding how the society works and thus evaluate it from both perspectives of residents and enterprise.

An urban form, including both its physical and social environment, is the result of a particular social and economic system of a given society. A changing economic system, through its impact upon all levels of social relationship, will eventually alter the urban form established under the old system. The deepest-ever economic reform in China is changing many other relevant systems in the country. Housing is an important one of them.

To summarize, I came up with the following framework for the thesis:
The thesis is broken down into four parts:

The enterprise: A detailed study of Ha Liang's welfare systems to reveal the relationship between residents and the enterprise.

Comparative Study: An in-depth study of social and physical environments of enterprise society to analyze the advantage and disadvantage of this settlement form.

Economic Reform and Its Impact: An observation and analysis of current phenomenon to see how economic reform is affecting the society and how the enterprise is responding to it.

Housing Reform in Enterprise Society: Some suggestions on how to improve the enterprise society in the context of housing reform.
Part I

The Enterprise

A Historic Study of Ha Liang
Welfare Systems of Ha Liang
Housing The Workers
Visitors to The President's Home
Conclusion

Aerial view of Ha Liang
The thesis starts from getting to know the enterprise chosen as the case of study. A historic review of the enterprise targeting at understanding the fundamental issue on the formation of this society in the original physical planning of this enterprise in relation to the Soviet ideas on socialist cities.

M. K. Whyte described in his book *Urban Life in Contemporary China*: "the *Danwei* means much more to workers than merely a place to punch a time clock and earn wages. It plays a central role in the lives of the employed there, as much a social system as an economic one." In the second part of this chapter, through a careful study of the enterprise's welfare system, especially housing system, I am trying to understand this special relationships between the enterprise and its people which is the sociological and ideological basis of this settlement form.

**A Historic Study of Ha Liang**

The decision to establish a factory producing measuring and cutting tools for industry use was made at the first Meeting on the Nation's Engineering Industry held in Beijing in early 1950, shortly after the foundation of the People's Republic of China. After a long series of wars in China, the industrial structure of the country had fallen apart. Like the USSR in the 1920s', industrialization was the first priority of the reconstruction of the newly born socialist China. 156 major industrial projects, all supported by the USSR, were proposed in that meeting. *Ha Liang* was one of them and was to become the pioneer of China's tool industry. Massive industrial construction through out the country was as the main initial task of the country's first five year plan.

Ten locations around four different cities in north China were studied in order to find a site for *Ha Liang*. The selection was based on five main criteria: 1) Existing buildings that could be utilized. 2) Easy access to water and electricity supplies. 3) Surrounding potential land for future expansion. 4) Proximity to rail...

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20 Ibid.
ways, and 5) High topography to prevent it from flooding. Finally, a field of 200 acres at the southern suburb of Harbin was chosen. 21

Diagrammatic map of Harbin

These were the criteria for the site selection of most new industrial projects in China built in that period. They actually suggested the city peripheries. Therefore new industry started to develop around major cities forming a clustered pattern, unlike the even dispersal pattern proposed by the Soviet architects. Nation wide, these new industrial clusters were located mostly in the northeast and the southwest of the country, because those were the less developed regions. Many old cities thus became industrialized and started to grow much faster.

Commercial and entertainment activities in the old cities were reduced, because the planned economy abolished the free markets, competition and speculation. Financial institutions in capitalist city centers no longer existed. Commercial and service facilities were no longer profit oriented but solely located to service the residents. Therefore, they did not have to be squeezed into the downtown and could be evenly allocated across the city. "Bourgeois entertainment" was replaced by the new cultural life which was to be organized in each small residential unit, inside each enterprise. The old clubs, bars, and ballrooms located in downtown were replaced by a few large public worker's clubs, theaters and stadiums at various locations in the city. City centers did not play as an important role as they used to do. Within each city, facilities were evenly dispersed, except that the downtown areas still had some big department stores left from the "old society". The new cities became composed of many large housing units clustered around industrial plants, whose workers they served. The difference between centers and peripheries was reduced. "The urban environment itself has testified the successful application of socialist principles." 22

Harbin had always been a consumer city before 1949. Throughout history, it had been the headquarters of several foreign powers to pillage and exert their influence over the Northeast of China. From 1898-1920, it was controlled by Russia as a large distribution center of imported goods from all over the world. From 1932-1946, it was a major commercial city of Man Chu governed by the Japanese. Decades of foreign ruling had made Harbin a city of mixed cultures and a playground for foreign merchants, warlords and local nobles. Its large

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22 Bater, James, The Soviet City: Ideal and Reality, Edward Arnald Ltd. p.166
Location of Harbin in China
department stores, fancy theaters, luxurious restaurants, huge churches and
elegant architecture had earned the city the name of "little Paris in the east".23

After 1949, Harbin was listed as a major industrial city of the new China.
Numerous big industrial enterprises like Ha Liang started to be built around the
city. Within the district where Ha Liang is, there are more than a dozen large
enterprises of over five thousand workers. Among them, several are the top
enterprises in the country for their fields. After 40 years of development, Harbin
was transformed from a consumer city to one of the major industrial cities of
China. Its hundreds of large enterprises play an important role in the country's
economy.24

On the selected field, the construction of Ha Liang started in 1952. About a
thousand engineers, cadres, and workers summoned from 18 other enterprises
in 14 cities plus a large number of local peasants flocked to the city as
construction workers were the pioneers of the enterprise. Although with
primitive construction methods, the project proceeded very fast. Within Two
years and five months, 19,000 sqms of factory buildings and 49,000 sqms of
housing and other service facilities were completed. The enterprise officially
started operation in 1955.25

The physical design of Ha Liang was carried out by Russian architects.
Reviewing the original plans, one can clearly read the Russian ideas of the
"new settlement unit" in socialist cities.

The entire campus was designed to be an independent industrial settlement
unit. Adjacent the factory was the residential areas for workers. A large area of
green was proposed between the factory and the residential areas as a "natural
environment for leisure, cultural and recreational activities of residents".26 A
sports complex was planned for the physical training of the workers. Social

23 Red Flag Press, Harbin Da guan (A Brief Introduction of Harbin), Hong Chi Chuban She (Red Flag Press), 1985
24 Ibid
26 Parkins, M.F., City Planning in Soviet Russia, Edward Arnold, 1980, p36
The primitive method adopted when building the factory

Soviet architects on the construction site
condensers like clubs, kindergartens, schools, canteens, and communal baths, etc. punctuated the residential area. Apartment buildings were arranged in groups of four to six, creating central court for the collective life of residents, which were "carefully planned and worked out in order to become a beautiful town planning expression of social community."27 Since industrial plants were brought into the cities, factory buildings were designed with great attention to architectural qualities. "They were no longer simple industrial structures but architectural works with great details, ornament and forms."28

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27 Syrkus, Helena and Szymon. Planning & Housing in Warsaw, "Architects' Year Book 3", Elek, 1949, p.58
Original proposal I for Ha Liang

Family Housing

Communal Facilities

Single Housing

Family Housing

Green Belt

Factory Area
Original proposal II for Ha Liang

Family Housing

Sports Facilities

Single Housing

Communal Facilities

Factory Area

Green Belt

Family Housing
Proposals of the "new urban residential units" by Russian architects.
Map of Ha Liang's current condition
However, the proposals were actually never completely realized. The original design was followed until the end of the 1950s'. Because of the changed political and economic situations\(^\text{29}\), later development differed from the early designs.

Looking at the survey map of *Ha Liang* today, one can hardly notice the high-quality of standards described in the proposals of the new socialist urban settlements. The green belt never existed, except for a garden inside the factory which is not open to all residents. There are no natural areas inside or around the residential area. The sports complex was never built. Every bit of land was devoted to housing the fast-growing population inside the enterprise. The temporary row houses have never been completely replaced by apartment buildings. Although, in 35 years, the housing area has increased from 43,000 sqms to 145,000 sqms, the area per capita is still only 5.2 sqms, slightly more than the 4.6 sqms when the enterprise was first established.\(^\text{30}\) In the 60's and 70's housing construction was very slow because of the Cultural Revolution. Only after 1978, the country had shifted its investment emphasis on housing construction and the improvement of urban housing condition speeded up but still far from meeting the demand. Under these conditions, the housing area is still the first priority. Any attempt to develop a more natural environment or nice architectural spaces at the sacrifice of residential area was not practical.

The communal space surrounded by the old apartment buildings were hardly used for collective recreational activities. Instead, it were the spaces where people dried their clothes, built their shanty storage, or dug pits. Now, garages are built there for the residents to store bicycles. Residents did socialize at the space in front of their buildings where they could feel intimate, but nobody would go to the center of the court to talk with someone, it was the same embarrass feeling of being on a stage that urged them walk away from the center as soon as possible. Just as William Whyte found that people "show an inclination to station themselves near objects and like well-defined places" and

\(^{29}\) Towards the end of the 50's, the Anti-Right-Deviation movement, the sever of relationship with Soviet Union and the severe natural disasters had dramatically affected the new-born country's economy. Soon after this, the Cultural Revolution started in 1966 which marked another era in China's history.

"rarely choose the middle of a large space"31 when he studied the Plazas in New York City.

Apartment buildings built later all disregarded the initial plans. They were simply arranged in rows with no consideration of spatial qualities between them other than meeting the minimum distance requirements for sunlight. Unlike those built in the 50's, aesthetic qualities of these new buildings were not developed.

As the city grew, the surrounding additional land of the original enterprise is now all occupied by other developments and the enterprise more and more became integrated into the city. The potential for further expansion no longer exist. In 1978, the enterprise had to establish its first branch factory three kilometers away.

Reality always has distance from ideal. Both in Socialist China and Soviet Union, the dreams of those socialist politicians and scholars excited by the "new social order" had gone too far from the realities. Practically, there were neither the technology nor the economic means needed to realize the fantasies. "Many long-term objectives had to be forsaken by short-run expediency."32

However, the basic principles of a socialist industrial complex were maintained, such as the proximity of factory and residential areas, the independence of this place from city, the communal facilities, and more important, the way the enterprise society was to be organized, which will be discussed in the next chapters. These are the fundamental elements of enterprise societies which have created their special characters.

32 Bater, James, The Soviet City: Ideal and Reality, Edward Arnald Ltd. p.56
The workers canteen constructed in the 50's

The new apartment buildings built in the 80's
Welfare Systems of Ha Liang

"The enterprise is like a big family where everybody is a member. We do not just worry about the factory businesses, we also have to take care of our workers' lives."

——Tiequan Peng, President of Ha Liang

Most of the Russian literature on the new socialist settlement units generalized regarding the physical relationships between its components. They seldom mentioned how these settlement units would work, administratively and financially. Issues such as who would build and maintain the housing and environment? Who would organize the communal life? Who would provide daily services? Who would run the schools, hospitals and kindergartens? Who would take care of area security? Who would regulate the residents' behaviors? etc. were not specified. In practice, these all became tasks of the enterprise. The administrative organization is what forms the enterprise society, more importantly than its physical form. In Ha Liang, besides the management system of factory business, the enterprise also has a rather large welfare system serving and controlling worker's lives. The following paragraphs is a general introduction of this system.33

Workers’ Union is a full-time organization of about 50 staff responsible for organizing the cultural life inside the enterprise. Besides sponsoring a variety of sports games and entertainment performances every year, it has established numerous amateur groups, such as a poetry society, photographers association, workers orchestra, and chorus, as well as all kinds of athletic teams. Before 1980, these were the main form of cultural recreation for Ha Liang’s residents and was very active because of their popularity. There were very little professional entertainment until 1980 when the entertainment industry started to boom and TV became popular in China.

Educating workers and their children has always been a major task of the enterprise. The Section of Education supervises a worker’s college, a technical

33Information mostly came from Xu, Guangyu, Harbin Liangju Renju Chang Zhi (A General Introduction of Harbin Measuring & Cutting Tool Works), unpublished enterprise document
training school, an elementary school and a high school. The total number of
staff working in the educational system is about 300.

The Service Section takes care of a variety of tasks concerning the worker's
daily life ranging from area maintenance cleaning to medical care for the
residents. They run a series of service facilities, such as factory canteens, public
bathhouses, grocery stores, barber shops, etc., which charge less and are for
the exclusive use of workers and their family members. Towards the end of
each year, this section often provides workers with food supplies at a much
cheaper price.

To free women workers from baby sitting their pre-school children, Ha Liang
has a well equipped kindergarten capable of accepting 650 children ranging
from infants to seven-year-old, almost all of the pre-school children of its
workers. 130 nurses, teachers, doctors, chefs and support people work there
full time. Besides normal day care, children here receive a wide range of pre-
school education. In 40 years, the charge of about one US dollar a month per
child has never changed.

To follow the nation's family plan, Ha Liang has a Birth Control Committee with
about a dozen full time staff and four hundred concurrent ones dispersed to
every workshop and office. Through education, propaganda, awards and
penalties, this committee supervises the population growth inside the
enterprise. In addition the enterprise has regulations on marriage age and
family size for its workers. A series of special benefits will be provided for
workers who follow these regulations. Violators can result in financial penalties,
deprivation of all benefits and opportunities for promotion, raises, and housing
improvement. repetitive violators can even be expelled from the factory.

Besides a branch office of the City Police Bureau in the community, Ha Liang
has another security system of its own. Instead of relying on police to respond
to crimes, this security system works mostly on preventing crime from
happening. A wide spread net work goes deep into every workshop,
department and neighborhood to maintain the area security, ease tension
between workers, correct bad tendencies and reform trouble-making young
workers. An official Mediation Committee directs a number of mediation groups
in every small section to help solve disputes among workers before they go to court. In China, where there is not a well established legal system, these mediation committees work better than police departments or court rooms. Workers usually consider the Enterprise as the authority when they have conflicts with each other.

In 40 years, the little clinic of Ha Liang of the 50's has expanded into a full-sized hospital with 25 departments, 50 beds for hospitalized patients and more than 130 doctors, nurses and other staff. In addition to providing treatment for normal diseases of workers, the hospital is also a health maintenance center and a sanitary inspector of the enterprise. It regularly organizes workers for health check ups and preventive treatments as well as educating residents about health maintenance.

The section of Housing Property is in charge of the management of all Ha Liang's housing property. Housing allocation and maintenance are its responsibilities. Since housing is a big concern of workers. This section has received a lot of attention.

A special office of about 20 full-time staff is assigned to take care of the retired workers. Retired workers in Ha Liang enjoy the same benefit as regular workers. Besides, according to the Enterprise's policy, one of a retired worker's children can work in the factory as a replacement. The Enterprise has built a large entertainment center for retired workers and regularly organize free travel for them. Because of all these benefits, many workers have retired as early as the Enterprise allows. Now, the number of retired workers in Ha Liang is about 2,200, more than a quarter of the entire employee body.
Housing the Workers

Aerial view of Ha Liang's residential area

Providing workers with free housing is the Enterprise's responsibility. However the economic situation does not allow it to satisfy every worker. Though the enterprise has tried its best to improve workers' housing situation, housing increases has never matched the population growth. Many workers are still living in very bad conditions.

In the 50s', people used to be indifferent about what kind of housing the enterprise would give them, and supportive of giving them to people who needed them the most, especially cadres. Workers were more concerned about how to work hard and contribute to the promising new country. Besides, since there were less than two thousand workers in Ha Liang and many of them were single, housing were relatively plentiful.
The 1960's and 1970's were the periods when population grew the fastest. However, because of the nation's bad political and economic situation, very little housing was built. By the end of the 1970's the housing area per capita in urban areas was 3.6 sqms, a big decrease from the 4.5 sqms per capita in early 1950s.  

Housing supply became very tight in the Enterprise. Residents could not count on the Enterprise to improve their living condition. They had to build extra living space themselves. During those years, unregulated little shanties of all kinds had grown out along both sides of the row houses making the distance between them very narrow and extremely dangerous in case of a fire. Families living on the ground floor of the apartment buildings were considered as having privileges because they could build storage or make a small yard right outside their window.

Since the beginning of the 1980's, housing construction in Ha Liang had increased to about 10,000 sqms per year. Almost all of the Enterprise's profit was spent on it. The amount of housing built in the 80s was four times as much as the total of the 60s and 70's. Still, it has not met the keen demand. Many workers are still living under very poor conditions. Among the families I visited, some had three generations, up to eight people, living in a small apartment of less than 30 sqms.

Under this situation, housing are the benefit of most concern for workers who have changed greatly from the 1950s. Now they all more concerned about what they can get from the Enterprise than what they can do for it. The housing allocation processes therefore became a focal point of attention. How to allocate fairly is a very troublesome task for the Enterprises. Many Enterprise leaders have been reported to the National Disciplinary Supervisory Bureau for unfair allocation of housing. Some could not finish the allocation process until three years after new housing was completed. In 1974, a Housing Allocation Policy was drawn up in Ha Liang and has never stopped being revised to become very detailed since then.

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35 See Xu Guangyu.
Illegal extensions to the row houses

Illegal attachments at the bottom of apartment buildings
The principle of this policy is to improve the housing condition for residents who are living under the basic standard, but definitely not providing luxury to anyone.

The main criteria for housing allocation are seniority, family size and current housing condition. A person's performance, position, and other special situations are also considered. Housing standards are mostly based on family size. For example, a family of three *should* live in a one-room apartment (no living room). A family of four in a two-room one, etc. A couple without children has to live in one room in a shared apartment permanently, because that is considered enough, no matter how long they have been in the factory. However, starting about five years ago, higher standards were allowed for Enterprise leaders, senior engineers, and people with special contributions as a means of incentive.

A scoring system measures every worker's qualification for housing purpose. Among people who live below the minimum standard, their scores determine who can be improved and who cannot, because there are not enough apartments for every one. People on top of the list can even have choices among available units.

In this scoring system, more points are given to the number of years the worker has worked in the Enterprise and the size of his or her family than the worker's performance, position in the enterprise and some incentives like on birth control etc. For example, the score of a 50 year-old regular worker who has worked in the factory for 30 years and has two sons over 18 and a daughter under 28 it is more than twice as much as a 30 year-old middle level manager who is a model staff member and has a three-member family, even though the manager gets a few extra points.

Although the ownership of this housing belongs to the Enterprise, the residents actually treat them as their own apartments. Basic facilities are provided in these apartments, but most residents still spend a substantial amount of money in furnishing, carpeting, decorating their homes when they move in, because they are going to live there for at least five years. If they later move out, the new tenants pay them some money after negotiation. This is becoming more and
more popular in the enterprise, contrary to the situation in the 50s' when people seldom did this because they were more interested in spending their time collectively and came home just to eat and sleep. Workers now care more about their homes. Instead of the uniformed communal life, they have shown an eager desire for individuality.
Visitors to the President's Home

"Cadres are the servants of people."36

—— Zhou Enlai

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This chapter is an observation of visitors to the enterprise president's home which I think can help us understand the relationships between the enterprise and its workers. The president represents the enterprise and the visitors represent workers. The talks between them can to a certain degree illustrate how workers see the enterprise and how the enterprise treat its workers. Living in the president's home, which is my parents' home gave me a wonderful opportunity to do this observation.

This was a never-quiet home. Being the president of *Ha Liang*, Mr. Peng could seldom complete his dinner. Visitors of all kinds started to come minutes after he entered home every evening. Conversations could last to as late as 11 PM when he could be dismissed to sleep. From waking up to going to bed, he is always working. A special room has to be arranged for him as his home office in order to keep other members of his family from being bothered. This is the standard situation in most Chinese enterprises.

Most visitors are workers of *Ha Liang* requesting special considerations on housing, salary, children's employment, promotion, job switching, etc. There are numerous offices in the enterprise in charge of these matters, yet, they prefer to see the president at home because either their reasons are not routine or do not sound very official or they have already been rejected by the enterprise office but do not want to give up. Most people believe that a private talk with the president is more powerful than the enterprise rules. Some of them are old friends of the president. They come for a home visit and to casually talk about some of the concerns in their life. By doing this, they are trying to receive a favor from the Enterprise more like personal help from a friend.

Wang is a retired worker who has some chronic disease. One of his two sons works in *Ha Liang* as his "replacement" after he retired but has moved out to his wife's home after they got married. Wang needs attention for his disease. However, his other son who is living with him cannot help him sufficiently because he works in a small factory far away from *Ha Liang* and has to commute two hours each way. He therefore gets home very late every night. Wang came to the president's home asking the enterprise to employ his other son so that he can spend more time looking after him.
Lee is now working in a workshop. He had his arm broken by the machine he worked on. His hand could not handle accurate jobs after the arm was healed. The workshop arranged a non-machine job for him, but he is not satisfied. His parents, who were old neighbors of the president, came to ask the president to move him to the sales section.

Da Chang used to live in a two-bed room apartment with his wife and two kids. He met another woman at work and fell in love with her. He later divorced his wife and married the woman. The court awarded one smaller room of the apartment to him and the other bigger one to his wife with children. The former wife couldn't bear seeing her husband living with another woman and gave the new couple a very hard time. The new couple came to the president to ask for another room of the same standard so that they can move away from the his former wife.

She used to work in the same workshop with the president. His family is now sharing an apartment with another family whom they cannot get along with. He wants to move to another apartment of the same standard. but according to the housing policy, this is not qualified as a reason to move. He therefore came to the president for a special favor.

Some of these cases are not covered by the enterprise rules and do get solved after the talk with the president. It is the Enterprise's policy to help workers with special difficulties. However, it is hard to define what that "special difficulty" is. Since workers today care a lot about their personal interests, they could find all kinds of reasons to prove that they need special help.

Besides the visits concerning the above issues, the president's door is often knocked on for some "emergency" reason. One day when we were having dinner, a woman rushed in crying and shivering. She couldn't catch her breath while telling the president that her husband was having a fight with her father and she asked him to go stop it. Another Saturday dinner was interrupted by another crying woman who told the president that her son had been arrested and asked him to go save him. One hard raining night, we were all awakened up at 2:00 AM by a spell of hard knocking at the door. Mr. Peng opened it and
saw fifty people out there complaining about their homes being flooded and demanding that he take care of this business right now.

Even on a regular day, phone calls reporting housing maintenance problems come in one after another. It is not that workers donot know there are offices dealing with these matters, experience has taught them that by speaking with the president, they can get their troubles cleared faster.

Later I told Mr. Peng how surprised I was by these visitors. He said: “this is what an Enterprise is in China. It is a lot more than just a workplace, it is the worker's guardian. Whenever they have a problem, they come to the Enterprise. This is what socialism is. The president is not just a business director, he is more like the head of a tribe. Workers consider him their rescuer.” One day I asked him how much time and energy he spends on these life issues, he said: “almost fifty percent.”
Conclusion

The above materials have given us a clue on the relationship and the attitudes toward each other between enterprise and workers. To most of its workers, *Ha Liang* is not just a workplace, it is their home. They donot just work in the enterprise, they belong to it. When I first came to the United States, I was not used to hearing people say "I work for..." because in China, people donot say that, they say "I am of..." People there have a stronger sense of belonging to their work places, first because most of them work at one place for their entire life. Most of their social relationships are established around that work place. Secondly, people's lives depend on and are controlled by their work places. Instead of paying employees a lot of money and letting them run their own lives, work places in China organize their staffs' lives collectively. Salary is just like a monthly allowance which one can spend on food, clothes, and some personal interests. Housing, medical care, education, children's education, and retirement pensions are all taken care of by their workplaces. An Enterprise is like the workers' parents, whenever they need help, they come to it. Besides, every one is a member of the big family and thus should be treated equal. "Different jobs are only different social assignments, not different social estates."37

On the other hand, their lives are also constrained by the enterprise. As long as they live under the "parents" roof, they have to live by the "parents'" rules. Enterprises have a lot of controls over workers' jobs, life, behavior and even ideology. Workers cannot quit or switch jobs without the agreement of the enterprise, therefore they have to learn to survive the rules and get along with their work environment. They cannot have political stands different from the one of the Party, or their careers could be seriously damaged as well as their lives. The current housing system has deprived the residents' freedom of choices. They can only live where they are assigned. The State gives everybody "cradle to grave security in return for some restrictions in personal choice of place of residence and freedom to migrate"38. This, in part, is what people call the "lack of freedom" in China.

The welfare system is not a reward of work, but to raise every one as a family. Once someone becomes a member of the Enterprise, he or she is entitled for all the benefits this "family" provides regardless of performance. Enterprises can never go bankrupt and workers can never be fired. A job in a large state-owned enterprise is like a "iron rice bowl" that can never be crashed. Therefore the system does not motivate people. Hard-working ones get the same benefit as those who donot work. Strong ones have to help weak ones. In the Socialist system, "the difference between a good worker and a bad one is not reflected in the material reward they get but rather a spiritual one, a feeling of self-accomplishment when doing a good job". After seventy years of socialist practice, people start to realize that this system does not work and try to bring capitalist measures to stimulate the economy. Again, it was the distance between ideal and reality that led to the demise of the old systems in almost every socialist country. "A socialist man" now does treat his work as "an unavoidable money making hardship," and does not see it as "a voluntary participation of a common activity."

In the 50's, enthusiasm for the new system and the new country made people compete on working hard and contributing more to the country. But in forty years, the political games, the once beloved and trusted country leaders had played had disappointed the mass. In the 80's, people have realized that their enthusiasm had been used by politicians for their own political interests. They no longer work hard and start to compete on enjoying the socialist benefits.

Besides, although equal distribution of collective consumption is one of the principles of socialist system, "power and prestige does exist." For example, some enterprises allocate more flats to people of management level. Though spatial segregation of residence according to socioeconomic status does not exist, it is the quality ad quantity of housing that sets elites apart. These elites

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40 the "Great Jump" and "Anti-Right Deviation Movement" in the 50s', the "Cultural Revolution" in the 60s' and 70's later were all proven to be for personal political ambitions of the Party leaders. For details, see Yan, Jiagi. Wenhua Da Geming Shinian Shi (The Ten-Year History of Cultural Revolution), Renmin chuban She (The People's Press).
have become models of the general mass and taught them that they cannot wait for benefits to be allocated to them, they have fight for them.

From the enterprise's point of view, taking care of workers' lives is a big burden which has always been an obstacle to the growth of enterprises. In terms of management, besides their production system, enterprises have to run rather complicated municipal systems like small town halls. Leaders have to balance their time and energy between the two. Financially, these free benefits for workers are becoming harder and harder for enterprises to afford. I do not know the exact numbers of spending on welfare systems, but the enterprise leaders I interviewed all expressed some great financial difficulties in maintaining the welfare system. Taking *Ha Liang* for example, about 1,000 staff work in its welfare systems, close to 20% of its work force. From 1978-1988, the housing area *Ha Liang* has constructed was five times as much as that of new factory facilities.
Part II  Comparative Study: *Ha Liang vs. Dao Li*

Social Environment
A Society of Colleagues
Next Generation
Neighbors
Privacy
Cadres in The Neighborhood
Area Security
Entertainment
Residents' Ideology
Retired Workers
The next two parts of the thesis is a comparative study of social and physical environments between the enterprise society and an anonymous residential area, as I have defined before. Through this comparative study, I am trying to analyze the advantages and disadvantages of enterprise societies. The criteria of comparison were learned from many former sociological studies on residential communities and neighborhoods.

The residential area I chose for comparison is called Dao Li and located in a downtown district in Harbin. Most of the housing there are old rental apartment buildings "inherited" from the pre-revolution society. They were confiscated from the old landlords by the government and then equally distributed among citizens. The city has the ownership of the properties, but residents have the inheritable right of use. Residents there are mostly old local citizens who were here even before the "liberation" of Harbin. They work at different places all over the city which makes this residential area "anonymous". The socio-economic backgrounds of the residents of Dao Li and Ha Liang are almost the same. Some of my interviewees in Dao Li actually work in Ha Liang, which gives the comparison an even more equal basis.

For the purpose of this study, which is to compare the residence being together with work and not, location should not be an issue here. Besides old downtown housings, the city has also developed new residential area at locations far from the city center. However, because of the association with industrial plants, enterprise society is inherently away from downtown and downtown housing can only be city-owned, location therefore does become an issue in the evaluation of enterprise society.

A Society of Colleagues

People usually make more friends from work than from the neighborhood. This is especially true in China, where most people work at the same place for a long period of time. Colleagues are an important part of a person's social relationships. Through performing tasks with a collective, a person establishes his value, identity and relationships in the society\textsuperscript{41}. When one goes to school,

\textsuperscript{41} Gutnov, A., et al.,\textit{The Ideal Communist City}, Brazilliar, 1968,
school mates become friends. When one goes to work, co-workers become friends. Being in Boston area for almost three years, I have made many friends at MIT and in the office I worked, but not a single one in my neighborhood except my landlord.

Residents in Ha Liang are not just neighbors, they are also colleagues. The similar backgrounds, level of education, skills and the common goals of people there formed what Gans called "Peer Group Society". Years of working in the same factory has allowed them to become acquainted with each other. People in the same workshop or department become close mates who do not just cooperate at work but also spend a lot of after-work time together. By living near by, they have created a social net-work in the community. Whenever one needs help, there are always people around to count on. The longer a worker has been in the enterprise, the larger his or her net-work is. From working to living, within the area is a society of colleagues where residents can find all aspects of their social life.

Walking through the community with uncle Liu, an old worker in Ha Liang and also an old friend of my family, is always a painful experience for me. We usually proceed very slowly, because every body we bumped into he some how knows and therefore there are too many "hello" to say. Sometimes we had to stop to chat with them briefly. I feel awkward standing aside waiting. If we are in a hurry, we would rather go around the area to avoid all the acquaintances. When I walked with my aunt around where she lives in Dao Li, we never had this problem.

Compared with the intentional creation of the feeling of community through "defended neighborhood", establishment of "singles bars and bathhouse" etc. in some capitalist "metropolitan residential areas of capitalist world, where anonymity has been brought about inadvertently by the sheer mass urban

building," the sense of community is inherent in *Ha Liang* by the compatibility of the residents and the involvement of every individual with a closely linked network.

Strangers in *Ha Liang* get to know each other easily. The first question they would ask is "Which workshop are you in?". Then they start to recognize each other through the network. Once people have established their networks in the area, they feel warm, comfortable and see the area as their home. Like a fish in water, a resident in *Ha Liang* feels free and secure in the community.

In China, personal networks are quite important in one's life. First because every one's life needs a lot of help from others, the living standard and incomplete service system does not allow one to live all on his own. Secondly, the socialist system advocates collectivism and prohibits individualism. Thirdly, in Chinese culture, a strong moral system regulates one's behavior more than the legal system. It is very hard for one to get around without being accepted by the society.

Just across a street is another enterprise's residential area with similar form and size as *Ha Liang*. Although very close, the two communities mean very different things to the residents of *Ha Liang*. One is home, the other is not. The social network stops at the street, which functioned as the "physical boundary of the neighborhoods". Life there has a different pattern. People there talk about different things, behave under different rules, and have different holidays.

Within *Ha Liang*, there is a small area occupied by workers of a construction company who helped build the factory and then remained. They had lived there for more than thirty years, but had always been a small society of their own. The enterprise recently was very happy to relocate them to some where outside *Ha Liang*. Even though it was inside the territory, the residents there did not mingle with people of *Ha Liang*. They lived in a different way. In my memory, their kids were much wilder and liked to bully us. The association to their work places separated the residents of *Ha Liang* from those of the other two.

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My surveys had also revealed that social networks exist in anonymous residential areas too. Neighbors there also have a close relationship. My interviewees told me many stories about how their neighbors had helped each other out. However, the networks are mostly within a small neighborhood of few adjacent families. Residents there knew very little about the other sections of their buildings. Let alone other buildings in the community. Their idea of home was most likely that small neighborhood and the facilities nearby which they used often. When I did my interviews, residents there usually could tell me about their neighbors who live very close around them, unlike in Ha Liang, people would give me examples of all over the community.

The Second Generation

When the pioneers of Ha Liang came to Harbin, they were mostly single young workers. Gradually, they had their families, and Ha Liang had its second-generation of residents. After about thirty-five years, the second generation have all grown up. Because of the enterprise's retirement policy, many children of old workers have "replaced" their parents to work in the factory. Now in Ha Liang, there are a large number of families who have two generations working in the enterprise. Some even become "Ha Liang" families whose member are all workers of the enterprise.

These second generation residents grew up in the enterprise, played together in the enterprise kindergarten, went to the enterprise schools together when the boys and girls formed cliques and gangs, and now work in the same enterprise. Compared with the first generation, they have a larger network in and a stronger tie to this community, forming an even closer "peer group" of themselves. Similar family backgrounds of these kids have given them a similar life and ideology.

Marriage among the second generation is a common phenomenon. People consider this a perfect match. The level of familiarity with each other makes both families feel secure about the marriage. Their parents, the old colleagues, therefore become relatives. This added another layer to the network and
created a stronger tie among residents as well as between residents and the enterprise.

The importance of presence of kinship in neighborhoods has been stressed by many sociologists: Keller saw this as one of the assessments of neighborhoods and Young called relatives in the neighborhood the "vital means of connecting people with their community" that cannot be "made up for by neighbors." The blood relationships in Ha Liang have made this area more of a settlement and a society and enhanced the sense of belonging to this place of the residents. A middle-aged worker Chao considers this area his home because all of his social relationships are here. His parents, brothers and his own family all live here as well as his old friends. This community has his entire life.

However, there is a lack of "new blood" in the community. As put by Esser: "Once life in the neighborhoods of an industrial town had lasted too long enough, the communities would be quite homogeneous." Maybe because they are too familiar with this place, the second generation sometime show great curiosity for the outside world and generally consider working in Ha Liang a boring career. They feel comfortable here but less challenged. When the old school mates get together, the ones come back from other places are admired. Parents also want their teenagers to study hard and go to colleges so that they can have a better future. However, not all the kids in Ha Liang do later go to colleges. Many find it is hard and even worse to work in other places. After the lesson they learned from the real world, they start to realize that Ha Liang is a pretty good place for them. Most of the middle-aged second generation workers actually enjoy staying in Ha Liang because of the good benefits of the enterprise and their networks in the community.

My interviews in anonymous areas revealed a different story. Childhood playmates started to have different lives at early ages because of their different

47 Ibid, p.96  
family backgrounds. Few of them went to the same high schools and almost none of them later work at the same places. Even fewer later got married. Unlike in *Ha Liang*, where most of the schoolmates still keep in touch with each other. When I asked the residents about what their old friends are doing now, they can hardly describe, or describe only a few if they can.

**Neighbors**

Compared with the community network, relationship of neighbors is secondary in *Ha Liang*. The concept of neighborhood is the entire community rather than the families next door. Since most of the residents in *Ha Liang* are double-worker families, during the day, neighborhoods became very quiet. The time that neighbors spend together is very limited. Most people have closer friends living near by, therefore they would rather go visit their homes to spend spare time than the neighbors'. Unlike in an anonymous residential area, neighborhood is a small entertainment center.

Every year, there are always people moving in and out a neighborhood. The average length of stay in one neighborhood by *Ha Liang*’s residents is six to seven years. Compared with the average stay in one household by one family of 18 years in most cities, it is relatively short. The short period of neighboring has kept neighbors from developing very close relationships. However, because of the general familiarity among all residents in the community, there are neither strange neighbors, nor strange neighborhoods. People usually know their neighbors before they move in the neighborhood.

**Privacy**

As speculated by some sociologists, "privacy and community are in conflict." "There is no way to guarantee that one's need to be alone will never coincide with his neighbor's need to be with him."50 In *Ha Liang*, where life is community oriented, residents do not enjoy much privacy. There is no secret in the community, "tasty" affairs of one family usually become good topics of gossip among neighbors and soon spread all over the community. Rumors spread

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50 Slater, P., *Earthwalk*, Garden City, Anchor Press, 1974, p.3-4
very fast. Visits of "peers" are often and informal and some times regardless of the permission of hosts. Cadres are the worst victims of these uninvited visits, by which their family lives can be seriously bothered.

In Dao Li, "privacy is obtained through anonymity"⁵¹. Neighbors usually do not bother each other much except for exchanging helps. People there are less familiar with other neighbors and therefore are not that interested in keeping track what is happening with every body. Secret can be kept strictly inside every closed door.

**Cadres in the Neighborhood**

Unlike the segregation of residence by socioeconomic status in the capitalist cities, any residential areas in China have a mixture of residents of all social levels. As observed by Whyte and Parish: "A factory's party secretary, an engineer, and a canteen cook may well live side by side in the same building"⁵². However, the proximity of residence of cadres and workers does create some practical inconveniences.

Cadres are special neighbors in neighborhoods. Being the neighbor of a cadre might make the residents feel a little nervous. Some residents would intentionally keep good relationships with them and avoid any dispute whereas others like to keep their eyes on the visitors to cadres' homes and the stuff in their hands. Cadres feel like being watched because there are always rumors spreading out about cadres accepting bribes or giving special favors to someone who cut under the table deals with them. Since cadres' also live in the community, it is convenient for workers to go visit their homes. Thus almost every cadres' homes is bothered by constant visitors during evening hours.

The tensions between cadres and workers sometimes generates troubles for the cadres' families. The most common revenge of workers is breaking the windows of cadre's apartments. Others like deflating the tires of their bicycles,

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spreading oil on the elevator control buttons on the floors where cadres live, tipping garbage in front of their doors, etc. The Chief of the Housing Management Section sometimes has to be accompanied by security guards to his home because during the final decision-making period of housing allocation as his home is often filled with angry, unsatisfied workers.

Most of the cadre families I visited complained about these things. But none seemed to care very much about it. They considered this as part of their jobs. As I suggested that they might be able to get rid of these troubles if they live somewhere else, they did not want to trade off the convenience of going to and coming back from work by living in this area because they usually have very irregular schedules and sometimes come home very late.

In order to avoid troubles of this kind, some enterprises buy housing outside for their cadres, so that they can live anonymously and workers will not bother them that much in their spare time. However, some of these cadres I interviewed told me that workers come anyway, besides they are always blamed for separating from the mass which is the biggest apprehensions for most cadres in China.

Area Security

The identifiability of residents in Ha Liang had helped keeping the area safe through what James Rojos called "social control"53 within the neighborhoods. Because of the general familiarity among residents, strangers usually can easily be identified therefore having more difficulties in committing crimes. Besides relying outside parties, such as policemen, to control the area security, the residents themselves through their own presence had created a safety net work throughout the community. In addition, the effort of the enterprise to mediate among workers, as explained in previous chapter, had also done a good job in preventing the residents from committing crimes.

53 Rojos, James, The Enacted Environment: The Creation of “Place” by Mexican and Mexican Americans in East Los Angeles, MIT Thesis, 1991, p.31
I was not able to get the exact numbers on crimes committed in this area, but talks with my interviewees gave me a sense that *Ha Liang* is a safer place compared with *Dao Li*. People were less scared of going out at late night.

The important role of local residents and their joint action in crime prevention have been stressed by many people such as Oscar Newman, who argued: "Police forces operating without community consent, direction, and control are a wasted effort--more irritant than deterrent." 54 Jane Jacobs, who argued that the presence of people establishes a type of control or safety mechanism 55 etc.

However, social control is harder to establish in an anonymous residential area, because "the space is too public and no one can take control, therefore nobody feels responsible and totally safe in it." 56 Again as Oscar Newman had described: "The anonymous cities we have built, for maximum freedom and multiple choice, may have inadvertently succeeded in severely curtailing many of the previous options. Collective community action, once easy, is now cumbersome." 57

**Service and Entertainment**

Most enterprise societies are at the city fringes, distant from downtown areas. Compared with *Ha Liang*, the residents in *Dao Li* district enjoy better service and entertainment facilities. Almost all *Dao Li* residents I interviewed were proud of the convenience of living there. Around where they live, there are the city's largest department stores, hundreds of small specialty shops and many famous restaurants. They can get whatever they need without making long trips. Besides, some old theaters, are also located where the city symphony, drama team or the song and dance ensemble often give performances, there as well as a few public parks.

Residents living in the downtown are more trendy because they can go to the department stores more often and get the latest fashions. Life there has more

variety because people from different areas gather there and bring in different styles.

However, people in general do not consider these factors a big advantage. When I asked some Ha Liang workers who are now living in downtown whether they would like to move to Ha Liang if they were given housing there, 90% said yes. Because then they donot have to go through the commuting hustle every day. Actually, workers who want to exchange their downtown apartments with those in Ha Liang usually have to sacrifice in some area.

Downtown is more convenient, but not to a very great degree. As I explained in the previous chapter, city centers in socialist cities are no longer dominant in terms of service and entertainment. What exists there now is just left over from the old downtown which have not been growing since their "liberation". Proximity to work is still the most important factors that people want for their housing.

Since 1949, downtown has lost most of its entertainment attractions until very recently. All the bars, night clubs, ball rooms there were closed down. Only some theaters were kept for the use of professional performers. Since professional entertainment was not active in those years anyway, these theaters did not provide the residents there with much cultural life. The "worker's class entertainment" was the main form of entertainment then. Many new theaters, and auditoriums were built by enterprises at various locations through out the city. It was actually the enterprise-organized entertainment that played an active role in the entire society. According to the enterprise introduction, Ha liang's chorus, orchestra, and drama troupe did not just play in the enterprise but also all over the city.

Before 1980s', life was more fun in enterprise societies than in residential areas. Enterprises used to organize all kinds of sports games, singing and dancing performances, plays etc. to entertain their workers. Extensive spare-time recreational and sports activities got almost everybody in the enterprise involved including children in schools. In my memory, a lot of time in my childhood was spent on rehearsing dramas, choral or dances. Just as
described by the Soviet architects for the new way of life, people had a lot of fun by participating these collective self-entertainment.

On the contrary, residents in Dao Li did their entertained themselves mostly at homes or in their neighborhood, such as playing cards, chess, MaJiang (a Chinese gambling game), etc. I remember when I visited my aunt's home in Dao Li, I was always amazed by all the funny games they played at home. Also her home was equipped with entertainment facilities, like TV, stereo, etc., much earlier than ours.

In the 80s', things started to change. With the ending of the Cultural Revolution, which abolished all "petty bourgeois life styles" and advocated only "worker-class culture", the new "hundred flower bloom" policy on cultural recreation had boosted the revitalization of the entertainment industry. All kinds of professional theatrical festivals, and song and dance shows became prevalent during the early period of 1980's. The popularization of TV brought the booming of professional entertainment to every home. People started to feel less interested in the amateur performances by workers. The enterprise-organized entertainment thus became less extensive. The internal basketball matches can no longer attract as many audience as they used to. Workshops are reluctant to organize spare time entertainment because workers are less interested and also the new enterprise management had made them have to reduce the effort on these non-production-related activities in order to concentrate on production.

Besides, "bourgeois entertainment ", such as ballroom dancing became popular again in the middle of 80's. Some full-time, well equipped dance clubs started to appear in downtown areas, and became the new attractions for the trendy young citizens. Ha Liang organized dance parties too, but only occasionally in the workers canteen which is incomparable to those downtown ballrooms in terms of equipment and decoration.

Sports have always been popular in Ha Liang. Besides the numerous sports games and athletic teams organized by the enterprise, residents themselves usually get up early and go out exercising before they go to work at 7:30 am. Every morning in Ha Liang, one sees lively scene. There were runners one
after another on the streets, which had very little traffic in the morning. All of the basket-ball courts were double occupied by youngsters. The open ground in front of the auditorium was filled with hundreds of older residents practicing TaiChi.

The residential areas in Dao Li had a rather different rhythm in the morning. The neighborhoods were still until smoke came out of chimneys and people gradually emerged up dressed in their work suits. Most people there commute long distances to work every day, therefore they have to leave home early. Streets became busy earlier and instead of joggers, one sees large crowds at bus stations and the congested traffic of bicycles and fully loaded, slow moving buses on the roads.

Every community somehow has its own style, because familiar people have a strong influence on each other. Some call this the "subculture of community." The common ground among residents in Ha Liang makes it even easier to form a general trend inside the enterprise. Many residents do morning exercise because some of their friends did. They favor Panasonic TVs over Sonys whereas in Dao Li, it is vice versa. Scarves of a certain style can get very popular only in the enterprise and not anywhere else. Once people see a "good" interior decoration of one's home and they like it, many will do the same thing for their own homes and reject any other kinds. Thus, through daily interactions, residents of a small community create their own culture and life style. Although it is related to the general trend of the big society, it has its very unique characters which distinguish this community from others.

"If the physical features of a setting can be loosely called its geography, the social factors that contribute to its spirit of place can be called its sociography: the impact of other people's presence and their expectations for that setting."  

Fritz Steele

Residents' Ideology

When I interviewed a *Ha Liang* worker who lives in the downtown, he told me that he would like to move to *Ha Liang* if he is given housing there. However it might take some time for him to get used to the life style. I asked him what the difference was. He said he felt free living where he lives now. Besides work, he can have a private life of his own in another world irrelevant to the enterprise, which gave him a sense of independence and more variety. Unlike in *Ha Liang*, people are in the enterprise all the time.

Residents of enterprise society and anonymous residential areas have different ideologies. People in *Ha Liang* care more about the enterprise and the community, because to them it is not just a work place, it is their home. Their entire life is associated with it. They depend on the enterprise and also are committed to it. Every body feels like a member of a family. They donot have to manage their lives. The enterprise takes care of them. All they need to do is finishing their tasks well. Residents therefore are less aggressive about their personal interests and careless about other opportunities outside *Ha Liang*. Most of their attention is concentrated on the daily matters in the enterprise. Many residents there "would not dream about a different career and marriage or travel outside of the city."60

Residents in an anonymous area care more about themselves. To those workers who live outside *Ha Liang*, the enterprise is just a place to make a living, the same as other jobs they might have simultaneously. They have less of a sense of commitment. People there prefer running their own lives and therefore are more self responsible. The neighbors of different backgrounds influence each other. Residents there have more contacts with the outside world and thus have more different ideas.

Growing up in the old commercial zones of the city, residents of *Dao Li* automatically picked up the street tricks and become more astute. Therefore,

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many of them prefer to run their own businesses, when it was allowed, than making the small salary in the enterprise.

My interviewees in Dao Li district told me that most residents there are good speculators. Many have side-businesses besides their regular jobs, which generate large income than their salaries. Kids like to go out selling things, or doing jobs whenever they need spending money. In Ha Liang, parents usually don’t allow their children do this because they are afraid that the kids might be obsessed by the profit and become less interested in their school life.

Statistics show that when the new economic policies allowed state employees to take time off from their jobs run small businesses while their positions in the enterprise will still be kept for a certain period time but unpaid, more workers in Ha Liang who live outside the enterprise left the factory and became taxi drivers, owners of small grocery stores, restaurants, tailor shops, or the middle men in retail businesses, etc.

The Retired Workers

Retired workers in Ha Liang enjoy the same benefits as regular workers. They receive 70%-100% of their former salary, free medical care, and are still eligible for housing improvement. Every year after the retirement equals to a half working year for a retired worker and a full year for a former cadre when counting their housing scores. Besides, the enterprise has built an entertainment center for exclusive use of the retired workers

Most retired workers I interviewed liked to live in the enterprise, because they can still hang out with their old colleagues. Many of them are in their late fifties or early sixties (many retired early so that their children can "replace" them), therefore they are still very active. They couldn’t stand staying at home all the time and like to socialize with others. The entertainment center for retired workers is a great place for them to meet and play with each other every day. Though they have retired, they don’t feel much different from before because

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they are still very much involved in the enterprise life, except that they are not working.

Retired workers living in an anonymous area couldn’t enjoy the social life similar to those in the enterprise societies. They primarily stay at home taking care of domestic tasks. Families become their entire realms. My interviewee Wang told me that life had changed greatly since she retired. She was sometimes frustrated by suddenly having nothing to do. Old friends are all not around. The only companion she had was a three-year-old grand son whom she was baby-sitting for her daughter.

*Retired workers in their recreation center.*
Part II  Physical Environment

Going to Work
Housing Maintenance
Environmental Quality
Service and Entertainment
Going to Work

"A worker's home should be situated no more than 10-20 minutes walk from his machine." 62

_______ N. A. Miliutin

Ha Liang's workers are coming to work from their homes just across the street.

No other advantage of living in the enterprise society is more desired than being close to work. For the residents in Ha Liang, it takes only five to ten minutes to walk from the home to the factory. Most of them come home to have lunch and then can even take a nap during the one and a half hour break every day. For people who work on night shift, living close to work is an essential requirement, because people in China donot have cars and public transportation stops running early at night.

Because commuting is difficult in Harbin, this is the main attraction for workers living outside the enterprise. Many are even willing to sacrifice area to exchange their downtown housing with those in Ha Liang. Public transportation in Harbin is very crowded and unreliable. For commuters using public transportation, it is quite an exercise to take the buses twice every day. During rush hours, only strong young lads can get on to the buses. Many women, and older people can only watch the buses come and leave without trying to get on. Waiting for buses at the stop is a painful experience especially in the frigid cold winter mornings. It can last as long as one half to one hour. Dress clothes become torn and shiny shoes smeared. One commuter told me that he had to sew his coat buttons firmly because he had lost them all before. These packed buses give thieves a wonderful chance to do their jobs. People lose fortunes on them. Because of the crowding, quarreling and fighting happen all the time. Buses also do not run on a very strict schedule making it difficult for commuters to control their time. Most buses are in very bad condition, and are very hot in summer and very cold in winter. The ticket collectors do not even bother closing the windows.

Many people ride their bicycles which is faster than taking buses and allows them to avoid the bus "exercise". However, because of the cold winter weather and the hilly roads in Harbin, biking is also a tough task. As suggested by its nick name--Ice City, winter in Harbin can get as cold as -30° C. It is a famous tourist city for all kinds of snow related activities which attract thousands of visitors from the south, but a terrible place for bikers. Harbin was built on hills, and the roads go up and down. Bikers sometimes have to get off and push the bikes up a hill, at other times they go very fast down hills, which causing many accidents. Besides, it is extremely dangerous when roads are slippery after snow storm on a winter morning. Many women workers cannot handle it, non
can they get on the buses. They have to figure out other ways to get to work. Ms. Chang's husband has to give her rides to and from work twice every day during the entire winter, because once she fell and almost broke her arm when biking on the bumpy, icy road between home and the factory.

To help workers commute to work, most enterprises have their own buses for picking up their workers at spots all over the city. Due to the inconvenient public transportation, this is popular in most Chinese cities. During rush hours, there are more company buses than public ones on the road. A large portion of commuters are actually taken care of by the enterprises. Although in Ha Liang, there are 18 vehicles including 11 buses and eight trucks with canvas roofs serving commuting workers, they cannot take them all. Among the 2,700 commuters in the enterprise, only 1,000 take the enterprise buses, most of whom are women and their children. Another 1,000 have to ride bicycles and 789 take public transportation, because the enterprise buses don't go through where they live. Most of these buses only run twice a day in the morning and evening. During the day, they are idle as are their drivers, which is a big waste for the enterprise.

The enterprise buses are less crowded and can guarantee getting commuters to work on time. However, it still takes time to get home. On average, commuters spend 30-45 minutes each way every day. Compared with the workers living in the enterprise, they have to get up earlier and come home later. In order to catch these buses, workers have to have a strict schedule. For some cadres who usually cannot leave work on regular schedules, it is not easy.

Tan is a director of a workshop. He works much more than eight hours a day. He can seldom leave work at five like others do. On Sundays, he has to come to the factory to work with other people who are working over time. Although the enterprise bus goes right in front of his home in downtown, he can never use it because of his schedule and has to ride his bicycle 40 minutes each way to work. Sometimes he has to take a cab home if it is too late and too dangerous to ride a bicycle on the street alone. There are many workers who are in the same situation as him, because they often need to work overtime when approaching deadlines.
For working mothers in Dao Li, who have pre-school children, every morning is a struggle. They have to get up very early to take their children to the day care center as far as one kilometer either on foot or by bicycle, because it is very hard to take the buses with children. In many cases, this was the fathers’ job too. Then they had to make another trip to work. At the end of the day, all this troubles have to be repeated again. Many working mothers cannot suffer these difficulties and have to rely on their home baby-sitters, who most likely are the retired grandmothers or grandfathers of the children.

The kindergarten in Ha Liang has provided great convenience for working mothers, including both those who live in the community and those who live outside and commute to work. Most working mothers in Ha Liang take the enterprise bus with their children. The buses drop them off at the daycare center in the enterprise and then they walk to the factory.

Being close to work is a big plus for enterprise societies. Needless to say, under current transportation situation, this is the only way to guarantee workers get to work on time. Because most people work at the same place for their entire life, living close to work or not is definitely a big difference. Commuting one to two hours a day, which could be up to a quarter of one’s working time, is quite a waste, especially if you have to do this for thirty or forty years. When thinking about the hustle of squeezing onto the buses twice every day or biking in the coldness, people would rather sacrifice other qualities of life in order to live in the enterprise. On the other hand, if all of the enterprise residents live dispersively and all have to commute to work, the current transportation systems in most China’s cities will have no way to handle such a big volume of commuters. The already congested traffic situation will be worsened. Even though the transportation system in China’s cities will be further developed, minimization of the need for transportation is still the right approach for future city planning. “
The slavery of mobility to which every citizen has been condemned forces him to waste time and energy in daily transportation, while at the same time it has made him into a potential and involuntary agent of energy waste.\textsuperscript{63}

--- Leon Krier

\textsuperscript{63}Krier, Leon, "Critique of Zoning", \textit{Houses, Palaces, Cities}, AD Edition Ltd., p.32-35
Housing Maintenance

One day, I was visiting a friend in Dao Li, whose home I had never been to, with several other friends, we couldn't walk in the lobby and staircase because it was pitch-dark in there and we couldn't find the way. We had to call our friend to come down with a flashlight and show us the way. The corridors were dark too because the light bulbs had all been burned out for a long time and nobody bothered to replace them. There were all kinds of things in the corridor. Without light, one has to be very familiar with the situation in order to get to every door without knocking something over. When I asked my friend whom they should call for repairs, he told me it was the city's Bureau of Housing Property Management. They have been paying the maintenance fees every month but no one has ever been any body come to fix these problems.

Most of the city-owned residential areas I visited were in bad physical condition, especially old houses inherited from the "pre-revolutionary society". Some had cracks in the walls, dangerous roofs, etc. The newer houses were better in shape, but one can still see marks of poor maintenance. Windows of common areas were broken and left open, electric switches were not working, entrance doors at the were missing, etc. Residents told me that they have reported these problems for a long time but none of them had been repaired. Some would rather fix small problems themselves than count on the city.

In Ha Liang, although housing was built of a similar quality, maintenance was done better. Whenever there is something broken, residents just report it to the housing section. Most of them can get fixed quickly. In addition, the housing section repairs all housing properties on a regular basis. Therefore buildings are in better shape.

Compared with Dao Li, Ha Liang is quicker in speed in terms of housing improvement. Residents of Ha Liang usually move into better housing in every

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64 Same phenomenon was observed by other western researchers, such as Joochul Kim described in his article China's Current Housing Issues and Policies: "Quality seemed to be lower in those city-owned housing."
10 years on average\textsuperscript{65}, much shorter than the national average of 18 years\textsuperscript{66}. In \textit{Dao Li}, more than half of the residents had never moved in 30 years. The population growth had greatly increased its density. Many apartments are becoming extremely tight. One family I visited had two married brothers sharing one room of less than 12 sqms. A curtain divided the room into two at night. Worse than the worst I had seen in \textit{Ha Liang}. Most people had placed their hope on the redevelopment of the area, so that they can move into new apartments. But for three years, it had always been up in the air.

Bureaucracy of the city's housing authority had affected the management quality of the city-owned housings in \textit{Dao Li}. The central control system has caused the inefficiency of housing maintenance. Much time was wasted on responsibility disputes among various departments of the housing bureau. The central control system has made the city housing management very inefficient. Reports on housing repairs piled up in the office of housing management bureau. They can never fix them all. In the enterprises, the housing management systems is much simpler and more efficient. Besides, enterprises are more financially resourceful on improving the physical qualities of their territory. By breaking down the responsibilities, housing maintenance becomes more efficient.

**Environmental Quality**

Although not as good as the Soviet architects had envisioned, \textit{Ha Liang} has a relatively well kept physical environment. Throughout the years, much effort had been put in to improving the environmental quality of the community. The old mud roads were resurfaced with asphalt. More trees were planted throughout the entire area, spaces between buildings were made into small gardens. Sports grounds for residents are provided and well maintained. The unregulated storage shanties are gradually being cleared. The relatively secluded space in front of each apartment building and the paved surfaces are


good playgrounds for children living in those buildings. The seclusion of the community has provided a better environment for growing children.

In Dao Li, one can hardly see any effort to improve the environmental quality of residential areas, although there is some in public areas. Busy streets cut the community into pieces. Buses go right in front of everybody’s door, which made me feel an abrupt of private and public each time I ride through those streets. There are also many commercial facilities around housing. Children playing on the streets have to constantly dodge cars. Their schools are not too far from their homes but they need to go across several busy commercial streets to get to them. Parents are very worried about their safety. There is no sports facility in that area. Adolescents usually take buses to the city’s public stadium to exercise. 500 meters away, there is a park which is walled and one has to pay a small fee to get in.

Because of the land ownership, there is a stronger sense of territory in Ha Liang, which has protected this community from the disturbance of outsiders. Strangers in the community would feel like being in some body else’s realm. This is more obvious in those walled “Compound Housings” such as universities, government institutions, etc. Besides, most enterprise societies were designed to be self-enclosed, independent units, separate from public facilities. Most traffic go around or by them, very little cut through. The sense of territory has provided the premise for the enterprise to maintain a nice physical environment. In Dao Li, since nobody takes control, the residential area is “anonymous”. The many commercial activities around it had made the area very public. Strangers feel free to walk in as if in a public square. This anonymity of that area has caused the lack of attention on its environmental quality in addition to bureaucracy and lack of financial support.

Service and Entertainment

Almost all of the Dao Li's residents I interviewed were proud of the convenience of living there. Around where they live, are the city’s largest department stores, hundreds of small specialty shops and many famous restaurants. They can get whatever they need without making long trips. This has become an even bigger advantage since the economic reform began. The popularity of city centers has
attracted thousands of the new profit-driven merchants to bring their business there. Clothes venders, food venders, and small restaurants sprout fast in the downtown and provide great convenience to the residents there. The free market economy has revitalized the old downtown. With the increase of commercial activities, downtown has again become the most active spot of the city. Entertainment facilities, following service, have gathered in the downtown area because of the old city attractions there.

Unlike in Dao Li, the development of service and entertainment facilities in Ha Liang was at a much slower pace. Although a large number of small privately run stores, restaurants, barber shops, food venders have appeared between the factory and the residential area, which indeed has provided more convenience to the residents, they were mostly at a community scale whereas in Dao Li, the new commercial facilities serve the entire city
Part II

Summary:

Advantages and Disadvantages.
Summary: Advantages and Disadvantages.

Observations of residents' every day life and physical quality of *Ha Liang* and *Dao Li* had unveiled very different characters of the two residential areas, as shown in the following chart:

<table>
<thead>
<tr>
<th></th>
<th>Ha Liang</th>
<th>Dao Li</th>
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<tbody>
<tr>
<td><strong>Social Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Network</td>
<td>Strong</td>
<td>Weak</td>
</tr>
<tr>
<td><strong>Privacy</strong></td>
<td>Poor</td>
<td>Better</td>
</tr>
<tr>
<td><strong>Area Security</strong></td>
<td>Safer through social control</td>
<td>Dangerous because of anonymity</td>
</tr>
<tr>
<td><strong>Life Style</strong></td>
<td>Collective, communal Community oriented</td>
<td>Independent. Family oriented. Trendy. Stylish.</td>
</tr>
<tr>
<td><strong>Residents' Ideology</strong></td>
<td>Dedication. Solidary. Commitment</td>
<td>Self-concerned Speculative</td>
</tr>
<tr>
<td><strong>Environment for Elderly</strong></td>
<td>Active community for retired workers</td>
<td>Lonely old age</td>
</tr>
<tr>
<td><strong>Physical Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Going to Work</td>
<td>Very convenient</td>
<td>Difficult to commute</td>
</tr>
<tr>
<td>Environmental Quality</td>
<td>Better planned and maintained. Protected from outside.</td>
<td>Poorly maintained Close to streets. Bad environment for children</td>
</tr>
<tr>
<td>Housing maintenance</td>
<td>Better maintenance</td>
<td>Poor maintenance</td>
</tr>
<tr>
<td>Services and Entertainment</td>
<td>Basic</td>
<td>Plenty, Convenient</td>
</tr>
</tbody>
</table>
The two places are in the same city, share the same weather, culture and economy. Income of the residents in both areas are similar, because salaries in China are standardized and vary only slightly, until very recently. Now some are making a lot more money than others because of the economic reform, which will be talked about later. Therefore the different social and physical characters are mainly created by the different organization and physical forms of the two residential areas.

Besides, the length of stay by the residents has affected the relationship of neighbors. Most residents in Dao Li had lived there for a long time, since those apartments are owned and run by the city and allocated to old local citizens. The user's right belongs to that citizen and his or her family. Even though they might get housing from other sources, this apartment is still theirs unless they exchange it with others. Therefore the same residents are always there. Many of them have never moved since 1949. Some have been neighbors for almost forty years, and have developed very close relationships. To verify this, I visited a few other similar residential areas to Dao Li, but built later. The neighbors there were much less familiar with each other. In Ha Liang, the average short period occupying one apartment by residents has given the neighbors less chance to develop close relationships in the neighborhood.

The composition of residents in these two areas has some impact on their social character. People in Ha Liang mostly came from other cities when the enterprise was first established. They did not have families or other relationships in Harbin and therefore the enterprise became their entire world. In forty years, they have developed all their social relationships in this enterprise society. Residents of Dao Li are mostly local citizens. They were here even before their work places existed. Besides the people they know from work, they also have other relationships in the city. To them the city is their world. They therefore donot feel as committed to their work places as the "immigrants" do.
Comparing the characters of the two residential areas, we now can make a list of the advantages and disadvantages of enterprise societies:

**Advantages:**

*Living Close to Work.*
Arranging residential areas next to work places cannot only save time and trouble for workers commuting to work, but also reduces the amount of traffic on the road which helps solve many traffic problems.

*Stronger Sense of Community*
Sociologically, the colleague community inside enterprise societies has created special bonds among residents and thus a stronger sense of community.

*Safer Neighborhood.*
Social control based on the familiarity of residents and the additional effort on crime prevention by the enterprise had increased the area security inside the community.

*Dedication to Work of Workers*
The closer involvement of the enterprise in residents life increased the dedication of workers to the enterprise, which is a plus for both the enterprise and workers.

*Better Housing Management.*
Breaking down responsibilities to smaller units actually increases the efficiency and of housing management.

**Disadvantages:**

*Lack of Privacy.*
The high level of familiarity of residents and the communal life style in the enterprise society had on the other hand lowered the level of privacy in the community.
Lack of Life Variety.
The lack of new blood in the long-time "peer group society" had created the homogeneity of the communities.

Remote Location
Because of the industrial plants, most enterprise societies inherently are away from city centers, residents there cannot enjoy the convenient commercial and entertainment facilities the downtown residents do. But this is not just a disadvantage of enterprise societies. Many newly built city-owned residential areas were also located far away from centers. As the city centers will become mostly for commercial and entertainment uses, more and more housing will be built at peripheries of cities.

Burden to the Enterprise
While there are many advantages for the residents of enterprise society, it has always been a burden to the enterprise not just in terms of financing but also in terms of management. With the unwieldy welfare systems, it is hard for enterprises to concentrate on production.
Part III  Reform and Its Impact on *Ha Liang*

General Situation
New Economic Structure
The New Ideology and Life Style
"Unfair Competition"
Reform and Its Impact on Ha Liang

General Situation

Because of the numerous political movements, China's economy had been in very bad shape since the end of 1950s'. From 1958 to 1978, the National Gross Income per capita had not increased. At the beginning of 1950s', China's economy was at the same level as Taiwan, Korea, and Hong Kong. But twenty years later, it had fallen far behind\(^{67}\). Towards the end of "Cultural Revolution", China's economy was at the edge of collapse. After the deprivation of the "Gang of Four", which marked the ending of the Cultural Revolution, revitalization of the country's economy became the main task in the 1980's.

Reform started from the countryside, where lived 80% of the country's population who were the poorest in the country lived. The former commune-owned land, tools and all other property were divided and allocated to every commune member to be at their disposal. Instead of working collectively, which had been proven to be unproductive, the new policies allowed every peasant family to work separately on the fields allocated to them and sell surplus products over the quota at the free markets, which was prohibited before. Peasants started to take responsibility and worked much harder and more creatively. Labor became more efficient and every member of each family was involved in some kind of money making. Many became rich soon. Within a few years, the situation in the countryside had greatly improved.

Food markets in cities thus became much better than before. Besides the state operated stores, free markets where peasants sell their surplus products had provided city residents with a larger and better quality variety of vegetables, and meat, etc., Many food products which had disappeared from the market for a long time became available again.

Success of agricultural reform has shaken the old economic systems in cities. The progress of agricultural reform required related systems in cities to be

\(^{67}\)Chen, Yizi, Shinian Gaige He Baiju Minyun (The Ten-Year Reform and 89 Mass Movement), Xuelian Chuban She, (Xuelian Press), 1990, p8
adjusted. Industry itself was lifeless and entangled with all kinds of problems, some of which were similar to those of agriculture. Therefore reform was needed. Before, peasants admired workers for their benefits, now workers are envious of the kind of money peasants are making. The call for "City Economic Reform", which is mainly industrial reform, became louder and louder.

Loosening the State's control over enterprises and introducing the free market economy into industry were the principles of industrial reform. Enterprises were given more autonomy in their management. Instead of following the State's plans, enterprises are now producing for profit. Many of them were allowed to sign contracts with the state and operate independently. Their own benefits are now related to their management. The state has gradually given up control of material supplies and product distribution and allows them to be done through the free market.

A reward system was established inside every enterprise to motivate workers, the enterprises broke with socialist egalitarianism and allowed people to be paid differently according to their effort and performance. This to some degree motivated workers. Now a regular worker's income consists of a fixed base salary base and reward money, which in some cases, can be much higher than base salary. Although there are national standards for salaries, incomes began to differ from one place to another, because the reward part is determined by each enterprise and therefore is related to the character and performance of it.

The New Economic Structure

Instead of having only public ownership in the economy, the new economic system now allowed private, collective, and foreign joint venture sectors to co-exist with public ones. To help these new economic sectors catch up, the state had given them many incentive policies such as collecting small taxes, providing basic facilities, etc.

Because of its bleak history in socialist China, private sector business started is small street vend, small repair shops, family-run restaurants etc., but have developed very fast. Now, these private sector companies are playing an active role in improving the quality of life of city residents by providing much better.
services than the public ones. In order to attract customers, they sell things that are not available in public stores and provide convenience that cannot be found in public service systems. An example is the food market, since its existence, people in Harbin no longer have to store vegetables for the winter, there are fresh vegetables available all year long. On the other hand, they also pushed the public service system to improve.

Collective and joint venture enterprises have different management systems. Their salaries are usually higher than in the state owned enterprises, but they do not provide benefits for employees. They are not responsible for workers' housing, medical care, retirement, etc. They can hire and fire people freely. After 40 years of "socialist iron rice bowl", people were skeptical about these sectors at first and still think the state owned enterprises are safer. The welfare system of the large state enterprises was still an anchor for most people. On the other hand, people also had uncertainties about the new economic policies. The political history of the Communist Party had made people feel uncertain about these new economic policies. They were not sure how long they were going to last and were careful about taking risks. However, this is changing. As reform becomes more and more successful, people's suspicions disappear. Now in southern parts of the country, where reforms have gone deeper, people actually prefer to work in a collective or joint venture enterprise.

The new economic system has let the public fill their pockets. People in general have much more money than before. Self-employed merchants and laborers are taking advantage of the free market economy and making big profits. A fashion vendor can make five times as much as a college professor, a taxi driver's monthly income is about five to seven times more than a bus driver in the public transportation system. Many became rich soon. Collective sectors are doing well because of the incentive policies. Their employees therefore all have big shares. The first millionaires in China started to emerge from these sectors. In public enterprises, workers are also generating higher income because they receive all kinds of reward money. Since enterprises have more management freedom, many spend their profits on increasing their workers' income in the form of rewards. Only people in the public sector have not received much more money than before, especially in non-production organizations, such as schools, research institutes, and government agencies.
Owners of these small retail stores are making five times more money than workers in the factory

Different Ideology and Life Style

China is becoming more and more "capitalized". "Capitalist Ideology" has also "corroded" people's minds. The ideological bases of the socialist system is disappearing. Unlike in the 50s', people now think more about themselves instead of contributing to the country, they are now working for themselves. Money is playing a much more important role. Now among workers, very few have the dedication people in the 50's had. Today, a hard working worker in the enterprise, careless of himself, is considered foolish. Workers in Ha Liang care more about what they can get from the enterprise than what they can do for it. Some work little but cannot be fined. This explains why the enterprise now has to spend a greater amount of money and energy on welfare which distracts more and more attention from production without satisfying workers.
My father once told me that when he first came to the enterprise, since it was just beginning, conditions were much worse. But everybody hesitated in asking the enterprise for personal favors. Now, the endless visitors to the president's home illustrates a much different picture.

Housing allocation is another example of this problem. In the 50s', people used to be indifferent about the kind of housing the enterprise would give them and generous about giving it to people who needed larger units, especially cadres. Workers paid more attention to working hard and contributing to the promising new country. One of my family's old friends once told me about how they voluntarily gave up their roomy apartment to a couple with more kids who just came to join the factory from a southern city when the factory was just established. But now, as I have explained before, housing allocation is drawing more attention from workers and thus has become the most troublesome process in the enterprise.

Those who got rich after the reform are becoming the first "bourgeoisie" in socialist China. High consumption started to appear and gradually became the new fad. Expensive consumer goods and entertainment places, as symbols of modern life, became fashionable in most cities. The cost of these things are outrageous for regular workers or state employees. A stylish dress can cost a full month salary of a regular worker, The ticket to a night club can be as expensive as half month's pay for a school teacher, a phenomenon that has never existed in socialist China. From the banning of long hair and "strange clothes" to the fever of fashion shows, and even beauty contests, is quite a major change.

Many high-quality entertainment facilities were started originally in hotels and guest houses for foreign tourists, but gradually opened to Chinese customers too. Most of these places are in the downtown area where the history and high lights of the city are. These places soon became the new attractions for trendy young citizens and brought a lot of people from all over the city. Later, more entertainment facilities of different standards were opened in that area as well as restaurants, snack bars, and fashion streets, creating an entertainment and commercial zone downtown. This situation has lead to numerous commercial developments in downtown. Both foreign and domestic investment have
poured into the downtown areas to build hotels, commercial complexes, offices for agents of foreign companies etc. The residential area in Dao Li which I have used as the case study will soon be replaced by a large commercial development by a joint investment of China, Taiwan and Canada.

“Unfair Competition”

Within the planned economy system, enterprises were not producing for profit but to follow the state’s plans. The state was totally in charge of material provision and distribution of products. The state supported all the enterprises. No one could go bankrupt but no one could expand unless the state wanted it.

Now, with the free-market economy, these enterprises have to compete with other sectors in order to survive. However, the different state policies on the public sector have set them different rules for competition. To help the collective, as well as private and joint venture enterprises to grow, the state has given more freedom to their management than to the large public ones. They are now operating on a completely free market basis. There is no price control for their products. They do not have to provide welfare for their employees. There are no regulations on employment and profit allocation. These incentive policies have given them much more flexibility in the market. They have developed very fast and become vigorous rivals of the public sector. In competition with them, the state owned enterprises are in a very bad position. The old system, under which they are still operating, had greatly constrained them. They are required by the state to provide welfare for their workers. They cannot freely employ or lay off workers. In the allocation system, prices are all controlled by the state. Although the state has given them some flexibility, the welfare system has become a big "burden" in competition with enterprises of other sectors, both in terms of financing and management. Many leaders in state-owned enterprises call this "unfair competition".

In Ha Liang for example, out of 7,000 workers in the enterprise, 2,200 have retired but still receive 70-100% pay. The enterprise has five schools, a kindergarten, a hospital, canteen, bath house, etc., which require a staff of 1,000 to manage.
The current system in state enterprises has created low productivity. Although the establishment of a reward system has to a certain degree motivated workers, because the employment and allocation system are still on a welfare basis, the rewards are relatively small and have not had much effect in increasing labor efficiency.

The workshop making sliding measures in Ha Liang has 400 workers and produces 100,000-120,000 measures every year. A collective enterprise making the same product has 350 workers with a capacity of 300,000 a year. Because of their low price, their products have become more competitive in the market. Also due to the lower costs, they have been able to spend a lot of money to buy advanced technology to guarantee the high quality of their products.

Forty years of egalitarianism did not recognize worker differences of in terms of intelligence, skill, and abilities. Workers are accustomed to being treated the same. Advancing the interests of a small group of elite can sometimes hurt the general masses. Some heavily rewarded workers can thus become isolated from the others. The corruption in the administrative systems of state owned enterprises has generated many problems in the reward judgment process. Unfair judgments sometimes can be counter-productive to the purpose of motivating workers.

Reform has benefited other sectors but transferred burdens onto the public ones. Members of other sectors are getting rich but not taking responsibility for the society. Many have made a lot of money but still rely on the public welfare system. Many skilled workers in the state enterprises retired early and then went to work for the private sector. They both enjoy the benefits of the state enterprise and high salary from their new jobs.

Collective, private and joint venture enterprises are not all responsible for housing their employees. Many members of these sectors still live with relatives in housing provided by public sectors. They have a lot of money to spend on other luxurious commodities but do not have to pay a penny for housing. Ha

68 Information come from an interview with the president of Ha Liang
Liang’s current housing allocation policy can be sited. Family members of Ha Liang’s workers can be counted as effective family members when determining their family sizes and housing is accordingly provided for them, even if they work in the private sector or are self-employed.

Worker Liu retired from Ha Liang and then worked for a collectively-owned factory. His wife has retired also and operates a hair saloon. His son is married and worked with an other company but had to quit to do long distance goods transportation with his truck. The monthly income of his family is about four to five thousand yuan, which is about ten times as much as a double-worker family’s. The seven members of his family, four generations are living in a row house unit of less than 30 sqms including the attachment they built in the 70s’. With their income, they can afford much better living conditions. However, since they are living below the enterprise standards, the enterprise will have to assign them new housing soon regardless of how much money they have. If they buy their own housing now, they will lose the one the enterprise will give them, because they then will not be considered as having difficulties. Therefore they are waiting until they get the free enterprise housing to buy more with their own money. The welfare policy has thus been used by the so called fake “needy” people to attain luxury.

Economic reform has altered both the physical and ideological basis of the enterprise society. The socialist urban settlement unit was based on the equality of districts and the communist ideology of residents. There should be no location differences and residents should all be "identical" members of a collective who have no concerns about personal interests. Now the changed economic system has created centers and peripheries in the city. People are less dedicated to the country and more concerned about themselves. The old welfare system has become a big burden to the enterprise in competing with other sectors. It is increasingly encumbered by them. A reform of the country’s old welfare system has become very necessary. Among them housing reform seems to be of the greatest urgency.
Part IV

Suggestions on Housing Reform in Enterprise Society

Problems of Current Housing System
Housing Reform
Housing Reform and Enterprise Society
Housing reform is an important topic these days in almost all current or former socialist countries that are undergoing economic and political changes. Generally, the problems and reform policies are similar in these countries with little variation. For example, the composition of urban housing stock is different in China from that in Poland, Czechoslovakia, etc.⁶⁹

There are a large number of specialists in different fields from all over the world working on the design of housing reform policies and detailed concrete measures, aimed at solving the urgent housing crisis as well as creating a new housing system to echo the economic reforms. However, this is not the emphasis of this thesis. The purpose of this thesis, as I stated in the beginning, is to provide housing reformers with references to help them find the most appropriate ways of housing improvement. The suggestions I give here, based on the study I have done, are in the same direction as other reform policies but have different emphasis. Besides, these suggestions stay at a general level and do not address specific issues of implementation.

**Problems of Current Housing System**

*Concept of housing*

As in most countries with a central planned economy, the current housing system in China was established under the old socialist system with the concept that housing is not a personal commodity of residents, but a right of citizenship. Housing expenses are not included in workers' salaries. Residents do not pay for their housing. Housing standards were determined by the state according to family sizes. Residents do not have control of what kind of housing they live in. The improvement of housing conditions can only rely on the state. Individuals can do nothing about them. Housing development had been solely the responsibility of the public sector. The public can only improve their living standard through other commodities. Many spend their money on furniture, and electric appliances which are a measure of living standard in China. But they do not and cannot pay for housing. Many of the families I visited all had TVs,

refrigerators, washers and dryers and stereo systems squeezed into their small rooms, some of which were even in a dangerous state of condition.

Rent too low to cover maintenance

The low rent policy makes the public sector spend a lot of money for housing maintenance but it still cannot catch up with the deterioration of housing property. The low efficiency of the housing management system has also created a lack of maintenance of most of the housing properties in cities. Many of them have a shorter life than they are supposed to have. Redeveloping them means an increasing in the task of housing improvement.

Unequal distribution

The dependence on the public sector for housing construction has slowed down the housing improvement in cities. For some city residents, it is hopeless to wait for housing to be assigned to them. A quarter of city residents are living in crowded conditions. On the other hand, although theoretically, socialist allocation of commodities should be based on an equal basis, the corruption of the political system has created much unequalness in the housing allocation process. Many cadres used their power to get themselves better housing. While thousands of residents have three generations squeezed into one room, some others have extra housing left vacant, waiting for their infant grand children to occupy when they marry.

Lack of choice

The current housing system in China does not provide choice for residents. People are located in different areas by housing allocation. Workers in enterprises have to live in enterprise societies because that is where they can get housing. Old city residents have to live in downtown area even though they want to live close to work. Exchange of housing is permitted but there are many restrictions and one has to go through much bureaucracy. Before, there was not a big difference between locations and therefore people did not care much about where they lived. Now, economic development, centers and peripheries
have started to appear in cities again and housing location has become a big issue.

Absence of housing market

As the economic system changes, the old housing system can no longer fit into the new system. On one hand, the public sector is having great difficulty in providing housing for them. On the other hand, the private and collective sectors are developing very fast. Many of them have made a lot of money. They have the capacity and are willing to pay for a better living standard. But because there was not a housing market, they had no place to buy. They have to rely on the public sector to improve their housing condition. No wonder there is a saying among people in cities: "What is the use of money? What you need is power." They spend all the money buying other luxurious commodities, but not a penny on housing.

Housing Reform

In order to change this situation and allow the housing system to fit into the new multi-form economic structure, most cities in China are implementing housing reform targeting at combining different forces together to improve the urban housing conditions faster. Housing improvement will no longer be solely the business of the public sector but a joint effort of all capable components of the society. A multi-form housing system is being established to fit in the multi-form economic structure. Different cities have adopted different methods in their housing reform based on local situations. The general principles are privatization and commercialization of housing property.

Privatization of housing property is aimed at changing the old understanding of housing as being provided as a welfare benefit into a new concept of it being the highest-valued personal commodity that residents can have. The public has joined the housing improvement battle. Instead of depending solely on the public sector for housing improvement, individuals now are able to build or buy housing for themselves. With the privatization of housing, public consumption has been directed from other commodities to housing.
Commercialization of housing property is aimed at using economic measures to regulate housing allocation. Instead of being a free benefit, housing has become a subsidized benefit. Housing conditions are connected to other economic benefits of residents. Those living in better housing now have to pay more. Those who sacrifice housing comfort can save money on other things. This will, to certain degree, correct the inequality in the housing allocation process. Since the implementation of housing marketization, many cadres who have better housing have returned them because their salaries will not pay the rent.

With housing privatization and commercialization being the prerequisite, housing markets have started to appear in cities. Public sectors now are selling housing to individuals. Private and collective sectors can buy housing from the public sectors. Many who cannot wait for housing to be assigned to them have solved the problem themselves. This to some extent has relieved the burden on the public sector.

The transition of the housing system is taking place step by step. Enterprises have started by selling housing at different prices to different groups, raising the rent per square meter and at the same time giving subsidies to workers at a certain percentage of their salaries, organizing housing cooperatives to draw funds from many different sources, including the public sector, the collective sector, and individual families for housing construction. Eventually a well balanced multi-form housing system, including market housing, subsidized housing and free housing will replace the current totally planned housing system.

Further housing reform requires the reform of other related systems, such as salaries, prices etc. Salaries in public enterprises should be raised to a similar level with other sectors. Housing expenses should be included in every worker’s income. Eventually, people in all sectors will be able to buy housing from the free market.
Housing Reform and Enterprise Society

With the housing reform in the country, what should then happen to the enterprise societies? Will enterprises be totally separated from housing development and will developers take care of them all? Should the workers all live in a dispersed, as in the capitalist cities? Will enterprise societies therefore not exist? My answer to these questions is negative. Because of the many advantages of enterprise societies, this form of settlement should be maintained in state owned enterprises but with some improvement.

Here we assume that the large enterprises will still be state owned. Welfare policies will still provide a certain proportion of income. Jobs there will be relatively more secure compared to other sectors. People will work there for longer periods of time. There will not be as frequent movement inside these enterprises as in private and collective enterprises. Therefore a "residential stability" (described by Suzane Keller as one of dimensions for neighborhood potential)\(^{70}\) will be maintained. The condition to create an enterprise society still exist.

Previous analysis of the advantages and disadvantages of the enterprise society have drawn a clear picture of how to improve these societies. The principles of improvement should be:

1. Keeping close proximity of residential and working areas.

As it was explained before, living close to work both saves the commuting trouble for workers and to a certain degree reduces traffic on the roads. This requires a combination of different functions within one small area. The opposite to this approach is functional zoning which is popular in most capitalist cities and will become popular in the capitalizing former socialist cities if no intervention is taking place. Right now in some China's cities, one can already see the trend of functional separation. Downtowns are becoming more and more specialized in commercial and entertainment activities and residential

elements are being forced out into city skirts. Possibilities of relocating industrial sections into surrounding new towns are being explored in Shanghai.

However, functional zoning in capitalist cities has created enough problems to be abandoned by future planners. Zoning has resulted in the "daily and effective mobilization of society in its entirety"\textsuperscript{71}. The dependence on transportation has caused the maximum consumption of energy. Besides, zoning has destroyed the "complex social and physical fabric of pre-industrial communities" and "reduces the proudest communities to merely statistical entities, expressed in numbers and densities"\textsuperscript{72}.

However, pollution is a major issue when combining industry with residential sections. It is hazardous to arrange housing next to some industrial plants which produce harmful pollution to its surrounding areas, such as mines, chemical factories etc. These plants should be located into special zones away or buffered from residential areas but have special means of transportation for workers.

Except for heavy or polluting industry, light industry, high-tech industry, large research institutes and all none-polluting large work units should be encouraged to arrange working and living in close proximity. The socialist principle of keeping residents, work and leisure all within walking distance should be maintained wherever it is possible.

\textsuperscript{71}Krier, Leon, "Critique of Zoning", \textit{Houses, Palaces, Cities}, AD Edition Ltd., p.32-35

\textsuperscript{72}ibid
Leon Krier's critique of zoning

The industrial area - city is decomposed into zones

Zoning of the body
Functional segregation → decomposition of the sensible world

73Ibid
2. Maintaining the colleague community.

Because of the sociological advantages of colleague communities, they should be maintained even when housing becomes commercialized. In state owned enterprises, in order to encourage workers to live nearby and also to foster the colleague community, certain incentives policies should be adopted. Enterprises should still develop housing in their territory, but besides selling them at the market price, the enterprise should give discounts to their workers who want to purchase the enterprise housing within the enterprise society.

The housing section of enterprises should be related to the enterprise but run relatively independently. It would be responsible for the development and management of all the housing property as well as the maintenance of the environment within the enterprise's territory. They should not be purely profit-oriented but develop only for the enterprise. They therefore should be able to sell to workers at a cheaper price.

Because of the remote locations and lack of attractions of these enterprise residential areas, they will be attractive mainly to workers of the enterprise. The colleague community can therefore be maintained. People who work nearby might also purchase housing here in order to live close to work, bringing some variety to the community. The profit made from selling some housing at market prices can be used to maintain the environment of the residential area.

Since large public enterprises will still operate on a welfare basis, helping the workers with difficulties will be one of their principles. Socioeconomic differences will be minimized in these enterprise societies. The criteria of the old housing system, which was a complete welfare system, will also be partially included in this new system. For example, according to every family's situation, the enterprise determines how much housing they can buy at a discount price, but extra space they want, will have to be paid for at the market price. Because the difference being provided by the enterprise is just the discount part of the price, this determination process will be much less "troublesome".
3. Providing people with more freedom of choice

A forced way of living does not work though it might be good for some people. People want to choose how to live their own lives. The study of the theoretical basis of enterprise societies by Russian architects told us that this settlement form was based on the "new organization of life"--a calculated way of living. A small group of people figured out how others should live, created a system, and then forced them to live in it. The will of a small group of people was imposed on the general masses. The forceful extreme of communal life had actually never been fully accepted by the public. In addition to collectivity, people also want privacy and individuality. Some like a collective way of life and will therefore enjoy living in the enterprise society. Others might prefer living anonymously or with friends other than colleagues in the enterprise. These are all personal preferences that should be respected. The only way to satisfy everyone is to give a choice.

Marketization of housing will greatly increase residents' freedom of choices, although social economic status will still keep residents from gaining ultimate freedom, but at least residents will make their own decisions on housing in stead of having no control on where and how to live. Buying housing in different locations of different standards will become the residents' own choice, independent from their work places. People who like the enterprise community may live close to the factory. Those who prefer privacy and anonymous living can purchase their housing from other residential areas.

One may argue that even in a capitalist society, only a small group of elites can have their true freedom of choices, most people's choices are still limited by budget. But the sense of freedom is not necessarily obtained only through satisfaction of one's will but rather the ability of running one's own life.

4. Releasing the burdens from enterprises

The welfare systems of enterprises were also established under the planned economic system. Now with a free market economy, they need to concentrate on production management in order to compete with others and therefore are feeling more and more encumbered by their welfare systems.
The changing housing and welfare systems, which will gradually separate from enterprises and become the responsibility of other service sectors in the society, will release enterprises from taking care of their workers' welfare. Enterprises can thus concentrate fully on their businesses. On the other hand, with the housing commercialization, housing development, being part of the old welfare system, will have a whole new meaning. It will no longer be a burden of the enterprise with. On the contrary, it will become a lucrative business that enterprises would love to make some profit from.

Implementation of these principles needs much more detailed inquiry on broader context and concrete policies. Unfortunately, these can not be done within the time frame of this study. This thesis certainly has raised more questions than it can possibly answer. To the extend that it serves to provoke more interests and more inquiry, one of its purpose will have been served.

"Any general character, from the best to the worst, from the most ignorant to the most enlightened, may be given to any community, even to the world at large, by the application of proper means; Which means are to great extent at the command and under the control of those who have influence in the affairs of man."74

__________ Robert Owen

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