

# Local capitalism and neoliberalization in a Shenzhen former lineage village

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*Abstract:* This article examines the process of neoliberalization in the Shenzhen special economic zone in Guangdong Province, China. Building on the case study of a former peasant and almost single-lineage village that has become a part of the city of Shenzhen, I show how neoliberal principles aimed at advancing the transition to capitalism are combined with and countered by other ethical traditions. Owing to the long-standing conception of the lineage as an enterprise, the maintenance of the lineage structure in the transformation of the rural collectives has offered fertile ground for the emergence of a local capitalist coalition. Yet the current discourses on the necessity of obliterating the remains of the collective economy and introducing individual ownership run counter to the collectivist values of the lineage village community and the embeddedness of its economy in kinship and territorial ties. I further illustrate this discordance by the way in which the villagers managed to save their founding ancestor's grave site following government requests to clear the land by removing tombs. These policies form a complex blend of state interventions in the economy, neoliberal governance, and Confucian principles.

*Keywords:* capitalism, China, collectives, enterprise, lineage, neoliberalism, Shenzhen, shareholding companies

At the onset of the Chinese *gaige kaifang* (reform and opening), several special economic zones were designated to experiment with capitalism and develop an export economy. Shenzhen, whose creation was announced in 1979, was the first and most ambitious of all five (Ng 2003; O'Donnell 2001). Shenzhen was the first city in China to grant permission to entrepreneurs to start up businesses, open up to foreign capital, and introduce a market in land use rights. Shenzhen also prides itself on having

become the first Chinese city without villages when the last remaining villages in the outlying northern districts of Bao'an and Longgang were legally urbanized in 2004. Pine Mansion, where I started fieldwork in the summer of 2011, was part of this last wave.<sup>1</sup> It has become the smallest administrative unit in the city, a community (*shequ*) run by a workstation under the jurisdiction of the subdistrict of Guanlan and the district of Bao'an. In this process of legal urbanization, the former villagers have lost their peas-



ant *hukou* (residence permit) and have become urban citizens of Shenzhen.

In fact, urbanization had already started well before, in the 1980s and 1990s. Like other villages located in the urban-rural interface zones, Pine Mansion has become home to many low-income temporary migrants. Its population exploded from three thousand inhabitants at the end of the 1970s to almost sixty thousand in 2010, and the migrant population, which holds only temporary residency in the village, significantly outnumbers the estimated fourteen hundred original inhabitants (*yuancunmin*). Most of these native residents bear the surname Chen and form the Pine Mansion Chen lineage community.<sup>2</sup>

In theory, legal urbanization and the transformation of the village into an urban community entails the taking over of the land heretofore managed by the collective by the state. In many cases, the local government buys the land at low prices and sells the use rights at higher prices to real estate development companies. Elsewhere in China entire village communities have been deprived of their lands, leading at times to social protests such as the one that broke out in December 2011 in Wukan, a village in the south of Guangdong Province. What is specific about Shenzhen is that the former villages have generally retained land use rights on their collective lands. In Pine Mansion, the Shenzhen government took over only a very small part, mainly the forest and hilly land that had been left unused.<sup>3</sup> To securitize these collective assets, a cooperative shareholding system was introduced not only in Shenzhen, but elsewhere in Guangdong Province (Po 2012). The shareholding companies (*gufen hezuo gongsi*) are now the major economic agents in urbanized villages; they manage the real estate assets of the former collectives. Only the native residents (*yuancunmin*) are entitled to hold a share in these companies.

The case of the former village of Pine Mansion, whose transformations are part and parcel of the making of the Shenzhen special economic zone, lends itself well to an examination of how the process of economic liberalization occurs

and whether it can be ascribed to the influence of neoliberalism. The definition of neoliberalism has been heatedly debated over the past years in anthropology and other disciplines, and even more so in China, where its appropriateness and applicability are put into question.

According to David Harvey, China meets the general characteristic of neoliberalization and its logic of “accumulation by dispossession” (2005: 153–155). Harvey represents an approach to neoliberalism that views it as an economic process backed by state power. He is, however, careful not to claim explicitly that the Chinese state has endorsed the neoliberal project. In his chapter on China, he uses a slightly different line of argumentation, namely, that the reforms and their consequences have created the actual conditions necessary for the working of a neoliberal economy: “a large, easily exploited, and relatively powerless labor force” and the accumulation of wealth in the hands of party leaders and government officials turned businessmen. These qualify China as a neoliberal economy, albeit “with Chinese characteristics” (ibid.: 144).

Another second strand of thought, the so-called governmentality school, places more emphasis on the orderly effects of neoliberal governance and on neoliberalism as a governing technology. It is represented by claims made by several anthropologists of China about the dominance of neoliberalism in China (Anagnost 2004; Pun 2003; Rofel 2007; Yan 2003). Frank Pieke (2012) locates the incursion of neoliberalism in the recent emphasis of government rhetoric and action on “social management” (*shehui guanli*), which is partly borrowed from Western “new public management”. “Social management combines two seemingly incompatible elements: a neoliberal emphasis on the autonomy of the public sector borrowed from public management and a continued Leninist emphasis on the leading role of the Party and government” (ibid.: 157).

In what follows I combine the two trends outlined above to look at neoliberalization as a process (Peck and Tickell 2002) fueled by a blend of neoliberalism and other ideological strands

and ethical traditions to shape government policies and governing technologies aimed at expanding capitalism. The conceptual reduction of neoliberalism to a technology of governance is not satisfactory, for two main reasons. First, as Andrew Kipnis has argued, the exclusive focus on Western contexts in the writings of Nikolas Rose (1996), from whom many of those who have written on neoliberal governmentality in China and other postsocialist settings draw their inspiration, is highly problematic in that it leads to conflating features that he isolates to define neoliberal governmentality—governing from a distance, calculability, and the promotion of self-activating, disciplined, and individuated subjects—with Western philosophies of governance and policies. Yet, Kipnis points out, these defining features can be found in a variety of governing cultures; in the case of China, in the thought (among others) of Confucius, who linked self-cultivation to right government (2008: 283).

The problem is that by confining the analysis of neoliberalism to governmentality, the debate remains restricted to whether or not particular features of governance can be seen as constituting a specific Western form of neoliberalism, a “regime of truth” that becomes generalized as it is being diffused to the rest of the planet. Indeed, and this is my second point, when reduced to governmentality, little space remains for analyzing how the actual process of the neoliberalization of the economy takes place. The analysis of governing techniques should therefore be tied to the goals that are being pursued and the direction of the social world they are oriented toward (Smith 2011: 12). Capitalism as an economic system based on private property rights organizing relations between workers and owners of the means of production should be distinguished from neoliberalism, an ideopraxis that seeks to implement the conditions for capitalism’s effective working. Therefore, neoliberalization is largely state-driven in that it depends on the conditions that only the state is in a position to implement: an ideological environment in which subjects play the game by conforming

to their allocated function as self-governing entrepreneurs, and an institutional framework or rules of the game that allow the exercise of individual entrepreneurial freedoms. The set of policies and governing technologies used to ensure these conditions are met drive toward the full expansion of capitalist logic and therefore the disembedding of the economic from the social.

Leong Liew (2005), Andrew Kipnis (2007, 2008), Donald Nonini (2008) strongly criticize the tendency to envision neoliberalism as a dominant ideology in China. Hence, it is important to examine, as Aihwa Ong has suggested, how neoliberalism encounters and is articulated with “other ethical regimes” in particular contexts (2006: 9)—even though in her chapter on Shenzhen she does not address them, nor specify what they might be. In this article I look at how neoliberalization is currently at work, but far from hegemonic. I show how neoliberal principles that have led to the formation of Shenzhen as a vanguard of capitalism in China are both combined with and countered by other ethical traditions, such as the moral economies of local communities that emphasize equity and collective solidarity among members of the same lineage and village and assign importance to the proper care for ancestors. I interrogate the ambivalent relations between the particular Chinese form of state-promoted neoliberalism and practices and values that may be at once congruent and incongruent with each other. As I pointed out above, in the specific case of Shenzhen’s former villages, more than elsewhere in urbanizing China, the transition to market socialism that has taken place until recently did not amount to an overall conversion of the economy to capitalism nor a renouncement of the invocation of socialist ideology. However, if we accept that the Chinese state is currently attempting to go beyond market socialism by further liberalizing an economy that is still largely governed by noncapitalist principles, then we should ask how, in the course of this process, it combines with and encounters other logics of action obeying other ideologies and ethical regimes. These are not necessarily in opposition to each other.

As John Gledhill (2004: 339) has pointed out, some aspects of neoliberal ideology and rhetorics may resonate with grassroots attitudes.

In the first section, I start by pointing out these resonances by showing how the lineage is conceived of as an enterprise and is animated by an ethos of entrepreneurialism. This accounts for why the maintenance of the lineage in the transformation of the rural collectives has offered fertile ground for the emergence of a local capitalist coalition, as much as the revival of the lineage can be seen as having been stimulated by the economic reforms. Yet, building on David Faure's work on lineage and capitalism in China, I show that the vision of the lineage as an enterprise does not match the capitalist business type. In retracing the recent history of the transformation of Shenzhen's peasant villages and the survival of the collective economy, growing discordance may be detected between the collectivist values that figure centrally in lineage village community ethics and the valorization of the "public good" and the ideology of free enterprise and individual ownership that drives the transition toward capitalism. I demonstrate this point in the second section, with an example of the current discourses in governmental spheres on the necessity of obliterating the remains of the collective economy in Shenzhen's former villages. We will see, moreover, that the lineage "ideo-logics" (Augé 1975) that rest on territorial roots and ancestor worship go against neoliberal spatial zoning—the creation of spaces where the logics of the market and of capitalism fully prevail—and the ongoing policy of prohibiting religious practices seen as backward and superstitious by the Chinese party-state. In the last section, by taking as an illustration the way in which the villagers managed to save their founding ancestor's grave site, I argue that this situation cannot be interpreted as a diametrical opposition between the Confucian ethical regime of the lineage and the neoliberalism supposedly endorsed by the state. It is, rather, a complex configuration where the lineage village community takes part in a local capitalist coalition and tries to maintain its autonomy in

the face of state policies that are themselves a complex blend of state interventions in the economy, neoliberal governance, and Confucian principles.

### The lineage village as an enterprise

In the old center of Pine Mansion stands the ancestral hall of the Chen lineage's founding ancestor. Painted on wooden boards on both sides of the entrance door to the hall is a two-line verse (*duilian*) proclaiming, "The source rises in Changle, the enterprise starts in Bao'an." This formula encapsulates the founding act of ancestor Zhen-neng, who had migrated from Changle in northern Guangdong Province to Bao'an, where he settled in the middle of the eighteenth century. He initiated the development of the Pine Mansion Chen lineage village, which became typical of "the lineage-village complex," widespread in the Guangdong and Fujian Provinces of southern China (Freedman 1958, 1966).

Since their "invention" (Faure 1989), lineages have been conceived of as a corporate enterprise, and they are still very much so today. Although as a cultural form the lineage had been prefigured by communities of worship sacrificing to common ancestors (Ebrey 1986), it is in the period stretching from the sixteenth to the eighteenth century that local groups registered their holdings for taxation purposes (Faure 1989). As an agrarian empire, the Chinese state generally followed a basic philosophy of expanding agricultural production and distribution in order to create a steady source of revenues and a stable social order (Wong 1997: 98). Economic expansion came from opening up new land and improving productivity on already cultivated fields.<sup>4</sup> It is in this very context that the lineage was created. The lineage served to legitimate settlement rights that included the right to build houses, to gather fuel on the hillsides, and to open up land for cultivation (Faure 1989: 6). For this reason genealogies, such as that of the Pine Mansion Chens, contain foundation legends in the guise of settlement accounts.

The Pine Mansion Chen lineage is conceived of as an enterprise in several ways. First, the foundational act of ancestor Zhenneng is depicted in the genealogy history as an *entrepreneurial act* in the sense that he settled in a new place with his three sons, cleared the land, and domesticated a savage and hostile environment, laying down the foundations for the prosperity of his descendants. Second, the lineage in itself is a *corporate entity* that acts in the name of founding ancestor Zhenneng, with the goal of continuing his enterprise. This is, for instance, clearly stated in the first pages of the Chen genealogy, where all the compilation committee members are portrayed. Underneath their photographs there are a few biographical lines that systematically detail their generational rank starting from Zhenneng, summarize their achievements, and end with the standard formulas “he is actively contributing to Zhenneng’s cause” (*yigui rexin zhite zhenzu shiye*) or “he works wholeheartedly for the public good” (*rexin gongyi shiye*). These formulas, used interchangeably, show how the Chen lineage members see themselves as forming a corporate body for which founding ancestor Zhenneng stands. The “enterprise” is here understood as being the lineage itself, and any action, financial or in kind, performed for the welfare of its members is celebrated as a contribution to the “public good” (*gongyi shiye*), a continuation of Zhenneng’s initial undertaking.

Third, the Chen villagers *collectively own several enterprises* as shareholders. In the early 1980s, when the reforms opening up the economy were launched, each of Pine Mansion’s three agricultural production teams (*shengchandu*) became “cooperative companies for economic development” (*jingjifazhan hezuoshe*). The Chen villagers called on their kin from Hong Kong and the diaspora to build factories on the lands they stopped cultivating by the early 1990s. Moreover, they also individually used the privately owned plots of land (*ziliudi*) they were allocated when the household responsibility system, allowing them to grow their own crops, was introduced, to build apartment

buildings that they rented out to migrants who came in by the thousands. In many cases they used the capital they had accumulated overseas or in Hong Kong or money sent from abroad or downtown Shenzhen by their kin. This is by no means a process particular to Pine Mansion; it has occurred all over Shenzhen.

Along with the transformation of their legal status from rural (“peasant”) to urban (“non-peasant”) residents in 2004, the three “cooperative companies for economic development” were turned into seven small and one large cooperative joint-stock companies. The seven small companies are associated with three “residents’ committees” that roughly correspond to pre-Mao territorial portions held by the Chen lineage’s three main segments (stemming from founding ancestor Zhenneng’s three sons). They manage real estate on land that was cultivated by each of the seven cultivation groups of the Mao era and correspond to pre-Mao lineage subsegments (stemming from later ancestors). The larger company operates at the scale of the entire former lineage village and corresponds to the former Maoist production brigade (*shengchan dadui*).

The territorial and social structure that underlies these collectives-turned-companies has thus remained largely the same over time. Moreover, the composition of the former village leadership is almost all Chen: the heads of the village committees, now urban residents’ committees (*juweihui*), and the heads of the shareholding companies are all Chens. There is one notable exception: the local Communist Party branch leader, who is also the head of the workstation, is a Huang. Nevertheless, he belongs to the minority of native families that bear other surnames than Chen, and being born and raised in the village, he participates in the dense intravillage network of ties that the predominance of the Chen lineage lends to the former village community (all children brought up in the village went to the elementary and middle schools that had been established by the Chen lineage). Villages with active temple associations or strong lineage organizations are more likely to avoid

or resist cadres' rapacious practices and to implement community projects. When social networks exist that "incorporate both village officials and citizens, they restrict predatory behavior and facilitate public projects that might not otherwise become a reality" (Tsai 2002: 26). This is the case in the Pine Mansion community.

The village leaders manage the collective real estate assets in the name of the "public good". The head of one of the shareholding companies in Pine Mansion defined them as real estate companies. This is how he summarized their activity: "We receive factory rent every month and we do the maintenance (of factory buildings)." Large factory buildings and dormitories are rented out to mainly American and Taiwanese companies; smaller factories and shops and restaurants are rented out to migrants from inner China. In addition to the individual income drawn from the rental of apartments to migrants, the Pine Mansion shareholders receive annual dividends, as well as health insurance and pensions (for men over sixty and women over fifty) from the companies.

The lineage village organization thus set the conditions for what Smart and Lin (2007) term "local capitalism," capitalist practices that are made possible not so much by the social and legal infrastructure of the nation-state but by local conditions of existence that may vary considerably from one place to another. "Kinship or social networks provide non-market frameworks within which the locality engages in external market transactions to accumulate collective capital" (ibid.: 285). What has emerged is thus a local capitalist coalition that links local residents, local officials, and translocal kin. It is supported by the lineage "ideo-logic" of brotherhood that stretches the claims of shared local belonging across national borders—a logic of inclusion. Only the original villagers (*yuancunmin*) can be shareholders. Only they receive annual dividends derived from the management of the real estate, as well as the welfare benefits distributed by the shareholding companies.

In contrast, the migrants from China's inner provinces that reside temporarily in the village

and do not hold local *hukou* are excluded from the shareholding companies. The district of Bao'an is an area with one of the highest concentrations of immigrant population, standing at approximately 93 percent of the total population (Li 2006), which is even higher than in Shenzhen as a whole (approximately 75 percent). The ratio of migrants is even higher in Pine Mansion. According to the official census of August 2010, there were 59,980 residents in Pine Mansion. Interestingly, the local census divides this population into three broad categories: those under the jurisdiction of the three main resident committees (46,658 individuals); the factory workers living in dormitories (11,881); and the original villagers (*yuancunmin*) (1,441). This suggests a new distinction other than the rural-urban divide that has been much commented upon in contemporary Chinese studies; namely, a separation between the immigrant population that usually holds a temporary residence permit in the village, and the village natives, the *yuancunmin*, who find themselves landlords to migrants who are not necessarily rural and poor.

The continuation of the lineage structure that lies behind the division between natives and migrants may be regarded as serving to participate in the maintenance of a labor reserve, a readily usable workforce deprived of basic rights that Harvey identifies as being central to the logic of "accumulation by dispossession." It is central to the process by which the Chinese economy is undergoing neoliberalization (2005: 153–155). However, it is at odds with the theory of neoliberalism in itself, with its emphasis on individual rights and an open and competitive economic environment.

### **The moral economy of the collectives and neoliberal reforms in the making**

The existence of such remnants of former rural collectives is being questioned in government spheres. A tool in the transition toward market socialism, the official term for them is

cooperative shareholding companies (*gufen he-zuo gongsi*).<sup>5</sup> Shareholding companies are governed by local (municipal and district) rules and regulations, not national legislation (Gu 2010: 27).<sup>6</sup> They are independent legal entities, and government cannot interfere in their management. Moreover, they have a hybrid character. The cooperative joint-stock company is not officially categorized as a form of business in company law in the People's Republic of China (PRC), which has two categories of enterprises, joint-stock companies and limited liability companies. The cooperative joint-stock company differs from these business types in that it aims to promote cooperation among farmers or workers and does not distinguish between owners of the capital and employees. Moreover, the shareholders have limited rights to transfer their shares to outsiders. Yet it also differs from the Mao-era commune in that it is oriented toward profit making and embraces market principles.

The very fact that shareholding companies were designed as a means to build a socialist market economy and are therefore not included in company law now seems to be a problem, and there are signs of an impending change in the regulations governing shareholding companies. This is probably due to the deficitary situation of many companies. In Pine Mansion, as could be seen from the bulletin boards that stand outside on the street in front of the companies' office buildings, they were all in deficit except the largest one.<sup>7</sup> One of the smaller companies published the following financial statement for March 2012: its revenues (mainly from the rental of factory buildings) for the month amounted to 180,600 yuan, and its expenses (mainly welfare) to 328,100 yuan. The Pine Mansion small companies are no exception in this area of northern Shenzhen. In 2011 90 percent of the 108 *gufengongsi* (11 large and 97 smaller ones) in the subdistrict of Guanlan, where Pine Mansion is located, were in deficit. The officer at the Guanlan collective property office (which supervises the shareholding companies and helps to solve conflicts among shareholders) gave several reasons for this trend, the major one being that the

distribution of dividends occurs independently of the companies' profits. According to her, this is because the heads of the shareholding companies are elected by the villagers and are therefore not motivated to reduce dividends in case of a decrease in income.<sup>8</sup>

A "draft notification of opinions on the reform of *gufengongsi* rules and regulations" was posted in November 2010 on the Shenzhen government website, which seems to have triggered the city's district governments to investigate the state of affairs and consider the possibilities of reform.<sup>9</sup> A Bao'an district government report encapsulates the government and administrative outlook.<sup>10</sup> The opening statement starts with a positive appraisal, stating that the companies "have been an important way of promoting the development of the Shenzhen local [*bendi*] economy." However, the text continues, they have several major shortcomings: they are not purely economic, since they are not a "company law" type of company; they have an "interpersonal" (*renhexing*) and "hermetic" (*fengbixing*) character, since "the distribution of shares has been effected according to strict rules of geographical proximity and blood ties"; and the shares are not mobile, as they cannot be transferred to outsiders, but may be transferred and inherited only among the *yuancunmin*. Therefore, the author suggests that the geographical limitations to ownership should give way to a system of business property rights (*chanquan*) that would grant the right for shares to be disposed of freely.

It thus appears from these documents that government officials are contemplating a change in regulations in order to put a definitive end to the remains of the rural collective economy that has been based, in Shenzhen's former villages, on territorial and kinship ties. The cooperative shareholding companies have been a useful tool in the transition to a market economy and are a way to prevent the social unrest that may result from the influx of cheap labor by granting the former villagers a stable source of income. The reform that is being envisaged amounts to creating an institutional framework that would

ensure full capitalist logics, that is, a system of individual ownership of shares, and a management oriented toward profit.

This possible reform is framed by the larger civilizing discourse that prevails in China and that places the former villages at the opposite pole to modernity, as backward vestiges of a bygone area. The particularist ties of kinship and geographical proximity that prevailed in the formation of the shareholding companies are now considered to be an impediment to the development of a purely economic logic and a managerial rationality. Ultimately, it is the lineage, a social organization considered inadequate to fulfilling a role in a market economy oriented to profit, that is being targeted, as shown in the last sentences of the district government report quoted previously:

In the traditional management of shareholding companies, lineage relations [*zongfa guanxi*], a clannish ideology, and kinship ties hold together the shareholding companies, and the enterprises' development is conservative [*baoshou*]. In order to realize the sustainable development of shareholding companies, it is necessary to establish incentive mechanisms that will bring into play a higher order of management and a spirit of endeavor "want to do, dare to do, be quick to do" (*xiang gan, gan gan, kuai gan*).

It seems reasonably arguable that this statement is at least a partial fragment of neoliberal ideology and technology of governance. It makes a discursive contrast between the conservatism of kinship ties and the modernity of entrepreneurial managerialism, and argues in favor of an economic system based on individuals rather than embedded in kinship ties. It announces the future adoption of more rational methods of management based on "incentive mechanisms" that, although their exact nature is not specified, can be characterized as "technologies of subjectivity" (Ong 2006: 6). These include the acquisition of skills, development of entrepreneurial

ventures, and other techniques of self-engineering and capital accumulation.

The traditionalism, conservatism, and backwardness of lineage ties are seen as running against Shenzhen's road toward modernity. Yet although the lineage is easy to blame, there is more than the prevalence of the lineage that is at stake here. If the lineage structure of the village economy has endured in spite of the advent of communism, it has not remained unchanged. The large lineages of southern China such as the one in Pine Mansion (whose size is considerably larger than that of other similar lineages in the area) were segmented and socially stratified entities. The land reform of the early 1950s broke down this system by equalizing land tenure. Thus, although the overall corporate structure has remained the same, land from then onward belonged to the village commune and not just the lineage, and internal segmentation was erased.

The social organization and egalitarian spirit of the commune is still very much present today. This is shown in the manner in which the shares were distributed among the native villagers when the shareholding companies were established on 1 April 2004, according to a system of "fund-raising" (*muji*) or, more exactly, subscription of a share. The principle of distribution of shares followed an egalitarian logic—one share per native villager born before the establishment of the company. Spouses who married into the lineage and hold *hukou* elsewhere were excluded (they often detain a share in their native village). It also operated with an equalizing logic: the amount of the sum to be paid for a share was calculated according to seniority and duration of residence in the village (older people and individuals who had never left the village and who had spent their lifetime cultivating the land paid much less than younger people or those who had at one point left the village to work for a wage).<sup>11</sup> This system thus partly compensates for the inequalities that had emerged in the 1980s and 1990s between those who had the means to build apartment buildings to rent and those who did not. These are due to the randomness of the redistribution of individual

plots and of whether rights holders could obtain financial support from relatives in Hong Kong or abroad. In this context, the former lineage village community persists in the shape of the shareholding company system and upholds the values of equality and social justice inherited from the Maoist era.<sup>12</sup>

Although the purpose of my research is not to trace the genealogy of these policy reforms, it is arguable that the necessity of obliterating the remains of the collective economy in Shenzhen's former villages as currently emphasized in governmental discourse constitutes a step toward the further liberalization of the economy beyond market socialism. If, as we saw in the first section, the lineage was a crucial tool in the form of economic expansion chosen by the Chinese imperial state, this is due, according to Roy Bin Wong, to the fact that in the absence of the interstate competition that characterized Europe, it had "no incentive to promote any sort of capitalism" (1997: 147). David Faure holds a similar view but argues more specifically that Chinese businesses were modeled on the type of social relationships that prevail in lineage organizations (2006: 36–37). Therefore, ritual and patronage had a strong place in Chinese business institutions. Until Western law came to be applied, China did not have any law to deal with a business company. Faure states that "it has taken China all of the twentieth century to make the transformation and to this day, it is far from complete" (ibid.: 3). We see here that this is indeed what is at stake today in the transformation of the former collectives and the conversion from cooperative shareholding companies into full-fledged capitalist enterprises.

The stigmatization of "clannish ties" and the lineage village organization as embedded in kinship and territorial relations here clearly serves a purpose of economic neoliberalization. This is a departure from the Maoist era's condemnation of the lineage as a "feudal" and unegalitarian formation of imperial times. This shift in discourse could further be explained by the fact that as the lineage has changed under several decades of Maoism, it now stands for what a

regime that still labels itself socialist would have more difficulty to criticize overtly: the upholding by its members of collectivist, egalitarian, and redistributive values, in the name of a "public good", a principle of which the state claims the monopoly. As we will see in the next section, the way in which elements of state socialism's fight against remnants of prerevolutionary times are woven into the new discourse, namely, the attack on beliefs and practices deemed "superstitious" and "backward", may contribute to conceal this shift.

### Remembering the source: Confucian neoliberalism and popular religion

Lineage organizations, considered characteristic of feudal social formations, were made illegal at the advent of the communist regime and today they are still illegal, or at least unrecognized entities. Since the beginning of the reform era, they are, however, tolerated, in the various more acceptable institutional forms they may take.

Since the reopening, the Pine Mansion Chens have been active in restoring the lineage cultural activities that had been prohibited under Mao. Worship at the hall and the tomb was resumed as early as 1981, and the altar in the ancestral hall was repaired and the tomb recemented. More recently, at the end of the 1990s, the Chens built a monumental mausoleum around the tomb of founding ancestor Zhenneng. All these activities have been carried out with the financial contributions of Pine Mansion Chens in Hong Kong and overseas relatives from places such as Canada, Surinam, Belgium, and French Polynesia.

The case of the mausoleum is particularly interesting with respect to the relation between the lineage and the state. The Chen villagers decided to build this mausoleum following the funeral reforms (*binzang gaige*) that were implemented in Shenzhen in 1997 as a result of the national regulations ordered by the state council. The funeral reform is not a novelty. Since it took power in 1949 the ruling party has tried

to reform funeral customs, and it was during the Great Leap Forward and the Cultural Revolution that the most comprehensive measures toward this end were taken. The main result was the drawing of a dividing line between urban and rural customs (Whyte 1988). Cremation of the dead has become the norm in the cities, whereas in the rural areas efforts were directed toward clearing tombs located on arable lands. Nowadays the reform is spreading in the countryside, leading at times to protest movements. Considering the resistance these policies meet, authorities are generally careful to legitimize their implementation by the need to make space for roads and other infrastructure. The rapid urbanization of Shenzhen's former rural villages explains the dramatic way in which the national reform was applied there at the end of the 1990s. A decision was made to reach a rate of 100 percent cremations in a very short time. Moreover, the authorities ordered that all buried remains be disinterred and cremated and the ashes spread out or stored in a publicly accredited cemetery. In Pine Mansion, a government team came down during the year 1998 to proceed with the exhumation. The villagers were threatened with being stripped of their shares in their companies if they did not comply.

This reform was justified in the name of building a “socialist spiritual civilization.” Its stated goal was “to eliminate superstitious activities [*mixin huodong*] in funeral customs.”<sup>13</sup> It goes against long-standing burial practices that are guided by the goal of transforming the dead into proper ancestors and avoiding their becoming evildoing and revengeful spirits (Ahern 1971: 125; Bapandier 2001: 15). If ancestors are properly cared for and receive regular ritual attention, they are expected to be benevolent to their descendants. It is therefore important to bury a dead relative in a propitious site whose geomancy (*fengshui*) will canalize the vital energy (*qi*) that is contained in the bones and is a source of vitality and fertility to their descendants (Bruun 2003; Feuchtwang 1974; Patton 2007). The grave sites and remains of the ancestors are therefore of utmost importance;

destroying the sites amounts to putting an end to the benefits of *fengshui* and destroying the lineage as a whole.

The funeral reform aims at suppressing these ancient and powerful spaces and replacing them with abstract modern ones. Mayfair Yang sees in this reform the continuation of an imported Western colonialist discourse decreeing the character of modern civilization as one defined by science (2004: 732). However, the critique of “superstitious” funeral customs by orthodox Confucians has a long tradition in China. This trend promoting secular mores and rational thought is more than a Western import. The idea that individuals owe their destiny to beneficial geomancy rather than their own endeavors has long been criticized by the Confucians (C. K. Yang 1957: 276) and taken over by Communist Party-promoted state atheism. The funeral reform expresses an amalgamation of the ideals of economic efficiency and modernity, and the values of rationality and loyalty to the state rather than to the lineage.

This does not mean that the Confucian-inspired and state-driven funeral reform is opposed to the respect and remembrance of deceased family members. Filial piety (*xiao*) lies at the very heart of the Confucian doctrine. What is implied here is a particular strand of Confucian thought that opposes the corporeal and material dimension of ancestor worship—the continued presence of the ancestors and influence on their descendants through the medium of their bones infused with the soil of their grave site—which should be replaced by spiritual commemoration and symbolic gestures (C. K. Yang 1961: 44). Ancestral halls, for this reason, are tolerated in reform-era China. Where the ideology that drives the funeral reform comes very close to neoliberalism, as described by the tenets of the governmentality school of neoliberalism, is when it promotes a rational and individually rooted way of remembering the ancestors that is more compatible with economic efficiency than the worship of ancestors at their tombs.

One of the villagers, a manager of the large shareholding company, explained how the Pine

Mansion Chens reacted to the funeral reform: “During this burial reform, we thought of our ancestor Zhenheng, the founding ancestor of our lineage, the one who settled here and founded Pine Mansion ... [and] we thought that we must protect our ancestor’s bones. We must not let people excavate him. We will not allow such a thing.” He further explains—as several other Chens did—that they wanted to avoid at any cost the dispersal of the ashes of the Chen ancestors (their placing in a public cemetery outside the former village). The mausoleum was a very clever solution to a double challenge: how to protect at least the founding collective ancestor’s remains and where to store the remains of the ancestors they could not avoid exhuming and burning to ashes. The mausoleum was built around Zhenheng’s tomb, and the aisles of the building offer storage space for the ashes of all Zhenheng’s descendants as well as that of some other (non-Chen) ancestors of the villagers. The entrance that faces the tomb is framed by the same *duilian* as in the ancestral hall: “The source rises in Changle, the enterprise starts in Bao’an.”

To summarize the process, it was the return to Pine Mansion, in the course of the year 1997, of a high-level government cadre who had just retired from his position as the vice president of the Shenzhen airport that triggered the collective mobilization to build the mausoleum. Ganwan had returned to his village to help a cousin residing overseas in Belgium, who wanted to use his fortune to help his fellow villagers by building an older people’s activities hall. The mausoleum was built thanks to Ganwan’s connections in government, the construction industry, and among the overseas Chens. With the help of overseas contributions, the villagers built the mausoleum around Zhenheng’s tomb; after the building was completed, Ganwan applied for heritage status, which he obtained in return for a few banquets and bribes and thanks to his connections in the Shenzhen city administration. Ganwan, himself a member of the Communist Party, told me that “because the communists’ policy is changing all the time, we never know

what they are up to... What we wanted was to protect Zhenheng’s tomb forever.” What was at stake was the permanency of the lineage in the face of changing policies.

Such a collective act is, of course, at odds with the state-driven policy of economic neoliberalization. The protection of the founding ancestor’s tomb and the way the Chen villagers have succeeded in exempting this piece of land from any future appropriation by the state for economic development demonstrates that, to a certain extent, the logic of lineage as an enterprise is one in which the preservation of the lineage itself is its own end. To protect the tomb is also to preserve the lineage’s history against the tendency in Shenzhen to erase traces of the past and replace “uncivilized” villages with modern urban compounds. This discrepancy between state-planned economic and urban development and lineage village continuation is not oppositional. The Chen genealogy stresses the future development of the lineage as an enterprise and the prosperity of its members as a desirable goal. Yet this goal and the means to achieve it differ from the governmental vision of Shenzhen’s future, in so far as, in the Chens’ eyes, it is the perpetuation of the lineage that is at stake. Not only can economic success not be achieved without properly and ritually acknowledging its origins, the lineage itself would disappear without a territorial anchorage. It is on this precise point that the state-promoted enterprise of neoliberalization that drives the making of the Shenzhen special economic zone, the first Chinese city without villages to be inhabited by modern, entrepreneurial citizens disembodied from particularistic ties and detached from any “backward” beliefs, differs from the lineage enterprise, aimed at perpetuating the estate created in the past and the lineage village entity as a cause in itself.

## Conclusion

The *duilian* that frames the entrance to the Chen lineage hall and the mausoleum in Pine Man-

sion appears, through its celebration of the foundational act and entrepreneurial venture of ancestor Zhenneng, as a historical antecedent and local prefiguration of the processes that are occurring today on a large scale in Shenzhen and elsewhere in China. However, the rationale for the perpetuation of the lineage as an “enterprise” that the formula encapsulates is far from congruent with neoliberal theory and practice. The transformation of this local group of former peasants—the original Chen villagers—into a category of native landlords benefiting from their monopoly of rentals to some extent conforms to the process of neoliberalization, relying as it does on the presence of a readily usable workforce and capital accumulation in the hands of a few. Yet the ideology and politics of lineage maintenance are at odds with the neoliberal theory of open economic competition. They are also incongruent with the aims of economic development pursued by the state and city government that require the urbanization of villages and push toward the abolition of the former collectives and the end of “superstitious” religious practices.

The grassroots conception of the lineage as an enterprise points to the factors that may explain why the transition to a market economy in the special economic zone has been such a success. Yet this transition has also to be based on mechanisms designed to protect the local people from increased job competition and to guarantee their livelihoods in the context of urbanization and the shift from agriculture to industry. The transition toward market socialism in the special economic zone has partly rested on noncapitalist principles that have profited the former villagers and generated a category of native landlords. It is much less certain that neoliberalization, in the sense of the total disembedding of economic practices from social relations, as is being considered, delinking shareholding companies from kinship and territorial ties, will prove to be as successful.

It is hard to agree with Harvey that neoliberalism has become the dominant way in which people everywhere make sense of their lives (2005:

3). My point is that, if the neoliberal shaping of the special economic zone has had such success, this has to do with the way in which it encountered, in this particular region, long-standing economic practices and the conception of the lineage as an enterprise, dating back, as David Faure has shown, from at least the seventeenth century. These practices and regimes of value may, however, if their embeddedness in kin and territorial relationships is threatened, come into friction with the neoliberal spirit, mixed with a kind of secular Confucianism that animates Chinese state policies today.

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## Notes

1. I have stayed in Pine Mansion four times (July–August 2011, July 2012, March 2013, and October 2013) to carry out fieldwork as part of a research project on the connections linking this long-standing emigrant village with its diaspora.
2. Lineages are descent groups whose members are patrilineally related and claim a common ancestry (Ebrey and Watson 1986: 6). Many villages in the area are single or multi-lineage communities.
3. The amount of land retained depends both on the villages' capacity of negotiation and the government willingness to pay for compensation. Li and Smart (2013) document a case in which villagers did not want to become urban so they could continue to draw financial benefits from their land and other rural benefits.
4. Recent studies in global history by Andre Gunder Frank (1998), Kenneth Pomeranz (2000), Roy Bin Wong (1997), and Giovanni Arrighi (2007) agree on one fact: China was a major economic power, if not the first, until the first decades of the nineteenth century. Wong turns to the dynamics of state making and the motivations behind the Chinese and European political economies to explain the divergence that occurred.
5. According to legal scholar Gu Minkang (1999), the shareholding system introduced in China in 1985 was borrowed from the West, and its main motivation was to change the operating mechanisms of state-owned enterprises.
6. In Shenzhen they are ruled by the Shenzhen special economic zone regulations on cooperative joint-stock companies (*Shenzhen jingji qu gufenhezuogongsi tiaoli*) of 1994, modified in 1997).
7. There are several reasons for this: the larger one is narrowly controlled by the subdistrict of Guanlan, its director and vice director are the Pine Mansion party secretary and community head, and it has easier access to bank loans and subsidies to invest in the modernization of factory buildings and new factories or other real estate.
8. Interview with an employee of the collective property office (Jitizichan bangongshi) at the Guanlan office bureau, July 2012.
9. Draft notification of opinion on the reform of *gufengongsi* rules and regulations, Shenzhen city government, November 2010. It is referred to in the document cited in the next quote.
10. Opinion on the sustainable development of *gufengongsi*, 17 January 2012, by Wang Jun. [http://www.bajj.gov.cn/gcsk/lltt/201201/t20120117\\_473573.htm](http://www.bajj.gov.cn/gcsk/lltt/201201/t20120117_473573.htm) (accessed 3 April 2013).
11. Locally born villagers who had temporarily resided elsewhere retained their entitlement if they had not taken up urban *hukou* status before 2004.
12. These collective and redistributive ethics also animate the functioning of the lineage as a community of worship. On these matters it is the Chen lineage Zhenheng Foundation, an unregistered civic organization, that takes on the main role. Because of lack of space I can only briefly mention that its income pays for lineage activities: the two annual worship ceremonies and sacrifices, followed by the collective meal in which the entire lineage village community participates, the activities hall for elderly people, and the maintenance of the two worship sites—the ancestral temple and the mausoleum. The shareholding companies, however, also make contributions.
13. Bill no. 63, dated 3 March 1997. <http://www.szgm.gov.cn/publish/main/1/9/12/15/20121101110740875740296/index.html> (accessed 14 October 2013).

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