

# 6 Conclusions

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## § 6.1 Introduction

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This thesis examined the housing opportunities of young Chinese adults (roughly 25 to 40 years of age) in post-reform China. The aim was to understand how these opportunities are related to the institutional changes that took place during the reform. In that respect, ample attention was paid to the complex and mutual connections between the welfare system, the housing system (particularly home ownership), and the kinship system. One chapter was devoted to a policy review and three to the empirical investigation. With this thesis, I hoped to help fill two gaps in the literature:

- 1 The lack of attention to the housing opportunities of young Chinese urban residents (across all backgrounds) in the post-reform context;
- 2 The lack of understanding of the mechanism of intergenerational transfer in young people's housing opportunities in the post-reform Chinese context.

### § 6.1.1 Research question

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The main question of the thesis was, What are the key factors shaping young people's opportunity to access housing and how do these factors relate to China's institutional changes during and after market reform? This question was broken down into four sub-questions, which were tackled respectively in chapters 2, 3, 4, and 5:

- 1 How has the provision of urban housing in China changed in the transition period in line with two institutional shifts (with regard to the role of the work units and the *hukou* registration), and how has this influenced housing opportunities?
- 2 Which factors can predict young Chinese people's opportunity to access home ownership?
- 3 How does the expectation of reciprocity affect housing-asset intergenerational transfer in contemporary China, where welfare provisions are not equally distributed among urban and rural residents?

- 4 How and why does the gender of the recipient affect the negotiation of housing-asset intergenerational transfer? And, against this backdrop, what are young women's pathways to accumulate housing assets?

## § 6.1.2 Structure of the chapter

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This concluding chapter first summarizes the research findings and answers the research questions formulated above before reflecting on the methodology and the limitation of this research (section 6.2). Next comes a discussion of the theoretical implications of this research (section 6.3) and, on that basis, some suggestions for future research (section 6.4).

## § 6.2 Housing opportunities of Chinese young people

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This section summarizes the findings of the four core chapters of this thesis (with each chapter covering a research question). Then it offers an answer to the main research question.

### § 6.2.1 Housing provision before, during, and after the reform

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- 1 **How has the provision of urban housing in China changed in the transition period in line with two institutional shifts (with regard to the role of the work units and the hukou registration), and how has this influenced housing opportunities?**
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It is instructive to review the housing policies as they have developed since the establishment of P. R. China in 1949. In that regard, four periods may be distinguished according to the main housing tenure(s) provided during that time: the welfare period (1949-1978), the dual period (1978-1998), the market period (1999-2011), and the comprehensive period (after 2011).

During the welfare period, welfare housing – which refers to rental housing with a nominal price - was constructed by work units and municipalities. These dwellings were allocated to urban workers through an administrative procedure.

During the dual period, two types of housing were constructed and sold, rather than rented, to residents. One type, called reformed housing, was sold by the work units at a subsidized price. The other type, called commodity housing, was sold by for-profit developers at the market price.

During the market period, the provision of reformed housing was phased out and the market became dominated by the provision of commodity housing. A housing market emerged in which the home ownership sector predominated. Preferential policies were enacted to promote the development and consumption of commodity housing as a strategy to boost economic growth. Speculation and rapid price appreciation prevailed in the market period and made home ownership hard to afford, particularly for young people.

During the comprehensive period, the provision of housing became more diverse in terms of tenure. Public rental housing programs were initiated in cities, and policies to support the provision and consumption of rental housing came into force.

In the welfare period, as welfare housing was allocated bureaucratically, households who had a closer relationship with the redistributive power were more likely to access housing. In other words, access to housing was easier for households who worked in powerful work units and for households who were members of the Communist Party. After more than three decades of housing reform, from its commencement in 1978, a housing market was established within which the prospective buyers could compete on the basis of their ability to pay. As a result of these policy changes, the housing market in China is expected to be more inclusive in the future – no longer would anybody be locked out by institutional barriers. However, the housing market, with its post-reform characteristics, does not necessarily put each participant on an equal footing to compete. As private ownership and family wealth become increasingly common in post-reform China, intergenerational transfer of private wealth may constitute a new source of inequality.

## § 6.2.2 Opportunity to access home ownership

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### 2 Which factors can predict young Chinese people's opportunity to access home ownership?

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According to the 'market transition theory' (Nee, 1989), the opportunity structure in a market economy should be favorable to those who make a more direct contribution to production. Applying this theory to housing, I formulated the hypothesis that variables representing young people's market ability are significant in predicting their access to home ownership, while the significance of the variables representing redistributive power declines. This hypothesis was statistically tested on nationally representative data using a logistic regression model. In addition to the variables for market ability (education, employment status, and income), three groups of redistributive factors were included as explanatory variables: political affiliation (membership of Communist Party and other political parties); organizational affiliation (variables about work units); and territorial affiliation (variables about hukou). The results showed that, surprisingly, young people's market ability is insignificant in predicting their opportunity for independent home ownership. Rather, two redistributive variables were shown to be relevant: the Communist Party membership of their parents; and the site (local or non-local) of their *hukou* registration (which is inherited from one's mother but can be changed later).

The relevance of the parents' political status is intriguing – it is the Communist Party membership of the parents rather than that of the young people themselves that was shown to have a positive effect. Two mechanisms might play a role here: 'status inheritance' and 'profit transfer'. In status inheritance, the parents supposedly transfer their political privileges into privileges for their children, for instance by having them recruited into powerful or profitable managerial positions. But considering the nature of the housing reform, profit transfer might better explain the influence of the parents' political privileges. That is, the parents use the profit they gained from the reform – the value appreciation of the heavily subsidized reformed housing – to help their children buy a home. The persistent impact of *hukou* is not negligible. But unlike other research that highlights the role of *hukou* type (rural or urban), this thesis differentiated the influence of the site of one's *hukou*; the farther away one's *hukou* is registered, suggesting a more distant migration, the less likely one is to become a homeowner.

## § 6.2.3 Intergenerational transfer for home ownership

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### 3 How does the expectation of reciprocity affect housing-asset intergenerational transfer in contemporary China, where welfare provisions are not equally distributed among urban and rural residents?

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The intergenerational transfer to facilitate adult children's home ownership is perceived as an exchange of parents' financial support for children's 'generalized support' in the future. In the short term, parents do not expect financial repayment but count on receiving respect and emotional support. In the long term, parents expect reciprocity in any form that is needed and in any form that is available from the beneficiaries. The perception of the nature of this exchange, although not openly discussed in the course of the negotiations, is widespread among parents and young adults. Some young adults, however, choose to refuse or not request financial help from their parents in order to avoid undesirable reciprocity and maintain their autonomy.

Furthermore, there is a difference in the 'adhesiveness' of the intergenerational relationship (Wang, 2008) between families with an urban or a rural background. When rural immigrants make transfers and help their child, often a son, buy a home, they usually move in with the young family and maintain an 'adhesive relationship' with the younger generation – a relationship that consists of the mutual exchange of financial, instrumental, and emotional support. In contrast, when parents with an urban background make a transfer, they often maintain an independent residence and generally expect less (financial) support from their children. This is because the senior generation of urban families would receive more benefits of state welfare (reformed housing, pension, health care insurance, etc.) compared to the senior generation of rural families, which would enable them to maintain a more 'independent relationship' with their adult children. Parents whose background is rural have stronger aspirations (and tend to act more on these) to help their children purchase a home. In their experience, family members are the most reliable resources for welfare.

## § 6.2.4 Intergenerational transfer and gender

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### 4 How and why does the gender of the recipient affect the negotiation of intergenerational transfer on home ownership? and, against this backdrop, what are young women's possibilities for accumulating housing assets?

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In general, intergenerational transfer on home ownership is practiced differently by male versus female adult children. In multi-child families, parents prepare for and transfer assets to sons prior to or at the moment of marriage and provide interest-free loans to daughters upon request. In single-child families, parents would not prepare an asset transfer for their daughters, as they expect their daughter's future husband and his family to do so. Under these circumstances, ownership of housing assets before marriage is much less common among women than among men. And not only do women bring fewer assets into the marriage, they also have a disadvantaged position on the labor market. Therefore, they are not able to accumulate much in the way of housing assets during marriage. Consequently, women who do not hold the title to their family home, i.e. have not registered their name on the property-rights certificate, face the risk of losing access to their family home and their housing assets if their marriage status changes.

Against this background, young women in Chongqing embark on three different pathways to accumulate housing assets, based on their parental resources and their own earning power. When parental help is available, some young women successfully establish independent housing assets before marriage. Importantly, their control over these assets is not subject to changes in their marriage status, which gives them considerable autonomy in the marriage. Without utilizing parental resources, women can still establish co-ownership with their husband by sharing in the mortgage payments. In some cases, a woman can only become a co-owner if the couple buys a second home, as the first one is often purchased by the husband and his parents. Some women, mostly those with a rural immigrant background, do not possess any housing assets. For them, not only is financial help from parents out of reach, but their own earning power is constrained by the fact that they have no help with child care and household chores.

## § 6.2.5 Housing opportunity in post-reform China

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Now let us return to the main research question: What are the key factors determining young people's opportunity to access housing, and how do these factors relate to China's changing institutional background and the market reform?

The main conclusion that may be drawn from this thesis is the following: After the reform, family background and intergenerational transfer become important variables determining young people's housing opportunities. This result is an interactional outcome of institutional changes in the kinship, welfare, and housing systems during the process of the marketization reform. Three institutional changes are particularly relevant: a change in housing tenure provision (from renting, as an occupational welfare benefit, to ownership); a change in the provision of welfare services (from direct provision by work units to purchase on the market); and a change in the gender distribution in education and the labor market. I shall elaborate on these changes one by one.

After the reform, commodity housing, which is housing for sale at a market price, became the predominant housing tenure. Other housing tenures, such as subsidized ownership and public rental, are limited. Moreover, tenants often have less rights regarding secure and continuous occupancy, renovation of the dwelling, and the use of neighborhood facilities. Therefore, the only way for young people who wish to establish a household under independent, stable, and decent conditions is to buy a home and become an owner-occupier. Home ownership, however, requires a big lump sum down payment - at least 30 percent of the total housing price, according to current regulations. As housing prices increase much more rapidly than wages, buying early means better affordability. In this situation, intergenerational transfers enable young people to access home ownership at a relatively young age. Such transfers, which tend to be used for the down payment, are even more important than the young buyer's income from labor (from which the monthly mortgage installments are often paid).

Here is where the change in the Chinese welfare system comes in. The provision of welfare is shifting from the work unit to the market, and welfare services are becoming more expensive. Elderly Chinese people are consequently under pressure to adjust their strategies for securing a pension and care in old age. Investing in ever-appreciating housing property and helping their son(s) to buy a marriage home then becomes a natural reaction and a wise choice. In return, the transferring parents expect support from their children when they need it in old age. From the young adults' perspective, the welfare gap in the parents' generation has been passed down to them and influences their housing opportunity. For example, before the reform, workers in

the public sector had many privileges compared to workers in the private sector, the most salient one being eligibility for reformed housing. Such preferential treatment of public-sector workers no longer exists. But through the intergenerational transfer of assets that had been accumulated by the parents, the divisions of the past still resonate and exert a strong influence on the housing opportunities of the younger generation. In fact, young people's own earning power often becomes of secondary importance in determining their opportunity to access housing.

Since the state has partially retreated from welfare provision, the function of the family is coming back with its traditional style of patriarchy. After the reform, the wage system did not seek to achieve egalitarianism among the workers but instead intended to tie remuneration to the productivity of the worker. This change works to the disadvantage of women, who tend to have less human capital and bear more of the burden of child care and domestic work. And their disadvantage in the labor market in turn strengthens the gender division, with men working outside the family and women working within it. The gender gap in earning power has kept increasing since the beginning of the market reform. Against this backdrop, it has become even more crucial for young women to have resourceful and supportive parents to help them attain home ownership, since are at a disadvantage in earning power through labor-market participation. Yet women tend to receive less support from their parents, as the parents do not assume a reciprocal relationship with their daughter as far as asset transfers and old age support are concerned.

## § 6.2.6 Reflection on methodology and the limitations of this research

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This thesis used mixed methods to address the problem of housing opportunity and its relationship to the dramatic housing tenure transition in just three decades. The stepwise inquiry went from proposing the hypothesis (on the basis of a review of policy changes), testing the hypothesis and identifying key variables (by applying quantitative methods to nationally representative data), to explaining the mechanisms (by qualitative methods in one city). Since housing research on young Chinese people is relatively rare in the English-language literature, the aim was to find a reasonable balance between the breadth and depth of the research by using mixed methods. A policy review elucidated the potential impact of certain policy and institutional changes. Through quantitative modeling, the significance of certain explanatory variables was identified at the national level. A case study with qualitative methods contributed to the in-depth understanding of the mechanism behind these explanatory variables.



This research used cross-sectional data and cross-sectional regression analysis to identify the key factors that determine young people's opportunity to access home ownership. It was the first study to apply market transition as an explanatory variable for young people's housing opportunities (a similar attempt for the whole urban population was made by Xie et al., 2013). And this study was also the first on this subject to examine market transition theory by taking into account the intergenerational effect of the redistributive variables. Nonetheless, there are some drawbacks to the methodology applied here. In fact, by its very nature, people's housing opportunity can only be studied with datasets and methodology that capture changes over time as well as the dynamics of that period. This drawback was partially offset by the in-depth qualitative inquiry, whereby retrospective data was collected in one city. A systematic understanding of Chinese young people's housing opportunities will be more accessible as longitudinal datasets become available in the future.

Unlike previous studies that also investigated the nature of intergenerational transfer on home ownership using qualitative methods (Fincher, 2014; Zhong, 2014), this one went beyond explaining why parents make intergenerational transfers that contribute to their children's home ownership. By including participants with various family, welfare, and housing backgrounds, it drew a comprehensive picture of how the three backgrounds interact with each other and jointly shape young people's housing opportunity. Still, due to practical constraints, parents who did not migrate with their children to Chongqing were not included in the interviews. It would have been better to have direct input from this group instead of relying on their children's interpretation of their opinions.

Judging from studies conducted in other regions (for example, Fincher, 2014 in Beijing; Zhong, 2014 in Guangzhou), the trends in intergenerational transfer with implications for home ownership and reciprocity that have been described and interpreted in this thesis are occurring elsewhere in China. Nevertheless, it should be taken into account that the economic development, the severity of competition in the housing market, the culture, and the policy interventions are different across the cities and regions. Therefore, local variations in these trends are certainly possible. A future comparative study within China could shed light on such geographical differences.

## § 6.3 Theoretical implications

This section returns to two theories and discusses the implications of the research, starting with the theory underpinning chapters 2 and 3: market transition theory. Then the focus shifts to the framework of housing, welfare, family, and gender (introduced in chapter 1 and empirically examined in chapters 4 and 5), leading to a discussion of two different types of social coordination.

### § 6.3.1 Market transition theory and housing opportunity

The market transition theory, which was proposed by Victor Nee in 1989, triggered a series of investigations and debates about how market transition affects social stratification in China (Nee, 1989, 1991, 1996; Nee & Cao, 1999). In short, Nee argued that, in reforming a socialist economy to a market one, the transition from redistribution to market coordination shifts sources of power and privilege to favor direct producers relative to redistributors. Nee used the income survey from rural China held in 1985 to support his claim. One element of the market transition theory is the ‘market opportunity thesis’, which states that the shift to market coordination gives rise to new opportunity structures centered on the market place, changing the manner in which structural constraints affect socioeconomic outcomes. In other words, direct producers (peasants, workers), in comparison to redistributors (public servants and political elites), have better ‘income opportunities’ after the market transition: whoever directly participates in production and produces more valuable goods for market exchange should have a higher income.

However, further studies from the 1990s sketched a different picture, which led Nee to assert that “the shift from redistribution to markets gives rise to different mechanisms of stratification” (Nee, 1996). Bian and Logan (1996) studied two big cities where they found that party members and people with redistributive authority in their jobs actually had a greater income advantage in 1993 than they did at the beginning of the reform period in 1978. The incentive structures differed across sectors, varying by the extent to which “the institutional logic of a market economy permeates and transforms the pre-existing framework” (Nee & Cao, 2005, p. 47). The pre-existing framework includes policy preferentialism in different regions, industries, types of ownership (state, collective, private, foreign, etc.), and work units (Wang & Wang, 2005). Consequently, income opportunity (the monetary return on human capital and hard work) is restricted by the path dependence of these four institutions and institutional changes.

Other things being equal, employees in favored regions, industries, sectors, and work units have better income opportunities (higher return on human capital and hard work) than employees in neglected regions, industries, sectors, and work units.

Housing inequality is treated by some sociologists as a separate indicator of change in the opportunity structure when they evaluate the market transition (Zhou & Logan, 1996; Li & Yi, 2007). Before and even during the reform, housing was not allocated exclusively according to the market mechanisms based on income. Work units act as direct providers of housing resources. Therefore, workers in powerful work units – resorting under state-owned enterprises or higher-tier governments – had better opportunities to access good-quality housing than workers employed elsewhere. Their better housing opportunities were represented by the exclusive eligibility to rent welfare housing in the welfare period (1978-1998) and the opportunity to buy reformed housing in the dual period (1999-2011). But this opportunity differential largely disappeared during the market period (1999-2010), when the provision of welfare housing and reformed housing by work units was officially ended. For young residents who were entering the housing markets in the 2000s, a stronger correlation between income and housing opportunity was expected, according to the logic of the market. Nevertheless, that is not how it worked out.

In the transition from socialism to ‘socialism with Chinese characteristics’, there was a transition from ‘collectively owned’ to ‘privately owned’ wealth. During the rapid growth of the ‘market economy with Chinese characteristics’ - or as scholars prefer to call it, ‘state capitalism’ - the wealth accumulated in Chinese society has appreciated strongly. There are three ways to accumulate wealth: saving, inheritance, and asset appreciation. Saving is the primary source of wealth accumulation, and asset appreciation is the major instrument of widening the gap between the asset-rich and the asset-poor. The accumulation of private wealth took off in the second half of the 1990s. Since then, various means of investment came into the Chinese family’s life, notably stocks, funds, bonds, and real estate (Wang, 2013). As the market transition matures, the social stratification system in China is moving from the income disparity common in the reform generation to the wealth disparity seen in the post-reform generation. The driver of social stratification is shifting away from the opportunity for earning to the opportunity for accessing wealth (Wang, 2013). The wealth and consumption gap among families deepens the inequality in the life chances of its members, for example regarding health and education (human capital). It also creates social segregation and reproduces inequalities between generations (as a consequence of intergenerational transfers). In other words, the social stratification based on wealth and consumption, a status that is easier to inherit than earning power, may perpetuate social inequality in China (MacLennan & Miao, 2017).

A housing system emphasizing home ownership is a component of a perpetually stratified society. Home ownership sets a threshold for accumulating (housing) assets and increases the wealth gap between home owners and renters. The threshold for home ownership was relatively low at the beginning of the reform, when house prices ranged from several hundred to a couple thousand Yuan. House buyers in the 1990s could acquire property by borrowing money from relatives or pay the 30% down payment (the minimum) and take out a mortgage loan for the rest. Two decades later, however, house prices had become extremely high, making it almost impossible for young people to buy a home without having wealthy parents that contribute to the down payment. And the situation continues to worsen, since house prices keep increasing much faster than wages or revenues on savings. Things are different for those who have parents helping them, mostly by gift-giving and in some cases by providing interest-free loans. After purchase, these young adults can accumulate housing wealth, whereas renters keep paying their landlords and do not accumulate any housing wealth. If China's post-reform housing system would not have concentrated on owner-occupation and would have given an equal market position to rental and owner-occupied housing, the situation might have been different.

### § 6.3.2 The interconnectedness of housing, welfare, family, and gender

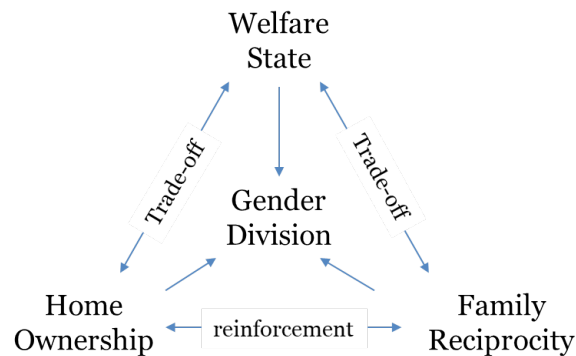


FIGURE 6.1 The framework of social coordination

Kship and welfare states, and it was given empirical support by Castles' work on 20 OECD countries (Castles & Ferrera, 1996). In countries where the home ownership rate is high (so-called home ownership societies), public spending on pensions and social protection is relatively low. From the household's perspective, this trade-off exists

because the high housing costs in the earliest phases of ownership prevent the labor force from contributing the large amounts of tax revenue that are needed for setting up an extensive welfare state. From the government's perspective, the more of the public budget that is spent on promoting home ownership (through tax relief on mortgage loans or subsidies), the less would be left for social expenditure and to provide social housing. In this respect, it should be noted that home ownership societies need less money for social expenditure because home ownership can act as a substitute for state-provided welfare services.

This thesis has brought another dimension of the trade-off into this analysis: the trade-off between welfare states and intergenerational dependence. In countries where a functioning system of pensions and social security is in place, the generations of a family can be more independent from each other. When the welfare state provides pensions as well as state-funded care homes and care help, its senior citizens can be independent from their adult children.

It is also relevant to consider gender division when evaluating a society's position in the triangle formed by housing, the welfare state, and intergenerational relationships. In traditional societies, families and kinship are the main welfare providers and distributors of life chances. Traditionally, properties and wealth are passed down patrilineally and females can take possession of those properties as a member of the males' household. After the welfare system was established, there was a tendency for both the gender division in domestic affairs and the gender inequality caused by the family system to decline. A welfare state offers male and female members of a society more equal opportunity to gain economic independence, thanks to the provision of public education and services for child and elderly care. But, depending on the welfare state regime (Esping-Andersen, 1990), the welfare state itself can also contain elements of gender division. Particularly in countries with a conservative-corporatist tradition, the welfare state tends to function as a system that redistributes welfare to male workers. This may imply that a woman who performs unpaid domestic work can only access public benefits as a dependent of a male paid worker (Orloff, 1993).

Based on the trade-offs between housing and the welfare state on the one hand and welfare state development and intergenerational reciprocity on the other -- the trade-offs that were reflected in the research findings presented in this thesis -- I would argue that home ownership reinforces intergenerational reciprocity (see Figure 6.1). My argument runs as follows. In a society with a concurrence of home ownership dominance and a limited welfare state, financial transfer and reciprocity between different generations in the family is common practice. Two mechanisms play a role here. First, because young adults have to buy a home to establish their new household and it is too expensive for them to do so, parents will transfer wealth

to help them become a home owner. The second mechanism is returning the wealth stored in the children's home to the parents in case they need support in old age, for example if there is not enough pension income from the public redistribution system. Of course the situation depends on the financial ability of the two generations and the relationship between them. If one generation is much better off than the other, the better-off generation can afford to help the other without needing compensation.

Due to a scarcity of international comparative data on housing transfer, the hypothesis derived from my argument cannot be systematically tested at this moment. My qualitative research has revealed the underlying mechanisms of this intergenerational dependence. Due to the differences in state welfare provision between urban and rural areas (represented by the divergent welfare eligibility of residents with an urban versus a rural *hukou*), parents with a rural background demonstrate a stronger tendency to help their children purchase a home and they are also more likely to expect reciprocity. Intergenerational transfers for the purpose of accessing home ownership are prevalent in China and the transactions are often explained in cultural terms. The same goes for similar transfers in Southern and Eastern Europe. But here, in this thesis, a crucial distinction is made. I argue that this phenomenon is shaped by the institutional configuration that is characterized by a housing system focused on private ownership and a limited welfare state. Claiming it to be an institution-embedded social practice rather than merely an embodiment of 'Chinese culture' is helpful for understanding the social dynamics under market reform and for predicting their development in the future.

Based on the conceptual framework and the explanation of this framework that I have given so far, I can present two ideal types of social coordination (Figure 6.2). Type I is characterized by adhesive intergenerational relationships between generations (intensive exchange in financial, instrumental, and emotional support), a tenure-biased housing system (with a dominance of home ownership), a residual welfare state, and division of gender roles. Type II is characterized by independent intergenerational relationships (limited exchange for emotional support), a tenure-neutral housing system (with adequate provision and comparable rights in the rental and home ownership sector), a generous welfare state (to both old and young), and no gender division. Type II, which I call social coordination, differs from Type I in that part of the resources (income and wealth produced by citizens) is derived beyond the bounds of the family and is redistributed on a larger scale (state, pension fund entity, etc.). This scaling-up of the coordination helps modern states to facilitate investment and development, offset risks, and improve the well-being of the population. Each country has its own specific configuration of the four dimensions, which eventually merge to form different styles of social coordination.

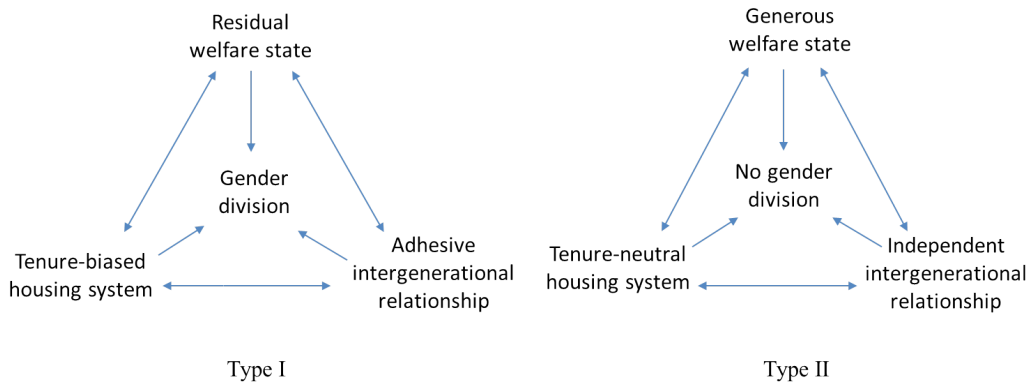


FIGURE 6.2 Two types of social coordination

As described in chapter 1, during the transition from traditional feudal societies to industrialized modern societies, the ambition to provide state welfare, public housing, and more gender equality was achieved to varying degrees. In this regard, some countries position themselves close to Type I, others close to Type II, whereas there are also countries somewhere in between. The exact path and resulting form of social coordination – or ‘welfare system’ in this context – is shaped by processes of political struggle and class coalition-forming (Esping-Andersen, 1990). Institutional arrangements and policies to tackle the housing and welfare problems of the working class were initiated in Western capitalist countries at the end of the nineteenth century and continued after the Second World War. Eventually, social inequality declined between 1919 and the 1980s (MacLennan & Miao, 2017). Since the 1980s, neoliberal ideology has dominated global policy. Consequently, the policies of state-led redistribution and welfare generosity have been superseded by a trend toward private wealth accumulation and a residual welfare system. In other words, the Western developed world is showing a tendency to move from Type II to Type I under its neoliberal policies. Nevertheless, significant differences between countries remain.

The process of developing a welfare state, providing public housing, and promoting gender equality started much later in China. The welfare system in P.R. China was formally initiated in the 1950s and was arranged in the soviet style, which limited its social (and housing) benefits to state officials and workers. The promise to provide extensive social welfare was hampered in the course of developing a market economy because the state shifted its priorities towards economic growth. The construction of an inclusive welfare system that would place services for urban and rural residents on the same level, and the development of a tenure-neutral housing system in which owners and tenants enjoy equal housing rights were two of the ambitions set forth

in 2006 by the Communist Party of China. Action plans and programs to meet this goal by 2020 were established (CPC, 2006). But at the time of writing this thesis, and particularly at the time of the research was conducted, the level of social coordination in China could best be described as Type I. The connections described in the empirical chapters (3,4,5) provide a clear underpinning for this attribution.

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## § 6.4 Future research agenda

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### § 6.4.1 Housing opportunity and pathway studies

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In this dissertation, I have discussed the concept of housing opportunity and examined it in the context of young Chinese people during three decades of housing reform. The consciousness of the problem underlying this research runs deeper than an awareness of the poor housing conditions of young people. It is grounded in a concern about the opportunity structure which would enable young people to fulfill their potential and use their abilities to achieve a better housing outcome. In light of this concern, the scope of the study was broadened to give the interaction between housing and other institutions in society due attention. The research approach was inspired by Clapham's conceptualization of 'housing pathways' (2002), which brought an agent-oriented perspective on identity, life-course planning, and strategy into the housing system analysis of constraints and opportunities. This dissertation has positioned the study of young Chinese people's current housing opportunity at the intersection of the constraints and opportunities created by housing tenure reform and the strategic planning of Chinese families utilizing intergenerational reciprocity. Due to the unavailability of data, it was not possible to conduct a longitudinal analysis, which is usually required for investigating housing history or housing pathways. But it would be highly desirable for the analysis of young people's housing opportunities, as a longitudinal analysis takes into account the effect of time and of resource accumulation. With the start of several longitudinal surveys on Chinese households, such an analysis will be possible in the future.

The most preferable methodology for studying housing pathways follows a three-step routine and applies sophisticated techniques at each step (Clapham, Mackie, Orford, Thomas, & Buckley, 2014). It starts by identifying and describing the key factors



shaping the housing pathways of young people. In this dissertation, I focused on the institution of the work unit, on the *hukou*, housing tenure policies, and welfare policies. But there are many other factors at the macro level that may shape the opportunity structure of accessing housing. To name a few, these included industrial upgrading, urbanization, migration, employment policy reforms, and demographic changes. For future research, we could consider questions such as the following. Would rapid technology development and industrial upgrading place more pressure on flexible housing strategies entailing more frequent relocation? Does the creation of new industries expand the urban territory and thereby open up more opportunity to young people? Or does it make the housing market more competitive? Does migration to another city improve one's housing opportunity? What is the impact of the abolition of the one-child policy? How does an ageing population affect housing opportunity?

The next step is to construct a typology of young people's housing pathways by combining a large sample of longitudinal statistical data and a small sample of interviews. After the prevalence of each pathway is known for the sample, the researchers can extrapolate the distribution to the whole population in the third step. This method would allow researchers to identify a significant combination of data on housing and life course or career course and then calculate the estimated size of the group. Thereby, we might be able to discern how many people start their married life in the parental home, how many as independent home owners, and how many in the rental sector. How long would it take for a couple to move into home ownership after marriage if they could not do that beforehand? Do poor housing opportunities prevent young people from pursuing a romantic relationship and thus lead them to delay family formation? Do poor housing opportunities discourage young couples from raising a second child, regardless of the abolition of the one-child policy? How does housing opportunity affect the location choice of young people's first job? Does home ownership discourage young people from moving to a place with better career opportunities? Does people become averse to entrepreneurship if they bear a heavy housing mortgage burden?

## § 6.4.2 The social coordination of housing, welfare, family, and gender

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Kemeny has called for more theoretically grounded housing studies as a point of departure for unraveling "the complex relationship between housing welfare and other forms of welfare" and the relationship between "housing and the wider social structure in which it is embedded" (Kemeny, 1992: 81). My conceptualization of the interconnectedness of home ownership, the welfare state, family reciprocity, and the

gender gap (Figure 6.1) is an attempt to take up this challenge. The configuration of these four dimensions at a given time is what I called social coordination. It is important to note that this configuration is a self-perpetuating dynamic process unless any of the four systems had completely broken down. And the geographic scope of this coordination depends on the range of administration or homogeneity of the systems, so coordination does not necessarily follow one single pattern in one country.

I have constructed this framework on the basis of a study applying a qualitative, historical approach focused on a single country, in this case China. For future research, the explanatory power of this conceptualization could benefit from statistical testing of hypotheses derived from it. A comparative analysis within China would be insightful. Previous comparative studies on housing and welfare were mainly carried out in European industrialized countries, where housing and welfare regimes were explained along the lines of labor movement theory. According to the (European) labor movement theory, a country's welfare and housing regime is mainly influenced by the ideology of the political party or coalition that is the successor to the labor movement (Esping-Andersen, 1990; Kemeny, 1992). A comparison between regions and cities within China would rule out the influence of formal ideology, as the cases would all resort under the same system. Furthermore, comparison within China would shed light on the impact of other variables, such as stage of development, population structure, pension coverage and generosity, housing tenure and affordability, and culture. Some possible questions might include the following. Does the intensity of intergenerational reciprocity correlate with a higher percentage of the aging population and a lower coverage and generosity of pensions? In regions with a relatively weaker culture of bride price, is there a higher share of women owning housing property and having higher status at home?

It would also be interesting to trace the development of social coordination in Western developed countries. Will the financial pressure on welfare states affect the pattern of intergenerational independence, thereby encouraging intergenerational reciprocity there too? We have witnessed an increase of parental help in adult children's home ownership in the UK and Australia. Will this trend expand to affect a wider group of young adults in these countries? Will this trend spread even more widely, affecting continental European countries that used to have relatively tenure-neutral housing systems but are now turning in the direction of a home ownership society?

### § 6.4.3 Policy updates and housing opportunity

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In 2016, the Chinese state council release a decree to support the development of the rental housing market. The goal was to develop a tenure-neutral housing system – a system that supports both renting and home ownership (State Council, 2016; MHURD et al, 2017). In order to achieve this goal, future policy making will cultivate market entities that provide rental housing (rental housing companies, real estate developers, rental housing agencies, and individual landlords). The government will encourage the consumption of rental homes through subsidies, by providing public facilities to tenants, as well as by regulating contracts. It will also increase the provision and the quality of public rental housing. In response to the subsequent policy guidance, 12 cities developed strategies based on their own situation. Support for rental housing is mostly concentrated on first-tier cities, which are at risk of losing young talent because of the severe affordability problems in the home ownership market, and on second-tier cities, which are trying to attract young talent by offering better housing services. How will these policies affect young people’s housing opportunity in the future? Will a more tenure-neutral housing system emerge in some cities? How will such a tenure-neutral housing system affect intergenerational reciprocity and gender relations within the households?

Moreover, the welfare provisions for rural residents have been catching up over the past decade. A basic health care insurance and pension system had been established in 2002 and 2009 respectively. These programs reached a coverage of 96.5 and 85 percent of the population respectively in 2005-06 (National People’s Congress, 2008a, 2008b; State Council Information Office, 2017; Ministry of human resources and social security, 2017). It will probably take more than another decade, if it is ever possible, to level out the welfare gap between urban and rural residents. But at least there is some perspective for rural communities; relying on the pension program and the accumulation of private assets rather than on reciprocity from adult children has become an option for them. Will this option decrease the motivation of a family with a rural background to invest in intergenerational transfer for the sake of children’s home ownership and reciprocity? Will the propensity to engage in intergenerational reciprocity among families with an urban or rural background converge with the level found in cities and regions where the gap in the provision of welfare benefits is smaller? Answering these questions would increase our understanding of the relationship between housing and the wider social structure in which it is embedded.

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# Appendix:

## Information on research participants

TABLE APP.1.1 Information on research participants - young adults

CASE N.	SEX	AGE	LOCAL/ MIGRANT	EDUCATION*	OCCUPATION	OCCUPATIONAL SECTOR	MARRIAGE**	INCOME LEVEL***	ASSET LEVEL****	RURAL/URBAN BACKGROUND	ONLY CHILD	HOUSING EXPERIENCE*****	AGE AT FIRST HOME OWNERSHIP	HOUSING VALUE PAID BY PARENTS(%)
00	M	35	M	M	Associate professor	education	m	3	3	u	n	D-P	-	-
<b>0-Locals</b>														
01	M	30	l	B	Teacher	education	m	2	3	u	y	P-OP	28	50
02	F	34	l	B	Administrative staff	private company	rm	3	3	u	y	P-M-P-O	33	0
03	F	32	l	B	Manager	finance	d	3	5	u	y	P-O	25	33
04	M	40	l	B	Engineer	manufacturing	d	2	4	u	y	P-SO-P-O	29	0
05	F	31	l	M	Civil servant	government	m	2	4	u	y	M-SO	30	0
	M	33	l	B	manager	Health care	-	-	-	u	y	(O-SO)	22	30
06	M	32	l	B	Administrative staff	Journalism	m	2	5	u	y	P-SO	27	30
	F	32	L	B	Civil servant	government	-	-	-	u	y	(MP-SO)	-	-
07	M	31	l	B	Manager	retail	m	1	3	u	y	P-O-P	21	20
08	M	41	l	B	Business co-owner	financial service	m	-	-	u	y	P-D-P-O	34	0
<b>1-Urban immigrants</b>														
11	M	41	m	B	Manager	real estate	m	3	5	u	y	P-O-O	26	0
12	M	37	m	B	Engineer	manufacturing	m	2	4	u	n	SR-SR-SR-O	26	30
13	F	34	m	B	Designer	design	m	3	4	u	y	R-R-R-P-O-M-R	28	30
14	F	32	lm	B	Accountant	auto sales	s	1	3	u	y	R-O	25	98

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TABLE APP.1.1 Information on research participants - young adults

CASE N.	SEX	AGE	LOCAL/ MIGRANT	EDUCATION*	OCCUPATION	OCCUPATIONAL SECTOR	MARRIAGE**	INCOME LEVEL***	ASSET LEVEL****	RURAL/URBAN BACKGROUND	ONLY CHILD	HOUSING EXPERIENCE*****	AGE AT FIRST HOME OWNERSHIP	HOUSING VALUE PAID BY PARENTS(%)
15	F	36	m	M	Urban planner	state-owned enterprise	m	5	5	u	y	SR-M-R-R-R	35	0
	M	36	m	B	Urban planner	state-owned enterprise	-	-	-	u	-	(D-O-R-R-R)	35	0
16	M	42	m	MS	Business owner	tourism	rm	3	4	u	n	HL-R-R-O-R-R-O	30	0
<b>2-Rural immigrants</b>														
21	M	36	m	B	Business owner	design	m	4	5	r	n	R-O-O	26	10
	F	36	m	B	Business owner and housewife	design	m	-	-	r	n	(R-O-O)	26	0
22	M	35	lm	M	Artist	self-employed	m	1	4	r	y	R-R-R-OP-SO-R	26	70
	F	31	lm	B	Housewife		m	-	-	r	n	(R-SO-R)		
23	F	28	lm	M	Engineer	manufacturing	m	2	1	r	n	R-R-R	-	-
24	M	32	lm	B	Engineer	manufacturing	ms	1	2	r	n	SR-R-PRH	-	-
25	M	24	lm	MS	Taxi driver	taxi	m	1	4	r	n	PR-O	18	70
26	F	30	lm	MS	Beauty salon worker	service	m	2	1	r	n	D-D-SR-SR-SR-R-R	-	-
27	M	25	m	MS	Hairdresser or co-owner	service	m	2	1	r	n	D-O-P-D-D-R	-	-
28	M	24	m	MS	Hairdresser or co-owner	service	s	1	2	r	n	O-P-D-R-D-D-SR-SR-D-D-D	-	-

Notes: \*N=no formal education, MS=middle school and equivalent, HS=high school and equivalent, B=bachelor's degree and equivalent, M=master's degree and higher

\*\* m=married, d=divorced, rm=remarried, ms=married but separated, s=single.

\*\*\*Personal or couple (if married) annual income, Chinese Yuan, 1=below 50,000, 2=50,000-100,000, 3=100,000-500,000, 4=500,000-1,000,000, 5=above 1,000,000, n=no answer.

\*\*\*\*Personal or couple (if married) total assets, Chinese Yuan, 1=below 50,000, 2=50,000-100,000, 3=100,000-500,000, 4=500,000-1,000,000, 5=1,000,000-5,000,000, 6=above 5,000,000, n=no answer.

\*\*\*\*\* P=parents, O=owner, SO=shared owning with partner, OP=own together with parents; M=marriage home owned by partner, MP=owned by partner's parents, D=danwei housing/dormitory, R=rent, SR=shared rent, PR=rent by parents, PRH=public rental housing, HL=homeless.

TABLE APP.1.2 Information on research participants – parents

CASE N.	SEX	AGE	LOCAL OR MIGRANT	EDUCATION*	OCCUPATION	INCOME**	ASSET LEVEL***	RURAL OR URBAN BACKGROUND	ONLY CHILD	INTERGENERATIONAL TRANSFER IN CHILD'S HOME(%)	RELATIONSHIP WITH OTHER PARTICIPANTS
P1	F	58	l	HS	Retired as an administrative staff employee	2	5	u	y	Planned(<20%)	
P2	M	60	l	B	Retired as an engineer	2	5	u	y	Planned to lend	Wife of P1
P3	F	54	l	B	Housewife	-	6	u	y	Planned (100%)	
P4	F	61	l	HS	Retired as a sales employee	2	3	u	y	Planned (<10%)	
P5	M	61	l	HS	Retired as a worker	2	5	u	y	50%	Father of 01
P6	F	59	l	B	Anesthetist	2	5	u	y	33%	Mother of 03
P7	F	53	lm	MS	Manager	2	4	u	y	100%	
P8	F	55	lm	N	Waitress	1	2	r	n	<10%	
P9	F	49	lm	MS	Taxi driver	2	4	r	y	100%	

Notes: \*N=no formal education, MS=middle school and equivalent, HS=high school and equivalent, B=bachelor's degree and equivalent, M=master's degree and higher

\*\* Personal or couple (if married) annual income, Chinese Yuan, 1=below 50,000, 2=50,000~100,000, 3=100,000~500,000, 4=500,000~1,000,000, 5=above 1,000,000, n=no answer.

\*\*\*Personal or couple (if married) total assets, Chinese Yuan, 1=below 50,000, 2=50,000~100,000, 3=100,000~500,000, 4=500,000~1,000,000, 5=1,000,000~5,000,000, 6=above 5,000,000, n=no answer.

