

1 Introduction

§ 1.1 Introduction

This thesis studies housing opportunities in post-reform China for young Chinese adults (aged roughly from 25 to 40). The term 'housing opportunities' embraces the key factors affecting individuals' access to housing services and assets. These factors determine the extent to which one person can transform his or her efforts into better housing outcomes in a certain institutional setting. The aim is to identify these factors and understand their interrelations against the background of China's changing institutions and market reforms. In so doing, this thesis seeks to elucidate the interaction between various institutions and housing.

In 1978, China started the process of reform from a centrally planned economy toward a "market economy with Chinese characteristics" (Qiu, 2000). The reform of the housing system was part of this prolonged and complicated process. In the early phase of the broadly based reform, in the 1980s and 1990s, the housing reform was geared to letting non-state elements, including the resources of the individual work units and households, take part in housing provision and maintenance, thereby increasing and improving the stock (Chen & Gao, 1993). A housing market and real estate industry have gradually emerged since the 1990s, marked by the co-existence of a fully marketized 'commodity housing' and a partially subsidized 'reformed housing' sector. This dualist housing provision was called to an end in 1998. By then, the Asian financial crisis was threatening the export-oriented Chinese economy. In order to cope with the crisis, housing need was channeled into the 'commodity housing' market, and various policy changes were made to facilitate consumption by households in that sector. By 2003, the development of a housing and real estate market (with its long chain in production and consumption, from finance and construction to household appliances and services) became the 'pillar' of the Chinese economy, as the State Council put it.

The provision of non-commodity housing was marginalized after the reform. Thus, purchasing commodity housing and thereby becoming a home owner was the only option left for young Chinese people who wanted to live in an independent, stable and decent home (Lee, 2000; Zhu, 2000). Urban housing soon became more than just a commodity for Chinese families to buy and use as accommodation, however. It became

an asset, a form of investment capital, a safety net to offset future risks, and a symbol by which to identify oneself (Zhang, 2010). Situated in the discourse on post-reform changes in housing and other institutions, this PhD thesis examines the housing opportunities of young Chinese people and the interactions between housing markets and institutional changes.

This chapter now turns to the housing reform, briefly introducing it (section 1.2) and then discussing the concept of housing opportunity (section 1.3). That conceptual introduction is followed by a historical overview of the three institutions to be examined, namely the family (including gender), welfare, and housing. Section 1.4 illustrates their interlaced evolution in Western countries and section 1.5 presents a chronological overview of their development in China. Section 1.6 presents the approach and design of the research. Finally, section 1.7 briefly introduces each of the four empirical chapters.

§ 1.2 Housing market reform: a tenure transition

China's gradual turn from a planned economy toward a market economy commenced in the late 1970s. The turn had a clear purpose: to boost economic vitality and improve the efficiency of resource allocation. The scope of reform was broad, affecting the administrative and welfare system, the purchase of certificates and deregulation of prices, property ownership, housing, and many other fields. These reforms often took a gradual and dualistic approach. In the housing domain, the reform started with changes in the price and quantity of the existing housing provision (i.e. welfare housing developed and allocated by work units). Later, it included changes in the institutional environment and governance, not only affecting housing but also other domains. The Constitution was revised to enable the transfer of land use rights, to support the private sector, to protect private property rights, and to compensate for land acquisition. Work units were transformed from a hybrid organization of production and administration into a pure production organization that had a market-like employment relationship with its workers. The tax and revenue system was reorganized into different jurisdictions between the state-owned enterprises and the government, as well as between different levels of government. Welfare housing, which was provided by work units for a nominal rent, was phased out. It was replaced by reformed housing (work unit housing that was sold at a discount to the work unit employees) and commodity housing – both in the home ownership sector.

The replacement of welfare rental housing by home ownership is a shift of 'housing tenure', or a tenure transition. Housing tenure refers to a set of legally defined and sanctioned rights and duties concerning owners and users of housing and touches upon the different ways that housing is financed, developed, managed, and allocated (Ruonavaara, 1993). As an institution, housing tenure concerns first and foremost the legitimate ways that people gain access to and possession of housing as a consumption good. It can be broadly divided into 'owner-occupation' and 'renting'. Residents have the right to use a dwelling either through ownership or through acquiring the right of occupation by renting from the owners. The distinguishing feature is the right of disposal: owner-occupiers have the right of disposal (whatever the restrictions are) and renters do not. Thus, owner-occupiers have exclusive security of tenure as long as they own the dwelling whereas tenants can be evicted by the landlords. But rental tenure can be subdivided into social rental and private rental; the former often involves protection of tenancy and subsidies for the renters.

Occupying a dwelling and having security of tenure are related to the financing of the dwelling. Home owners have to pay the cost of the home all at once when they take occupancy. And afterwards, the owner can lose or gain equity, depending on the market value of the property in the future. The high 'front-loading' costs of owner-occupation often require some financial assistance for the households, enabling them to attain owner-occupation. That assistance comes either from family resources or a mortgage loan. Tenants, in contrast, only pay as long as they occupy the dwelling. Instead of requiring a large lump sum payment at the beginning of the occupancy, renting spreads the costs over a longer period of time. Thus, renting is suitable for people who want access to housing without taking out a mortgage or receiving financial support from outside sources. On the other hand, tenants run the risk of losing access to the dwelling if they fail to pay the rent. Moreover, the amount they pay is subject to future fluctuations in the housing market.

The differences between home ownership and renting noted above correspond to the ideal type of each tenure. In practice, all kinds of distortions may occur: social home ownership, shared home ownership, cooperative housing, rent regulation, and anti-speculative measures, among others. In real life, various forms of housing tenure can be found in different countries and societies corresponding to historically specific institutional arrangements, such as the British council housing and the Swedish cooperative housing. To apprise the exact meaning of any particular form of housing tenure, we have to look at the legal rights and customary rights in the entitlement to use the dwelling for satisfying housing needs, as well as at the security of tenure. Given the background of the transition from a planned economy to a market economy, the rights and meanings of the different forms of housing tenure in China are understandably complex.

One source of complexity is housing tenure's connection with hukou – a system of household registration that gives the hukou holder access to welfare benefits such as a pension and public education. In socialist China, the tenants of welfare housing could register their hukou and get access to local welfare provisions. Moreover, the tenancy was inheritable. In comparison, owner-occupation was a less desirable tenure in the socialist period. If owner-occupiers were not affiliated with a particular work unit (the provider of welfare in socialist times) they were not entitled to its welfare services. And that was often the case because owner-occupiers tended to be self-employed. Owner-occupiers were also more vulnerable to relocation as a result of projects to regenerate the dilapidated urban cores. But during and after the reform, things turned around. Since reform policies promote home ownership rather than renting, the rights to register one's hukou are now given to home owners instead of to tenants. Furthermore, the responsibility for welfare provision has been transferred from the work unit to the municipality. Affiliation with a particular work unit is no longer relevant to one's eligibility for welfare provisions. It is the hukou registration in the municipality that matters. Thus, since the reform, owner-occupiers can connect their hukou to the address of the home and enroll their children in the public school, whereas tenants in the emerging private rental sector cannot do so. Civil rights pertaining to the property, such as representation in neighborhood affairs, are connected to the owners (whether owner-occupiers or landlords) rather than to the actual occupants (tenants, in case the owner is a landlord). Thus, tenants are discriminated against, compared to home owners, and treated as second-class citizens.

The meaning of housing tenure is also related to informal institutions such as norms regarding gender and the family. In post-reform China, ownership of a dwelling is embedded in traditional patrilineal marriage customs, in which the husband and his family are expected to cover the housing costs and be the owner of family home. This tradition was denounced and greatly diminished in the socialist period between the 1950s and 1970s in a thrust to promote gender equality. But it returned during the post-reform era with the retreat of the state from private life and housing provision. Better-off families with a male child sometimes bought a home to attract a future daughter-in-law, and some brides and their parents asked for an owner-occupied home as a basis for the marriage. Young men who did not own a home encountered discrimination in, for instance, matching making (Zheng, 2015). In accordance with this patrilineal tradition, most owner-occupied homes are registered as the property of the males (ACWF & NSB, 2010; Fincher, 2014). Home ownership was associated with masculinity: if a man failed to own a home he would be considered a loser (Zhang, 2010). Demarcation of ownership between husband and wife at the time of marriage or divorce has triggered much domestic conflict and unrest.

§ 1.3 Housing opportunity: why it is important?

In this research, ‘housing opportunity’ is defined as the chances of individuals to have better housing outcomes in certain institutional settings. The opportunities to transform personal effort (such as working hard and better educational attainment) into better housing conditions are not the same for each individual and are influenced by a number of variables. Depending on how housing provision and allocation processes are organized in a society, these variables could be demographic (age, gender, and family composition), socioeconomic (class origin, education, occupation, and income), or related to some institutional arrangement like work units and hukou in socialist China. In other words, the approach to housing opportunity takes an agency-based perspective. From that angle, this thesis investigates how the organization of housing provision and allocation, given a certain formal and informal institutional background, would restrain or stimulate the development of individuals and families. This inquiry into housing opportunity is grounded in an assumption that by understanding the situation and behavioral rationale of the agents, adjustments could be made in policy and institutions to optimize development and freedom for individuals.

The marketization of housing has reshaped the notion of housing opportunity. Before the reform, urban housing was allocated by a bureaucracy that decided which candidates were the most needy and deserving. Indicators of housing opportunity in this period included the size of the household but also the household head’s seniority on the waiting list, political significance, and rank. After the reform, according to Nee’s theory on the opportunity structure of the market transition (Nee, 1989; Song & Xie, 2014), opportunities to access housing are expected to be allocated by the market principle, i.e. according to the ability to pay. Thus, housing opportunity should go to people with higher economic capacity - those who have higher incomes or better educational qualifications and earning power – regardless of their attributes in other non-economic areas. Empirical studies to test this hypothesis, however, discovered persistent effects of the non-economic factors, such as one’s household registration status (hukou) and membership of the Chinese Communist Party (Pan, 2003; Sato, 2006; Li & Yi, 2007; Li, 2012; Huang & Li, 2014). In this thesis, the analysis is concentrated on how the market reform has affected housing opportunity for young people.

In recent decades, young adults who were looking forward to establishing an independent household have faced insurmountable challenges. As the physical base of daily activities and nexus of networks, a stable and affordable home gives the family and the social life of individuals a grounding. It also provides the foundation

on which young people can establish a sense of certainty, which in turn enables them to plan ahead and invest in their future. In early adulthood, a series of demographic transitions occur, such as leaving home, marriage, and childbirth (Arnett, 2000; Mulder, 2006). During these transitions, poor access to housing would delay young adults' development in other social and economic areas, such as family formation and reproduction, health and psychological well-being, career, and entrepreneurship (Clapham, 2002; Tomaszewski & Smith et al., 2016; Maclennan & Miao, 2017). It is because of a concern about their development that I decided to study the housing opportunity of young people in China.

§ 1.4 Housing and the wider society

Housing is deeply embedded in the social structure. Given the very pervasiveness of housing in terms of influence on life style, urban form, welfare, and patterns of household consumption, it is important to understand how housing is related to the functioning of the society. A more theoretically grounded field of housing studies is necessary to be able to unravel the complex relationship between housing and the wider social structure in which it embedded (Kemeny, 1992).

This section and the next present a brief historical account of how the family (including gender), state welfare, and housing have interacted with each other, have evolved, and operate in contemporary society. Section 1.4 discusses this evolution in developed Western societies while section 1.5 goes into more detail when discussing China. I will come back to the interconnectedness of welfare, housing, family, and gender in the Conclusion, where I will attempt to theorize my findings.

Western families are believed to be very different from families in the rest of the world, and to have been so for over a thousand years. This unique 'Western family' institution is part of what made the West the pioneer of industrialization (Goode, 1963). Though perhaps exaggerating, Goode asserts that "Western industrialization would have developed more slowly if those family systems had perhaps been patriarchal and polygynous, with a full development of arranged child marriage and a harem system" (Goode, 1963, p. 22). As early as the seventeenth century, families in Western societies were predominately nuclear; young people married late because the newlyweds were expected to establish a separate household, which required the accumulation of economic resources (Hareven, 1999, p. 7). In that period, families and kin were the main sources of social protection and welfare. The direct providers of welfare were the

female members of the family and clan; it was they who carried out care and other unpaid domestic work and who also occasionally worked outside for supplementary or alternative income.

Another driver of industrialization and the advance of Western countries was the rise of the nation-state, which eventually took over the functions of welfare and social protection previously performed by the family and kinship networks. The rise of nation-states 'privatized' families and transformed them into entities of consumption, child-centered units based on emotional bonding (Hareven, 1999, p. 24-26). To some extent, families surrendered their functions of production, welfare, education, and social control to the state and other public agencies and withdrew into the private sphere. It was also during the period of industrialization that many women left the family setting and joined the labor force. The relative absence of women from the domestic sphere, in return, left room for the state and market to take over some of the functions of the families. In the nineteenth and twentieth centuries, kindergartens, schools, and elderly care services were made available to ordinary people. The transition out of welfare provision in and through the family, out of welfare provision through intergenerational transfer and the kinship network, culminated in the post-war development of European 'welfare states'. Since then, a systematic pension and social protection service has been established in multiple countries. The development of the welfare state has made different generations in extended families more independent of each other. A dominant pattern in Northern and Western European welfare states is that the elders have their own income and lead their own lives independently of their children (Kohli, 1999; Attias-Donfut, Ogg & Wolff, 2005; Blome, Keck & Alber, 2009).

Since the commencement of industrialization, the young population has migrated to urban areas. Initially, these newcomers were housed in lodges and boarding families; later they settled down and established a separate household in rented and purchased dwellings. To house the rapidly increasing number of workers, factories and companies as well as philanthropic societies started to participate in the provision and financing of housing. These solutions often took the form of social rental properties owned by a variety of public entities such as housing associations (the Netherlands) and councils (UK). After the Second World War, corporative interest groups and the nation-states became even more active in the direct provision of housing to address the post-war housing shortages through new institutions and various degrees of subsidization. Social rental housing systems were established in Western Europe and Scandinavian countries (Harloe, 1995; Kemeny, 1995; van der Heijden, 2013). In countries where a liberal and individualistic ideology was more prevalent, like the USA, a home ownership society was established, dominated by the sprawl of detached houses in suburbia (Retsina & Belsky, 2005; Schwartz, 2012). The institutional traditions and new developments in each country, such as corporative groups, the labor movement, and

the construction of new financial organizations and rules, eventually guided Western countries into different directions. In this respect, it should be noted that, unlike other welfare services, housing was never completely decommodified. Even in countries with a large social rental sector, housing provision and consumption were mainly treated as market activities and were subject to principles of economic transaction (Torgersen, 1987; Harloe, 1995).

In the 1970s and 80s, culminating in the end of the cold war and the triumph of liberalism in the West, neoliberal ideology spread worldwide into many economic and social domains. Public expenditure was decreased and many public sectors were privatized. Subsidies on housing construction were gradually phased out. Instead, policies came to put greater emphasis on the role of the private sector, the effectiveness of government instruments, the effective demand of families, and the demand for subsidy based on means-testing (van der Heijden, 2013). In the meantime, home ownership was promoted through policy supporting tax relief and mortgage market development (Elsinga, De Decker, Teller, & Toussaint, 2007; Ronald, 2008; Ronald & Elsinga, 2012). Later, the faith in the power of home ownership developed into an 'ideology' whereby a home of one's own was presumed to promote an individualist ethos among working-class households and to hinder the growth of collective forms of social organization (Ronald, 2008). The idea of treating home ownership as a means of accumulating assets and sources of welfare also picked up momentum as these developed home ownership societies moved toward maturity and faced the problem of an aging population.

According to Sherraden's premise of 'asset-based welfare' (Sherraden, 1991; 2003), instead of relying on state-managed social transfers to counter the risks of poverty, individuals should be encouraged, and enabled, to accept greater responsibility for their own welfare needs by investing in financial products and property assets that would augment in value over time. In European welfare states, the pensions and other social benefits relied on the taxation of the working population, whose numbers kept declining relative to the number of pensioners. Those states looked upon the wealth stored in owner-occupation as a source of 'private assets' (Doling & Elsinga, 2013, 8). In the private sphere, individuals and institutions were also actively investing in housing properties, which proved to be a means of maintaining or even gaining wealth. Soon the debates about asset-based welfare had encompassed the discussion about the potential of using home ownership to address the welfare need of its owners, since the home was already an asset that was widely distributed throughout the populations (Regan & Paxton, 2001; Sherraden, 2003; Doling & Ronald, 2010; Ronald & Elsinga, 2012; Doling & Elsinga, 2013).

While investing in residential property yields considerable benefits for private households and institutions, using owner-occupation as grounds for welfare provision in public policy and channeling public funds into support for owner-occupation among low-income households is a problematic direction (Doling & Elsinga, 2013). The low-income households tend to occupy the lowest end of the housing market where they are the most vulnerable to price fluctuations. Thus, they are more likely than others to lose equity in an economic downturn. Home ownership is not risk-free, as demonstrated by the US subprime crisis, and its financial benefits are temporally and spatially contingent. In effect, the housing market tends to entrench existing wealth inequality (Hamnett, 1999).

At the turn of twenty-first century, as neoliberalist policies eroded support from the state and the public sector, it was hard for young adults to establish economic independence without support from the family. With declining opportunity and security in the labor market, the younger generation came to rely on intergenerational cash transfers. They also received more in-kind housing transfers from their parents by living in the parental home for a longer period of time (Cobb-Clark, 2008; Berrington, Stone & Falkingham, 2009). For young people whose aim was to establish an independent household, these constraints led to formidable affordability problems, and they could hardly do without family help to purchase a dwelling (Forrest & Murie, 1995; Heath & Calvert, 2013; Druta & Ronald, 2016; Manzo, Druta & Ronald, 2016; Heath, 2017).

This historical overview traces the thread that seems to tie the development of family, welfare, and housing to gender (Figure 1.1). This thesis explores how these dimensions are interlaced in the Chinese context.

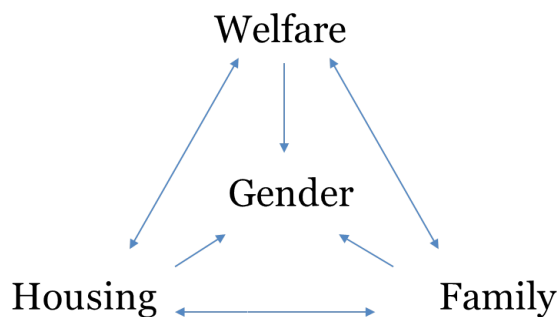


FIGURE 1.1 Conceptual framework of the thesis

§ 1.5 Family, welfare, and housing in twentieth-century China

§ 1.5.1 Chinese families

Chinese civilization has existed for more than two millennia with a cultural pattern that features certain forms of family life and obligations. Central to the culture is the ethic of filial piety, involving an absolute obligation for the younger members to respect and cater to the needs of the elders, particularly their parents (Whyte, 2003). A traditional Chinese household is often multi-generational in the patrilineal line, with parents, one or more married sons, and their wives and children living in the same household. And the grown-up daughters almost always move away at marriage. They go to live with their husbands' families, in patrilocal fashion, and become members of their husband's family, retaining only minimal ceremonial roles in their natal family. Traditional Chinese families were also very hierarchical, with the senior members holding higher authority over their juniors and males over females. The children's marriage was also accomplished by parental arrangement that gave priority to the parents' needs rather than that of the young couple.

By the late nineteenth century, domestic changes and foreign influences began to challenge some elements of that tradition, which by then was being attacked by young intellectuals as a source of China's backwardness. Moving into the twentieth century, the growth of industry and the emergence of other kinds of employment also provided Chinese youth with new opportunities to live and work apart from their families, giving fresh support to their individualistic inclinations. After the People's Republic of China was founded under Communist leadership in 1949, and particularly after the socialist transformation (1955-1957), with almost all educational institutions and employment under state control and with family property reduced to insignificance, parents no longer commanded the resources that their children depended upon to become adults (Whyte & Parish, 1984). The Marriage Law of 1950 bestowed on young people more freedom in marriage and advocated sexual equality. Women were also encouraged to join the labor force (Zheng, 2005).

The impact that market reform and economic development has had on family life since 1978 is complex. As control over cultural and private life was relaxed, some traditional customs were revived, particularly after the CCP recognized Confucian doctrine as a new source of political legitimacy (Whyte, 2003, 13). However, a number of other forces emerged to threaten the ethic of filial piety. In line with experience worldwide, economic

development in China tended to strengthen conjugal and individual orientations and weaken compliance with family obligations. The shift from state allocation to market allocation in distributing employment, housing, and other resources gave young people more options, whereby they became less dependent upon both their parents and the state in planning their lives (Davis & Harrell, 1993). But as the market reform deepened - echoing trends in the neoliberal West - the labor market became less secure and the wages did not keep up with rising costs in key sectors such as housing, young people found it hard to achieve independence without financial support from the families.

Things were much different in the countryside and for the families who were based there. The economic opportunities after reform gravitated to the cities and coastal areas. Much of the young labor force therefore left the countryside and migrated to the cities to find work. Their families, however, did not accompany them but stayed in the countryside because of the lower cost of living. Intergenerational mutual support was reinforced in financial terms. The family income increased, which improved the material conditions of the elderly and the children back home. But in terms of emotional support and practical help, migrating families could hardly meet these needs adequately (Wu & Penning et al., 2016). The reform and the mass labor migration it initiated left millions of unsupervised minors and unsupported elderly in the countryside (Xu & Xie, 2015).

§ 1.5.2 The organization of welfare

In China, as in all premodern societies, the family and kin were the main sources of welfare provision and protection from uncertainty before the twentieth century. Care for young children and the elderly is traditionally the responsibility of the female family members. More complicated forms of welfare, such as education and social protection, were provided by the clan and kin. In China, the customs of patrilocal residence and patrilineal inheritance played a particularly important role in securing the source of welfare provision. At the time of marriage, the bride left her natal family, moved to her husband's household, and became a member of the husband's family and kinship circle. The couple would co-reside with the husband's parents and the wife would fulfill her filial duty (obeying and caring for his parents) until the father passed away. At that point, the family property was divided evenly among the male siblings and the family was split into several households, which still retained close kinship ties. This process would be repeated in the next generation with the marriage of the grandson(s) and the in-coming of new care-givers (granddaughters-in-law). Protecting family property and supplying care resources are the main concerns of Chinese parents who ascribe to this principle, leading them to make deliberate decisions for their children's marriages.

Some civil groups were already trying to provide public welfare services before 1949, but it was not until the 1950s, with the organization of state and collective enterprises, that a formal and systematic welfare network was constructed. Through the nationalization of welfare services, the communist leadership wanted to induce young laborers and intellectuals to break the 'chains' tying them to their families so they could join the labor force. This break would facilitate primary accumulation from industry and lead them to withdraw their loyalty from the family and submit to the state (Zheng, 2005). Public kindergartens, schools, health care services, and nursing homes were established and made available and affordable (Whyte & Parish, 1984; Whyte, 1985). At the macro level, the redistribution between the cities and the countryside was a strong state strategy to boost industrialization. It resulted in a highly biased system of welfare provision, making urban residents better off than rural residents. A retirement and pension system was developed and quality schools and hospitals were provided in the cities; in the countryside, services were minimal or non-existent.

The Marriage Law of 1950 gave more freedom to young people regarding marriage and advocated sexual equality. However, it was not intended to undermine filial piety or to encourage individualism or the nuclear family. In fact, families were still seen as the primary source of care; the Marriage Law stipulated that children were responsible to support their aging parents (and vice versa, parents were obligated to provide for their young children). Gender equality increased during this period (Zheng, 2005). Public education and the job allocation process provided equal opportunity to men and women (Ikels, 1993). The state-run kindergartens and canteens also lightened women's domestic burden and enabled them to participate in the labor force.

Since the market reform, the structure underpinning stable employment in state and collective enterprises has gradually been dismantled. Many urban workers have been laid off. On the other hand, the workers have gained more freedom in the labor market, notably to move to another city or another workplace for better earnings. Subsidies on public education and health care have been decreased; instead, such services are provided by more marketized forms of delivery at increasing costs. Within the family, the birth restriction policy of 1979, which was tightened in 1982, had a great impact. It rapidly changed the structure of elder care. Previously, aging parents had several grown children who could share the responsibility of supporting them. Under the new policy, most aging parents would have only one child (or two in rural families), and that child's filial attention was to be shared by another set of parents (Whyte, 2003). Meanwhile, neither the state nor the newly emerged market sector were anywhere near being ready to provide institutional care services for the elderly (Ikels, 2006). Things were even worse for the elderly in the countryside, who had no pension and whose adult children had migrated to the cities.

§ 1.5.3 Housing provision and allocation

In the first half of the twentieth century, the majority of the properties were privately owned. In keeping with the patrilineal kinship system, accommodation was provided by the (male's) parents, often as a self-built extension of their home or on a nearby plot owned by the parents. The elders often retained the rights to occupy the family properties until death or disability (Whyte, 1980; Cohen, 1992). In rapidly growing urban areas such as Shanghai and Chongqing, real estate development for sale or rent to newcomers also became common.

During the socialist transformation (1955-1957), real estate, including land and housing, was nationalized or collectivized, as were many means of production. In rural areas, privately owned land, both agrarian and residential, was confiscated and became the collective property of the 'people's commune'. Families who were allocated to the same commune had to work together and earn 'work points' in exchange for subsistence resources, which were also distributed by the 'people's commune' (Whyte, 1980). In urban areas, a large share of the privately owned housing was nationalized and let to sitting tenants at low rent (Whyte & Parish, 1984). Before the reform, new housing construction was led by the public sector; ownership was in the hands of the municipality or work unit, which rented out the dwellings through a bureaucratic allocation process (Whyte & Parish, 1984; Wang, 1995). The public-owned housing, called welfare housing, was treated as part of the workers' remuneration in-kind. Thus, like welfare distribution in other fields, welfare housing could only be obtained by households who were working in powerful work units.

In the early phase of the housing reform, new housing was sold to urban residents as either 'reformed housing' (constructed by the municipality or work unit and sold with subsidy) or 'commodity housing' (constructed by real estate developers and sold at market price). After 1998, the provision of reformed housing was officially stopped. Commodity housing became the major tenure, while affordable rental housing, which is supposed to cater to the needs of ordinary households, kept declining. Particularly after the Asian Financial Crisis, preferential monetary policies and market de-regulation policies were relaxed to boost market demand. Starting in the 1990s, housing prices kept rising rapidly and became increasingly unaffordable for first-time buyers. It was almost impossible for young people to buy a home without seeking parental help for a down payment.

The provision of housing to immigrant workers is very different than the provision to local workers. In the early phase of the reform, the immigrants were excluded from the formal housing market. They had to live at the workplace or rent in the informal

sector. Later, in the 1990s, in an effort to promote housing consumption, they were encouraged to buy commodity housing and thereby gain the opportunity to register a local hukou, which would give them access to other local benefits. After 2003, this policy was terminated and a prohibition was placed on housing consumption by migrants in big cities, intended as an instrument to prevent speculation. Still, in townships and small to medium-sized cities, the immigrants from rural areas were encouraged to buy a home and transfer their hukou, thereby gaining real citizenship. In the process of reform, housing provision and consumption departed from the initial concern for welfare and eventually became an instrument for economic development.

In post-reform China, generally speaking, housing allocation is more inclusive than it was before the reform. Formal barriers preventing immigrants from renting or buying a home have been partially removed. Although the purchase prohibition is again in place in several big cities, as a tool to prevent speculation by non-residents, immigrants in small and medium-sized cities are free to buy a dwelling and even obtain a hukou afterwards. Although more inclusive, these housing markets are not necessarily more equal than what went before. While not hindered by institutional barriers such as hukou to settle down in a city, people are more likely to be held back by their economic resources. This is particularly true for young adults who come from humble families.

As home ownership becomes increasingly common for Chinese families, the issue of inheritance and the distinction between family members regarding who deserves assistance again emerged. Should the parents prepare a home for their adult children's marriage? Should the inheritance or inter vivos transfer of housing go only to the sons or rather to the sons and daughters? Should the adult children obey the parents' wishes when the parents offer their help to purchase a home, which would otherwise not be possible for the children? Should the adult children fulfill the traditional role of filial piety, which means the obligation to support the parents, even if the parents do not help in them purchase a home? In every period of Chinese history, the organization and social norms of family, welfare, and housing are somewhat interrelated, and probably in a different way than in Western developed societies. It is the aim of this thesis to update the knowledge about this linkage in the post-reform era.

§ 1.6 Research approach

§ 1.6.1 Background and knowledge gaps

In many ways, the Chinese housing reform has been very successful. It has improved the living conditions of many families and allowed them to possess equity valued at 930 thousand Chinese Yuan on average (€102,000 in 2011) (Gan et al., 2012). The picture is less rosy, however, if we zoom in on the situation of young people. They are in need of a stable, affordable, and decent home to form a new family and establish an independent life. The only way to achieve that goal under the housing tenure transition set in train by the reform is to buy commodity housing and enter into home ownership. The possibility for them to do so, however, seems to be declining to the point that they are becoming desperate, as the income/price ratio rose to more than 10 and even more than 20 in first-tier cities like Beijing and Shanghai. The housing challenges faced by young Chinese adults have not received enough scholarly attention. The majority of the studies focus on institutional changes in housing itself or on the housing experience of the whole urban or migrant population (Logan, Bian, & Bian, 1999; Duda & Li, 2008; Huang & Li, 2014; Yi & Huang, 2014). To fill that gap, the present research considers young people as a separate group, puts young adults with various backgrounds into the same research framework, and seeks to compare how their housing opportunities differ and why. After all, no matter what background they had, they are free to enter the urban housing markets of this or that Chinese city. The background they bring with them will play a role in their chances in the housing market they choose to enter.

In the meantime, family background and intergenerational transfer have become decisive factors in young people's housing opportunities. The practice of using parental resources in home purchase is increasingly common in both China (Feng, 2011; Cui, Geertman & Hooimeijer, 2016) and Western countries (see for example, Berrington, Stone & Falkingham, 2009; Forest & Murie, 1995; Matsudaira, 2016), but in China it seems to be more salient. Financial transfers from parents can help young prospective buyers overcome borrowing restrictions on mortgage loans. In that way, young people can buy a home earlier and 'waste' less money on rent. They can arrange more attractive terms from the lender or buy a more expensive home and thereby accumulate more wealth. For those families who do not have enough resources to establish an independent household, living with the parents is a possibility. This solution, however, is problematic for the 152 million young people who migrate to other cities in China (Census 2010). Alongside the increasing volume of literature

documenting the practice and impact of intergenerational transfer for home ownership (see for example Heath & Calvert, 2013; Druta & Ronald, 2016; Manzo & Druta et al., 2016; Heath, 2017), the number of studies undertaken to understand the rationale for and functioning of intergenerational transfer is inadequate, particularly in the context of post-reform China.

In short, the thesis attempts to fill two gaps:

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

§ 1.6.2 Research aims and questions

To fill the two above-mentioned gaps in our understanding of home ownership, this thesis aims to answer the following question:

What are the key factors determining young people's opportunity to access housing, and how do these factors relate to China's institutional changes during and after the market reform?

By presenting an investigation of Chinese young people's housing opportunity, this thesis aims to deepen the understanding of the interaction between changes in the formal institutions of housing and welfare and in the informal institutions of family and gender. This research question has been broken down into four sub-questions, which will be treated individually in chapters 2, 3, 4, and 5:

- 1 How has the provision of urban housing in China changed during and after the market reform 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 opportunity?
- 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 transfer¹ 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 intergenerational transfer on home ownership? and, against this backdrop, what are young women's possibilities for accumulating housing assets?

§ 1.6.3 Research approach: data and methods

The scope of this thesis calls for a comprehensive analysis. Therefore, the content of the underlying research covers a range of subjects: the institutional and policy changes in housing and other domains from 1949 to 2015; the changing determinants of home ownership at the national level (at which the owner-occupiers generally enjoy the best housing services and welfare in the current institutional setting); and qualitative studies of individual families in the city of Chongqing. Thus, this thesis is grounded in mixed research methods and various sources of data. Chapter 2 is mainly based on an analysis of policy documents, literature, and secondary data. Chapter 3 uses Chinese General Social Survey Data, a nationally representative source of data collected in 2010 (CGSS2010). CGSS2010 data is derived from multistage probability sampling and covers all provinces. For the purpose of this research, the analysis was performed on a sample of urban residents aged 18 to 35 years and not in full-time education. Excluding respondents that gave no effective information about housing tenure, 1500 cases were selected for the analysis presented in chapter 3. That analysis uses descriptive statistics and a logistic regression model.

Chapters 4 and 5 are based on qualitative data collected by the author in Chongqing during the winter of 2015. The selection of Chongqing as the place to conduct fieldwork for the qualitative part of the study was based on considerations of representativeness and convenience. As a second-tier city, many of its socioeconomic indicators rank in the top 10 or 20. It is one of many big cities with a large population of young people, yet it is not one of the cities with an extreme affordability problem, like Beijing and Shanghai. Some of its characteristics are shared by many other urban areas in China: a long history, rapid development in recent years, a relatively even balance of industrial

1 The term housing-asset intergenerational transfer" is originally used in journal articles (chapter 4). The behaviour it described is that parents use their financial asset to pay for children's home ownership, rather than parents directly transfer housing assets to children. To avoid ambiguity, the term "intergenerational transfer on home ownership" is used elsewhere.

sectors, and a large population of both locals and migrants. The data includes in-depth interviews with 22 young residents and nine parents. In keeping with the principle of maximum diversity, the participants were selected by a purposive sampling method targeting locals, urban immigrants, and rural immigrants. The recruitment started with personal contacts and continued through snowballing until information saturation was reached. Each interview was started with an information table and an interview guide. The conversation lasted from 45 to 75 minutes and was conducted either in Mandarin or the local dialect. The data was recorded, transcribed, and analyzed using Atlas.ti 7.0 software.

§ 1.7 Outline of the thesis

Chapter 2 gives a policy-oriented and an exploratory analysis of the changes in housing and relevant institutional domains – particularly the *hukou* and work unit - from 1949 to 2015 (addressing research question 1), upon which the empirical analyses in chapters 3, 4, and 5 are based.

- Chapter 2: Redistribution, Growth, and Inclusion: The Development of the Urban Housing System in P. R. China, 1949-2015 (*Current Urban Studies*, 2017, 5(4), 423-443)

By reviewing the policy changes, this chapter argues that the development of the Chinese housing system has shifted from socialist redistribution to the stimulation of growth in the process of market economy reform and has been shifting toward social inclusionary growth since the 2010s. A review of these policies' impact on housing inequality suggests that the improving inclusion in housing in the context of a highly commercialized market does not translate into more equality in housing opportunities. Assessing the latest trends in policy-making and market dynamics, this chapter raises concerns about the emergence of a new source of housing inequality: the unequal distribution of family wealth.

Chapter 3 presents a quantitative analysis of the changing determinants of young people's home ownership, signaling better opportunities to access stable accommodation and housing assets (addressing research question 2).

- Chapter 3: The Changing Determinants of Home Ownership among Young People in Urban China
(International Journal of Housing Policy, 2016, 16(2), pp. 201-222)

This chapter constructs a framework of 'housing opportunities' to investigate the importance of 'redistributive power' - as couched in political, organizational, and territorial affiliations - and market ability in determining young people's opportunity to access to home ownership. Statistical modeling shows that despite decades of housing reform, a stronger market position does not give young Chinese adults better chances to live as independent home owners. Rather, the analysis presented in this chapter demonstrates a persistent relevance of parents' position in the pre-reform welfare system.

Chapters 4 and 5 analyze the role of intergenerational transfer in determining young adults' opportunity to access home ownership. Chapter 4 focuses on the motivation for intergenerational transfer: the expectation of reciprocity (addressing research question 3).

- Chapter 4: Reciprocity in Intergenerational Transfer of Housing Assets²:
A case study in Chongqing, China
(submitted to Housing, Theory and Society)

Chapter 4 focuses on the motivation to engage in intergenerational transfer for home ownership. The analysis reveals how the expectation of reciprocity affects the decisions by young adults and their parents on whether to engage in intergenerational transfer or not. The results show that the transfer is perceived as an exchange of financial support in the present for generalized support in the future. The results also show how the parents' position in the pre-reform welfare system affects the transfer. Notably, families with a rural migration background - who tend to have less access to the public welfare system due to China's dual hukou system - are the most eager to invest in the transfer and also expect the most reciprocity.

- Chapter 5: Why Women Own Less Housing Assets in China? The Role of Intergenerational Transfers
(Accepted by Journal of Housing and Built Environment)

Chapter 5 is focused on the gender discrepancy in intergenerational transfer on home ownership. It argues that with the retreat of state support from areas affecting young people's life chances and senior citizens' care, a traditional patrilineal family model has been revived. That is, the males' parents assume the responsibility to provide a home for the newlyweds in exchange for filial service from their children, particularly from the daughters-in-law. Under this kinship system, women receive less intergenerational transfer than men, which, in conjunction with their disadvantages in other fields, explains why they have less housing assets.

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