

Housing for livability

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1 Introduction

The worldwide massive migration to the cities leads to new social, environmental and infrastructural problems. Creative and innovative solutions need to be found to keep cities livable. This paper is part of a bigger international comparative project on livable cities. The project consists of three parts that focus on different aspects of livability: the green city, the safe city, and affordable housing for immigrants, elderly and poor.

This paper is one of the building blocks of part 3. In our paper we focus on the social dimension of livability and in particular on housing issues including housing for migrants, housing for elderly people (often with a need for care), social housing for low income groups. In particular, in rapidly expanding cities the problems of these groups are very challenging for policy makers. The overarching project concerns different cities all over the world, but in this paper we focus on city-issues in China and in the Netherlands. Despite huge differences between these countries both in surface area, size of the cities, number of inhabitants and political systems, there are remarkable parallels that emerge in the issues on housing for immigrants, poor and elderly. In both countries the question ‘how to organize and finance affordable housing for these groups in a way that is sustainable for the future, is a very topical issue. In this paper we discuss institutional barriers and institutional reforms in both countries. Some of the developments and reforms that we describe are still in a preliminary stage. But nevertheless we can give an impression of the chances and risks of the institutional choices that are made in both countries.

The following questions have been leading in writing this paper: firstly, what kind of challenges (problems) do both countries meet regarding to affordable housing for elderly, migrants and low income inhabitants and why do they arise? Secondly, what are the institutional obstacles to meet these challenges? In other words: are the financial and regulatory systems in both countries able to meet these challenges in a satisfying way? Thirdly, what kind of institutional reforms are carried out or what kind of bottom-up initiatives are arising from civil society? What is the role of government, civil society and private enterprises in the transformation process?

The data in this paper are partly based on data from different empirical researches in China and the Netherlands executed by two of the authors¹. These data are complemented with statistics from official databanks (like the ‘CBS-statistics Netherlands’, <https://www.cbs.nl/en-gb>) and with the analysis of recent policy documents. We don’t describe in detail the central government policy, but focus on the changing relationships between local government, citizens and enterprises or non-profit organizations in urban housing for elderly, immigrants and low-income groups. In section 2 we dig a bit deeper into the concept of livability and in section 3 we give a short impression of the development of urbanization that makes the city a relevant level of analysis in both countries. In section 4 and 5 we describe the recent developments on housing for immigrants, elderly and poor in China and in The Netherlands. What is the social problem that should be solved, which institutional barriers do both countries meet and which institutional reforms are supposed or implemented. In section 5 finally, we summarize our findings and draw some conclusions.

2 The concept of livability

There is not one singular definition of the term ‘livable city’.² Work, leisure, recreation, health care, affordable housing in a safe and green environment are in our view very important aspects of ‘livability’. We distinguish the concept of ‘livability’ from other concepts concerning the city that are very popular in city research, like sustainable cities, smart cities, eco-cities, knowledge cities, resilient cities etc. (see De Jong et al, 2015). By using the concept ‘livable cities’ we create the possibility to concentrate on social problems and topics here and now, instead of focusing on a certain technique or way of organizing (‘eco’, ‘smart’, ‘resilient’) or future (‘sustainable’). By using the concept of ‘livable city’ we also create the possibility to focus on the ‘quality of life’ instead of ‘standard of living’ as many other, often more economically oriented, city concepts do.

¹ See for example:

- Cor van Montfort: WRR, *Op maat voor later* (2014); WRR, *Wonen, zorg en pensioenen* (2012); Tilburg University, *Van meedeinen naar koers zetten* (2014).
- Sun (2015), Sun and Liu (2014, 2016)

² Look for example at the different rankings that are made every year for the ‘most livable city’ in the world, in Europe or in the U.S. (see: <http://www.livablecities.org/blog/value-rankings-and-meaning-livability>).

As mentioned above, ‘the safe city’ and ‘the green city’ are themes of the other two work packages in the overarching project. In this paper we focus on ‘affordable and accessible housing’ as elements of livability.

3 The growth of the cities in China and The Netherlands

3.1 China

By the end of 2014, the total population of China reached 1.37 billion, of which approximately 749.16 million (54.77 percent of the whole) lived in cities and towns compared to 57.65 million (only 10.64 percent) at the founding of People’s Republic of China in the year 1949 (NBS, 2015). China has been undergoing rapid urbanization, since the adoption of reform and open-up policy in 1978. Every year over 10 million rural residents migrated to cities where they try to find work and welfare (NBS, 2016a). In 2011, it is the first time that urban population exceeded the rural population in China, and in 2016 nearly 771.16 million people lived in cities (NBS, 2016a). Such a large increase of urban population brings an enormous demand for urban affordable housing. Moreover, due to more job opportunities, big cities like Beijing, Shanghai, Guangzhou and Shenzhen become the main centralization areas for migrant people. The NHFPC data (2013) show that there more than 87 percent of migrant population is floating to six main economic developed provinces, and in some cities, the number of migrant inhabitants equals or even higher than the number of native inhabitants. For example, in 2014, there lived 9.95 million migrant people in Shanghai, which accounted for 41 percent of total regular resident population.³ Therefore, whether local authorities should offer the same right of housing welfare to migrant people became a dilemma. On one hand, it is a fundamental need for migrant people, which may result in a serious social issue if this need is not satisfied sufficiently. But on the other hand, a huge demand for affordable housing will bring a heavy financial burden to local authorities and also affect the interests of native people. Last but not least, after years of urbanization, the characteristics of migrant people have changed. According to the report on China’s migrant population development (NHFPC, 2015), comparing to the early stage when migrant people normally were single, low education and staying in cities temporarily, nowadays nearly 60 percent of the people migrates to cities with their family. The average year of living in the same city is nowadays

³ http://finance.ifeng.com/a/20150411/13624961_0.shtml in Chinese.

over 3 years, which leading to an increasing demand for growing desire for long-term residence. These characteristics of the new generation of migrants will lead to new needs for a more livable and stable housing.

3.2 The Netherlands

In 2016, to be exactly on march 21th, the size of the population of the Netherlands passed the number of 17 million (CBS, Dutch Central Bureau of Statistics, website⁴). In 2001 this number was 16 million. The growth of the number of inhabitants took primarily place in cities and regions that were already densely populated. Three out of four biggest cities in The Netherlands (Amsterdam, The Hague and Utrecht) belonged to the areas with the fastest growing number of inhabitants. Amsterdam grew in that period with more than 100.000 inhabitants (in December 2015: 821.702, region Amsterdam: 2.3 million⁵). In the context of the scale of the Netherlands' a remarkable growth, the population of Rotterdam, the second city of the Netherlands (in 2016: 629.902⁶, Rijnmond region: 1.2 million⁷), also grew, but a bit slower. In recent years the policy of the Dutch government was aimed at concentrating the building of new houses in available areas near to existing city centers. These new districts (The so called VINEX-districts) primarily emerged within the borders of existing cities or in smaller towns nearby the existing city-centers (like Rijnmond, the region in which Rotterdam is located). In this kind of districts the number of inhabitants did grow the most.

In these densely populated areas livability has become a major topic. Social diversity increased and differences in standards and ways of living created on the one hand a vibrant atmosphere. But on the other hand, especially in areas where low educated people, long -term unemployment, poverty and differences in cultural and ethnical backgrounds come together livability comes under pressure. At the moment the intergenerational reproduction of social exclusion (mainly as a result of poverty and low education) and the social tensions resulting from ethnical and religious differences are among the most alarming developments that tend to contribute to an increasing segregation within the city population (see SCP, 2015).

⁴ <https://www.cbs.nl/nl-nl/nieuws/2016/12/nederland-telt-17-miljoen-inwoners>. To give an impression of the difference in scale between The Netherlands and China: The municipality of Shanghai had in 2015 a population of 24 million (source: Wikipedia).

⁵ <http://www.iamsterdam.com/nl/uit-in-amsterdam/ontdek-amsterdam/feiten-en-cijfers>

⁶ <https://rotterdam.buurtmonitor.nl/news/Bevolkingsgroei-Rotterdam-houdt-aan/46>

⁷ <http://www.msronline.nl/indicatoren/8000/8016>

4 Developments on housing for immigrants, elderly and poor

4.1 China

4.1.1 Housing for migrant workers

The number of migrant workers has reached 277 million in 2015 (NBS, 2016b), and they generally chose to migrate to fast developing cities such as Beijing, Shanghai, Guangzhou, and Shenzhen. The issue of how to accommodate migrant workers in Chinese cities has drawn attention not only from politicians, scholars, and journalists, but also from the general public. While on the one hand, social housing is not available to migrant workers because of China's unique hukou system, or household registration, they do not share equally in its benefits in the way that "ordinary" urban workers do (Sun and Liu, 2014, 2016). Migrant workers' hukou status remains that of agricultural hukou, even while they work and live in cities for years. Registered under the agricultural hukou, migrant workers are excluded from urban social welfare systems such as social housing. On the other hand, as a low-income group, migrant workers cannot afford to purchase formal housing in cities. In 2015, the average monthly wage of migrant workers in cities was about 474 US Dollars, and a large percentage of their wages was remitted to families in the sending villages. The average monthly cost of rent meanwhile, in for example Xiaojiahe, a well know urban village in Beijing, was 100 US Dollar, while, in a nearby formal housing neighborhood, the rent was at least triple that amount, upwards of 300 US Dollars. In this context, it becomes clear that housing in urban villages is regarded as an optimal option by migrant workers mainly due to its affordability (Sun, 2015).

Housing in urban villages is normally built on villagers' residential plot, which refers to land used for building housing and other amenities relating to living, which is allocated for free to the members of the collective in order to guarantee the needs of local villagers. The villagers' residential plot was a welfare guarantee and therefore cannot be used by outsiders or otherwise used for investment, and the law stipulates that any kind of circulation such as leasing or selling is not permitted. However, with the rapid urbanization, and urban villages' desirable location, the asset accretion potential of residential plot land and its housing gradually became obvious. Thus, the renting or selling of housing on villagers' residential plots, as a new economic resource, was transacted in private.

A major contributing factor to the low housing price in urban villages is the low cost of its informal development. For formal housing developments, rural collectively owned land (e.g., villagers' residential plots) should be transformed to state owned urban construction land through expropriation, after which the government conveys the construction land-use rights to real estate developers. Housing in urban villages on the other hand is built spontaneously by local villagers on their rural collectively owned lands. They do not pay the land-use right granting fees, which a developer must pay to the government, nor do they pay any of the taxes and marketing expense, which must be paid by developers based on legal regulations. As a result, the cost of housing in urban villages can be as low as one third of that of formal housing.

Unlike other forms of informal development in developing countries, utilities, infrastructure and services in urban villages are generally good, and meet the basic demands of migrant workers for electricity, water, sanitation, hygiene-related issues, as well as convenient access to public transport. While urban villages generally boast all necessary facilities such as shops, medical clinics, restaurants, hostels, and schools. However, compared to formal housing developments, the conditions in urban villages are poorer, as for example multi-floors buildings will lack elevators and due to the high population density in the neighborhood.

Due to its informality and location, urban villages are increasingly targeted for redevelopment in major Chinese cities. With the gradual disappearance of urban villages, finding shelter in cities is becoming increasingly challenging for migrant workers. Therefore, One of the most recent developments in this field is that the local authorities in cities have the right to allow non-registered residents and employees such as migrant workers who just start to work to apply for public rental housing (MOHURD, 2012). And as one of the largest migrant population province, Shanghai became a pioneer in this policy. In 2010, Shanghai municipal government issued 'The Implementation Opinions on This Municipality's Developing Low-rent Public Housing', in which is the first time to allow migrant workers to apply for public housing and further expands the coverage of the housing support policy. However, the conditions of application are still very strict. To qualify for it, migrant workers must hold a Shanghai residency card at least two years and have paid taxes uninterruptedly more than one year. It is still difficult for most migrant workers with unstable jobs to benefit from the policy. According to Stats-SH's survey, at the end of 2012, only 4.5 percent of migrant workers in Shanghai live in Low-rent Public Housing (Stats-SH, 2013).

To conclude, after more than 30 years of reform and opening-up, significant progress has been made in economic and social development. Meanwhile, it is important to note that migrant workers have made tremendous contribution for it. However, due to unique hukou system, which was introduced under the planned economy system, as a serious institutional barrier, most of the migrant workers still can't obtain equal access to social welfare, particular in the housing system. Fortunately, given the needs of economic development, attracting talents and promoting social equity, nowadays some efforts in public housing have been made autonomously by local authorities. Those efforts are bottom-up, and lack the support of the national policy. They can be easily stopped because of the financial situation of the city and they can also cause new regional inequalities that sometimes are experienced as unfair by people.

4.1.2 Housing for the elderly

The number of people aged 60 and over had reached 10 percent of the total Chinese population in 2000, making China an ageing society according to the international standard. However, the population in some Chinese cities such as Beijing and Shanghai has aged more rapidly than those in other regions of the country. By 1990, people aged 60 years or over already made up 10 percent of the population in Beijing, transforming the capital city to an “ageing” city 10 years ahead of the nation as a whole. Shanghai has the largest ratio of elderly of all Chinese cities, reaching an estimated 30 percent of the population by the end of 2015. With the increasing number of elderly in cities, this issue has drawn significant attention from the public. There has been an ongoing debate over who will care for the elderly, the individual family or the state? (Liu and Sun, 2014)

Bearing and rearing a son for one's old age (*yangerfanglao*) is a socially accepted practice in China, rooted in the Confucian culture. Traditionally, the elderly live with their son and daughter-in-law, who are primarily responsible for providing care for their ageing parents. However, due to drastic changes in family structures, family based elderly care can no longer keep up in the ‘ageing cities’ as many unprecedented family types emerge, for example, ‘solitary old people’ (*dujulaoren*) live alone in ‘empty-nest’ homes (*kongcaojiating*), as their adult children have left migrated to other cities. Additionally, the One-Child-Policy, introduced in 1979, has led to a ‘4-2-1 family’ model: one adult child needs to take care of two parents and four grandparents. As a consequence, if the sole child should die, six elderly are left without a carer. However, as the family based elderly care model falls short, the

government has not done enough to take on the responsibility for elderly care, especially for those losing the ability to perform activities of daily living. Therefore, the authors assert that the government should take more responsibility for elderly care, and a transition should be made from informal family based care to state provided formal care.

Nationwide, there were an estimated 41,800 public old age care institutes by the end of 2012, with the total number of beds numbering 3.65 million. This is enough for only 2 % of the old age population in China, well below the level in OECD countries (5–7 %). According to the Ministry of Civil Affairs (MOC), more than 2.1 million of the elderly population had been cared in these old age care institutes by 2009. Additionally, the MOC found that besides the limited capacity of these old age care institutes in terms of total number of beds, they had limited resources at their disposal and generally lacked facilities. For example, less than 60 % of the old age care institutes were found to be equipped with clinical treatment rooms and 22.3 % of these institutes had no separate medical rooms. Similarly, resources for training the professional staff are lacking and inadequate in light of the significant and growing demand for special care for the disabled elderly in China. Of all the nursing staff, only 30 % have ever received the specific professional and systematic training need to be certified for long-term care. Again, the rural regions in western China are those worst affected, by far, with very limited medical personnel resources with which to address the problem of long-term care. In these western regions, more than 60 % of the old age care institutes had no professional nursing staff, and more than 50 % of institutes had no doctors.

On July 1st 2013, the Chinese government has introduced ‘Regulations for the setting up of old age care institutes’ and ‘Measures for the Administration of Elderly Care Institutions’. The regulations were intended to standard the process and conditions of application, which stated any organizations which want to be an elderly care institutions must have their own names, location, and over ten beds with professional staff, and encourage private partners to set up elderly care institutions. The latter further stipulated service content, internal governance and legal liability of elderly care institutions, and also included some supportive policies. Since those are recent practices, there is little research and related data on this. Based on the few existing cases, it would seem that the common practice is for the state to offer preferential policies to private partners involved with projects concerning old age care institutes, such as cheap land acquisitions or tax reductions (Jia, 2013). In particular, the government can renovate abandoned buildings such as old schools and factories into suitable location of old

age care institutes. The government also encourages the enterprises to conduct cooperation in various forms: ‘State-invest and Civilian-run’, ‘Civilian-run and State-subsidized’, ‘Purchase of services by the state’ and ‘interest subsidies’

4.1.3 Social Housing

Housing policy in urban China has gone through three phases: 1. Welfare-oriented phrase, before 1998, housing was provided for the wellbeing of urban residents who could live in low-rent public housing which was distributed by the work unit (*danwei*); 2. Privatization phase, after 1998, the public housing system was discontinued, and urban residents had to purchase a house in the open market. 3. Social housing pledge phase, in 2010 social housing for the urban poor had been reintroduced, in order to address the high and rising prices of the private housing in urban China. It saw the introduction of “the Circular on Speeding up the Social Rental Housing” by the Ministries of Housing and Urban-Rural Development, Finance, Land and Resources, the National Development and Reform Commission, People’s Bank of China, State Administration of Taxation, and China Banking Regulatory Commission. In 2011, Premier Wen Jiabao pledged that over the next 4 years 36 million affordable-housing units would be constructed for urban Chinese with low incomes. Of these housing units, social housing flats make up the bulk of construction projects (Zang, 2012).

Due to the state’s limited financial capacity, private investment in these housing programmes is encouraged. For example, in 2012 the government invested 412.9 billion yuan (US\$67.4 billion) in affordable housing programmes, while another 466.8 billion yuan (US\$76.2 billion) is invested by other financial sources such as private investment. In order to ensure the sufficiency of funding for affordable-housing construction, in recent years this public private mix has become an optimal model.

PPPs in social housing projects generally consist of several private partners’ operating under the supervision of the Chinese government. Besides these private companies and the government, other key players in social housing development are banks and the low-income residents. Firstly, tax reduction is one of the main governmental tools which with to promote private companies’ engagement in social housing. For example, land use tax is frequently waived during the construction period, while similarly the business tax is waived during the operation stage. Secondly, banks provide credit to the private partners who pay for the construction. Thirdly, the private partners rent the housing to low income groups and receive

rent from the residents, at 80 percent of the market-renting price. Fourthly, the government subsidizes low-income groups living in the social rental housings by means of direct cash transfers, which varies depending on the level of residents' income (Zheng et al., 2012). According to the "Circular on Social Rental Housing in Beijing", introduced in 2012, there are six levels of subsidy, which accounts for 95%, 90%, 70%, 50%, 25%, and 10% of the rent, respectively.

As the social housing is only just emerging in China, and subsequently private sector involvement in these projects is also novel, there are a number of concerns regarding public values and private values of different actors: Firstly, private partners might be put off by the fact that social housing presents a long term return project with a huge initial investment in the construction period; Secondly, the fact that operating rights can only be transferred to the government after around 20 years presents a risk to the private partners, as the project may not be implemented as planned due to changes in government administrations during the various terms of office during this time; Thirdly, a percentage of social housing residents can be expected to be in arrears on their rent, and whatever difficulties that this entails, as according to a survey by the National Audit Office between 2007 and 2009 the total amount of arrears in rent added up to 2.38 million yuan (US\$390,000) across 12 cities including Tianjin, Shenyang, and Chongqing.

According to a recently (2015) published policy document 'the Notice on Adopting the PPP Mode to Promote the Investment, Construction and Operation Management of Public Rental Housing', public rental housing should be constructed by private enterprises, rent by residents, planning and subsidized by the government, and operated by social organizations.' A relevant development here is the so called 'Tie-in Construction policy': on newly-granted land for construction projects of developing and building commodity residential houses, it is imperative to arrange a Public Rental Housing construction in a certain proportion of the total area of the residential housing Construction. The proportion varied from 5% to 18% in different cities. Due to the tie-in construction policy, enterprises have to build public rental housing together with commodity housing. But they also can choose to pay to local authorities for the Public Rental Housing Construction.

4.2 The Netherlands

4.2.1 Housing for Immigrants

A long tradition of providing shelter for immigrants, refugees, people from former colonies, and labor migrants has turned The Netherlands into the multicultural society it is today (see table 1). Especially the big cities are a melting pot of different cultures and life styles. This offers both chances as threats for livability.

Table 1, Number of nationalities living in The Netherlands and in the four big cities⁸

	Number of nationalities
The Netherlands (2015)	200
Amsterdam (2013)	178
Rotterdam (2011)	166
The Hague (2011)	160
Utrecht	No data

One of the major topics in the past years in Dutch politics that concerns the livability in the cities is the issue of the refugees and asylum seekers (primarily from Syria and Eritrea). One of the key questions is how to give them shelter as soon as possible after arrival and affordable housing after they have been screened and have got a residence permit. Besides a lot of civil society initiatives to help the refugees to find their way in Dutch society, also from time to time tensions arise between worried and anxious native Dutch and the newcomers with different ethnical and religious backgrounds. These tensions however do more often

⁸ Sources:

The Netherlands:

<http://www.nu.nl/binnenland/4036992/nederland-telt-tweehonderd-nationaliteiten.html> (based on: CBS, multicultikaart)

Amsterdam:

<http://eenlandeensamenleving.nl/persbericht-amsterdam-viert-de-diversiteit-178-nationaliteiten-op-de-dam/>

Rotterdam:

<http://www.rotterdam.nl/COS/standaardtabelen/demografie/D05%20Bevolking%20Rotterdam%20naar%20land%20van%20nationaliteit,%20op%201-1-2000-2011.pdf>

The Hague:

<http://www.denhaag.nl/home/bewoners/to/Portret-van-een-Hagenaar-wonen-in-Den-Haag.htm>

arise in the rural areas where there are conflicts about the number of refugees that should be housed.

As a result of the war in Syria and other countries in the Middle East, the number of refugees who wanted to get asylum in The Netherlands rose. In 2015 43.093 people asked for asylum in The Netherlands (of which 43% from Syria and 15% from Eritrea). Almost 14.000 family members of people who already had a residence permit came to The Netherlands.⁹ In the early days the national and local governments were not very well prepared to the rapidly increasing number of people that came to The Netherlands in search for safety, shelter and a better future. At that moment different bottom up (civil society) initiatives started to offer shelter or provide food for the refugees. The people who hadn't a residence permit at that moment were sometimes helped by the churches who offered them shelter in an empty church, or by local governments who wanted to avoid people hanging around on the streets. This kind of help was strongly discouraged and sometimes even forbidden by the central state.¹⁰

During 2015 the asylum procedures got better organized and the state and the local authorities took back the initiative. By the end of 2015 the four biggest cities came to an agreement with the national government to take care for 7.781 refugees with a residence permit. In April 2016 the Dutch cities (not only the 'big' four) got 500 million euro from the national government to offer housing, Dutch language courses, health care and assistance in applying for a job to the refugees with a residence permit. The system includes an incentive: only if local authorities offer the refugees a house they can get the money for language courses and the other activities. The local authorities had claimed this extra budget because otherwise they had to cut on the regular social services for their inhabitants and this would have led to growing local social resistance against their refugee policy.

To conclude, this very short overview of the developments in 'housing for refugees' makes clear that national governments and local governments are tied together in tackling the refugee issue. None can do anything without agreement and help of the other. This is a classical example of what the German sociologist Fritz Scharpf in the seventies of the last

⁹ <http://www.vluchtelingenwerk.nl/feiten-cijfers/cijfers/bescherming-nederland>

¹⁰ See for example the mayor of the city of Weert who helped a Syrian family to hide from the central government that wants to send back the family back to their country of origin (Nu.nl, may 13th, 2016).

century called 'Politikverflechtung' ('the interweaving of politics'). The local governments are an autonomous layer of government and the central government is dependent on their willingness to receive refugees. On the other hand, local governments are dependent from the national government in a financial way. As said, local authorities are an autonomous administrative layer. Therefore the national government tries to create smart incentives structures. Both local and national governments are at their turn dependent on public opinion and the willingness of the people to accept the 'strangers', otherwise they will have a legitimacy problem in the long run. The local people only accept the help for refugees (like housing or social benefits) if it doesn't lead to cutback of the regular social services for the 'native' Dutch. This was the main reason to give the local government the above mentioned € 500 million. This case shows the interrelationship between different institutional and societal barriers: the interdependency of layers of administration, conflicts between law, values and emotions ('rule of law', 'humanity', 'fear and worry') and in the background imminent legitimacy problems. The financial incentive from central government is an important measure to make these tensions on a local level 'livable'.

4.2.2 Housing for the elderly

The ageing of the population (see table 2) is, as in China, a topic in The Netherlands. In 2012 there were four working people for every pensioner, in 2040 there will be only two working people for every pensioner.¹¹ The percentage of elderly (people older than 65 year) will grow from 16% in 2012 to 25% in 2030. This percentage is a bit lower for the big cities because they often are attractive places for young people to study or start their career. Elderly often live in the more quiet towns near these cities. The process of an ageing population rises questions about how to organize care and housing for elderly.

¹¹ <http://www.nationaalkompas.nl/bevolking/vergrijzing/huidig/>

Table 2: The Netherlands and four biggest cities in The Netherlands, (% , inhabitants > age of 65 year) ¹²

	2012	2030
The Netherlands	16%	25%
Amsterdam	11,3%	17,1%
Rotterdam	14,4%	18,8%
The Hague	13,3%	17,8%
Utrecht	10%	12,7%

The organization and the financing of the care for elderly have been radically changed the past ten years (see also Cor van Montfort and Li Sun, 2013). Elderly have to live in their own homes longer than before and will receive care at home for a longer time before they are allowed to go (‘indicated for’) a nursing home. Additionally, some responsibilities for elderly care are decentralized from the national government to the local authorities. Local authorities for example decide to what degree people have the right to get home care or subventions for domestic help or for devices that make life more comfortable (like a walking frame or a stairlift). Furthermore, the provisions for care and living are separated so that elderly can ‘live where they want’ and can buy ‘care at home’. This replaces the old system in which the financing of care and living facilities in residential and nursing homes where combined). In the long run most of the homes for residential care will probably disappear as a result of the policy change. Finally, part of the government policy is to give family, social networks and neighbors a more important role in taking (non medical) care for elderly. This policy change from a central state oriented system to a decentralized, personalized and civil society based system is of a very recent date (2014-2015) so it is not still not clear what the ultimate effects will be. But at the moment the public debate is dominated by two topics:

- (1) The increasing inequality between the provisions that cities offer their inhabitants. The original health care system was built on the principle of equality. The new system tries

¹² Source: <http://www.zorgatlas.nl/beinvloedende-factoren/demografie/groei-en-spreiding/prognose-65-plussers-per-gemeente#breadcrumb>

to find a balance between equal citizen rights (good and affordable health care), personalized approach (demand driven) and decentral (local) financing structure.

- (2) The increasing appeal on the social network (family, friends and neighbors) seem to exaggerate the degree in which (very) old people have such a network: family has passed away, children live far away and neighbors have their own family to take care for. And a lot of the numerous voluntary family care givers are already overloaded.

The new policy has led to a radical shift of responsibilities from national government to local government and from collective (supply driven) responsibilities to individual (demand driven) responsibilities and civil society initiatives (as the emergence of new collectivities of people who purchase their own health care facilities, see WRR, 2014). At this stage of development it is too early to draw final conclusions. Are the local government well equipped to fulfill their role, how much inequality between the financing of health care facilities is legitimate, how tenable are the presumptions behind the new policy (are ‘decentral’ and ‘individualistic’ really better than ‘central’ and collective’)?

4.2.3 Social housing

The tradition of social housing in The Netherlands started in Amsterdam as a private initiative. At the end of the 19th century some of the wealthy citizens in Amsterdam wanted to do something about the housing shortage and poor living conditions of workers’ families, and in doing so they created the first social housing corporation. In addition, the ‘spiritual uplifting of the workers’ (i.e. teaching workers how to live in a healthy and clean way) played a role in the good work done by the wealthy few at the time. The workers’ families could rent a small but well-maintained house at a reasonable price. This initiative in Amsterdam was followed by many comparable initiatives in other cities. Social housing corporations were formed and their members could rent a social house from their corporation. Over the years corporations started renting their houses to non-members as well. Then, in the midst of the 20th century, the state started to subsidize the social housing complexes via advance payments or guarantees. Nowadays social housing corporations can borrow money on the capital market with which they can build their houses. They can do so against an attractive interest rate because there is still a de-facto state guarantee that offers private banks some certainty about getting back their money if the housing corporations should get into financial trouble.

During the eighties of the 20th century the state housing corporations became again more autonomous from the state and it became possible for them to execute more diverse tasks. Their activities were no longer limited to building and renting of social houses, but now they could also contribute to a livable neighborhood, invest in commercial real estate, and in building houses not only for the poor but also for people with a higher income. A significant portion of corporations got into trouble because this type of complex hybrid organizations turned out very difficult to manage. Firstly, in practice a lot of traditional public managers were unable to manage this type of organization in an effective and efficient way. Secondly, there were cases of financial mismanagement or fraud. And thirdly, the governance structure in this sector was underdeveloped, and both internal and external supervision was poorly developed (Van Montfort & Sun, 2013).

From about 2013 till 2015 a major policy reform took place and the law in which the tasks and responsibilities of the housing corporations was defined changed radically. Two major changes that are relevant for this paper concern the role of the state and the level playing field:

- The role of the state (local and national governments) was strengthened: more rigorous supervision by a national oversight body and compulsory output agreements between local authorities and the local housing corporations.
- The level playing field of the housing corporations was narrowed: they are obligated to focus on their original target groups. Commercial activities or building houses for 'richer' people is still allowed in a limited way, but at their own risk.

With regard to the topic of this paper – livable cities – we can notice a paradox. On the one hand housing corporations are obliged by law to restrict their activities to offer affordable housing to the poor, but on the other hand society and local governments expect the housing corporations also to take their responsibility in housing a certain amount of asylum seekers, in contributing to a livable neighborhood (invest in parks or social safety) or in exploiting a nursing home. In other words very soon after the new law came into force pressure was put on the housing corporations to undertake activities that no other actor could, would and did want to undertake.

5 Conclusions and Discussions

5.1 Conclusion

There are remarkable similarities in the challenges that China and The Netherlands meet regarding to affordable housing for migrants, elderly and low-income inhabitants.

5.1.1 Migrants

Both in China and the Netherlands ‘newcomers’ (in China migrant workers and in The Netherlands refugees and asylum seekers) challenge the existing local housing policies. In both countries, local authorities began to be responsible for managing the migrant issue supported by preferential policies or financial incentives from national government in both countries. In China, national government granted more autonomy and authority to local governments, making it possible for local governments to offer non-registered resident public housing. But in fact, without any new financial allocations, the implementation of the policy all depends on political will and financial capacity of local government, that’s why until now only a few cities like Shanghai implemented it. And in the Netherlands, national government greatly stimulated local authorities to take responsibility for refugees by financial incentives, in other words that local authorities can’t get subsidies unless they offer refugees a house, which should make more cities more actively involved. Although China and the Netherlands have embarked on decentralization to address the migrant issue, the former just transferred responsibilities from national government to local authorities while the latter more focused on inter-government cooperation. Despite those efforts, both countries still face a common dilemma how to balance the interest between native residents and newcomers and reduce conflicts, which is essential to gain a community consensus to find comprehensive solutions.

5.1.2 Elderly

Concerning housing for elderly the same question have been seriously debated and rethought in both China and the Netherlands in recent years: who should be responsible for the provision of housing and home care for the elderly (state, civil society and/or private companies)? It seems that policies for the elderly in both countries are moving to opposite directions. In China, a transition from informal family based care to state provided formal care takes place. More old people will be encouraged to go to nursing homes instead of staying at their own home. In order to boost supply of nursing homes and care service,

Chinese government increased the financial investments substantial. The Chinese government also encouraged the private sector to involve in the old-age welfare services by offering preferential policies of tax and land. Unlike in China, in the Netherlands a transformation in the opposite way is taking place. According to the latest policy, elderly are required to live in their own homes longer than before and will receive care at home for a longer time before they are allowed to go a nursing home. And national government also transferred more responsibilities for elderly care to local authorities.

5.1.3 Urban Poor

At least, the social housing sector in both China and the Netherlands has been undergoing a radical restructuring during the last decade, although the underlying motives were very different in both countries. During recent years, social housing sector in both China and the Netherlands have been undergoing a radical restructuring. In China, social housing for the urban poor had been reintroduced in 2010, which is still in a very early stage. Therefore, the government's primary goal at present is to increase supply of social housing. On one hand, there are lots of direct investments by government to build social housing. On the other hand, private investment in social housing field is vigorously encouraged in PPPs or tie-in construction form. Compared to China, Dutch social housing system is very mature and mainly managed by social housing corporations. The restructuring focused on achieving good governance in the social housing sector. Because of inefficient management and financial fraud, the governance of social housing corporations was in question. On this occasion, Dutch government narrowed the level playing field of housing corporations and strengthened supervision.

Above all, housing for migrants, elderly and poor is a political and social issue in both China and The Netherlands. And in both countries local authorities are challenged to find solutions that are legitimate (have the support of the people) and payable both for society as for individual citizens. But in both countries there are obstacles to meet these challenges. These vary from institutional obstacles such as the Hukou system (China/migrants) or a suboptimal financing structure (The Netherlands/elderly), to cultural or behavioral obstacles such as the influence of the Confucian culture (China/elderly) or 'bad governance by directors' (The Netherlands/poor). In both countries institutional reforms take place, varying from stimulating private sector involvement (China/elderly and poor), financial support from the national governments and introducing financial incentives (China/elderly, The Netherlands migrants)

to more autonomy for local authorities (China/immigrants, The Netherlands/elderly). On the basis of these findings we can draw some conclusions about similarities and differences in institutional barriers, reforms and risks in both countries. Table 3 summarizes our findings.

Table 3: Summary of findings

	Social Topic	(Institutional) barriers	Institutional reform	Possible risks
Migrants				
China	housing of non-registered residents and employees	<ul style="list-style-type: none"> - Hukou system - Informal housing development - Harsh access condition 	<ul style="list-style-type: none"> - Transfer of responsibility and a degree of independence to a local level: the right to determine eligibility (devolution) - Operating a residency registration, offering migrants services such as affordable housing, healthcare, welfare¹³ 	<ul style="list-style-type: none"> - Financial burden to local government - New regional inequality
The Netherlands	housing of refugees and asylum seekers	<ul style="list-style-type: none"> - Zero sum game (conflicting interests) - Interdependency of local and national level ('Politikverflechtung') 	<ul style="list-style-type: none"> - Financial support and incentives 	<ul style="list-style-type: none"> - Legitimacy problems
Elderly				
China	A transition should be made from informal family based care to state provided formal care.	<ul style="list-style-type: none"> - The current law - Gross inadequate and structure disequilibrium - The Confucian culture 	<ul style="list-style-type: none"> - Increase national financial input - Preferential policies - Multi-stakeholder involvement: more state and private sector - The training of qualified professional nursing staff 	<ul style="list-style-type: none"> - Culture-clash issue: the stigma of the elderly's children - Financial burden: without long-term care insurance and the elderly can't afford formal care - Lack of effective supervision on private old-care institutions and quality of service

¹³ World Bank; Development Research Center of the State Council, the People's Republic of China. 2014. Urban China : Toward Efficient, Inclusive, and Sustainable Urbanization. Washington, DC: World Bank. © World Bank. <https://openknowledge.worldbank.org/handle/10986/18865> License: CC BY 3.0 IGO."

The Netherlands	<ul style="list-style-type: none"> - A transition should be made from 'state-regulated' care to decentralized and family based care. - Affordable housing and care for elderly in a financial sustainable system 	<ul style="list-style-type: none"> - Financing system which combines financing of housing + care - Centralistic - Collectivistic 	<ul style="list-style-type: none"> - Separation of financing housing and care - Decentralize - Individualistic ('demand driven') 	<ul style="list-style-type: none"> - Increasing inequality - Exaggerating the presence of a social network: risk of loneliness and helplessness
Urban Poor				
China	<ul style="list-style-type: none"> - Financial problems - Private investment: PPP mode in Public Rental Housing 	<ul style="list-style-type: none"> - Fragmented of social housing system - Lacking of legal framework e.g., law in PPP. 	<ul style="list-style-type: none"> - Preferential policies - Private sector involvement: PPPs and tie-in construction policy 	<ul style="list-style-type: none"> - Unstable policies - Financial fraud - Local officials' short-term plan
The Netherlands	Good governance in the social housing sector	<ul style="list-style-type: none"> - Financial mismanagement - Bad governance (integrity issues) 	<ul style="list-style-type: none"> - Focus on core business - Output agreements between local government and housing corporations - More supervision 	<ul style="list-style-type: none"> - Expectation gap between societal wishes and juridical possibilities

5.2 Discussions

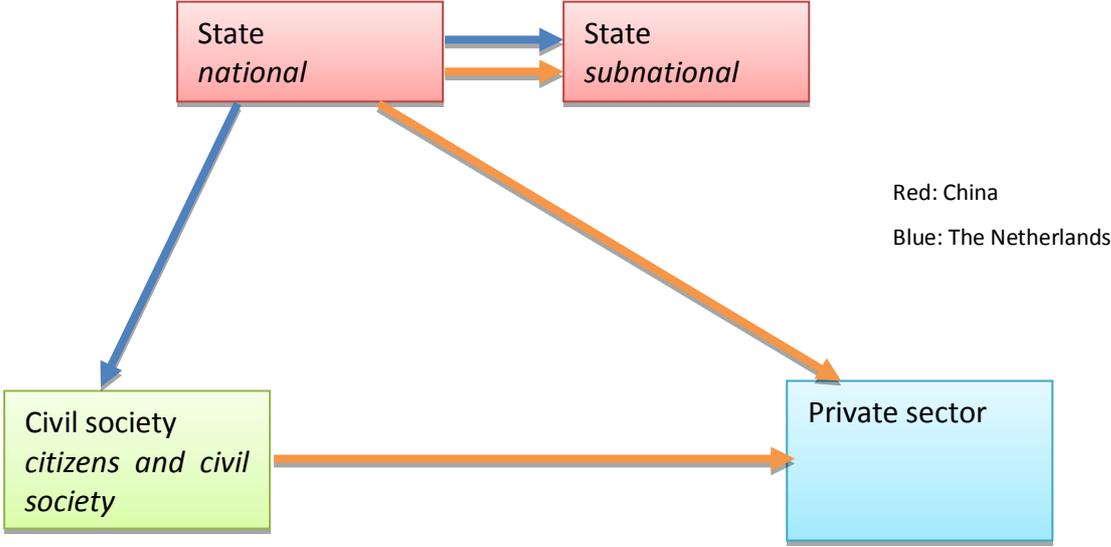
Based on our analysis above, there are two issues needed for further discussions, one is the role of the state, market, and civil society, and the other is the legitimacy and social citizenship.

5.2.1 State, market and civil society

What is the role of government, civil society and private enterprises in these transformation processes? In the public-public mix, being the mix of national and subnational responsibilities, we can notice an interdependency between the national and local level. Issues with poor, elderly and immigrants manifest themselves primarily at the local level but finding sustainable solutions is only possible with support of the national state, for example by creating a financial incentive or changing the law. In some cases local bottom up initiatives both from the local governments and from citizens arise to fill in temporarily the institutional gap between local needs and legal options ('migrants' in The Netherlands and China).

The public-private mix (Van Montfort & Sun, 2013) is changing. In China the private sector is getting more involved, while we can notice a shift from state to civil society in The Netherlands. In figure 1 we have visualized these developments between national and local level and between state, market and civil society

Figure 1: developments between national and local level and between state, market and civil society in China and in The Netherlands



5.2.2 Legitimacy and social citizenship

In the long run legitimacy could become a problem in both countries (1) because of increasing differences in local service delivery (‘migrants’ in China, ‘elderly care’ in The Netherlands), or (2) because of a feeling of native people of being subordinated by newcomers (‘migrants’ in The Netherlands), but also (3) because institutional arrangements don’t fit any longer the cultural values or historical developments in society in that specific sector (see particularly the ‘elderly sector’). To handle this dormant legitimacy problem may be the biggest challenge in both countries. Marshall (1950) proposed the concept of social citizenship and social right is one of main components. In order to ensure citizens’ equal social citizenship and rights to housing in cities, it is vital to take the legitimacy as a primary issue.

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