

Institutional reforms in urban housing in China and in The Netherlands

**Urban housing for elderly, migrants and low income groups
in China and The Netherlands"**

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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. Work, leisure, recreation, health care, affordable housing in a safe and green environment are in our view very important aspects of ‘livability’. In this 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.

In this paper we focus on city-issues in China and in the Netherlands. Despite huge differences between these countries, 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

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).

statistics from official databanks (like the ‘CBS-statistics Netherlands’, <https://www.cbs.nl/en-gb>) and with the analysis of recent policy documents.

2 The growth of the cities in China and The Netherlands

2.1. China

By the end of 2016, the total population of China reached 1.38 billion, of which approximately 792.98 million (57.35 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, 2017). 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 according to Several opinions of the State Council on further promoting the construction of new-type urbanization 2016 that the rate of urbanization should be at least 60 percent by 2020. 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.² 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, 2016), 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 size of which reached 2.61. The

² http://finance.ifeng.com/a/20150411/13624961_0.shtml in Chinese.

average year of living in the same city is nowadays over 4 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, such as children's education, medical service and so on.

2.2. The Netherlands

In 2016, the size of the population of the Netherlands passed the number of 17 million (CBS, Dutch Central Bureau of Statistics, website³). 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 million⁴). This was in the context of the scale of the Netherlands' a remarkable growth. The population of Rotterdam, the second city of the Netherlands (in 2016: 629.902⁵, Rijnmond region: 1.2 million⁶), also increased, 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).

³ <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).

⁴ <http://www.iamsterdam.com/nl/uit-in-amsterdam/ontdek-amsterdam/feiten-en-cijfers>

⁵ <https://rotterdam.buurtmonitor.nl/news/Bevolkingsgroei-Rotterdam-houdt-aan/46>

⁶ <http://www.msronline.nl/indicatoren/8000/8016>

3 Developments on housing for immigrants, elderly and poor

3.1. China

3.1.1. Housing for migrant workers

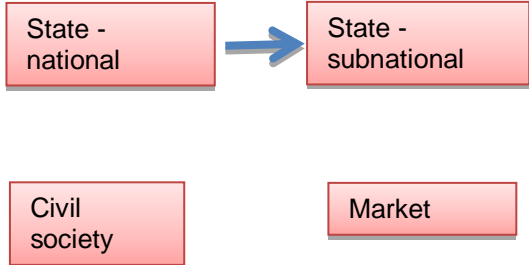
The number of migrant workers has reached 277 million in 2015 (NBS, 2016b), and they generally chose to migrate to fast developing cities such as Beijing, Shanghai, Guangzhou, and Shenzhen. The issue of how to accommodate migrant workers in Chinese cities has drawn attention not only from politicians, 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.

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). However it is worth noting that Shanghai already integrated several housing support policies and supplied 6000 new public apartments especially for non-registered residents (SJW-SH, 2017).

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.

Figure 1: China – housing for migrant workers



The developments in housing for migrants in China in terms of shifting relationships between public and private are summarized in figure 1.

3.1.2. 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

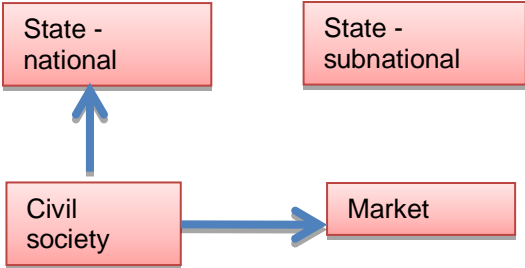
Nationwide, there were 6.73 million bed in various public old age care institutes by the end of 2016, which means 30.3 beds for every thousand old people. This is enough for only 2 % of the old age population in China, well below the level in OECD countries (5–7 %). According to the Ministry of Civil 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.

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 that any organization which wants to be an elderly care institution must have its own name, 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’. Recently, the central government issued the Planning for the development of old age care and pension system during 13th five-year plan

period, placed more emphasis on the cooperation between government and private enterprise for setting up and operating elderly care institutions, which stipulate explicitly the share of beds in elderly care institutions operated by government should not exceed 50 percent and the beds with nursing should account for more than 30 percent.

In figure 2, we have visualized and summarized these developments in housing for the elderly in China.

Figure 2: China – housing for the elderly



3.1.3. 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 (1998 – 2010): 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. 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 programs is encouraged. For example, in 2012 the government invested 412.9 billion yuan (US\$67.4 billion) in affordable housing programs, 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).

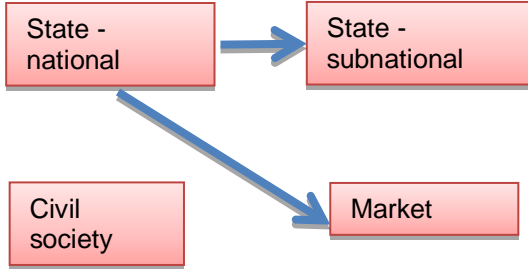
As the social housing is only just emerging in China, and subsequently private sector involvement in these projects is also novel, there are a number of concerns regarding public values and private values of different actors: Firstly, private partners might be put off by the fact that social housing 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. 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.

Figure 3 summarizes the developments in the field of social housing in China in terms of shifting responsibilities between central and decentral levels of government and between state and market.

Figure 3: China – social housing



3.2. The Netherlands

3.2.1. 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 cities⁷

	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. One of the key questions is how to give them shelter as soon as possible after their 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 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.⁸ 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

⁷ 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/standaardtabellen/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>

⁸ <http://www.vluchtelingenwerk.nl/feiten-cijfers/cijfers/bescherming-nederland>

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.⁹

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.

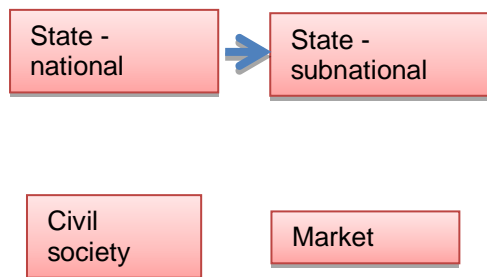
To conclude, this very short overview of the developments in 'housing for refugees' makes clear that national governments and local governments are tied together in tackling the refugee issue. None can do anything without agreement and help of the other. This is a classical example of what the German sociologist Fritz Scharpf in the seventies of the last 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 additional € 500 million. This case shows the interrelationship between different institutional

⁹ See for example the mayor of the city of Weert who helped a Syrian family to hide for the central government that wants to send back the family back to their country of origin (Nu.nl, may 13th, 2016).

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'.

In figure 4 we have visualized the shift in responsibilities from national state level to subnational – local - level.

Figure 4: The Netherlands – housing for immigrants



3.2.2. 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.¹⁰ 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.

¹⁰ <http://www.nationaalkompas.nl/bevolking/vergrijzing/huidig/>

Table 2: The Netherlands and four biggest cities in The Netherlands, (% inhabitants > age of 65 year) ¹¹

	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 were 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:

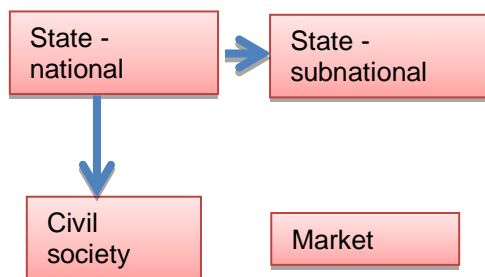
- (1) The increasing inequality between the provisions that cities offer their inhabitants. The original health care system was built on the principle of equality. The new system tries to find a balance between equal citizen rights (good and affordable health care), personalized approach (demand driven) and decentral (local) financing structure.

¹¹ Source: <http://www.zorgatlas.nl/beinvloedende-factoren/demografie/groei-en-spreiding/prognose-65-plussers-per-gemeente#breadcrumb>

(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 lead 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, see also figure 5).

Figure 5: The Netherlands – housing for elderly



At this stage of development it is too early to draw final conclusions. Are the local governments 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’)?

3.3.3. Social housing

The tradition of social housing in The Netherlands started in Amsterdam at the end of the 19th century as a private initiative of 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. This initiative in Amsterdam was followed by many comparable initiatives in other cities. 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 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 changed the law and it became possible for housing corporations 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).

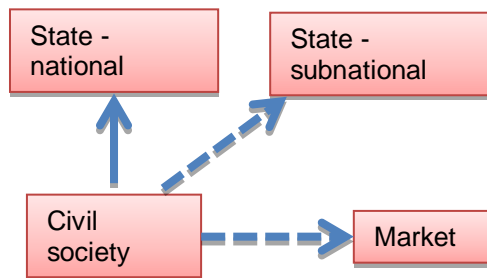
From about 2013 till 2015 a major policy reform took place and the law in which the tasks and responsibilities of the housing corporations was defined changed radically. Two major changes that are relevant for this paper concern the role of the state and the level playing field:

- 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.

We can notice a paradox nowadays. 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.

In figure 6 we have visualized the dynamics in the social housing sector in The Netherlands.

Figure 6: The Netherlands – social housing



4 Conclusions and Discussions

4.1 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.

4.1.1 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 became increasingly 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 public housing to non-registered residents p. 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 local authorities can’t get subsidies for integration unless they offer refugees a house. 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 between the different interests of the native residents and newcomers and to reduce social conflicts.

4.1.2 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.

4.1.3 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 and 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 in the long run both for society and 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).

4.2 Discussions

Based on our analysis above, there are two issues for further discussions and research. The first issue concerns ‘the public-public & the public-private mix’ (see also van Montfort & Sun, 2013), and the second one concerns ‘legitimacy and social citizenship’.

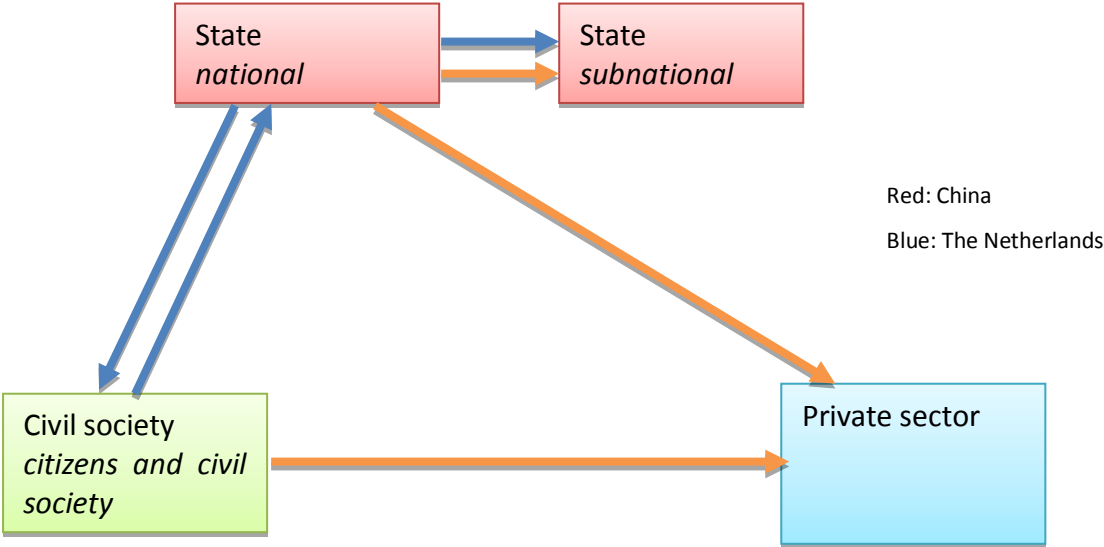
4.2.1. The public – public and the public-private mix

In the public-public mix – being the mix of national and subnational state responsibilities – we can notice an interdependency in both countries 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 or direct intervention by 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 as from citizens arise to fill in temporarily the institutional gap between local needs and legal options (see the topic of ‘migrants’ in The Netherlands and China).

The public-private mix (Van Montfort & Sun, 2013) – being the mix of (national and subnational) state responsibilities and responsibilities of the private sector and the civil society – is changing in both countries. In China the private sector is getting more involved,

while we can notice both a shift from state to civil society (elderly and immigrants) and from civil society tot state (social housing) in The Netherlands. In figure 7 we have visualized these developments between national and local level and between state, market and civil society in both countries.

Figure 7: developments between national and local level and between state, market and civil society in China and in The Netherlands



4.2.2. 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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