

Theoretical debate on housing inequality research in China under the background of market transformation

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Abstract: *China's housing resource allocation has undergone a systematic transformation from planned welfare distribution to comprehensive market distribution, which has led to the widening of China's housing asset gap and triggered a heated discussion on housing inequality in the field of sociology. China's research on housing inequality and the change of housing stratification mechanism mainly focuses on the relationship between the two mechanisms of market and redistribution, and produces theoretical debates such as "market transition", "power persistence" and "power derivation". With the deepening of the study of housing inequality, the research on housing stratification has also undergone an important shift from macro to micro, from the perspective of unit system to the perspective of market and household, reflecting the changes in housing distribution under the background of China's social and economic marketization transformation, showing a distinct imprint of the transformation of the times.*

Keywords: *market transformation, social stratification*

1. Introduction

Housing is one of the basic material conditions for human survival and development, and its initial function is to provide humans with a safe and stable living place that is sheltered from wind and rain. With the reform of China's economic system and the transformation of government functions, the urban housing system has also shifted from a redistribution system to a market system. The property rights structure of urban housing has shifted from almost all public property rights housing in the early stages of reform and opening up to mainly private property rights housing. According to the survey data of the Urban Household Asset Liability Survey Research Group of the Central Bank's Survey and Statistics Department in 2020, China's household assets are mainly physical assets, with housing accounting for nearly 70% and the housing ownership rate reaching 96%. The privatization of housing has brought about changes in the economic structure of households, and real estate has become an important component of the family property of the vast majority of urban households, accounting for an increasing proportion of family property.

Stratum has always been a classic research issue in sociology. With the transformation of Chinese society from a modern productive Industrial society to a post-modern investment oriented consumer society, the carrier and mechanism of social stratification have gradually changed. With the advancement of reform and opening up, the driving forces that affect social and individual development have begun to diversify. The role of labor is weakening, and the role of capital is constantly strengthening. The objective stratification effect of professions has weakened, making it difficult to accurately and comprehensively reflect and grasp the current situation and mechanism of social stratification^[20]. With the increasing impact of wealth on people's economic life and social status, wealth and income have gradually become key indicators for measuring social stratification^[17]. Since ancient times, housing has been the most important expense for Chinese people, and people even invest their lifetime savings in building and improving it. At the same time, in modern society, the function of housing is not only to meet the needs of living, but also includes residents' choices of resources related to the future development of individuals and families, such as natural environment, cultural environment, infrastructure, public resources, communication objects, and lifestyle. That is, it needs to fully develop its functions. Housing is an important component of urban household assets in China, which has a significant impact on individual social status and life opportunities.

The transformation of the housing system has changed the objective attributes of housing, and housing capital, as one of the most important forms of wealth, has had an impact on the entire social stratification structure, gradually becoming an important perspective in social stratification research.

2. Discussion of housing inequality and housing class research abroad

Sociologists Rex John and Robert Moore first proposed the concept of "housing class" in *Race, Community and Conflict*^[23]. Their "housing class" theory further expanded the depth of housing and stratification research. The theory of "housing class" points out that urban residents have a common value orientation when facing housing resources, that is, everyone hopes to own a high-end or suburban housing, but high-quality housing resources are limited. Therefore, different groups within the city can be divided into six categories based on the differences in access to housing: owners who fully own the entire house, owners who own the complete house but need collateral, and rental public housing Tenants or owners who rent a whole private house and purchase a house with a short-term loan are forced to rent out the house and repay the loan with the rent. Tenants of temporary accommodation. The concept of "housing class" closely combines housing research with mainstream sociology's focus on resource inequality and Class conflict, and also explains how urban spatial structure and social organizations are interconnected through the housing distribution system^[3].

Marxist schools have criticized the theory of the "housing class", which mainly focuses on three aspects. Firstly, the "housing class" cannot be said to be a class but refers to a status group; Secondly, even if this concept city, it is just an extension of social class in the field of housing consumption; Third, it is pointed out that this housing consumption stratification will collapse the working class alliance, which is not conducive to Class conflict. In short, the "housing class" is not established in theory and is not conducive to the Class conflict of the working groups in reality.

British sociologist Saunders acknowledged the theory of the "housing class" but also surpassed it. He pointed out that according to whether the housing source is from government housing or market private housing, there are two types of housing groups. The owner of housing has various rights and advantages in terms of potential Exchange value of housing. The criterion for distinguishing "housing class" is whether housing has potential Exchange value, which is quite different from that for obtaining different conditions. Next, he adopted the "segmentation of the consumer sector" theory to go beyond the "housing class" theory, pointing out that owning housing allows some people to quickly accumulate wealth and gain more life opportunities, resulting in group differentiation in consumption. Later, in his 1984 publication "Beyond the" housing class ": the sociological significance of private property rights in consumption methods", Saunders mentioned that, "We need to formally replace the theory of "housing class" with the theory of "segmentation of consumer sectors". According to the ownership of Housing tenure, he divided the social groups into the tenant groups relying on the government's public housing sector and the private consumer groups relying on the market's private housing sector, not just the housing condition standards proposed by Rex and Moore. The groups divided based on the consumer goods sector are divided into two categories: one group obtains high-quality services through market channels, while those increasingly marginalized minority groups do not enjoy preferential treatment. Housing liberals and those who rely on public housing are clear manifestations of the segmentation of the consumer sector.

3. Policy research in the process of housing reform in China

Since the establishment of the People's Republic of China and until the implementation of economic reforms in the early 1980s, China implemented a housing distribution model with a physical welfare nature within urban areas. This stage is commonly referred to by scholars as the "unit housing production system stage"^[16], but this planned distribution method not only caused a heavy financial burden on the government. It has also distorted the housing supply and demand mechanism, resulting in sharp supply-demand contradictions^[4]. In the era of planned economy, housing construction funds were uniformly managed by the government (Housing Management Bureau), and housing allocation was in the form of physical distribution. The Housing Management Bureau and work units allocated funds to employees based on standards such as length of service and job position. Due to the lack of consideration of family structure and size in the allocation criteria, it cannot truly reflect the actual housing needs of families^[18]. At this stage, housing is regarded as a social welfare, and employees have the right to use the housing. The ownership of the housing belongs to the unit or the state^[9]. Within the unit, employees are allocated according to standards such as length of service and position. The older

the age, the higher the technical and administrative level, the larger the housing area allocated, and the better the housing conditions^[16].

There is a clear differentiation and inequality in housing interests between workers and cadres, and individual political ability is the most persistent factor affecting people's access to housing and the allocation of housing resources^[1]. The crucial role of power and identity in the allocation of social resources is the foundation of the most fundamental social stratification characteristics and hierarchical order before the transformation of the Chinese market. Moreover, in Chinese society, the inequality of power and identity reflected in the housing sector not only exists within urban units, but also is a common phenomenon of social stratification. The social identity difference within cities, together with the registered residence system that divides urban and rural areas, plays an extremely important role in social barriers in the process of resource allocation, and has become the two most important social shielding mechanisms in Chinese society^[12].

During the period from 1990 to 2000, the main goal of housing system reform was to separate housing supply from units, with a focus on the ownership of existing public housing^[16]. The policy implemented by the state is "new housing and new methods, old housing and old methods", which means that the original public housing, including unit housing and housing management bureau, is sold to unit employees at standard or cost prices, and the selling price is much lower than the market price; The government and work units have withdrawn from housing construction, and real estate developers have become the main body of housing construction. Commercial housing is sold or leased to residents at market prices. The main feature of this period is that the welfare distribution of urban residents' housing coexists with the commercialization of housing^[5]. In this reform process, the adjustment and reform of housing policy not only changed the structure and nature of the urban housing system, whether the government subsidized housing was available and the price of commercial housing had an important impact on whether residents entered the commercial housing market, but also had a profound impact on the lives of residents^[7], one important manifestation is the continuous expansion of housing inequality among urban residents^[19].

After the housing monetization reform in 1998, the welfare housing system gradually came to an end, and purchasing housing from the market became the main way for residents to obtain housing resources. Due to the fact that market mechanism and power mechanism represent two different institutional logics of resource allocation, the introduction of market mechanism in housing system reform has changed the allocation mechanism and acquisition path of housing resources. After the reform of the housing system, urban housing stratification reflects the alliance of two forces: the "state" and the "market". The state power mechanism and market mechanism have a significant impact on the housing stratification of urban residents, jointly shaping the situation of housing stratification^[14]. In terms of housing stratification, there is a dual stratification system, which is a unique "dual reproduction model"^[11]. The development of market mechanisms has to some extent changed the distribution of housing resources, but the gradual reform of the state led housing system has not fundamentally changed power opportunities^[2]. The original power mechanism model has still been continued in the process of housing system transformation. And the market mechanism also grows in parallel. One of the main strategies of China's urban housing reform is to sell public housing to existing residents at discounted prices. Although this approach can make people ignore and forget about housing inequality between units, it cannot truly eliminate the huge differences in housing interests between people. The consequence of the reform is that the housing inequality formed before the reform continues in the process of commercialization and marketization, resulting in a situation where power and the market jointly shape social inequality. The beneficiaries of housing reform are those with higher political status, better socio-economic conditions, and employees who possess organizational resources and power, which further strengthens the inequality brought about by the old welfare housing system.

4. Research on the relationship between the market and the redistribution mechanism after the housing reform

In recent years, domestic and foreign scholars have engaged in heated discussions on the topic of China's market transformation and social stratification.

Scholars mainly adopt the institutional perspective of market transformation theory to study housing inequality in the process of market-oriented reform, focusing on the impact of emerging market mechanisms on interest relationships and opportunity structures under redistribution

mechanisms. The existing research on housing differentiation mainly focuses on two periods: firstly, research on the planned economy period before the 1979 reform; Second, from the beginning of the housing reform to the beginning of the housing reform in the late 1990s, the research on the acquisition of Housing tenure and housing differentiation was carried out. In fact, it was only after the state abolished welfare housing distribution at the end of 1998 that China's housing commercialization reform entered a substantive stage^[7].

In his research on the socialist redistributive economy of early countries, Szelenyi analyzed the differences in hierarchical mechanisms under the two institutional conditions of "redistributive economy" and "market economy".^[8] National Social Leader. The core feature of the Yi economy is the "non market trade" of labor, where wages and salaries are determined through administrative means rather than market transactions. Various non wage benefits manifested through housing, welfare, price subsidies, and other means exhibit significant inequality between redistributors and direct producers. The role of redistribution mechanism in national socialism is fundamentally different from that in the Welfare state. In the Welfare state, the role of redistribution mechanism is to reduce the inequality caused by the market; The redistribution mechanism in the national socialist economy not only does not result in equal income distribution, but also expands inequality in society. So, in a society dominated by redistribution, the reduction of inequality can only rely on more market mechanisms. This theory extends to the allocation of housing resources, which means that marketization will eliminate the existing housing inequality. A basic judgment formed by scholars' research on market transition countries is that market-oriented economic system reform and social transformation have presented segmented social consequences that are conducive to redistribution but not conducive to direct producers^[21]. The consequence presented at the social structure level is that the inequality between redistributors and direct producers before the transformation has been continued or even strengthened^[13].

Hegedus's research posed a challenge to Szelenyi's theory^[6]. In his research on the housing problem in Hungary in the 1980s, he found that even after the market-oriented reform of housing, redistributive management still enjoys welfare housing resources. The intervention of the market not only did not weaken the existing inequality, but also made it manifest and exacerbated in the context of monetization^[21]. In his response to Hercules, Szelenyi further elaborated on his theory, pointing out that the market itself is not more equal than the redistribution mechanism, and that the market under the socialist system is only a secondary mechanism. With the expansion of the market itself, the market will lose its role in weakening inequality^[10].

Cai He et al. summarized Szelenyi's theoretical exploration of the relationship between market and redistribution as "parallel impermeability."^[3] Transparency assumes that the market and redistribution are two parallel and impermeable mechanisms, with clear boundaries between them and independent effects in their respective fields. Guided by this approach, scholars have gradually focused their discussions on the changes in the stratification mechanism during the process of China's market transformation on the debate between the "market transformation theory" and the "power maintenance theory".

In the transition of national socialism from redistribution to market economy, Nee's market transformation theory believes that the transition of national socialism from redistribution to market economy will benefit direct producers rather than redistributors, and will benefit holders of market capital, human capital, and Cultural capital rather than political capital.^[15] Market transformation will reduce the economic return on political power and increase the economic return on human capital. Nee's research and the claim that "market transformation has an equalization effect" have sparked a large number of direct or indirect objections. The theory of "power sustainability" suggests that China's market-oriented reform cannot completely eliminate the legacy of the redistribution mechanism. The two mechanisms of market and redistribution work together in social stratification, and while the return on human capital increases, the former power elites still have an advantageous position in resource allocation. The theory of "power maintenance" holds that even in the era of housing commercialization, some units can still use power resources and policy opportunities to provide housing benefits to employees, and still adhere to the principle of "differential pattern" of higher administrative levels, closer to the core of the system, and more housing benefits for distribution^[19]

Ronald Tass proposed the "theory of power transformation", which he believed should be divided into two different periods: the erosion stage of the socialist economy from bottom to top, and the transformation stage driven by the upper class and transitioning to a market economy. The equalization effect of market reform is more applicable to the early stage of reform, that is, the erosion period of socialism; The viewpoint that market reform will exacerbate social inequality is applicable to

describing the late stage of reform, which is the actual transformation process. Cadres can transform the former political and Cultural capital into Economic capital. Bian Yanjie and John Rogen proposed the "power maintenance theory" based on an empirical survey in Tianjin, which emphasizes the inertial role of the redistribution system. That is to say, China's reform was carried out without fundamental shaking of the ruling party status and the unit system, which ensured the continuation of redistribution of power and political capital returns.

5. Conclusion

The theoretical debate on the relationship between the two mechanisms of market and redistribution in the process of China's market-oriented reform constitutes the theoretical starting point of long-term housing stratification research, so many studies have discussed the evolution of housing stratification mechanism under the background of market transformation from this theoretical perspective, and triggered the theoretical debates of "market transformation theory", "power maintenance theory" and "power derivation theory". Since the state completely stopped the sale of public housing in 2000, the housing stratification mechanism has also undergone new changes, and relevant studies in recent years have basically verified the view of power maintenance theory to varying degrees. With the commodification of housing, the provision of and access to housing has gradually evolved into a family responsibility, and the solution of housing problems has returned to the family field, which has also contributed to the shift of housing inequality and stratification research to families and intergenerational relations. In general, the research on housing stratification has undergone an important shift from macro to micro, from the perspective of unit system to the perspective of market and household, reflecting the change of housing allocation logic under the background of China's social and economic marketization transformation, showing a distinct imprint of the transformation of the times.

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