

Preface

The sustained expansion of China's economy has attracted considerable studies. While some consider the expansion to continue, many question its sustainability. The main detractors regard the Chinese economy to combust from overheating, climatic damage and civil unrest from the lack of open democratic space. This book focuses on the urban housing sector to analyze how market reforms since 1978 have impacted on China. The decentralization of policy planning that followed since has differentiated policy making into different levels of government. Institutional change has transformed the role of state-owned enterprises (SOEs) in China's urban housing sector, which can be divided into three distinct phases with the first phase characterized by in-kind housing construction and allocation, the second phase by SOEs' contribution to Housing Provident Fund and participation in publicly owned houses sale campaign, and the third phase led by participation in housing investment, speculation, and affordable house provision. As an instrument of the state, institutions have conditioned the SOEs to deliver affordable housing.

As the intermediate between the central and municipal governments, provincial governments have begun to play a major coordinating role to ensure that the goals set by the central government are carefully coordinated with municipal governments for implementation. Leadership, legislative, land use, and living culture were used to show how institutions have evolved to shape urban housing policies in Shandong and Shanxi. In addition, this book shows how institutions have influenced policy implementation by analyzing the role of the Qingdao government in policy transmission through delivery, diffusion, calibration, and finalization. By actively shaping coordination between the provincial and central governments, institutions help municipal governments consolidate the interests of various players to meet the interests of the people.

The findings support the role of the developmental state in restructuring production relations. Unlike a single complex superstructure as claimed by most Western analysts, the institutionalization of governance structures in China has taken place through a strong coordination between central, provincial, and municipal governments to meet targeted plans. Although the central government has

attempted to decentralize its planning functions since economic reforms began, for such a large country and one that is characterized by a wide diversity of cultures, inevitably the evidence we provide is largely applicable only to eastern and central China. Hence, while China has a long way to go to become developed, as well as democratic to enable strong mass participation in policy-making, it offers a unique alternative for countries seeking to strike a balance between capitalist and socialist instruments.

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