

Realization of Home to Live in Is an Importance Responsibility of Modern Government

---- A Case Study of Changzhou, Jiangsu Province

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Abstract

In the process of setting up and improving housing security system, the government has to carefully carry out its functions, set up a flexible and highly effective organizational mode and operation mechanism, establish well housing security policies, make good cultivation and regulation of the real estate market, provide indemnificatory housing, set up housing security system that has an extensive coverage, multiple levels and multiple forms, and realize the sustainable development of housing security.

Keywords: Home to live in, Government, Security system, Responsibility

People regard food as their prime want and families regard housing as their prime want. Similarly, living in peace makes work in contentment possible and living in peace makes harmony possible. Therefore, the Seventeenth Congress of the Communist Party of China took realization of “home to live in” of all people as the important content to improve people’s livelihood and promote establishment of a harmonious society. Since the Seventeenth Congress of the Communist Party of China, governments at all levels have been persisting in regarding reform on housing security system as the cutting point to accelerate pushing forward the civil engineering of “home to live in”, make an attempt to realize the target of “home to live in”, make the public welfare policy benefit each low-income households with difficulties in housing and further enhance the satisfaction of the extensive public with work of the government.

1. Analysis of responsibility of the government in the target of “home to live in”

It is a long-term and important duty for the government departments to set up perfect social housing security system, resolve well the issue of housing of medium and low income households and gradually realize the target of “home to live in”. In the process of setting up and improving housing security system, the government has to carefully carry out its functions, set up a flexible and highly effective organizational mode and operation mechanism, establish well housing security policies, make good cultivation and regulation of the real estate market, provide indemnificatory housing, set up housing security system and promote healthy running of the real estate market. According to the author, the primary functions of the government in terms of establishment of housing security system are mainly reflected in the following several aspects:

Firstly, the government is the cultivator and moderator of the housing market. Housing security market is one in which the functions of the government and the mechanism of the market are combined, that is, a market with combination of “visible hand” and “invisible hand”. In order to realize “home to live in”, the function of the market mechanism plays a major role and cultivation and prosperity of the market system of commodity house is the key. Thus, the primary function of the government is to make good cultivation and regulation of the housing market. In the process of cultivation of the real estate market, on one hand, the municipal government of Changzhou focuses on standardization of the market, and on the other hand, the government places emphasis on guarantee of supply. At present, the price of housing in Changzhou which is a developed region in Sunan is at a medium and low level, in which 90% of housing in the whole city is applied for self-living by the common people or for improving residence. The extensive public feel that they can afford to buy houses and live in Changzhou, in which they can live well in excellent environment. The market of housing in Changzhou makes local people satisfied and outsiders throw an envious eye.

Secondly, the government is the supplier of indemnificatory housing. In order to realize the target of “home to

live in”, there is another system in addition to the market system of commodity housing. That is, housing security system, in which medium and low income households are provided public housing by the government or under organization or direction of the government, belongs to semi-marketization or non-marketization and is a key project by the government to pay attention to the livelihood of people and improve the livelihood of people. Its target is to realize social justice, fulfill the purpose of “all urban residents entitled to basic living allowances are now basically receiving them” and enable each family to obtain housing service that adapts to local economic and social development level. In order to resolve the issue of housing of low income households, the municipal government of Changzhou took the lead in issuing public rental housing management method across the whole countries in August 2009 and offered 200 public rental houses in urban area. In 2010, the municipal government of Changzhou made an investment of 0.8 billion RMB to set up six rental housing projects and may offer approximately 4,000 houses.

Thirdly, the government is the constitutor of housing security policies. Implementation of housing security system is a job with strong systematicness and policy features, which is concerned with several departments and which calls for cooperation between these departments. At the same time, implementation of housing security system is also a systematic project with strong sociality and wide coverage of involvement. In order to further confirm duties of all departments, standardize behaviors of housing security work and ensure the fair, equitable and open principle, the government has to set up and improve housing security policies. Under the current circumstance when “Housing Security Law” has not been stipulated yet, the municipal government of Changzhou has summarized the practical experiences of housing security in Changzhou in the past few years, escalates current experiences and system achievements to local rules and regulations, pushes forward benign policies in a standard way and provides legal support for in-depth development of housing security work.

Fourthly, the government is the supervisor of the real estate market. The real estate market that runs in an orderly way is the market foundation to realize the target of “home to live in”. In order to ensure healthy operation of the real estate market, the government has to improve the supervision and management mechanism of the real estate market, strengthen supervision and analysis of the real estate market, perfect the information system of the real estate market, accurately grasp the trend of the real estate market, discover in time new situations and new problems in operation of the market and improve foreseeability, pertinence and efficiency of regulative measures. The government ought to rectify and standardize order of the real estate market, reinforce vigor of investigation and handling in illegal behaviors and strengthen security supervision in the quality of housing project, especially project of indemnificatory housing.

2. Indemnificatory housing is the key to the target of “home to live in”.

The focus and difficult of the target of “Home to live in” is to resolve well the difficulty of medium and low income households in housing. The per capita housing area in Changzhou in 2009 attained 32.9 square meters, which surpassed the well-off level of per capita housing area of 30 square meters in Jiangsu. However, it is not that everyone can achieve the per capita area, since there are still more than 20,000 low income households in the urban area in Changzhou that have different degrees of difficulty in housing. These households have to depend on the government to supply housing security in order to realize the target of “home to live in”. In accordance with the overall requirement of housing system reform for “expanding coverage area, stimulating distributive justice, strengthening security competence and benefiting practically all the people”, the municipal government of Changzhou starts out from reality in Changzhou, improves the policy system of housing security, taking a series of effective measures, sets up housing security system with extensive coverage area, multiple levels and multiple forms and really realizes the situation in which “all urban residents entitled to basic living allowances are now basically receiving them”.

In the process of establishment of housing security system, the municipal government of Changzhou has mainly focused on the following several points:

Firstly, the government makes a perfect plan of indemnificatory housing. Indemnificatory housing ought to be scientifically planned and take into consideration of employment, schooling and living habits of the objects ensured according to the principle of rational location distribution and living convenience of residents. All should be based on the condition of reducing living costs of the objects ensured. The government should select, to the best of its ability, sites surrounding mature communities in urban areas and places where the traffic is convenient in the industrial parks to set down objects secured as far as it is possible.

Secondly, the government rationally confirms objects for housing security. Housing security is a system with entire coverage which is aimed to enable all residents to have houses to live in. Hence, the objects of housing security ought to include the extensive group of people with medium and low income. For the time being, the

municipal government of Changzhou has already brought the approximately 28,000 impoverished households in the major urban area into the housing security system who live with the per capita disposable income 80% lower than the average level. In the meanwhile, the municipal government of Changzhou has also brought all eligible new employees into the sphere of housing security.

Thirdly, the government adopts the multiple-level security means. Relief housing and curative housing are the two major sorts of housing security means at present that are generally adopted by all countries in the world. The object of security in the former one is low income group of people and the government supplies them with rental housing. The object of security in the latter one is medium income group of people and the government assists them to purchase property right housing. At present, the municipal government of Changzhou carries out hierarchical security for the 28,000 households who are the objects of housing security. As for those with a per capita monthly income less than 850 Yuan and with a per capita housing area less than 18 square meters, the government offers low-rent housing; as for those with a per capita housing area less than 18 square meters and with a per capita monthly income less than 1,440 Yuan, the government offers economically affordable housing and changes “housing” to “people”; as for those who are in between the above two situations, the government resolves their housing by offering public rental housing. These three housing security means each perform their own functions and links with each other to really realize the target of “all urban residents entitled to basic living allowances are now basically receiving them”.

Fourthly, the government formulates appropriate housing security standard. Indemnificatory housing should be based on the principle of small size, economically applicable and satisfying the basic housing demand. Such departments as the Ministry of Construction of the country made a clear stipulation to the construction area of indemnificatory housing: the construction area of low-rent housing per house is controlled within the area of 50 square meters and that of economically affordable housing is controlled within the area of 60 square meters. The municipal government of Changzhou starts out from the reality of Changzhou and, with the precondition of ensuring basic living, clearly stipulates that the standard of low-rent housing security area is 18 square meters for per capita housing construction area and the construction area of a single set of newly constructed public rental housing is controlled within the area of 50 square meters or so. In addition, the government also formulates corresponding standards for the house quality, internal decoration, construction cost and neighboring environment of indemnificatory housing and carries out in strict accordance with these standards.

Fifthly, the government rationally confirms the rent for indemnificatory housing. The rent of indemnificatory housing should be based on the principle of normal use and maintenance management and is affirmed by a comprehensive consideration of such factors as the social and economic development level, the bearing capacity of the objects of security and the rent level in the market. The municipal government of Changzhou estimated the rent of public rental housing at approximately 30% of the market price, 3.5 Yuan/square meter each month for low income households, 4.5 Yuan/square meter for new employees and 1 Yuan/day for migrant workers so as to ensure that the overall living standard of objects of security will not be affected as a result of their expense on the rent.

3. Attempt to realize sustainable development of housing security

Housing security is a complicated and systematic project and is also a long term task, so it can't be accomplished in an action. The housing security establishment in China has achieved great achievements, but it is still faced up with a series of problems, such as narrow coverage scope, difficulty funds collection, insufficient sources of housing, low legislative level and standard of management urgently needed to be standardized, etc. Thus, the key to set up and improve the housing security system is to start out from the actual national situation of China, make an institutional design in a scientific way and set up a flexible and highly effective organizational mode and operation mechanism so as to realize the sustainable development of housing security in China.

Firstly, to improve housing security organization. The specific implementation of housing security calls for a stable and professional institution and team. In 2007, two-class housing security office was set up in urban area in Changzhou. In 2008, Changzhou indemnificatory housing service center was organized and set up formally in Changzhou. In 2009, Changzhou public housing construction and investment development Co. Ltd was established. Establishment of all the above institutions has provided vigorous organizational guarantee for successful running of housing security work in Changzhou.

Secondly, to improve the funds collection mechanism. Sustainable development of housing security work calls for investment of continuous and a large amount of funds. In order to guarantee sources of funds for housing security, a diversified funds collection mechanism was set up in Changzhou which extracted funds each year from the following seven projects: financial budget arrangement, 10% of the net earning of land leasing in the

whole city, the part used for housing security in the value-added profit of housing provident fund, value-added profit of primary land development, funds for construction in a foreign area in supporting construction indicator of public rental housing in low-rent housing, the subsidy funds returned in trade of economically affordable housing and the value-added part shared by the government and the premium part when economically affordable housing stocked houses are converted to commodity houses and sold out.

Thirdly, to widen the channel of supply of housing. Housing is the essence of “home to live in”, and guarantee of supply of housing is the top priority in housing security. In order to effectively collect house sources for indemnificatory housing, the municipal government of Changzhou adopted the housing source collection means with the following six methods: “new construction in a concentrated way, supportive construction in a disperse way, replacement of construction in an orientated way, acquisition in large amounts, acquisition in a sporadic way and self construction for park area”. Use of the “combined punch” has largely widened the channel for collection of housing sources and obviously accelerated collection progress and thus promoted stable and healthy development of indemnificatory housing market in Changzhou.

Fourthly, to improve indemnificatory housing management mechanism. Management mechanism of indemnificatory housing includes management of the whole process from admittance to access, supervision and withdrawal. Firstly is the admittance mechanism. Establishment of the admittance mechanism should be based on the implementation of the system of honesty declaration, which requires low income households to declare their family income, population and housing condition strictly according to the fact. In accordance with the principle of “open, fair and justice”, Changzhou municipal government strictly carries out the system of three-level audit and two-level public announcement to ensure that housing security sources are really used for those objects who really need security. Secondly is dynamic supervision mechanism. The municipal government of Changzhou depended on “digital real estate” information management platform, took an initiative in seeking for cooperation with social security department, the police, industrial and commercial bureau, tax bureau, banks and securities in terms of their information management platform, actively explored and set up qualification approval and examination mechanism and conducted dynamic supervision. Thirdly is the withdrawal mechanism. In order to promote rational distribution and flow of housing sources, the government has to strengthen the rigidity and vigor of the withdrawal mechanism. As for those objects who didn’t pass the annual audit procedure and needed to withdraw from the housing security system, the government of Changzhou referred to the practice “extended period” in such advanced countries as Singapore and Japan, conducted management of gradual humanized withdrawal and encouraged and directed those families who had shared the housing security to withdraw actively, to purchase houses or rent houses by themselves to realize the target of “home to live in”.

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