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Three Levels of Government and the Creation of Hybrid Actors

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Abstract

The inclusion of the 'market' and 'civil society' in the provision of social housing in China has caused a debate about whether the government dominance still exists. To contribute to the understanding of the governments' role, this paper develops a conceptual framework based on two dimensions of governance: 'actors' and 'relationships'. Empirical data collected in two Chinese cities, Chongqing and Fuzhou, are input into the framework with a contextualised understanding of who have been involved and how they interact.

The result shows that the current Chinese social housing governance is dominated by the three levels of government that together constitute China's government. This could be explained by the three different levels of government have applied different logics of state, market and civil society to steer social housing provision, while at the same time many forms of hybrid actor have been created.

Keywords: civil society, government levels, public housing, social welfare, hybridity

1. Introduction

Social housing usually refers to below-market price housing allocated based on politically defined needs (Haffner et al., 2010; Oxley et al., 2010). In the same vein, Chinese social housing, often used as synonym of affordable housing, low-income housing and public

housing, is administratively allocated to the low-income to middle-income families who cannot afford to buy or to rent a house from market (Wu, 1996; Huang, 2012; Shi et al., 2016). Although the government in China has invested a lot of money and effort in social housing, the system has been questioned to be financially inefficient and intransparent (Huang, 2010; Li et al., 2016). In response, central government has issued policies to support the influx of non-governmental resources in the provision of social housing (Ministry of Finance of the People's Republic of China, 2011); Local governments[1] have turned to private capital to construct and manage social housing projects (Hu and Qian, 2017) and also promoted the rights of the tenants and buyers by keeping them informed and involving them in the management of the housing (He and Lin, 2015). Subsequently, these efforts have resulted in a growing participation of business and civil society actors, various forms of hybrid actor blending different operational rules, and complex interactions among government and non-governmental actors.

The transformation of social housing provision from the government to an expanding reliance on other non-governmental actors has received much academic attention worldwide (Smyth, 2017; Walker and Jeanes, 2001; Czischke, 2007; Lee and Ronald, 2012). Governance literature is widely used to understand such transformation, more specifically, to interpret the characteristics of government when public policy is a collective action conducted by formal authorities and non-government actors (Rhodes, 1996; Duit and Galaz, 2008).

Most literature on China's social housing governance is emphasising that social housing provision depends largely on command-and-control instruments (Chen et al., 2014; Ringen and Ngok, 2017; Zou, 2014; Wang and Murie, 2011; Zhou and Ronald, 2017; Deng, 2017). In addition, these studies focus mainly on the political-economic perspective and highlight the state's tight regulation of entrepreneurial activities, which has been the predominant subject to the Chinese economic reform since 1978. However, very limited research exists about the role of civil society in the provision of social housing, while the voluntary actions of citizens are increasing at the neighbourhood level in China (Wan, 2016). Implementing privatization and citizenship, the study of social housing governance in China is becoming more complicated than before. The purpose of this paper, therefore, is to provide an in-depth study of the social housing governance in China with the focus on whether the governments retain power or not, in the context of the rising involvement of both market and civil society.

To fulfil the aim, the paper starts with the formulation of a theoretical framework, which is based on two most important dimensions of general governance study: 'actors' and 'interrelationships'. Research methods and cases then are introduced. Next, the framework is used to empirically examine Chinese social housing governance based on an investigation of policy documents and interviews conducted in two Chinese cities: Chongqing and Fuzhou. The results reveal that Chinese social housing is still highly influenced and controlled by three levels of government. The dominance of government can be nuanced based on three levels of government adopt different social logics (state, market and civil society), and hybrid

[1] Local government is a general designation of a series of administrative layers below the central government in urban China (i.e. province/municipality, prefectural city, district, and sub-district office).

actors operate in combination with different logics.

2. Conceptualizing the Social Housing Governance

In general, 'governance' refers to specific activities of governing, which means efforts to guide, steer, control, or manage the society (Lange et al., 2013). But how could the concept of 'governance' apply to this study? As discussed below, two dimensions are central for this question: 'actors' and 'interrelationships'.

To identify relevant actors is the first step of discussing the role of governments, from the perspective of governance theory. By linking to Billis' (2010) work of organizational hybridity, the concept of actors helps to explain the working principles, objectives and strategies of the real world's participants and to classify the actors into public, private, third sector and hybrid ones. Such a characterization helps to understand the role of different actors and to know how the non-governmental actors may contribute to and influence policies of housing provision.

'Interrelationships', focusing on the interplays of disparate actors (Arnouts et al., 2012), can be analysed from 'intergovernmental relations' and 'interactions among the public actor and the non-public ones' based on multilevel governance (abbreviated as MLG hereafter) theory. The 'interrelationships' describes the allocation of authority upwards, downwards, and sideways from government and facilitate the understanding of the role of state, if other actors than government are involved.

2.1 Actors

Traditionally, governing was the responsibility of political institutions, such as governments, through a hierarchical way and the term 'governance' has emerged corresponding to the participation of non-governmental actors (Fontan et al., 2009; Hysing, 2009; Lange et al., 2013; Pierre, 2000). This brings us the importance of the widely discussed element among governance literature: who are the 'actors' involved (Arnouts et al., 2012; Pierre and Peters, 2005; Tömmel, 2007; Treib et al., 2007)?

When it comes to the social housing governance, the 'actors' perspective has underlined that other actors are often involved, next to the state, in catering for the housing needs of low-middle income households. These other actors are either market or civic actors. A number of studies have attempted to investigate the specifics of the miscellaneous actors involved in welfare provision (including social housing), or more accurately to analyze the main driving force of these actors. These are usually derived from the three ideal society logics: state, market, and civil society, and serve as a background of actors' day-to-day business (Jensen, 1997). Actors operating from a 'state' logic will depend on legal regulation and be concerned with the overall public interests; Market actors will rely on individual resources and operate typically in competition with others; civil society actors usually operate

in a self-regulated context related to association and democracy (Paton, 2009).

Pestoff (1992) and Evers and Laville (2004) go beyond simple description of the characteristics of actors and differentiate them with three pairs of principles (informal/formal, for profit/non-profit and public/private). Moreover, they argue that the boundaries of state, market and civil society have become blurred creating hybrid areas combining traits of the three logics[2] in varying ways. However, when applying these studies to delineate actors, the principles or criteria to define actors remain too abstract to operationalize in the real world. Furthermore, Billis (2010: 46) argues that the many forms of combination of hybrid zones can cause "unclear sector accountability" and "often engender unease and distrust". Distinctive and rigorous definitions of hybridity are needed (Knutsen, 2016; Blessing, 2012).

Against this backdrop, Billis (2010) makes an important contribution as he first proposes five elements (ownership, governance, operational priorities, human resources, and other resources) to categorize actors into three types (public, private and third sector). He then defines nine hybrid zones explicitly, as shown in figure 1. According to Billis (2010), the public actor, the private actor and the third sector actor could be considered as subordinate to the three social logics: state, market and civil society, respectively. Each actor has its own perception by combining a different set of independent principles from the five elements (for details, see Billis, 2010: 53-54).

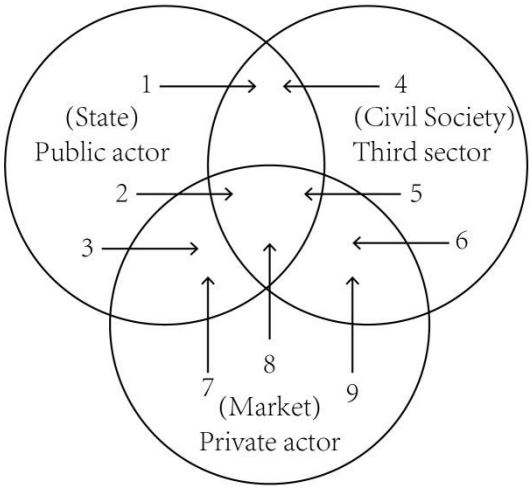

Figure 1, the three actors and their hybrid zones (adapted from Billis, 2010)
1. Public/Third 2.Public/Private/Third 3.Public/Private 4.Third/Public 5.Third/Public/Private. 6. Third/Private 7.Private/Public 8. Private/Public/Third 9. Private/Third

With its focus on understanding the blurry boundaries of the three idea social logics, the

[2] In Pestoff's paper, there are actually four areas to set actors: apart from 'state' and 'market', the 'community' and 'third sector' are used instead of the conventional 'civil society' sphere. However, as pointed out by Velino and Wittmayer (2016: 635), 'third sector' and 'community' are "both aspects usually subsumed in the category of civil society". To avoid conceptual ambiguities, we consider Pestoff's locations of actors as the three society spheres: state, market and civil society.

hybridity is quite common in social housing governance (Mullins et al., 2012; Bratt, 2012). This can be elucidated by the recent phenomenon that strategies of market liberalization and democracy have caused the conventional governments, companies and third sectors to adapt to the changes in financing, planning, and construction of social housing (Mullins and Pawson, 2010). The study of hybridity could contribute to comprehending new schemes of social housing provision due to the integration of different social logics could lead to innovative and creative formulation of strategies (Smith, 2014).

2.2 Interrelationships

As social housing is allocated according to needs, administratively allocations systems are in place which often are regulated by government (e.g. providing subsidy, establishing policy, etc.). The idea to investigate interrelationships (of social housing governance) is actually to analyse how the non-governmental actors co-exist and interact with existing government actors in the policy process when in the formulation and implementation of housing policy (Rhodes, 1996).

The policy process is closely linked to how the government operates and how authority is decentralized. MLG, concerning the vertical reallocation of authority from central states to local governments and to other actors (Hooghe and Marks, 2003), is adopted here in the paper as a theoretical standpoint to unravel the complex interrelationships among actors. This is based on an assumption that the decision of housing provision is usually made by a centralized authority and the implementation will likely involve many actors at multiple levels. MLG has added a new angle to the conventional governance study, which usually focuses on horizontal relations among public and non-public actors, by also stressing the intergovernmental relations (Hooghe and Marks, 2003; Alcantara et al., 2016).

Intergovernmental relations may not only be centrally controlled as commonly assumed, however. Even if they are analytically identified, as different levels of government will be inherently linked by vertical relations of subordination, the relations are becoming increasingly negotiated (Papadopoulos, 2007). The intergovernmental relations could be regarded as the privileged instrument by which social housing is provided and the implementation process is shaped.

As to the second dimension of 'interrelationships', literature has stressed the importance of how the government and non-governmental actors work with each other by such means as: command and control relations, negotiations, competitions etc. (Kooiman, 2003; Tömmel, 2007). In addition, the analysis of the relations among the public actor and non-public actors could help to explain the hybrid actors a step further in this paper, given that hybridity is one manifestation of the interactions among the other three ideal actors.

The two levels for understanding interrelationships (the intergovernmental relations and the relations among the public actor and non-public actors) are always intertwined. Taking social housing governance as example, when the intergovernmental relations show a hierarchical

structure, the governments probably keeps a tight grip on social housing provision and governments can be very powerful keeping other non-public actors in low key (Treib et al., 2007). In contrast, if the intergovernmental relations demonstrate cooperation, a local government is likely to gain more autonomy in providing social housing. Moreover, private actors, third-sector actors and hybrid actors are more likely to be actively involved and might be more likely to be able to negotiate with governments to influence regulations (Treib et al., 2007).

3. **Methodology**

Based on a literature review in the next section, the national and local policy documents reflecting the social housing development and status quo in China are analysed. As social housing governance is complex and highly contextualized, the review is combined with the results of two case studies in the two Chinese cities of Chongqing and Fuzhou. Practitioners in the two cities were interviewed for gathering information about the composition of actors and their interrelationships in the provision of social housing. The reasons to select Chongqing and Fuzhou for case study are mainly the following four:

a) The national phenomenon of involving non-governmental actors can be found in the two cities as they try to attract social investments and encourage social housing consumers' participants into social housing governance (Zhou and Ronald, 2017; Wang, 2014) ;
b) In order to meet the housing needs generated from rapid urbanization processes and soaring housing price, the two cities have embarked on a large number of social housing projects. For instance, Chongqing built about 140,000 social housing units per year during 2011-2015 (Chongqing Municipal People's Government, 2015). Fuzhou constructed about 20,000 units in the year 2015 (The bureau of the housing administration of Fuzhou, 2015). This has provided the practitioners in the two cities with considerable experience and could provide us with valuable data through interviews.
c) The data is accessible, and consists of first hand material.
d) Two mainstream modes (*Tongjian* mode and *Peijian* mode) of Chinese social housing provision are covered in the two cities (Li et al., 2014). *Tongjian* mode is used in both Fuzhou and Chongqing where governments established investment organizations[3] to construct social housing projects; *Peijian* mode is adopted in Fuzhou as real estate developers are required to build a certain percentage (usually 10%) of social housing in their commercial housing projects.

In total, 30 entities (14 from Chongqing and 16 from Fuzhou) were identified in the social housing provision process of the two cities (see Appendix 1 for detail). For each entity, at

[3] The investment organizations are also known as Local Government Financing Platforms, which are usually sate-owned enterprises to develop, finance and implement public infrastructure (including social housing projects) (Jin H and Rial I., 2016).

least one representative has been interviewed. The respondents consisted of policy makers, property managers, real estate developers, construction manager, tenants, and bankers.

Thirty-three interviews were conducted in both cities in 2017. The five core elements ('ownership' 'management', 'operational priorities', 'human resources' and 'other resources') from Billis' framework (2010) were converted to interview questions to help define these entities' roles based on type 'public', 'private', 'third sector' and 'hybrids'. These questions are: What is the ownership of your organization (e.g. shareholders, citizens or organization members)? What is the management type (e.g. share ownership size, public elections or private elections)? What are the operational priorities (e.g. market forces, individual choice, public service, collective choice or commitment about distinctive mission)? What is the human resource (e.g. paid employees, paid public servants or volunteers)? What are the sources of the funding (e.g. sales, fees, taxes or social donations)?

Based on the answers, the entities are titled with 'public', 'private', 'third sector' and 'hybrid' and placed in the specific zones of figure 1. According to the arrangement of the principles in a decreasing order, hybrid actors are also allocated to the nine zones. For instance, if a hybrid actor possesses three principles of the public sector and two principles of the private, it can thus be located in hybrid zone 3 (Public/Private), meaning that this hybrid actor has a closer relation with or more characteristics of the public sector. Open-ended questions were asked as follow-up to supplement the actor analysis: what is your daily work in terms of social housing projects? What is the decision-making process of social housing? Which actor do you think has the biggest influence on others in the social housing system and why?

It is worth noting that although social housing (*baozhangxing zhufang*) in China encompasses several programs ranging from providing home-ownership houses (Economic Comfortable Housing: ECH; Price-capped Housing: PCH) to rental homes (Public-Rental Housing: PRH and Low-Rental Housing: LRH) (Chen et al., 2013), in this paper, we limit our research scope to PRH only. The reasons are as below. Usually, the relocating families in urban renewal projects or skilled workers will be provided with PCH and ECH (Chen et al., 2013; Huang, 2012), which created great opportunities for corruption and mismanagement of governments (Ma, 2011; Xiao, 2012). Thus, around the year 2013, PCH and ECH are required to be abandoned or reduced in several cities, following the regulations of the Ministry of Housing and Urban-Rural Development (MOHURD), for example in Beijing, Guangzhou, Fuzhou, Chongqing and Nanchang (Cai et al., 2017; Wang, 2016). Moreover, the PRH was enforced as a form of social rental housing program in 2014, in combination with the LRH (MHURD et al., 2013). Most notably, the PRH program has dominated the social housing projects in the two selected cites: Chongqing and Fuzhou (Chang, 2010; Lin, 2011).

4. Social Housing Governance in China: Actors

This section introduces the three levels of government and applies Billis' work to locate the practitioners into the four types of actor: the public, the private, third sector, and the hybrid.

4.1 The three levels of government

The central government sets policies and mandates for the whole country's social housing provision, while local governments are in charge of the local policy formulation, specific operational methods development and the implementation (Zhou and Ronald, 2017). Local governments can be divided into two levels of government further: the mid-level (province/municipality, prefectural city, and district government) and the lowest level (sub-district office), due to they conduct different tasks. Usually mid-level governments will work together with experienced investment organizations and real estate companies (Chen et al., 2013). The entrusted investment organizations get subsidies from the municipal governments, receive bank loans, select constructors from a bidding process, and execute the contracts for social housing projects (Li et al., 2014). The real estate companies build social housing within their commercial projects and are fully financed by local authorities (Li et al., 2014). Lowest level governments have no access to either finance or land of social housing projects and they rarely participate in housing development, construction and allocation. The job for lowest level governments is to cooperate with the Residents' Committee (*jumin weiyuanhui*, abbreviated as RC hereafter) and property management companies to provide management services (Tang, 2015). RC is a basic unit of urban governance in China and is originally defined as "mass organization of self-management at the grassroots level" in the Constitution of the People's Republic of China in 1993. RC provides a way to consult with management on behalf of the residents and convey government information and services to social housing tenants, acting as an intermediary between the local government and tenants (Bray, 2006). Property management companies provide professional services such as repairs and renovations, security guards and they are usually hired by the mid-level government (Chen et al., 2014).

Based on the above interpretation, rather than a simple top-down structure with purely governmental endeavour, the social housing provision has divided Chinese governments into three different levels with various policy and implementation responsibilities. This multi-level government setting has also contributed to the growing participation from non-governmental sectors and extensive interactions among all the actors: central government, local governments, state-owned enterprises, non-governmental organizations and households.

4.2 Empirical analysis of the actors

At first glance, it seems like participants involved in social housing provision come from the four actor types discussed before: the public (three levels of government), the private (real estate companies, property management companies, etc.), the third sector (RC) and the hybrid (i.e. investment organization) as investment organizations are established by local government but operate with market logic. However, the empirical evidence from Chongqing and Fuzhou indicates that there are only two types of actor: the public and the hybrid (table 1). And the hybrid areas can be clustered in zone 1 (Public/ Third), 3 (Public/Private), and 7 (Private/Public) (see table 1 for details).

Table 1. Actors involved in the social housing provision in Chongqing and Fuzhou

Public actor	Hybrid actor
Three levels of government: Central government*, Mid-level government and Lowest level government	Hybrid zone 1 (Public/ Third): RCs in two cities Hybrid
	Hybrid zone 3 (Public/Private): the investment organizations and constructors in the two studied cities, the bank in Chongqing, the property management company in Chongqing **
	Hybrid zone 7 (Private/Public): the property management company in Fuzhou **, the real estate company in Fuzhou

* During the interview, many respondents, especially the ones from local authorities, emphasized the important role of central government as policy maker and supervisor. Although we did not have the access to any staff working for central government, the answers of interviewees helped define central government as the public actor.

** Although performing the same tasks, the property management company in Fuzhou is a private owned entity, while the one in Chongqing is a state-owned enterprise.

According to the interviews, the three levels of government are public actors participating in social housing provision from policy-making and policy-implementation processes. Moreover, the interviews demonstrate that the public actor makes decisions, owns the property right of housing units (in most cases), distributes land for social housing projects, and plays important role in financing social housing. However, the two cities show differences here. Chongqing municipal only provides 30% of total investment (in which, 10% is from the central government) to social housing projects and the investment organizations need to collect the other 70% from the capital market (Staff from Urban and Rural Construction Committee of Chongqing, 2017). On the other hand, Fuzhou government has fully financed social housing projects conducted by investment organizations and real estate companies (Staff from the Bureau of the Housing Administration of Fuzhou, 2017).

Hybrid actors from zone 3 and 7 are actors both combining principles of public and private but in a different way. Actors in zone 3 are state-owned or local-owned enterprises working under consistent interference from municipal governments: they need to get permission on their decisions about social housing projects; executives of these state-owned enterprises are appointed by the governments; the working priority is to satisfy governments' goals; and they get government credits as backup for financial activities. As for the actors from zone 7, many studies have regarded this type of actors as private and a symbol of neoliberalism in Chinese social housing provision (Wang et al., 2012; Zhou and Ronald, 2017). However, they are hybrid due to their 'operational priority' is defined as 'public service and collective choice' by the interviewees while for pure private companies, the foremost goal is to maximize profits.

Hybrid actors (RCs) in zone 1 integrate principles of the third sector and the public sector. Established by the sub-district office (*jiedao banshichu*, which is the lowest level of urban governments in China), RC is perceived by many scholars as a branch of the urban administrative system (Bing, 2012; Cai, 2005). However, the interviews suggest that the RCs are a hybrid actor due to their 'human resources' consist of a mix of volunteers and government paid workers and they are financed partly by governments and partly by donations.

To sum up, the analysis from the 'actors' perspective indicates that only public actors and hybrid actors participate in Chinese social housing provision (at least in the two cities). Market and civil society logics applied in social housing governance do not generate pure private or third actors but cooperate with the state logic to form hybrid actors.

5. Social Housing Governance in China: Interrelationships

MLG as a tool to understand the 'interrelationships' perspective of social housing governance calls for an investigation from two angles: the intergovernmental relations and the interactions among the public and the non-public actors (private, third sector and hybrid actors; see section 2.2). As private and third sector actors in Chongqing and Fuzhou practically do not exist, the second aspect of interplay between public-non-public relations has shifted to public-hybrid relations in this study.

5.1 *Intergovernmental relations*

Zou (2014) and Zhou (2016) argue that social housing governance in China is deeply embedded in the intergovernmental relations. Different levels of government, which are defined as the public actor in the previous section, have played different roles with various goals. The central government has viewed social housing provision as an important way to ensure "political consolidation and social stability" (Shi et al., 2016: 224). Furthermore, Huang (2015: 8) highlights two purposes of central government to provide social housing as "to ease intensified public discontent due to skyrocketing housing prices and the severe shortage of low-income housing" and "to avoid the social problems associated with large scale low-income housing projects". These intentions are reflected firstly in the ambitious goal of central government to provide 36 million new social homes for needy households during the 12th five-year plan period (from 2011 to 2015) (Chen et al., 2014) and build 2 million units of PRH housing in 2017 alone (MOHURD, 2017). Secondly, central governments aims for setting 'harmonious society' policies in order to increase social housing consumers' participation (Shi et al., 2016).

However, the mid-level officials, who are the main implementer of the central housing policies, are always reluctant to build social housing (Zou, 2014). The poor motivation of mid-level governments to build social housing can be explained as follows. First, economic

growth is the main criterion for central government to evaluate local officials for promotion or dismissal (rather than elections), local officials have an incentive to promote economic growth and compete horizontally with other local officials rather than providing public goods (Zou, 2014). Second, land transactions are the major source of the local revenue (Jin et al., 2005). Mid-level governments thus prefer to lease land to build commercial housing and attract investment from corporations, which can bring high revenues, rather than providing land to social housing projects with lower revenues (Pan et al., 2015). As mid-level authorities are responsible to provide social housing mostly depending on their own finances and resources (staff from Chongqing and Fuzhou governments, 2017), they turn to depend on market resources for social housing construction.

Although central and mid-level governments have different concerns in alleviating the shortage of social housing, they both have a consensus of preventing social problems in social housing projects as keeping a stable society is important for economic growth (Ringen and Ngok, 2017). Normally, the mid-level government empowers sub-district offices to intervene in the neighbourhood management and employs a property management company to provide services - thus to contribute to political stability (Bray, 2006). However, interviewees stated that the management in social housing projects is not easy:

Many low-income and less educated people live together could probably cause potential social problems such as crimes, taking drugs and so on.…There are 40,000 people living in this project and we need more staff. (Staff from Caijiagang Sub-district Office of Chongqing, 2017)

Because the task is heavy (due to the huge number of tenants), we sometimes are not profitable and can even lose money. (Staff from Guomao Property Management Co., Ltd of Chongqing, 2017)

Thus, to serve social housing tenants' needs, more human resources and more financial supports are needed according to the interviewees. In response to this, sub-district offices have to facilitate the formulation and participation of neighbourhood associations by invoking civil society logic. RC itself effectively then has been included in the management of the social housing.

To sum up, the intergovernmental relations in Chinese social housing governance are featured from both the vertical relation and the horizontal one. The vertical steering can be explained from two dimensions: first, central government requires mid-level governments to be self-financed for social housing projects; second, achieving results through the subcontracting of administrative affairs (to be more specific, the management of the social environment in order to avoid potential social problems in social housing neighbourhood) depends largely on the sub-district offices. The horizontal competition concentrated in the economic development appraisals (Zhou, 2016), make mid-level governments put large efforts into boosting land revenues, instead of investing capital or human resources into social housing projects. Together the vertical and horizontal intergovernmental relations have resulted in the

introduction of market and civil society logics in social housing governance.

5.2 Interactions among the public and non-public actors

In the following, the interactions between the pubic and non-public actors are discussed under two headings: state-market and state-civil society relations.

a) State–market relation

The state–market relation has been studied by many academics drawing attention to the dominant role of the state ownership system in social housing provision (He et al., 2017; Miao and Maclennan, 2017). This is demonstrated by the fact that state-owned enterprises function as developers, investors, constructors, and sometimes even land providers of social housing projects (Zhang and Rasiah, 2014). In Chongqing and Fuzhou, state-owned enterprises are hybrid actors in zone 3 (Public/Private). The responses to the interviews indicate that these enterprises only directly interact with the mid-level bureaucrats and they count on government resources and authority for their daily work, in perspective of social housing projects.

We act like an agent of the government and our priority is to fulfil the task assigned by the government. (Staff from Chongqing City Real Estate Group Co., Ltd., 2017)

Although the profit for building social housing is low, we are still doing it on behalf of the government's interests. (Staff from Chongqing City Real Estate Group Co., Ltd., 2017)

Another type of state–market relation is emerging because of the adoption of real estate developers to social housing finance and construction. This manifests as actors from hybrid zone 7 (Private/Public) interact with also the mid-level governments. These hybrid actors are chosen through bidding procedures by Fuzhou municipal government. The chosen developer will receive subsidies on bank loan interests, as well as tax deductions through negotiation with the municipal government. However, the scope of the negotiation is limited, as was pointed out by the interviewees: hybrid actors are excluded from the decisions on the construction process and the financial issues. In addition, they are supervised by the mid-level governments in many ways as interviewees in Fuzhou described:

-Housing size and layout are stipulated. (Staff from Real Estate Company of Fuzhou, 2017)
-Property management fee is stipulated to be lower than the market price. (Staff from Fuzhou Yongxinshun Property Management Company, 2017)
-To build social housing is a prerequisite for successfully bidding for land for commercial projects. (Staff from Real Estate Company of Fuzhou, 2017)

b) State-civil society relation

Civil society, referring to the active citizenship in voluntary groups (Hodgson, 2004), has

been discussed both in academic and political discourse since 1978 when China started to transfer its centrally planned economy to a socialist market economy (Bray, 2006). However, the operations of such voluntary groups are defined mostly as government "strictly registered, regulated and monitored" (Ringen and Ngok, 2017: 230) and can thus been seen as "quasi-civil society organization" (Keane, 2001; He, 2016). The idea of "quasi-civil society organization" has been confirmed in Fuzhou and Chongqing where the high level of government control dominates the interaction between public actors and hybrid actors in zone 1 (i.e. RC).

We set up Residents' Committees and are responsible for organizing the staff to provide services and paying salary for some of them (some personnel are voluntary). (Staff from Caijiagang Sub-district Office of Chongqing, 2017)

Interviewees noted that PRH tenants participate in social housing governance through face-to-face interactions with RCs' staff or joining RCs as a volunteer (tenant in PRH project of Chongqing, 2017; staff from the Liangjiang Minju South RC of Chongqing, 2017). In this regard, RCs have created resources for tenants to influence and change the policy implementation, albeit to a limited extent. Apart from the conventional features of social organizations such as close social bonds and voluntary actions (Bing, 2012), staff from RCs indicated that they also need to fulfil many administrative duties arranged by the sub-district offices. The interviewee from Chongqing RC expressed his confusion of the organization identity:

I am not public servants and in that sense we (RC) work as a citizen self-governance organization, but we (RC) need to follow the plan of the governments, in that sense, we (RC) work like the extension branch of the government.

To conclude, the interactions between public and non-public actors are interpreted in this study as the state–market and state–society relations in the context of the implementation of social housing policies. The state–market relation is described by how mid-level governments tightly control actors from hybrid zone 3 (the state-owned enterprises), and intensely regulate actors from hybrid zone 7. The state–society relation appears as RCs, which are supported and supervised by the lowest level governments. These two types of relations have added useful insights for understanding the widely recognised status that pubic actors still remains influential and dominant in China in many fields (He and Lin, 2015) .

6. The Model of Chinese Social Housing Governance

In reflecting on the analysis of actors and interrelationships, particularly based on the interviews from Chongqing and Fuzhou, the structure of the model of Chinese social housing governance is presented in figure 2. This model helps to understand the role of the government as dominant, from two important aspects.

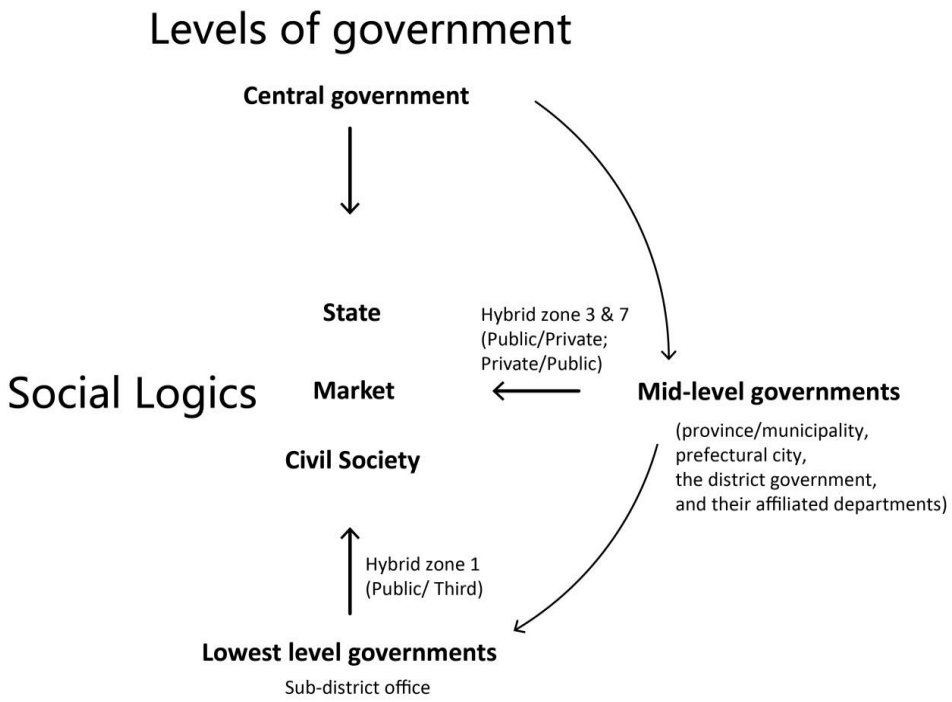

Figure 2. The model of Chinese social housing governance

The first aspect is 'levels of government applying different social logics'. In the Chinese model, as shown in figure 2, the 'levels of governments' perform as the background for social housing provision. The central government, taking social housing provision as a policy objective for economic growth and political stabilization, relies on the 'state' institutional approach of legal regulation. The mid-level governments, with the intention of fulfilling the defined quotas of social housing units by the central government, demonstrate a great interest in market instruments and perform as 'entrepreneurial government' (He and Wu, 2009). Upon request by the mid-level government, the lowest level government, which can be considered as being closely intertwined with the idea of 'civil society', are responsible for providing public services and managing the neighbourhood. This organization of governance denotes that government is still taking on considerable responsibility for the provision of social housing, but also is calling upon non-governmental resources at different levels.

The second aspect of the government dominance is the 'the hybrid actors'. In the empirical analysis of 'actors' part, it is intuitively clear that the Chinese hybridity are mainly from in zone 1, 3, 7, blending the principles of public actors with either private or third sector. Actors in zone 3 and 7 emerge due to the mid-level governments that employ market logics while hybrid actors in zone 1 are the products of lowest level governments' adoption of civil society logics. In that sense, the market mechanism has been facing many political and legal constraints imposed especially by mid-level governments. And the civil society logics, in the case studies is conveyed by RCs, which have been argued as being a "de facto government institution at the grassroots level" (Wang et al., 2017: 7). Its activities are restrained by lowest level governments.

The two aspects indicate that the emergence of both market and civil society instruments in social housing projects in China might be not because of the governments' interventions have failed, but could be entrusted with political and administrative duties. Furthermore, the two aspects together ensure the government control, regulation and supervision within the social housing governance and ultimately consolidate the regulatory power of Chinese government. This dominant role of the government is acknowledged widely in the conventional study of social housing provision in China (see for example Chen et al., 2014; Wang and Murie, 2011; Deng, 2017). However, as these studies have paid attention to the state–market dualism, they usually split the government into two levels: central and local. Actually, the local activities have gone beyond the application of market mechanism and mixed with also the civil society mechanism, which is an important dimension of governance study (Ringen and Ngok, 2017; Thynne and Peters, 2015). This has made the division of three levels of government in this paper more reasonable than the traditional two-level distinction between central and local governments. Meanwhile, this social housing governance model has confirmed that China is a hybrid system and shed light on how the hybrid system has been created by focusing on actors involved in social housing system.

7. **Conclusion**

This study explores the question of whether the government dominance still exists in current Chinese social housing governance or not. Government refers to the three levels of authorities in China ranging from the central state to different levels of local government. As the increased entrepreneurial and civic activities have triggered the emergency of many non-governmental actors and interactions among actors, the role of government has been questioned to change accordingly. This paper uses the governance literature focusing on two elements: 'actors' and 'interrelationships' as analytical framework.

In addition, to go beyond a review of the policies and literature, this paper also presents an analysis on empirical data from two Chinese cities, Chongqing and Fuzhou. The results of the study have a wider application in China as the two cities are representative for the modes of PRH provision, which as defined before is the main social housing program in China. And the empirical data could help to come up with the framework to be tested in other parts of China as other Chinese cities show similar ways of social housing governance. For example, in Qingdao, investment organizations are participated in social housing building and their operations are described as "led by government, operated in the market place" (Zhang and Rasiah, 2014: 66); in Nanjing, Hangzhou and Jinan, real estate companies engaged in social housing provision are supervised by governments and get various incentive policies such as "subsidizing bank loan interests, reducing or cancelling local taxations, supplying free lands" (Li et al., 2014: 126).

The results of the analysis are visualized into a Chinese social housing governance model, which in first instance confirms the government's dominant role. Although literature on social housing policies during the centrally planned economy era has revealed the all-encompassing

and leading role of government (Yeh and Wu, 1999; Zhang, 2000), our research shows that the meaning of the dominance is evolving towards a different interpretation in contemporary China. Influential ideologies of marketization and democracy from western countries have been influencing Chinese governance since the economic reform from 1978. To what extent government retains power can be discerned from two aspects from our investigation. First, government implements social housing policy and, more importantly, the different levels apply different social logics in the formulation of strategies. The government therefore functions in the roles of state, market and civil society actors, all at the same time. The latter two roles are also realized by three new forms of hybrid actors that have come into existence. These hybrid actors are linked to different levels of government in different ways: they are owned, regulated by and/or are subordinated to the level of government concerned.

Additionally, there are two more contributions of this paper apart from the results. The first is the development of the theoretical framework. 'Actors' and 'interrelationships' have provided a new angle to understand the three-level government's role in China's social housing provision. Based on the work of Billis (2010) in combination with the MLG theory the theoretical framework has been tested in practice. The second contribution of this study of Chinese social housing governance is the definition of the new and evolving Chinese versions of the hybridity concept. The conventional research has regarded the different forms of hybridity in China as "quasi-market" actors or "quasi-civil society" actors as opposed to the free market strategy and the self-governance democratization strategy. To unify the terminology as 'hybrid' can bring insights to comprehend the performance and influence of hybridity in Chinese context. This study offers grounds to explore the meaning of hybrid actors across the globe, as hybridity is a heated topic worldwide (Blessing, 2012; Sacranie, 2012; Gilmour and Milligan, 2012).

Appendix 1

Cities	Entities
Chongqing	Governmental department 1: Municipal Land Resources and Housing Authority of Chongqing
	Governmental department 2: Urban and Rural Construction Committee of Chongqing
	Governmental department 3: The Bureau of Finance of Chongqing
	Governmental department 4: The Bureau of Urban Planning of Chongqing
	Governmental department 5: The Bureau of Public Rental Housing of Chongqing
	Governmental department 6: Development and Reform Commission of Chongqing

	Governmental department 7: Caijiagang Sub-district Office
	Governmental department 8: Land Resources and Housing Authority of Chongqing at district level
	Governmental department 9: Public Housing management Centre in PRH project
	Investment organization : Chongqing City Real Estate Group Co., Ltd.
	Constructor: In colour twelve Metallurgical Construction Co., Ltd.
	Property Management Company: Guomao Property Management Co., Ltd.
	Bank
	Residents' committee: Liangjiang Minju South Residents' committee
Fuzhou	Governmental department 1: The Bureau of the Housing Administration of Fuzhou
	Governmental department 2: Municipal Bureau of Civil Affairs of Fuzhou
	Governmental department 3: The Bureau of Finance of Fuzhou
	Governmental department 4: The Bureau of Urban Planning of Fuzhou
	Governmental department 5: Development and Reform Commission of Fuzhou
	Governmental department 6: Municipal Land Resources of Fuzhou
	Governmental department 7: Urban and Rural Construction Committee of Fuzhou
	Governmental department 8: The bureau of the housing administration of Fuzhou at district level
	Governmental department 9: Bureau of Civil Affairs of Fuzhou at district level
	Governmental department 10: Shangdu Sub-district Office
	Governmental department 11: Operating Company in State-owned real estate management centre of Fuzhou
	Investment organization : Fuzhou Construction and Development Co., Ltd.
	Constructor: Fujian Construction Engineering (Group) Co., Ltd.

	Property Management Company : Fuzhou Yongxinshun Property Management Company
	Real Estate Company
	Residents' committee: Shangdu Residents' committee

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