Housing reform in China has drawn great academic attention both in China and abroad. In China, the welfare nature of housing has remained fundamentally unchanged since economic reform until the policy of ‘housing monetarization’ was promulgated in 1998. From then onwards, the government stopped providing in-kind housing to urban residents and instead provided cash allowances for home purchase. Different models have emerged with respect to the housing monetarization reform in different cities and regions. Most suffer from the drawback of limited coverage, excluding too many enterprise employees. Housing inequality of the old housing distribution system has continued and housing inequality was aggravated by the new policy. In contrast, the Guiyang housing model is an exception. It is characterized by the redistribution of housing assets amongst all employees in the public sector, including governmental officials, employees in public institutions and workers in state-owned and collectively-owned enterprises. All public housing is under a unified management structure and work units are thus free from the burden of housing provision.

In other words, this thesis focuses on the Guiyang housing monetarization process. It strives to answer three core questions: (1) why Guiyang has developed such a plan which seems more equal and fairer than other cities? (2) How well has the plan been implemented? How well is the plan, in practice, a solution to the housing inequality and housing finance problem? (3) Who gains and who loses in the reform process?

This study will show how a poor city like Guiyang restructures its housing system into a more equal and efficient system that is different from other cities, and to what extent it is successful. It will also explore whether efficiency and social justice (equality) can be attained in the process of economic transition.

The thesis adopts a case study method. Data collection is largely based on secondary and primary sources from the provincial government offices. Selected interviews will be conducted with local households in order to ascertain the impact of housing reform policy since 1998.