Official Residence System in USA and Its Influences on China

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Abstract

Official Residence System (ORS) was newly raised in China, albeit with few details so far. While the practice overseas, especially in USA, being fully developed, has a very long historical standing and has important implications for ORS development in China.

This topic is to probe into the necessity of implementation of ORS in China based on Buchanan’s Government Failure Theory and Robert Reinhardt’s New Public Service Theory and briefly introduces the background and implementation obstacles in China. And then, reasons and terms to implement ORS in USA will be dissected in line with government capacity, system safeguard, and political consensus. Afterwards, this paper will analyze features of ORS in USA. In the end, by comparing the differences between China and USA as well as integrating the conception of Cross-cultural Communication, we can parse the influences of USA on China and explore our ORS development prospects.

Key words: Official residence system; Anti-corruption; Public services; Sino-US comparison

INTRODUCTION

Since the Third Plenary Session of the Eighteenth Central Committee of the Communist Party of China puts forward the idea of exploring Official Residence System, this new notion, albeit with few details so far, quickly becomes a hot topic of the academic press. A signed article in Jing Hua Times says this would be a concrete measure to restrict the power of cadres so that the housing benefits they enjoy will be transparent and based on rules. Official Residence System which has been well-established enjoys a long historical standing in Western countries and was in detailed introduction on some government documents.

This system was not well-documented in Chinese history. Studies on it are scarcely ever in domestic. Only some annuals are kept in a record of official residence fragmentally. For example, it is recorded in the Historic Records Dong Guan Zou Ji that when Tangxunzong was on the throne, Cui Ying, a king join (one of the three major officials who governs the capital affairs) let a prisoner escape from prison. The emperor flew into a rage after he was reported for this, issuing an order to put Cui Ying under his own official mansion arrest for his negligence of duty (Pei, 1994). And this official mansion which was provided as well as owned by the imperial court is the rudiment of today’s official residence. This system ran through all our Chinese history. Till the late Qing dynasty, it came to an end.

While, studies of Official Residence System increased gradually since the Reform and Opening up Policy was implemented. Many specialists and scholars have explored and studied its feasibility in China. Mao-heng Huang, the vice President of CPPCC in Jiangxi province, had published an article “Can China implement Official Residence System” on Journal of Unity and elaborated the definition of official residence as well as putting forward the urgency of the implementation to speed up the process of Housing Reform. And his study which enlightens us a lot is of great significance today. (Huang, 1991) “To establish a system of official residence as the important content of deepening the reform of the government” said Wang Yu-kai, a professor at the National School...
of Administration in Beijing on the *Police Research & Exploration*, “we should make great determination to renovate the corruption on the street, curbing the abuse of power” (Wang, 2010). He tabled many scientific proposals to establish this system. His research holds an important status in this field.

In recent years, the Party has launched a campaign to clean up undesirable work styles including formalism, bureaucracy, hedonism and extravagance. However, what makes a good practice stick is a rigorous system to ensure it is followed. And in my opinion, this policy would help prevent this kind of corruption and could save public money, since local governments would not have to build a new house each time a new leader entered office. It could also help prevent the loss of State assets and official corruption. An Official Residence System would be a step in the right direction. Also it should be conformed to top-level design to restrict and supervise official power, and concrete measures are required to ensure its successful implementation as well as reducing house corruption.

There are great differences between China and Western countries in the regime, ideology so as to capacity. Nevertheless, through the cross-cultural communication, we can borrow something out of the ordinary of others and remodel for our own purpose. Among all the western countries, the Official Residence System in the United States has developed the most satisfactorily. Thus we should adopt a scientific method of comparative analysis to distinguish the system differences between the United States and China, and explore the making of USA. In that way, we can use for reference and take effective and concrete measures to implement this policy, exploring the applicant range, the housing supply, the housing regulations and the allocation standards.

Therefore, this paper will first discuss the Official Residence System and its development in western countries, and then, exploring the necessity, background as well as obstacles to implement Official Residence System in China. In the third part, this article will mainly investigate the Official Residence System in USA and its influence on China. In the end, the conclusion will be made by summing up and stating my points for attention during the process to initiate Official Residence System in China.

### 1. OFFICIAL RESIDENCE SYSTEM (ORS) AND ITS DEVELOPMENT IN WESTERN COUNTRIES

#### 1.1 ORS

Official Residence System (ORS) is a political notion which means that officials at certain levels live in a government-provided and maintained residence in their tenure to ensure them a safe and comfortable place to work and defend national security. The state embraces house ownership. When an official leave his post or be transferred to another post, the residences shall be left for the next. That is to say, they need to live in the chosen residences when they take office and move out after finishing their terms. This practice has been enforced for many years in some Western countries. While, this issue is newly adopted in our country, lacking of system construction and detailed arrangements at present.

#### 1.2 Development of ORS

As we all know, the White House for the President of the United States, the Elyse Palace for France’s President, and No. 10 Downing Street for Britain’s Prime Minister is the typical representatives of official residences.

Almost every developed country has implemented the Official Residence System. And that they have something in common. First and foremost, houses will be arranged by the government for senior officials, their children and spouses during their tenure of office will be required to . However, the officials should respond to the government call and hand back the properties when they leave their posts, so that the residences could be allocated to the successors. Secondly, most countries provide housing allowance for those incumbent ministerial officials or above. Apart from these, it has been regulated that all the official mansions are owned by the state. And all the in-house facilities are equipped and maintained by the state. Additionally, in foreign countries, this practice is on the basis of transparency of information about the personal assets and salaries of senior officials. Besides, a range of mechanisms - transparency of assets, judicial supervision and scrutiny by the media and the public - provide a check on officials abusing of power for personal gain.

Nevertheless, it differs in different countries. In Germany, all senior officials, covering the chancellor and government ministers, are provided with official residences, while only the chancellor is actually required to live in one. Ministers have the right to choose where they live; official residences, their own houses or rented properties supported by a housing subsidy are all their choices. In France, the applicant range of official residence is less than that of Germany. Merely the head of the state is under this system; all ministers are under the housing allowance system. And usually every apartment’s area is limited to 80 square meters. While, if a baby is newly born, the living space could be enlarged by 20 square meters. And if their housing area exceeds standard, the extra cost is supposed to be afforded by ministers themselves. In addition, there is something special in Canada that official residence is provided for regional chiefs and foreign ambassadors as well as official visitors.

Among all the western countries, the Official Residence System in the United States has developed the most satisfactory. Some quintessence of the entire system are well worth using for reference.
2. ORS IN CHINA

2.1 Background of ORS

In China, the idea of Official Residence System has its own historical precedence. It started from Qin dynasty and ended up with Qing dynasty. It is recorded in the book Wen Gong Xu Shi Hua that in ancient China, local officials and their immediate families lived in a residence attached to Yamen, the office where government affairs were conducted. The tradition of local officials living in the government-provided and maintained residence freely lasts till the collapse of Qing dynasty (Guang, 1991).

While the central government officials’ housing system has undergone plenty of changes. However, as the national centralized management function has been consolidated, the problem of overstaffing in organizations emerges. Officials worked and lived in the national capital all their life increased dramatically. The national strength can not bear all these. Therefore, office space and living place started to segregate. That is, officials with relatives and servants cannot live in Yamen; they have to buy their own houses for living. During Tang dynasty, government had no longer provided free housing for Jing Guan, and this practice was imitated by the following dynasties. However, all the residences were owned by the country; officials have the rights of habitation but no property rights. And that’s the rudiment of an Official Residence System in the history.

In recent years, most officials shared similar accommodation. The long-fostered image of modest two-story red-brick houses set among trees and lawns with a fishpond in the centre may be overly sentimental, but it fundamentally reflected the accommodation available to government officials about 30 years ago. As time passes by, it brought about many official corruption problems and impeded the development of Housing Reform. However, it laid the foundation of today’s Official Residence System. And since the Reform and Opening up Policy was implemented, many specialists and scholars have explored its feasibility and development prospect in China. All of these have great enlightenment on the forthcoming reform.

2.2 Necessity to Implement ORS

In the early days of carrying out the Reform and Opening-up Policy, most officials shared similar accommodations. They could move into the institution yard, a place which serves for their work and living during their tenure of office. They have no property rights and can’t live all their life in the residences.

Things have changed dramatically since some officials overplayed their hands by wantoning exercise of power, and the excessive housing perks have caused public consternation and resentment. In the roll call of fallen officials, much of the graft has revolved around the government housing system. What’s more, some corrupt officials acquire free or subsidized apartments at one place, and accumulate more houses as they move to serve in another place or get promoted, which they then pass to families, relatives, or even mistresses. Some officials sell the properties, which they have obtained for free or which are subsidized, at the market price and then keep the profits. There have been cases in recent years in which officials have been found to own dozens or even hundreds of apartments. For example, in July, Liu Zhijun, the former railway minister, was sentences to death after being found guilty of using undue authority and accepting bribes, but what shocked the public most was Liu’s confession that he had amassed 374 houses, some in Beijing, others spread around the country. In October, it is reported by China Economic Weekly that approximately 100 senior officials at provincial or ministerial rank have fallen from grace since 2000. Of those, 53 were involved in corruption and bribery related to housing. Shortly “Uncle House” was exposed, and a “Sister House” and an “Auntie House” soon appeared.

And all these abuse of power and bribe-taking behaviors are the manifestation of Government Failure (or Non-market Failure by Buchanan) which is the public-sector analogy to market failure and occurs when government intervention causes a more inefficient allocation of goods and resources than would occur without that intervention. The government’s failure to intervene in a market failure that would result in a socially preferable mix of output is similarly referred to as passive government failure. Just as with market failures, different kinds of government failures describe corresponding economic distortions (Clifford, 2006).

The Government Failure Theory suggests that all officials are economic men that their behavior motivation is rooted in the economic incentives, they all want to seek for maximum benefit regardless of interests of the people. It embodies in that officials abuse their rights to make housing corruption. Effective measures should be taken to solve Government Failure. And the legalization of government behavior as well as improvement and perfection of political system would be conducive to it. Thus, establishing Official Residence System is staring us in the face.

Apart from this, there is urgency for China to implement such a system based on Robert Reinhardt’s New Public Service Theory in which public service motivation (PSM) represents an individual’s predisposition to respond to motives grounded primarily or uniquely in public institutions. The theory has been elaborated in the book New Public Service: Serving, not steering that the government construction is associated conceptually with six dimensions: attraction to public policy making, commitment to the public interest, civic duty, social justice, self-sacrifice, and compassion (J. V. Denhardt & Denhardt, 2003). In all, official’s duty is
to serve the people with heart and soul. And that calls for officials’ total loyalty and wholehearted devotion to the public interests. At the annual sessions of China’s parliament anti-corruption ranked the most concerned issue. In recent years, China has adopted a dual approach that combined both punishment and prevention to address the country’s wide spread corruption. Therefore, as there exists official housing corruption, we ought to ameliorate our system to surmount it. And Official Residence System with transparent living stipulations is one of the effective means which conduct to anti-corruption.

2.3 Development of ORS

To curb official corruption related to housing and terminate extravagance, China will “explore ways to implement the Official Residence System”, according to one of the proposals in a wide-ranging reform blueprint approved at the key meeting of Third Plenary Session of the 18th Central Committee of the Communist in November. On the Session, the Decision has been made to standardize officials’ working and living safeguard system, not allowing them to occupy several housing and office space nor being equipped with excessive office and living room.

This notion is newly adopted in our country, lacking of system construction and detailed arrangement at present. There is no consensus about whether to implement this system and how to implement it. People are all keen to know and discuss its development prospect passionately. Different people have different views, and thus underscoring the arduous of the reform.

While the National Subject Research Team on Official Residence System has set up in 2013 since the Decision has been made to explore ways to take this system into effect in China. Highly effective research results have been achieved with one year’s investigation and survey. They have teased out proven methods to bring it into forth gradually and orderly. Research shows that this system will enjoy great potential and vast development prospects in China in the near future. And we must set up the consensus that the implementation of ORS cannot be done overnight or unilaterally. It will require years of hard work. We should first pilot, and then gradually introduce it to the nation.

2.4 Obstacles of the Implementation of ORS

As soon as this policy has carried out, dissenting opinions had come to the fore. Some experts believe that the move constitutes a major breakthrough in the leadership’s fight against corruption, while others remain skeptical.

And these turned out that most populace is misled in consciousness; they have no idea of what the real Official Residence System is. To sum up, there are five types of misunderstanding on it. Firstly, some holds an opinion that this practice is the standard configuration of powerful nations in the world. China is to show her national capabilties and to be geared to international standards. And this opinion has relatively ignored the practical significance of Official Residence System to promote political system reform.

Secondly, some people think that this compound system with Chinese characteristics will push up China’s real estate prices and suppress the China’s real estate industry. This kind of view twists the essence of the system which is to show respect to market, letting the market make their independent adjustment.

Thirdly, some even hold the opinion that more perks for the officials will simply provide by these changes. Establishing an official residence scheme in China could have a hard time when the proposal becomes a reality. Many skeptics have asserted that it will be little more than a new approach to provide perks and officials still won’t need to publicly disclose information about their personal assets. “Who knows how many properties they already possess behind the scenes?” seems to be a hot issue posed on online forums. Some officials have already felt ill at ease with the flourishing development of the new leadership’s strengthening of the anti-corruption campaign. They hold a negative attitude towards the system and worry about that this practice is simply to enhance the government vanity project.

Moreover, a few even regard this system as a fundamental solution to cure official corruption once and for all. They are just too positive about it. Apparently, this practice is part of measures to cure political corruption and can not bring it under permanent control.

Apart from the challenges with respect to the disclosure of assets, the labyrinthine nature of the administration has aroused many experts’ suspicions of the feasibility of an Official Residence System. The greatest difficulty in implementing such a system lies in establishing boundaries between departments and the different official levels and deciding who is eligible for inclusion.

Besides, the Official Residence System is a new thing in China, so the theoretical research of it is seriously insufficient. The question of what is official residence and Official Residence System and what is the meaning of implementing Official Residence System on our country’s official residence housing system reform is not clear yet. And ORS construction is a theoretical task of a long way to go.

3. THE INFLUENCES OF ORS IN USA ON CHINA

3.1 ORS in USA

3.1.1 Reasons to Implement ORS

There are four reasons for the United States to carry out Official Residence System. First and foremost, this
system was formulated to ensure a safe and comfortable place for officials to work. Government work, different from company work, possesses the speciality of high confidentiality and interoperability. Government officials are public servants of the people. They need a comfortable office space to initiate mutual cooperation and share public resources as well as high-tech equipment. Only by working in big and specialized office buildings can officials work with passion and responsibility, thus increasing their working efficiency. And only in this way could the government serve the people better.

Secondly, almost all the government work is closely related with state secrets, which are about national survival. Therefore, safety and confidentiality should be attached with great importance when laid down an official working system. And the Official Residence System which guarantees that officials at certain levels live in a government-provided and maintained residence which could ensure all officials work within the encrypted systems and state confidentiality will not be disclosed is exactly the proper solution to ensure national security.

Additionally, this kind of flexible housing subsidy policy is beneficial to reduce the country’s fiscal spending, raising the utilization ratio of finance. The most significant function of this system is to inhibit the waste loss of state-owned assets and to curb official corruption in regard to housing and end extravagance.

Apart from these, this system is also conducive to strengthening the power operation system, clerk of the officials to abuse of power for personal gain. And it is also useful to build an incorrupt government by restraining officials’ unlimited house-purchasing rights, presenting a good government image.

3.1.2 Development of ORS
Official Residence System has gotten a substantial development in the United States as John Adams, the second president of America, checked in and took over the White House whose subgrade was chosen by the first president, George Washington. Since then, the White House in which all the American presidents lived has become a synonym for the U.S. government. But it wasn’t called the White House; it was named by President Theodore Roosevelt officially since 1901. After that, other official residences are built. Gradually, it developed into a relatively impeccable system.

Nowadays, in the United States, for example, special accommodation is provided for incumbent senior officials. Less than 100 people can live in the residence. And they only have to pay a merely nominal rent for the houses, about 1dollar. Mayors have the initiative to accept or give up the chance to live in the mansions. What’s more, basic furniture, such as desks, chairs, cutlery and silver ornament, is provided by government officials to handle business without a hitch. Particularly worth mentioning is that the official residences pulling double duty of reception and work usually are the well-known local biddings including places of historic interest, resort condo near the sea or the prairie.

However, there is no uniform standard for the residences which brought about the problems that allocation regulation is insufficiently transparent and housing allocation is not fair enough yet. While, in my opinion, residential allocation should be in line with every state’s specific circumstance and generally accepted rules should be formulated to ensure the allocation work are to be conducted in a fair and just manner. And that’s the sally port we need to seek to break through.

3.1.3 Pre-Conditions of the Implementation of ORS
The implementation of Official Residence System in the United States has its special historical conditions. Firstly, government capacity is of vital importance. United States amply supported with funds has strong national strength to initiate new construction and build great diverse official residences. The government attached great importance and set aside abundant financial funds to support the project.

Besides, the United States adopted a series of supporting measures and follow-up system as institutional assurance, such as power supervision, setting up housing standard and the housing subsidy for other officials who are not under the Official Residence System. All these administrative measures are conducive to the implementation of ORS.

Last but not least, the consensus among all the officials and citizens. It has to be well received and accepted by the public before any new policy’s implementation. Principal officials recognize the importance of carrying out this system. Meanwhile, citizens agree with government’s reform and provide active support. The idea is accepted by the whole nation.

Therefore, there would be fewer obstacles on the path of the reform. All in all, government capacity, institutional assurance, reform consensus are of great importance in the United States’ implementation of Official Residence System.

3.2 The Influences on China
There are great differences between China and USA in state system, ideology as well as capacity.

China is a socialist country under the people’s democratic dictatorship, led by the working class and based on the alliance of workers and peasants. Each class is equal all around the nation, while the United States has established a capitalist society under bourgeois dictatorship. In the aspect of ideology, China attaches great importance to personal authority. While the United States pays great for cooperation and consultation on the basis of equality. Besides, in terms of China’s national conditions our national power is relatively less strong than the UAS. Nevertheless, the system belongs to institutional cultural aspect. With the development of cross-cultural
communication, we could take others as reference and combine with our own culture, serving our country.

As the definition by Rujun Cheng in the essay Culture, Intercultural Communication and Culture Shock Under the Background of Globalization the so-called “culture, in the same environment is the people have the common psychological procedure” (Cheng, 2007). Therefore, culture is not a kind of individual features, but with the same social experience, with the same education of many people has in common psychology program. Different groups, different countries or the people of the area, this kind of common psychology program are different, because they have been inspired by the different education, have different social relations and work experiences, and also can have a different way of thinking. Thus administrative systems and policies would render border differences as well as regional distinction. Cross-cultural communication is to overpass the boundary of state system, to exceed the ideology and take in outstanding practices. Only in this way can we make great contribution to integrity of the world.

The Official Residence System in the United States has developed the most satisfactory. Strict and clear stipulations have been formulated concerning the size, expense and maintenance of official residences. We should take our national conditions into consideration and then take advantage of their excellences, making up for our system deficiency. Therefore, we should pay more attention to the following issues.

3.2.1 Scope of Application

First and foremost, in the United States, the Official Residence System is suitable for the special crowd and accommodation is provided for the current senior officials, including the president, vice-president, state governors and vice-governors, the mayors of large cities, as well as some university presidents.

Thus, in China, we should make the crowd clear and definite. And this should be implemented based on four criteria: Cases of national dignity; the nature of an official’s work the demands imposed by that work; the nature of that work and the individual’s contribution to anti-corruption.

Given our current state of our country, there are four classes of officials are to be under the Official Residence System. First, the General Secretary of the Party and state leaders, the President, Premier State Council, Chairman of the Standing Committee of the National People’s Congress, Chairman of the CPPCC National Committee and members of the Politburo’s Standing Committee, President of Supreme Peoples Court as well as the Procurator General in the country should live in the official residence. The second category is the Secretary and Cardholder, NPC Director, CPPCC Chairman, the court and the procurator’s attorney general of the province, autonomous region, and municipalities directly under the central government. The third category is the Secretary and Cardholder, NPC Director, CPPCC Chairman, the court and the procurator’s attorney general of the province, autonomous region, and municipalities directly under the central government. The last category is the cadres exchange in a new spot, such as Ministers of the Organization, Secretary of Commission for Discipline Inspection and the Director of Public Security so on and so forth. And the housing system should be simply eligible for elected senior officials, other than those appointed by their superiors. Those elected officials have a fixed tenure hence it’s easier and more convenient to ensure they move out when they leave office.

3.2.2 Housing Supply

In the United States, all the houses are built and maintained by the government; officials only have to pay a merely nominal rent for the houses, about 1 dollar. What’s more, basic furniture, such as desks, chairs, cutlery and silver ornament are also provided by the government. Therefore, in China we should take measures to ensure the housing availability. Firstly, strict measures should be taken to retaliate with full force against housing corruption. Recently, an official campaign, called “Clear House”, has been implemented nationwide. A recent move came in Hubei province when 712 units of illegally occupied housing were taken back by the State, according to the provincial anti-graft authorities. Pilot projects to promote the disclosure of officials’ assets and promote clean governance have also been launched in many provinces. These acts can make great contribution to providing more houses.

Secondly, national financial situation is to be improved to lay the foundation for house building. The development of this system will rely on the government’s financial support. The formulation of public policy would provide a strong guarantee for it. Therefore, our credit extending policy is to be flexible and our financing channels are to be changed to ensure more funds for construction.

3.2.3 Transparency of Assets

Additionally, in the United States, the practice is on the basis of information transparency about the personal salaries and assets of senior officials. Besides, a range of mechanisms - transparency of assets, judicial supervision and scrutiny by the public and media - provide a check on officials seeking personal gain through power. Hence, a “unified property registration system” should be launched in China. It will allow information about officials’ real estate interests to be shared via a nationwide network, help to avoid official corruption. Also, the rules must make a clear statement about the consequences if officials turn down relinquishing their state-owned homes, or turn them into private residences for sale or rent. What’s more, an effective way of subjecting the use of official housing to public scrutiny should be explored and implemented.

Apart from the above issues, there exists a part of which our union needs to be improved and optimized. In the United States, there is no uniform standard for the
residences. Thus in China, we must adopt innovative methods to formulate regulations and state-specified standards to abide by. Residences allocation should be in accordance with every state’s specific circumstance. We can make improvement on that basis. Clear and strict construction and maintenance standard should be stipulated depending on different situations.

CONCLUSION

The facts and researches turn out that ORS in China has its feasibility in the near future. Our nation has attached sufficient importance to it and established a special research team to explore its concrete implementation measures. However, we should pay great attention to detail during the real implementation process.

Having made the comparative study of the two different countries’ government system, national capabilities and reform consensus, we find that the development of Official Residence System in the United States has great implication on exploring Official Residence System in China. We should take its essence and abandon its dregs, learning its superb modestly and improving it continuously. Human civilization is pushed forward with time passes by. And the system intercommunity enlightens us that we should give full play to our national assertiveness to learn from others and avoid detours during the government reform.

After analyzing the Official Residence System in Western countries, especially in the United States, four proposals are to be presented. First, we should make the crowd clear and definite. And the practice should be implemented based on four criteria: cases of national dignity; the nature of an official’s work; the demands imposed by that work; and the individual’s contribution to the fight against corruption. Second, we should implement the “Clear House” policy to ensure the housing availability. Besides, a “unified property registration system” should be launched in China to curb official corruption. More transparency of the properties owned by officials is also needed to decide whether they are qualified to enjoy the benefits of official residence. What’s more, clear and strict construction and maintenance standards should be stipulated. The size, expense and maintenance of official residences should be kept strictly within official limits and who can live in them should be restricted. The name of the occupant, his or her official tenure, and changes of occupancy should be released to the public.

The most importance is that the implementation of Official Residence System is just a part of anticorruption measures, unable to overcome official corruption thoroughly. And executing procedure cannot be completed once and for all. This practice is a continuous process of improvement, requiring of timely adjustments to adapt to the changes of the times. Therefore, new measures are to be implemented with many new things springing up.

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