

An Analysis of Shenzhen Talent Housing Policies Based on The Model of Public-Value Failure

Qicheng Sun^{1,*}, Zhuyijia Yuan² and Jinhan Zheng³

¹ Department of Civil Engineering, Chang'an University, Xi'an, China

² Department of Administration Management, Nanjing University, Nanjing, China

³ Department of English Language and Literature, Peking University, Beijing, China

* Corresponding Author Email: 2000018111@pku.stu.edu.cn

Abstract. Shenzhen, the emerging economic center of Southeast China, is facing a transition that the talents are pivotal to achieve the goal of sustainable development. In this case, college graduates' settlement at Shenzhen is hampered by a series of problems. Based upon Shenzhen's talent housing policies implemented and updated in the past few years, the paper utilizes Barry Bozeman's Public-Value Failure Model to explain the present challenges, focusing on college graduates' willingness to settle down at first-tier cities such as Shenzhen and investigating the factors influencing the degree of satisfaction with housing conditions. The research focuses on the implementation of Shenzhen's talent housing policy and utilizes the Likert questionnaire and data processing approaches to analyze the research objects from a quantitative perspective, which reveals that the quality of construction, housing location, and property are among their major concerns. Furthermore, based upon Bozeman's criteria of public failure, possible imperatives for further promotions in the design of talent housing policy are important implications of the study, policy makers are advised to concern more from a long-term perspective, integrating market efficiency, individual happiness, and the goal of sustainable development within the dynamic process of implementation.

Keywords: Shenzhen; talent housing; Bozeman; public-value failure model; public policy.

1. Introduction

Survey results posted on the official website of the People's Republic of China's Ministry of Education indicate that in 2023, there would be 11.58 million college graduates in China, an increase of 820,000 over the previous year. However, the average cost of real estate in Shenzhen will surpass 60,000 yuan per square meter in 2021, although urban employees' average annual income in the city during that time is just 150,000, which is far less than what they need to buy a real asset.

High-tech enterprises have developed into an essential pillar of urban development as a result of post-industrialization and the advent of the technological revolution. Government agencies all over the world are placing more and more significance on talent introduction as a crucial link in the technology chain. As China's first special economic zone, Shenzhen is quite open and marketed. High-tech industry clusters are supported by the governmental policy, and there is a strong need for skills. According to data released by the Guangdong Provincial Bureau of Statistics, Shenzhen is leading the Pearl River Delta in terms of the growth of its permanent resident population, consistently accepting more college graduates. Moreover, Shenzhen, a city where there is a steady net inflow of people, saw an increase in the total number of talents with a growing residential population in total.

Young talent acquisition is crucial for Shenzhen's ongoing development from the standpoint of sustainable development. The major and primary barrier of new talents' settlement in Shenzhen at present, nevertheless, is the surge in living expenses. Young talents with great potential including recent university graduates who are of the highest caliber. The entry of recent graduates from universities can support Shenzhen's ongoing development.

The paper attempts to investigate, from the standpoint of recent graduates' opinions with the talent housing policy, the possible improvement of talent guaranteed housing policy that can enhance their living conditions in Shenzhen. Questionnaires were distributed to graduates of the class of 2023 from

several prestigious Chinese colleges in an effort to figure out the incentives for them to move to and settle down in Shenzhen.

The majority of prior researchers concentrated on the study of the subsidized housing for the poor, while the talent housing is neglected to some extent. By contrast, the research will focus on the implementation of Shenzhen's talent housing policy. Meanwhile, in order to analyze the research objects from a quantitative rather than a purely qualitative perspective, the paper has utilized data statistics and analytic approaches.

The paper is divided into the following structures. The first one is the study procedures, including how the questionnaire was designed, reliability tested, and the results analyzed. And then the outcomes of the data analysis will then be analyzed, discussed, and drawn further inferences.

Taking the current situation of talent housing in Shenzhen into consideration, the paper adapted Bozeman's theoretical model of public-value failure to analyze how to improve present talent housing policies in Shenzhen.

2. Methods and Approaches

2.1. The Theoretical Model of Public-Value Failure

Since it is not suitable to apply the language of economics to governance especially the public values, Barry Bozeman attempts to construct a public-failure model that includes many connotations such as democracy, participation, justice, and integrity, whose purpose is to enhance better decisions to allocate social responsibilities when the market and the public policy both fail to provide the goods and services needed to ensure effective communication and realize the core public values as in his essay [1,2]. Several dimensions of public-failure criteria, although not canonical as Bozeman says, will be given in-depth analysis in the further discussion for their consistency with the problems stated as follows.

The introduction of public-value failure theory provides a brand-new perspective to analyze potential problems in joint production, reflecting on deficiencies in public policies and organizational processes, and proposing corresponding governance paths for public value failure that are different from the previous separated views of market or government failure, but goes beyond the dichotomy to include government, market, and society in the dialogue of public values. The identification of public preferences and the creation of public values organically integrate the issues of democracy and efficiency, allowing decision-makers to make rigorous judgments on the public values and distributional implications of scientific policies beyond the issues of economic efficiency and economic growth.

The high housing price in Shenzhen largely stems from the fact that the market itself only considers how to maximize profits. While the government's talent housing policy is adhered to the pursuit of shared values, it fails to involve the subjects of public value in the dialogue, which leads to the detachment of government's construction of talent housing from the realization of the actual public value needs as formerly expected. Public value is combined with the policy for the benefit of the people formulated by government officials and the delivery process, which requires joint consultation between the government and various stakeholders [3, 4]. Drawing upon the previous experience, the optimal pathway of policy formulation and modification is to take the standpoint of and work jointly with the target group, which means the needs and concerns of college graduates should be researched.

2.2. The Questionnaire Analysis

Taking into account the diverse needs arising from a wide range of graduates, in order to facilitate requirements gathering and ensure the representativeness of relevant factors, the paper screened and identified the main demands which are more general and representative after reviewing the previous research in this field. Then the Likert scale and SPSS were combined as tools to examine the weight of each demand in orientation through the scores assigned to the different question items by the respondent group.

214 sets of data were collected from the questionnaire, and obtain a value of 0.903 for the Cronbach coefficient alpha (the reliability standard) through SPSS which reflects the validity of the questionnaire and builds a solid foundation for the further analysis. The result of the reliability test is showed below while the questionnaire will be attached at the end of this paper.

Table 1. Summary of Case Processing

Number of cases			%
Cases	Effective	214	100.0
	Exclusion	0	0
	Total	214	100.0

Table 2. Reliability Statistics

Cronbach's Alpha	Number of item
0.903	20

According to the questionnaire, it is a common phenomenon that graduates expect to be employed in first-tier cities while they are concerned with housing issues. In contrast to the housing subsidies, graduates expect the government to provide guaranteed housing directly. The most important aspects to be considered in establishing a demand-oriented policy for graduates are the quality of construction, location, and property (The average scores of these three factors in the questionnaire are 4.12, 4.05 and 4.02 respectively). Considering the existing talent housing policies in Shenzhen and the completed talent housing construction, attention should also be paid to the impact of housing location on the improvement of the current state of public-value failures on the basis of strengthening the supervision of the construction process, ensuring the quality of construction and implementing residential safety and security. Graduates' concerns about the location of housing consist in the severe home-work separation, accessibility and community environment. It is the lack of this consideration that makes most of Shenzhen's subsidized housing in suburban areas with poor transportation, leading to deficiency of tenants. This also explains why the existing talent housing in Shenzhen has a low occupancy rate, the government consumes a lot of public resources with the residential problem unresolved, and the construction of subsidized housing for graduates is reduced to a vanity project.

In addition, some graduates have raised their demands for humanistic care regarding the social labeling problems they may encounter for living in talent housing (The average score for this item is 3.62). Since graduates come from all over the country, the conflict caused by multiple cultural backgrounds of community neighborhoods should be taken into account at the same time (The average score for this item is 3.6).

3. Discussion

3.1. The Limitation of Market Efficiency

According to Bozeman's public-value failure model as well as the statistical analysis of the questionnaire through SPSS, the further discussion will majorly focus on the visceral problems of the subsidized housing, which is limited by the market efficiency. Possible approaches are proposed to guarantee individual happiness and the pathway of sustainable development while the government is bound to subordinate its functions to the economic principles.

Under the current situation in Shenzhen, the affordable houses for college graduates are rare, causing the so-called "market value failure" when the efficient market fails to cope with the core public values. Figure 1 and 2 below reflect the price of housing in Shenzhen with a surging trend, which has reached over 60,000 per square meter until 2021, exceeding the average income reflected in figure 3 at the same period. As represented in "The 13th Five Year Plan" released by the Shenzhen government, the talent housing has been separated from the low-income housing units. Nevertheless,

it is essentially a combination of welfare and profitability as a public good, compensating for the surging prices at the residential market. According to the official document, for the purpose of alleviating the imbalance between the government and the market, the number of monetary subsidies for talents are lifted, while strict regulations on the circulation mechanism of public housing are enacted to prevent the public goods being converted into commodities as a means of speculation, the public functions of which are supplanted by the rules of the market.

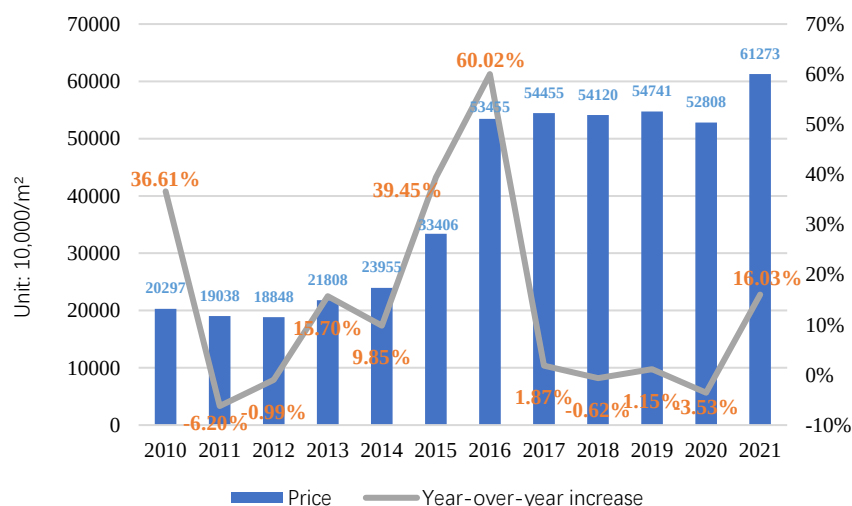


Fig 1. The average price and trend of housing in Shenzhen

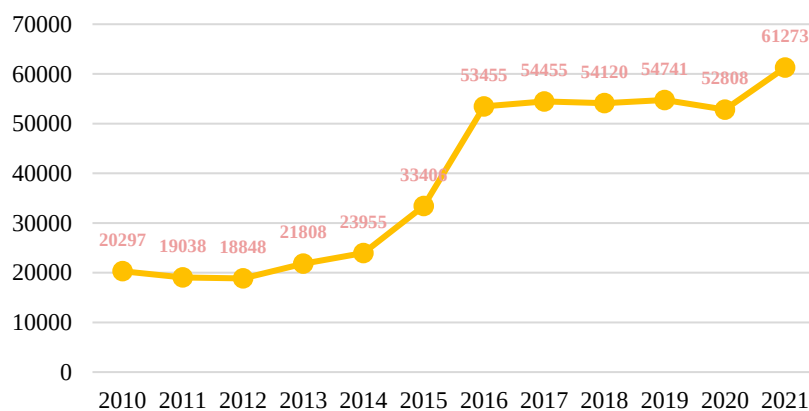


Fig 2. The average price of housing

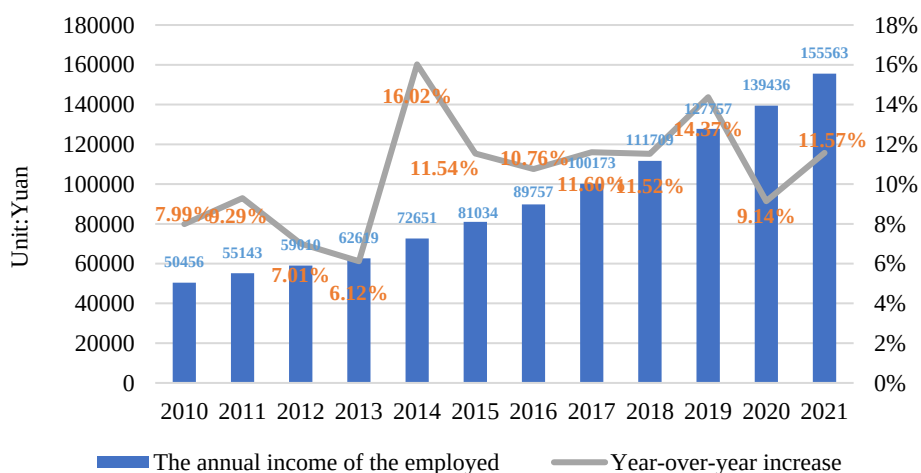


Fig 3. The average annual income and trend of the employed in Shenzhen

As a compensation for the market failure, public housing has been proved to have a crowding out effect on the commercial residential housing, squeezing out space for the market competition [5]. When proposing the public-value failure model, Bozeman has quoted Lane's argument in 1991, which makes clear of the idea that the market frameworks supposed to be adequate to the social allocation of goods and services turns out to have an adverse effect on the development or human happiness [2]. The key, as stated by Louise White in 1994, does not consist in the awareness of the "market failure", but the preparation of "suitable alternatives for facilitating dialogue about public values" [6].

As a type of public goods, talent housing is supposed to be able to guarantee the basic needs. While talents are considering housing as one of the major prerequisites to settle down at Shenzhen and other first-tier cities [7], the talent housing policy plays a positive role in absorbing the talents and release their burden with affordable prices and subsidies, and these approaches of government intervention has offset the housing shortage in Shenzhen to some extent [5].

Meanwhile, problems such as severe home-work separation and poor transportation equipment are somehow inevitable as the side effect of its welfare nature, while the quality of construction, location, and property are still the major concerns of college graduates according to the result of the questionnaire. Moreover, as a result of the lower efficiency of market and the flaws of administration, subsidized housing will add to the burden of taxation while failing to compensate for its side effects automatically. Nevertheless, the dynamism of residential market might be reduced during the intervention process.

3.2. Possible Improvements Based upon Public Failure Criteria

Governance failures can occur even in areas where the government regulates collective action in a flexible manner [8, 9]. Sozeman argues that the public-value failure model does not require a consensus of public values. It is a tool facilitating the discussion and diagnosis of possible misses in public value. Rather than requiring complete agreement on a course of action, Bozeman aims to expand the public dialogue on policy issues. When the social relations within both the market and the public policy the policy fail to reflect the core public values, public failure occurs [2]. According to Bozeman's model, the criteria defining public failure can be listed in the table 3.

Table 3. Public-Failure Criteria Defined by Bozeman [2]

Public Failure	Definition
Mechanisms for articulating and aggregating values	Political processes and social cohesion are insufficient to ensure effective communication and processing of public values.
Imperfect monopolies	Private provision of goods and services permitted, even though government monopoly is deemed to be in the public interest.
Benefit hoarding	Public commodities and services have been captured by individuals or groups, limiting distribution to the population.
Scarcity of providers	Despite the recognition of a public value and agreement on the public provision of goods and services, they are not provided because of the unavailability of providers.
Short time horizon	A short time horizon is employed when a longer-term view shows that a set of actions is counter to public value.
Substitutability vs. conservation of resources	Policies focus on substitutability (or indemnification) even in cases when there is no satisfactory substitute.
Threats to subsistence and human dignity	The core value of subsistence is violated.

The distemperedness of the market, as Bozeman states, "actually tells little about whether government should intervene" [2]. Resembling the market failure model, the public failure model is designed as a diagnostic tool instead of giving specified and pure assumptions of pure rationality [2].

The fundamental cleavage in public values and the diversity of approaches to achieve them offer grounds of further analysis. Based upon the criteria, five dimensions the context of Bozeman's public-value failure model are consistent with the flaws of Shenzhen's present talent housing policy.

For example, the localities of the existing government-led construction of talent housing are majorly in the marginal suburbs [10]. The severe work-home separation serves as a major cause of a comparatively low utilization rate of the public houses, which is considered to be the government's failure to tackle with the talent housing problem effectively while wasting public resources [10]. The short time horizon mentioned in the table 3 explains that since the implementation of public policies is a dynamic process, a longer-term view should be taken to achieve public value.

The scarcity of providers as well as the problem of benefit hoarding, as the inevitable disadvantages of public goods, require more attention to the counter compensations. The imbalance between the market and the government as mentioned above has put limitation on the resources of public housing, which adds to the shortage of approachable housing, thus hindering the settlement of college graduates. In fact, the eligibility of application of talent housing is sometimes too demanding for graduates, for the reasons that its target groups cover a wide range of competitive people with working experience, while multiple bars are imposed on its qualification standard. For the university graduates, most of whom are "floating population" in Shenzhen with a comparatively lower average of salary at the beginning of their employment, will face more barriers of talent housing's accessibility [11]. One of the most efficient ways dealing with the deficiency of public resources and the disjunction of the demand side is to reorient the target group in the dynamic process of the implementation of the policy after the value has declined.

A higher degree of efficiency of residential market can be achieved by effective regulatory and management measures. To compensate for the public-value failure, government intervention must assist to promote the environment of graduate's employment and abolish some institutional barriers deterring labor mobility. Bozeman's criteria lay emphasis on the conflict between a short time horizon and a longer-term view, which encourages policy makers to focus more on the requirements of future generations, leading to a sustainable pathway [2]. Although the traditional conception of the real estate is deeply-rooted in China, the college graduates are likely to be more flexible and open-minded than the elderly generations. They are more accepting to rental housing, a compensation for the imbalance between supply and demand, which has gradually become a prevalent lifestyle. Many of the rental housing has better conditions of transportation, location, and property than the public housing. More efforts of governmental guidance and subsidies for the college graduates who are preparing to pay rent for their apartment, is beneficial for the development of the residential market. Additionally, the government needs to shift the focus from the fiscal policy to comprehensively applying both fiscal and financial methods to the public housing, expecting more stakeholders to be actively involved in the implementation process.

At the micro scale, the government, as the decision maker, should pay more attention to the rights and happiness of individuals. It is mentioned by Bozeman's criteria as a part of "human dignity" which is supposed to be coherent with the core value of subsistence, which is also among the highest goals of sustainability in urban planning [2].

4. Summary

The housing difficulty has always been a significant problem that puzzles urban migrant workers in China while talent introduction is the core issue of contemporary cities' development. The central and city governments have addressed several talent housing problems by the implementation of relative policies, but the deficiencies of housing resources for the graduates still remains unresolved. Based upon the public value failure model proposed by Bozeman, the problem of the large amount of college graduates flowing into Shenzhen who face housing difficulty that rendered insignificant by the policy makers should be paid more attention to. Considering the unapproachability caused by limitations of qualification, the paper reaches such a conclusion that a demand-oriented policy should

be established according to the criteria of public failure and the requirements of college graduates as talents.

The primary needs of the graduates collected by the questionnaire (the quality of construction, location, and property) should be drawn attention to by the policy makers when making relevant housing and construction policies. However, this does not mean that the policy needs to rigidly constrained to the ranking of graduates' needs, while the criteria for talent housing construction in the future can be made based upon the research. Moreover, it is challenging to handle the problems of work-home separation, the building of a harmonious community culture, and the balanced state in Shenzhen's current land resources and market environment.

The formulation of policy should be a gradual process of continuous improvement. Policies deviating from objective reality and attempting to be optimized overnight can be challenging to realize. While a lot of social resources are unfairly distributed to the construction of talent housing, a negative side effect on other housing fields is bound to affect the balance of the housing market. Government should appropriately integrate graduates' needs in the policy-making agenda where available resources permit to alleviate the housing difficulties of college graduates as talents by realizing some of the requirements. With the development of society, more remaining demands can be realized in the future. This is a dynamic process of getting access to public value through the government-public-market dialogue.

The research can be highlighted by the following aspects. For one thing, its utilizing statistics and data processing approaches to analyze the research objects offers an objective point of view, after which Bozeman's theoretical model of public-value failure are adapted to the analysis of the current conditions of Shenzhen's talent housing. For another, the research focuses more on the requirements of college students and the personal experience of the researchers, which cuts into the topic through a unique perspective with little previous papers and documents. The research results are beneficial to policymakers, urban planners, and researchers who are interested in talent housing policies and sustainable urban development. One of the shortcomings of this paper might consist in the fact that the samples of the questionnaire are mainly collected from the college students in several prestigious Chinese colleges. Therefore, the result should not necessarily be regarded as canonical and representative of situations of all recent graduates in China.

For policymakers, urban planners, and researchers, the study on the talent housing policies with insights into the public-value failure model and sustainable urban development in Shenzhen. The research results can assist Shenzhen to develop more effective talent housing policies that can enhance recent graduates' living conditions in the future. Additionally, the research methods applied in this paper can be generalized in the studies of other domestic and international cities, serving as a reference for future researchers on the topic of talent housing policies and sustainable transformation.

References

- [1] Guo Jialiang. Recovering activism: The logic of public value management research in the context of technical rational failure. *Public Administration and Policy Review*, 2019, 8(03): 52-61.
- [2] Bozeman Barry. Public-value failure: When efficient markets may not do. *Public Administration Review*, 2002, 62 (2): 145-161.
- [3] Stoker Gerry. Public value management: A new narrative for networked governance? *American Review of Public Administration*, 2006, 36(1): 41-57.
- [4] Fu Chun, Ge Hongyi, Wu Yuanzhuo. Conflict of multiple values: Causes and solutions of public value failure in neighborhood avoidance. *China Soft Science Magazine*, 2021, (S1): 406-412.
- [5] Song Botong, Yang Yuzhu, Wang Yong. Analysis of the impact of talent housing on commodity residential prices in Shenzhen. *China Collective Economy*, 2018: 20-21.
- [6] White Louise. Policy analysis as discourse. *Journal of Policy Analysis and Management*, 1994, 13(3): 5006-25.
- [7] Axelrod Beth, Ed Michaels, Handfield-Jones Helen. *The war for talent*. Harvard Business Press, 2001.

- [8] Stoker Gerry. Governance as theory: Five propositions. *International Social Science Journal*, 2018, 68 (227-228): 15-24.
- [9] Lou Chengwu, Tan Lingyan. A review of western public governance theory. *Gansu Theory Research*, 2012, 210(02): 114-119+1.
- [10] Duan Yang, Yang Jiawen. A new practice of talent housing in Shenzhen - Taking the comprehensive management of Shuiwei Village for example. *China Soft Science Magazine*, 2019, 339(03): 103-111.
- [11] Ian MacLachlan, Yue Gong. China's new age floating population: Talent workers and drifting elders. *Cities*, 2022, 131.