

A Study on the Intervention of Property Management Enterprises in Community Governance Model - Based on Property Management of Public Product in Attribute Perspective -

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Abstract

At the end of 2019, there was the major outbreak of "COVID-19" in China. In this outbreak prevention and control campaign, the property management enterprises(PME) performed actively, playing a vital role in China. This paper puts forward that the property management enterprises(PME) should be included as subjects of national urban and rural community governance from the perspective of the public product attribute of property management.

Based on the properties of public goods in property management, this paper redefines the functions and positioning of PME with public affairs management, establishes the qualification of PME to participate in one of the main bodies of community public governance. And it forms a new model of community governance with community residents committees, owner' committee and PME as the main body. This research provides implications for national urban and rural community governance models by applying existing theories and practical examples.

Key word Property Management Enterprise, Public Product, COVID-19 Outbreak, Community Governance.

1. Introduction

On December 8, 2019, the first case of unexplained pneumonia was officially reported, and the "COVID-19 outbreak" epidemic swept the world, seriously impacting the growth of world economy. The city is a densely populated place, which is the top priority of epidemic prevention and control, and the community is the most basic unit of urban governance and the first line of national emergency prevention and control. The emergency prevention and control work cannot be separated from the cooperation and support of the community property companies (property management enterprises) under the jurisdiction of community.

According to the 2018 national property management industry development report released by the China property management association: by the end of 2018, there were 127,000 property management enterprises (PME) with 9,837 million employees, with an annual turnover of 704.36 billion yuan, with area under management is 27.93 billion square meters, 500 million clients per day, and a national urbanization rate of 60%. This covers almost all areas of real estate management, and in theory the vast majority of urban and rural

community residents with property rights are receiving management and services from property enterprises (Min, 2019) [1]. Property enterprises with nearly 10 million practitioners have an indispensable role and value in the national urban and rural community governance, and the national major epidemic emergency prevention and control work, which is undoubtedly the new force in the prevention and control of the "new crown pneumonia" epidemic situation.

After the outbreak campaign of COVID-19, it was found that PME could become one of the governance subjects of urban and rural communities according to the public goods attribute of property management.

2. Relationship between PME and community governance

Since the reform of housing system in the 1990s, the "welfare, administrative" housing and other properties of the former unit's logistics management have been transformed into a market economy model of "socialization, marketization and specialization", and the government's public goods and services have also been transferred to property service enterprises (Meng, 2016) [2].

2.1 Properties of public goods in property management

According to Samuelson (1954) [3], public goods mean that consumers' consumption of a product does not cause others to consume less of that product. It has two attributes, non-exclusive and non-competitive. In accordance with Chapter VI of the Property Rights Act (2007) on the differentiation of ownership's buildings, the owner's property (real estate) is divided into common and exclusive parts. The owner shall have the right to own the exclusive part of house, the private house and so on in the building, and the common part other than the exclusive right shall have the right to share and jointly manage.

2.2 PME relationship with the community residents committee and the owners committee

The German mycologist De Berry (AntondeBary, 1879) first proposed the concept of "symbiosis", who defined symbiosis as living together of two different species. On this basis, the theory of systematic symbiosis is established. In biology, the mutually beneficial relationship between two closely connected different organisms is symbiosis [4]. The main forms include mutually beneficial symbiosis, partial benefit symbiosis and parasitism. PME, community residents' committee and owners' committee have a natural symbiotic relationship in the management of community public affairs, complementary symbiotic relationship mainly in the mutual benefit. In reality, this natural symbiotic relationship does not endue the equal relationship (except the economic individual equality).

2.3 PME organizations in the governance of urban and rural communities

The concept of global governance in the early 1990s, arguing that governance is a model that emphasizes collaboration, participation and interaction, which is different from the rule that emphasizes authority. It is the management mechanism in a series of fields of activity. Regulatory mechanisms here include governmental and informal, non-governmental mechanisms (Rosinau, 2001) [5]. After that, scholars have enriched and extended this concept to the field of grass-roots management and gradually formed the theory of community common governance. Community governance refers to the governance of public affairs within the community. In community governance, the government is dominant but cannot dominate everything (Duan, 2015) [6]. Community residents' committee and owners' committee are autonomous organizations within a certain area, community work to truly implement to the grass-roots level, must rely on PME and owners' committee.

3. Analysis of the relationship between PME and community governance

3.1 The government transferred the public service of property to PME

In July 1998, the State Council issued the Circular on Further Deepening the Reform of Urban Housing System and Accelerating Housing Construction, which ended China's welfare housing division system and opened the reform of monetization and market-oriented housing division system. China's property management industry flourished with the emergence of the real estate industry. As a result of today, property service fees of some commercial residential areas are lower than the market price for a long time; affordable housing, move back room and other property management, the market (enterprises) is unwilling to take over, many once livable quality community is now abandoned dilapidated community. "Hitchhiker" is most typical of the difficulties in property management charges [7].

3.2 Property enterprises are only non-main organizations in the national urban and rural community governance system

The main reason for the failure of property service market is that the government only passed on the responsibility of public goods service to the property enterprises but did not transfer the corresponding rights. This also directly leads to its marginalization in community governance, cannot give its principal responsibility, can't play its principal role. PME have always been regarded as general enterprises, only as non-main organizations in the national urban and rural community governance system, non-main units, no principal responsibility. No matter in the social governance mode with one main body (Li & Zhang, 2019) [8] or in the urban community governance mode with multiple organizations participating (Li, 2013) [9], the main role of PME in the community governance structure is not clearly defined.

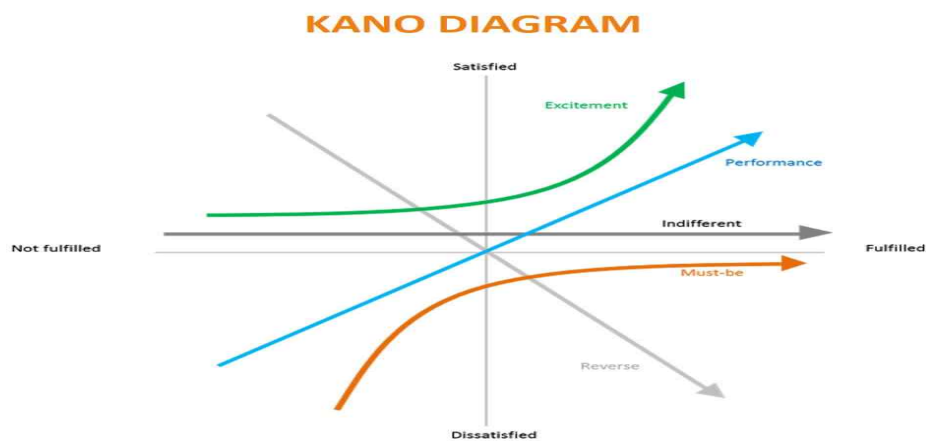
3.3 Property management of public goods attributes determine the responsibility and mission of PME

In this COVID-19 campaign, although the PME is not the main responsibility unit, it can play a role as a fresh force. The key lies in the property enterprise's public goods attributes. Its key lies in the property management public goods attribute. The public product attribute of property management determines the mission and responsibility that the property enterprise must ensure the owner's life and property safety to the maximum extent.

Taking Shenzhen as an example, more than 1,500 property enterprises in the city stick to the first line of epidemic prevention and control in more than 4,000 residential areas and 3,000 other buildings. February 2020, the fire god mountain hospital officially delivered, among them, the construction three bureau property, the Zhujiang property management enterprise, the pearl river property, the Guigeproperty management enterprise, the Yiguanjia PME, the Jindi PME, the Wanke PME, and so on enters the fire god mountain hospital, the Dongfang PME enters the thunder god mountain hospital.

The related deeds of PME in the battle of epidemic prevention and control have been widely reported by Xinhuanet, CCTV, News broadcast, Xinhua Finance, CCTV Finance, CCTV Quick Review, People's Daily Review and other media, affirming the position and role of PME in the national epidemic prevention and control work. It satisfies the expectation-type requirements and excitation-type requirements in the owner's KAON model (Noriaki Kano, 1984) (as shown in figure 1) (Qi, 2014) [10]. Figure 1 shows is KANO diagram defines three levels. That are basic requirements, expected requirements and excitement requirements. It is primarily used to categorize performance indicators, help companies understand different levels of customer needs, find touch points between customers and businesses, and identify key elements of customer satisfaction.

Figure 1. KANO model diagram



Note: <https://www.iyunying.org/yunying/shudan/147212.html>

4. Building a new type of urban community governance system

In order to involve the property enterprise as the main organization of community governance in the national urban and rural community governance system, we must first confirm the property management public product attribute from the law and form the mechanism of the government and the market sharing the property service. Therefore, we should build a new system of national urban and rural community governance with community residents committee, owners' committee and PME as the main organization.

4.1 Shared mechanism property management for government and market

After the outbreak of COVID-19, some enterprises and industries had serious positive externality risks, which made it difficult to achieve Pareto optimization in resource allocation. Because of the market failure caused by externality, the government needs to help the related enterprises and industries to tide over the difficulties through various subsidy methods, eliminate the deviation between social income and private income, and maintain the market to play the role of optimizing the allocation of resources normally.

The government can internalize the external effects through taxation and subsidies. In the emergency prevention and control work of the COVID-19 epidemic situation, local governments have successively issued the policy of purchasing public services from PME to stabilize the order of the property service market during the epidemic period (See Table for details: Summary of the Subsidy Policy on the Epidemic Prevention of COVID-19 by some Local Governments for Property Enterprises). As the minimum wage continues to rise, property fees cannot rise, property 'sell stop loss' phenomenon, Shanghai once appeared 'PME voluntarily giving up property service projects' phenomenon, property enterprises have asked to withdraw from the community (Yu, 2014) [11].

4.2 Construction of a New System of National Urban and Rural Community Governance with Community Residents Committee

There is this natural close relationship between PME and owners and community organizations, which will be incorporated into the main party of urban and rural community governance, and will further improve the pluralistic governance structure of urban and rural community governance. Under the guidance of the government, a new model of community governance with community residents' committee, owners' committee and PME as the main body is gradually formed, and the current model of community governance

with community residents' committee as the core under the leadership of the government is changed, so as to truly embody the good governance concept of common governance. Table 1 shows summary of some local governments' subsidy policies for the epidemic prevention of COVID-19 in PME. This data is compiled according to the news reports and announcements issued by the public number of the China Property Management Association during the epidemic period, and the statistics are as of March 10, 2020 [12].

PME with nearly 10 million employees providing various services to 500 million people every day have penetrated into every corner of Chinese towns and related to the lives of residents and outsiders in every town. The quality of property service is directly related to the people's growing pursuit of a better life.

Table 1. Summary of some local governments' subsidy policies for the epidemic prevention of COVID-19 in PME

Local Government	Standards	Deadline (in months)	Nature
Hefei City, Anhui Province	According to actual pipe area 0.2 yuan /m ² month	2	Financial assistance
Hangzhou City, Zhejiang Province	According to actual pipe area 0.5 yuan /m ² month	2	Financial assistance
Ningbo City, Zhejiang Province	According to actual pipe area 0.5 yuan /m ² month	2	Financial assistance
Hubei Province	15 yuan per household per month in residential district	3	Financial assistance
Zhuzhou City,	According to the actual number of households in urban housing 10 yuan per month	2	Financial assistance
Hunan Province	Non-residential projects of the Party and government organs and institutions shall rise by 20% of the average monthly price of property service contracts	2	Unit subsidies
Chengdu City, Sichuan Province	According to the "four categories" of the actual cost of prevention and control of epidemic prevention and control materials, get a maximum of not more than 100,000 yuan.	*	Financial assistance
*: Represents a one-time benefit.			
Note: the data are compiled according to the news reports and announcements issued by the public number of the China property Management Association during the epidemic period, and the statistics are as of March 10, 2020.			

5. Conclusions

In this battle of " COVID-19" epidemic situation, although the PME has played the role and value of fresh force but not enough, the key lies in the failure to confirm its main position in community governance, cannot play the main role. Based on the properties of public goods in property management, this paper redefines the functions and positioning of PME with public affairs management, establishes the qualification of PME to participate in one of the main bodies of community public governance. And it forms a new model of community governance with community residents committees, owner' committee and PME as the main body. According to the public product attribute of property management, the suggestion and strategy of integrating PME as the main organization into the national urban and rural community governance system will change the existing national urban and rural community governance pattern.

Because still in the epidemic period, we are not able to carry out extensive and in-depth research, failed

to collect more complete data and cases to carry out empirical research. In the future, we will do more research to the follow-up also be the community residents' committee, owners' committee and PME, these three community governance subjects between the structural relationship.

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