Social Assistance in China
main challenges for the policy design and implementation

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China as a transition economy

• „The government gradually developed new social assistance schemes and increased financial investment to establish a basic policy framework of social assistance that adapts to the system of market economy.” Baseline report, C3 EU-China SPRP, 2015
Challenges for China – socio-economic aspects

- From central planning to market economy
- Ageing population
- Increase of Social Assistance spending
- Increase in number of Social Assistance recipients
- Regional (province) disparities in development and wellbeing of the citizens
- Urban-rural gap (income, social infrastructure facilities, labour market demand, ect.)
- Social Assistance organization – legal provisions
Social Assistance Benefits - Introduction

• Benefits in kind
• Benefits in cash
• Eligibility – income/assets test
• Dibao Beneficiaries 5% (70 milion) of the total population
• Different benefits levels for urban and rural areas
• Differentiations between provinces:
  – 500 RMB (70 euro) – e.g. Shanghai, Beijing
  – 200 RMB (29 euro) – e.g. Henan, Sichuan
• Target group vs. Low rate of the benefits
Social Assistance Benefits (1)

- Minimum Livelihood Guarantee – Dibao – benefit in cash (as a pilot project introduced in early 90s in Shanghai) from 1999 in cities and from 2007 in rural areas.

The MLGS is an income supplementary assistance system, which makes sure that the income of the population in poverty can be kept at a certain level (Dibao line), so that they have the capacity to purchase basic living consumables (1st assessment report, C3 EU-China SPRP, 2015)

- Urban
- Rural
Social Assistance Benefits (2)

• Five guarantee (in rural areas) since 1950s – for food, fuel, clothing, education and burial.

• Medical Assistance
• Temporary Assistance
• Disaster Assistance
• Others
Table 1. Expenditures of urban & rural MLGS (RMB)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total expenditure (100 million)</th>
<th>Local financial expenditure</th>
<th>Central financial subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amount (100 million)</td>
<td>Proportion (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Amount (100 million)</td>
</tr>
<tr>
<td>1999</td>
<td>13.8</td>
<td>9.8</td>
<td>71%</td>
</tr>
<tr>
<td>2000</td>
<td>25.6</td>
<td>17.6</td>
<td>69%</td>
</tr>
<tr>
<td>2001</td>
<td>46.3</td>
<td>23.3</td>
<td>50%</td>
</tr>
<tr>
<td>2002</td>
<td>115.8</td>
<td>69.8</td>
<td>60%</td>
</tr>
<tr>
<td>2003</td>
<td>162.4</td>
<td>70.4</td>
<td>43%</td>
</tr>
<tr>
<td>2004</td>
<td>188.9</td>
<td>86.9</td>
<td>46%</td>
</tr>
<tr>
<td>2005</td>
<td>191.5</td>
<td>105.2</td>
<td>48%</td>
</tr>
<tr>
<td>2006</td>
<td>267.6</td>
<td>131.6</td>
<td>49%</td>
</tr>
<tr>
<td>2007</td>
<td>386.4</td>
<td>196.4</td>
<td>51%</td>
</tr>
<tr>
<td>2008</td>
<td>622.1</td>
<td>266.1</td>
<td>43%</td>
</tr>
<tr>
<td>2009</td>
<td>845.1</td>
<td>304.3</td>
<td>36%</td>
</tr>
<tr>
<td>2010</td>
<td>969.7</td>
<td>335.1</td>
<td>36.7%</td>
</tr>
<tr>
<td>2011</td>
<td>1327.6</td>
<td>323.0</td>
<td>24.3%</td>
</tr>
<tr>
<td>2012</td>
<td>1392.3</td>
<td>521.8</td>
<td>37.5%</td>
</tr>
<tr>
<td>2013</td>
<td>1623.6</td>
<td>455.7</td>
<td>29.1%</td>
</tr>
<tr>
<td>2014</td>
<td>1592.0</td>
<td>570.6</td>
<td>35.9%</td>
</tr>
</tbody>
</table>

Data source: *Annual China Social Service Development Report* (various years) and internal data from Ministry of Civil Affairs.  
1st assessment report, C3 EU-China SPRP, 2015
Figure 1. Number of Urban and Rural MLGS recipients

Source: Ministry of Civil Affairs, China Civil Affairs' Statistical Yearbook, 2014
1st assessment report, C3 EU-China SPRP, 2015
Figure 2. Average Dibao received by eligible households and minimum living standard in urban areas, by province, 2013

Data source: Annual China Social Service Development Report (various years) and internal data from Ministry of Civil Affairs.
1st assessment report, C3 EU-China SPRP, 2015
Figure 3. Total Expenditures for Medical Assistance

Figure 4. National Expenditures for Disaster relief

Source: China Civil Affairs Statistical Yearbook 2012
1st assessment report, C3 EU-China SPRP, 2015
Figure 5. Expenditures for Temporary Assistance

Sources: China Civil Affairs Statistical Yearbook 2012
1st assessment report, C3 EU-China SPRP, 2015
Legal provisions on Social Assistance in China

• Interim Measures for Social Assistance (2014) - the highest level of authority document

• Several other notices, legal acts established on provincial or city level

• Lack of one comprehensive legal act on Social Assistance in China
To be further developed...

- General Social Assistance Law
- Sharing responsibilities/information/supervision – central, province, local level
- State Owned Enterprices vs. Social Assistance demand
- Professional knowledge and skills of social assistance workers
- Cooperation with NGOs
- Social Assistance Dependency
- Social Assistance Benefits overlapping issue
EU-China SPRP

- Main goal: to exchange the best practices in the social assistance between the EU and China
- EU partners – public authorities from BE, CZ, FR, IT, PL, RO and ES.
- CN main Stakeholders: NDRC, MoF, MoCA
- Project implementation period Nov 2014 - Nov 2018
EU-China SPRP – cooperation opportunities

- Exchange practices and experiences by EU experts in China
- Involvement in the activities held in Europe for Chinese stakeholders
- Sharing knowledge and other kind of contribution on working level
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THANK YOU FOR YOUR ATTENTION