

# **China's Social Policy**

## **Transformation and challenges**

**Edited by Kinglun Ngok  
and Chak Kwan Chan**

First published 2016  
by Routledge  
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge  
711 Third Avenue, New York, NY 10017

*Routledge is an imprint of the Taylor & Francis Group, an informa business*

© 2016 Kinglun Ngok and Chak Kwan Chan

The right of Kinglun Ngok and Chak Kwan Chan to be identified as the author of the editorial material, and of the authors for their individual chapters, has been asserted in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

*Trademark notice:* Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

*British Library Cataloguing in Publication Data*

A catalogue record for this book is available from the British Library

*Library of Congress Cataloguing in Publication Data*

China's social policy: transformation and challenges/[edited by]

Kinglun Ngok & Chak Kwan Chan.

pages cm. – (Comparative development and policy in Asia series; 16)

Includes bibliographical references and index.

1. Public welfare – China. 2. China – Social policy. 3. China – Social conditions – 1976–2000. 4. China – Social conditions – 2000–

I. Ngok, King Lun. II. Chan, Chak Kwan.

HV418.C446 2016

320.60951 – dc23

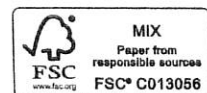
2015016995

ISBN: 978-0-415-72205-6 (hbk)

ISBN: 978-1-315-85853-1 (ebk)

Typeset in Times New Roman

by Florence Production Ltd, Stoodleigh, Devon, UK



Printed and bound in Great Britain by  
TJ International Ltd, Padstow, Cornwall

## Contents

<i>List of figures</i>	ix
<i>List of tables</i>	x
<i>Notes on contributors</i>	xi
<i>Preface</i>	xiv
<i>List of abbreviations</i>	xvi

### PART 1

#### Policy development and policy making in China 1

- |  |    |
|--|----|
| 1 Introduction: rebuilding a welfare system for China's mixed economy<br><i>Chak Kwan Chan</i> | 3  |
| 2 Social policy making in China<br><i>Kinglun Ngok</i>   | 14 |

### PART 2

#### Key policy areas 31

- |   |    |
|---|----|
| 3 The institutionalisation of social assistance<br><i>Joe C. B. Leung and Meng Xiao</i> | 33 |
| 4 Old age pension<br><i>Haoran Peng</i>   | 51 |
| 5 Labour policy<br><i>Kinglun Ngok and Baojian Xie</i>                                  | 66 |
| 6 Health policy in China<br><i>Victor Wong</i>  | 84 |

8 Education reform and governance change: policy issues and challenges <i>Li Wang</i>	125
--	-----

9 Rural social policy <i>Shih-Jiunn Shi</i>	139
--	-----

### PART 3

<b>Special policy issues</b>	159
------------------------------	-----

10 NGO policy and politics in China: a changing game <i>Qiussha Ma</i>	161
---	-----

11 Rural-urban migration in China: a critical understanding of informality <i>Xiaodong Lin</i>	183
---	-----

12 Child policy in China: evolution, framework and its future path <i>Guowei Wan</i>	201
---	-----

13 Disability policy <i>Lixiong Yang</i>	222
---	-----

14 Conclusion: modern Chinese welfare achievements and challenges ahead <i>Kinglun Ngok</i>	239
--	-----

<i>Index</i>	260
--------------	-----

7.1 Average selling price of residential buildings in China (1998–2013)	110
10.1 The growth trend of SOs vs. NGNCEs	164
10.2 The growth trend of public PFF vs. NPFFs	166
14.1 The proportion of social policy spending to the GDP	247
14.2 Income inequality in China: 2003–2013	252
14.3 Fragmented social citizenship in China	257

- Standing Committee of the National People's Congress. (2006). *The Law of Education*. Beijing: Standing Committee of the National People's Congress.
- State Council. (2001). 'Decision on Reform and Development on Basic Education'. Accessed 5 October 2011. [www.edu.cn/](http://www.edu.cn/)
- State Council. (2010). *The National Outline for Mid and Long Term Education Planning and Development*. Beijing. Accessed 17 July 2015. [www.edu.cn/zong\\_he\\_news\\_465/20100730/t20100730\\_](http://www.edu.cn/zong_he_news_465/20100730/t20100730_)
- HEEC (The Higher Education Evaluation Center). (2006). 'Explanation on the Indicators for Undergraduate Teaching Evaluation'. Accessed 21 December 2013. [www.heec.edu.cn/modules/FileDownloadServlet?fn=%E5%85%B3%E4%BA%8E%E6%9C%AC%E7%A7%91%E6%95%99%E5%AD%A6%E5%B7%A5%E4%BD%9C%E6%B0%B4%E5%B9%B3%E8%AF%84%E4%BC%B0%E6%8C%87%E6%A0%87%E4%BD%93%E7%B3%BB%E7%9A%84%E8%A7%A3%E8%AF%BB.pdf&efn=f\\_1316481457235\\_373.pdf](http://www.heec.edu.cn/modules/FileDownloadServlet?fn=%E5%85%B3%E4%BA%8E%E6%9C%AC%E7%A7%91%E6%95%99%E5%AD%A6%E5%B7%A5%E4%BD%9C%E6%B0%B4%E5%B9%B3%E8%AF%84%E4%BC%B0%E6%8C%87%E6%A0%87%E4%BD%93%E7%B3%BB%E7%9A%84%E8%A7%A3%E8%AF%BB.pdf&efn=f_1316481457235_373.pdf)
- HEEC. (2013). 'Introduction to HEEC'. Accessed 21 December 2013. [www.heec.edu.cn/modules/zhongxingaikuang.jsp?type=0](http://www.heec.edu.cn/modules/zhongxingaikuang.jsp?type=0)
- UNDP. (2008). *China Human Development Report 2008*. Beijing: China Translation
- Wang, L. (2008). 'Education inequality in China: Problems of policies on access to higher education'. *Journal of Asian Public Policy* 1 (1): 115–23.
- Wang, L. (2010). 'Higher education governance and university autonomy in China'. *Globalisation, Societies and Education*, 8 (4): 477–95.
- Wang, L. (2011a). 'Exploring the potential rationale for the privatization of higher education in China'. *Asia Pacific Journal of Education*, 31 (4): 421–38.
- Wang, L. (2011b). 'Social exclusion and inequality in higher education in China: A capability perspective'. *International Journal of Educational Development* 31 (3): 277–86.
- Wang, L. (2012). 'Social exclusion and education inequality: Towards an integrated analytical Framework'. *British Journal of Sociology of Education*, 33 (3): 409–30
- Watkins, P. (1993). 'Centralized decentralization: Sloanism, marketing quality and higher education'. *Australian Universities Review*, 36 (2), 9–17.
- Wiloch, J. T., Bereday, G. Z. F., and Gidynski, C. (1959). 'New Models in Soviet Education'. *Comparative Education Review* 3 (2): 5–13.
- Xia, Y. (2002). 'ZhongHua SheHui DaXue XiYing JianXiao 20 Nian'. *China Education Daily*, June 17, 2002.
- Yang, D. P. (2006a) *Zhong Guo Jiao Yu Gong Ping De Li Xiang Yu Xian Shi [Education Equity in China: Dream and Reality]*. Beijing: Peking University Press.
- Yang, R. Y. (2006b). 'Problems of the evaluation of implementation of suzhi education [suzhi jiao yu zheng ce yun xing guo cheng zhong de ping gu wen ti]'. *Jiangxi Educational Research [Jiangxi Jiao Yu Ke Yan]*, (7): 11–13.
- Yang, R. (2007). 'Incorporation and university governance: The Chinese experience, using university enrolment expansion policy as an example'. *Asia Pacific Journal of Education* 27 (3): 255–69.
- Yang, R. (2010). 'Soft power and higher education: an examination of China's Confucius Institutes'. *Globalisation, Societies and Education* 8 (2): 235–45.
- Zhang, X. W., Qiu, L., and Jin, Y. G. (2007). 'Gaoxiao kuozhao dui jingji yingxiang de banmian fenxi [Analysis of the impacts of higher education massification on economic development]'. *Inner Mongolia Science Technology and Economy*, 8.
- Zheng, D. H. (2005). 'Reivew of history of curriculum reform in China [xin zhong guo ke cheng gai ge de li shi hui gu]'. *Jiao Yu Yu Zhi Ye* (13): 49–51
- Zuo, J. (1991). 'Political religion: The case of the cultural revolution in China'. *Sociological Analysis*, 52 (1): 99–110.

## 9 Rural social policy<sup>1</sup>

Shih-Jiunn Shi

### Introduction

For a long time in the Chinese history, rural social policy has been an alien concept despite the preponderance of rural population in the society. In the long tradition of a rural society, the Chinese state attended to the issues of land cultivation and water conservation for irrigation, assuming that the rural households would live on subsistence agriculture and public relief programs for livelihood step in only under extraordinary circumstances such as flood or drought calamities. This applies to the history of the People's Republic of China (PRC) as well. In the quest for modernisation, urbanisation and industrialisation were widely regarded as tantamount to progress while rural economy and agriculture often smacked of backwardness that the whole nation was eager to upgrade. This cognitive bias has led the government to underplay, if not ignore, the significance of rural welfare needs. It is perhaps an historical irony that the peasants have been receiving the least public support since the Communist liberation even though the revolutionary success of the Chinese Communist Party (CCP) against the Nationalist regime relied heavily on their support.

The PRC is not an outlier among the developing countries that subordinate rural welfare to other goals with higher priority. In an attempt to escape from underdevelopment, many countries have squeezed the resources out of the rural areas to expedite urban industrialisation in the hope of catching up with their Western counterparts. East Asian developmental states are one notable example that sought to achieve industrial success at the expense of rural development (cf. Woo-Cumings 1999). It is important to note the distinct features of the Chinese socialist countryside, though. To achieve rapid industrialisation, the government deliberately manipulated crop prices by controlling the pricing and marketing of agricultural products so as to extract capital for the development of heavy industry (Chu 1996; Knight and Song 1999). Given the priority of urban development, rural welfare must retain self-sufficiency with the farmland and family serving as the major welfare providers. In addition, the PRC enforced a draconian mobility control to prevent mass rural-to-urban migration. The Household Registration System, or *hukou*, has become the defining mechanism of welfare provision since 1958.

The socialist approach in favour of urban development has left behind a legacy still palpable to this day. Lopsided resource concentration in urban areas has led to rural underdevelopment, which in turn attracted rural farmers to the cities once the residential mobility ban ebbed away. With welfare benefits strictly bundled with the *hukou*, however, rural migrant workers have difficulties gaining access to local social benefits and services of their residing cities. Given the regional wealth imbalance, rural social policy has been, and remains, a question of tackling uneven development. A major part of the recent policy progress analysed below has its root in the specific Chinese development path and the associated policy matters. To highlight these issues, this article will first give an overview of the historical foundation of the socialist rural welfare system, followed by analysis of the social problems arising from the institutional developments. The penultimate section introduces recent social policy expansion, while the final section summarises the findings and reflects on their implications.

### The rural community-based welfare system in the socialist era

In sharp contrast to their urban counterparts, the overall rural welfare system was primitive and its social provisions for rural residents sparse. The CCP launched land reforms between 1947 and 1953 as well as agricultural collectivisation in the 1950s in an attempt to promote the socialist ideal of equal land redistribution and rural modernisation (Dixon 1981). The former has been the centerpiece of the CCP's ideology, which took place soon after the CCP won the upper hand during the civil war. With the distribution of land to each household, land reforms have eliminated one perpetual cause of social inequality in rural China that helped relieve the severe destitution in the wake of the civil war. As the vast majority (over 80 per cent) of the population still inhabited rural areas, farming on land served as the main income source.

As early as 1953, a compulsory system of agricultural product delivery came into force with grain prices set at fixed prices (Chu 1996; Knight and Song 1999). The monopoly over crop prices enabled the state to control the pricing and marketing of agricultural products so as to extract the most of available capital for the development of heavy industry. Collectivisation of agriculture became effective in 1958 by setting up mutual-aid teams and people's communes that restructured the rural government into a three-tier administration with communes at the top, brigades in the middle, and production teams at the bottom. Village collectives (all three tiers) took the primary responsibility for income support—a salient feature of rural social welfare at the time. The people's commune constituted the backbone of rural social structure under socialist rule: beneath the communes lay numerous teams and brigades that replaced natural villages (*cun*) and administrative villages (*xiang*). Communes operated explicitly as highly self-contained entities with encompassing economic, political and social jurisdictions. Much akin to the ways in which

their urban counterparts, work units, exerted an omnipotent rule over the lives of urban workers, the autarkic communes did the same over their villagers in the socialist era.

Given agriculture as the main income source of the rural households, the people's communes provided very residual social programs that offered assistance only in case of social mishap, not least the means-tested 'five-guarantees' (*wubao*) for the vulnerable groups such as the frail elderly, disabled and young orphans. What originally consisted of food, fuel, clothing, education and burial has evolved gradually to a package of more comprehensive benefits including the pensions for those elderly in poverty. As the production teams bore the financial responsibility for the *wubao* program, its benefits and eligibility criteria varied a lot from place to place while the recipients constituted only a very small fraction of the commune members. Despite several attempts to extend benefits to all residents during the 'Great Leap Forward' at the end of the 1950s, rural welfare witnessed little progress ever since.

In tandem with the *wubao* was the introduction of the cooperative health insurance system 'Rural Cooperative Medical System' (RCMS). The health-care program originally evolved from the voluntary self-sufficient medical care in some regions and later expanded to the whole nation during the Cultural Revolution (Zheng 2002; Liu 2004). It aimed at providing affordable medical care for rural residents, practiced by the so-called barefoot doctors (*chijiao yisheng*) in local clinics and health stations who offered basic medical treatment, promoted primary medical knowledge and took sanitary measures under the auspices of the communes. This health program was financed by premiums collected from the individual members and collective welfare funds. Much akin to the *wubao* case, the RCMS was characterised by various degrees of medical care due to its reliance on local financial capacities of collective units. In a time of impoverishment, nonetheless, this community-based health program proved quite effective in basic medical provision for the vast majority of the Chinese rural population.

In addition, the central government provided subsidies to poor regions in support of provincial programs in education, healthcare and other related human resources and infrastructure development. The State Development Planning Commission reviewed the overall financial subvention and supervised its implementation in a top-down planning manner. Needless to say, national political priority of the planned economy and the funding capacities of the central government overrode the real local needs, rendering central subsidies an unreliable resource for most of the rural areas. Most villages had to stand on their own feet.

### Rural social problems since the reform era

The Third Plenary Session of the Eleventh Central Committee of the CCP in 1978 ushered in the opening and reform era. The CCP under Deng Xiaoping's lead sought to redress the failing collectivist approach of the Maoist period



by gradually withdrawing the state's engagements from all major economic activities. In 1979 the second session of the Fifth National People's Congress ratified the party's resolution to achieve the four modernisations in industry, agriculture, science and technology, and national defence, in the hope to increase industrial and agricultural outputs in two decades and to improve per capita income. Under Deng's doctrine, the central government introduced a series of reform measures that have entirely transformed the Chinese economy and society for the next decades.

One should bear in mind that the institutional legacy of the Maoist era remains salient during the economic reforms: while urban social policy reforms had much to do with the overhaul of the State-Owned Enterprises (SOEs) from state-controlled work units to profit-oriented enterprises and the associated issues of workers' social protection, rural social policy reforms concerned the introduction of a comprehensive social security system to plug the protection gap left over by the demise of the socialist village welfare. For the former part, the SOEs had to shed redundant labour force and retrenched collective welfare benefits to improve their operation efficiency and labour productivity. The retreat of the state's control over the enterprise activities and the reduction of their responsibility for their employees' well-being led to a dramatic surge of urban layoffs during the 1990s. For the first time unemployment and the associated poverty emerged as a grave social issue in the welfare socialism. Other chapters of this book offer a detailed analysis of this aspect.

The picture appears even gloomier for the countryside. The agricultural de-collectivization and the associated collapse of people's communes demolished the edifice of conventional rural welfare. During the 1980s, rural peasants acquired the right to manage the land they worked on (but not the right to own it) in pursuit of higher profits for their income. This ambiguous property right of land has contributed to high rural income growth in that period, together with the emergence of other income sources such as the employment in the township and village enterprises (TVE). The first breakthrough came with the introduction of the household responsibility system. It aimed to promote agriculture with a series of policies such as raising state procurement prices for farm produce, promoting sideline production, as well as reviving rural markets and allowing the sale of grain outside peasants' own residence (Wong and MacPherson 1995; Wong 1998; Selden 1999). Institutional restructuring also accompanied these economic reforms. In 1982 people's communes were abolished, with their administrative functions transferred to the township (*zhen*) or village governments (*xiang*). The following years witnessed a series of economic and fiscal decentralisation that enhanced local governments' administrative and fiscal autonomy.<sup>2</sup> From 1984 onwards, peasants gained limited freedom to move into cities for work or self-employment without changing their rural status. One year later, the state abolished its monopoly on grain procurement and switched to purchase on contract. Along with the aforementioned policies spurring the peasants' motivation to increase agricultural output, these measures have greatly revived the rural economy.

Rural economic growth gained major momentum through industrialisation. By 1987, rural industry had already surpassed agriculture as the dominant source of total rural income. The total output of rural enterprises surged almost nine fold from 1980 to 1987 (Oi 1999), contributing to almost one quarter of China's total exports. The strong rural industrial growth featured the 'capitalism with Chinese characteristics' and resulted in deep changes in the employment landscape as the TVEs could absorb a large proportion of rural surplus labour force (Knight and Song 1999; Huang 2008). The situation changed over the following decade, however, when the number of TVEs began to shrink at the beginning of the 1990s following the entry of foreign direct investment into China that intensified market competition. As foreign enterprises streamed in coastal regions, their demand for (cheap) labour force attracted millions of rural peasants migrating to these regions in search of better jobs. While the officially estimated number of migrant workers reached fifteen million in 1990, it was estimated at 221 million in 2010 according to the sixth nationwide population census; 86.7 per cent of migrants moved from rural to urban areas (NPFPC 2011).

The integration of Chinese economy with global markets enlarged the urban-rural divide in the 1990s. Behind the large wave of migration lay the growing imbalance between urban-rural developments *and* among regional economies. World Bank (1997a:16) estimated that rural incomes were only 40 per cent of urban incomes in 1995, down from 59 per cent in 1983.<sup>3</sup> Other studies made similar observations (Knight and Song 1999; Khan and Riskin 2001). All these issues have undermined social stability for two reasons: first, as the contribution of the land to economic production and income support declined, the existing (fragile) rural social security system had to reinvent itself toward modernisation. Second, social security for migrant workers became a grave problem because they faced denial of access to local social benefits due to the lack of a valid local resident status. Worse was that their children also did not have any access to local education resources (Solinger 1999). A difficult but necessary task concerned how to make amends for the existing fragile rural social safety net. In recent decades, both central and local governments initiated innovative experiments with insurance programs in rural areas, including the pension insurance programs as well as efforts by the Ministry of Health to reintroduce health prepayment programs similar to their cooperative predecessor (Wong 1998; Cook 2000). These endeavours altogether unfolded an extension of rural social security programs well into the new Millennium.

### Rural social policy reforms after 1979

The waning of people's communes during the 1980s boded ill for the collective welfare provision in rural areas. Without collective support, traditional programs of healthcare and social assistance gradually ceased to function—to the peasants' chagrin. In many poor areas, community-based social security

systems have de facto collapsed as no local administration existed to maintain the basic social safety net. Reform initiatives of recent years thus focused on resuming the responsibility of local governments and communities for social infrastructure and welfare provision. Three policy areas are of particular significance: healthcare, social assistance and old age security.<sup>4</sup>

### Health reforms

The transition from collectivisation to household economy since the economic reforms weakened the financial basis of the cooperative medical system, leading to the collapse of traditional rural collective medical systems (RCMS). Many villages had to sustain a rapid drop of health workers such as barefoot doctors, medical assistants and midwives (Cheung 2001; Unger 2002; Duckett 2011). By 1986, only very few villages still owned a cooperative medical system. Central policies came to a halt because of the predominant idea that, as long as the economy kept booming, voluntary community financing programs would eventually set in. Later developments disclaimed this thought: along with the growing commercialisation within the rural economy emerged the problem of limited access to healthcare, compounded by the individual inability to pay soaring medical expenses (Selden 1999; Liu 2004). Rising medical cost weighed heavily on rural poverty; and inadequate funding kept driving clinics to increase fees or sell patients more drugs. Most vulnerable to these changes were poor households unable to purchase pharmaceuticals and medical care. One of the major issues in rural social policy ever since has become how to rebuild a medical system accessible to the rural population.

Under the World Bank's auspices, the central government launched between 1989–1990 a rural health insurance experiment in Sichuan province covering twenty-six villages in two counties and 40,443 residents (World Bank 1997b: 49f.). The pilot program established a health cooperative insurance offering basic treatment in villages and major treatment in townships (*xiaobing buchucun, dabing buchuzhen*). Premiums were set at 1.5 per cent of the average income, while three benefit plans in practice differed in refund rates for inpatient and outpatient services. The insured patients enjoyed access to village and township clinics but could only visit county hospitals in emergencies or with a referral from the township health center. This pilot program won widespread support among the rural residents: more than 90 per cent of the households in the experiment areas voluntarily joined the program, with 95 per cent of them continuing the membership after the first year.

The example of Sichuan's experiment demonstrated a necessary response of local governments to the communes' decline by switching the rural medical system to the insurance principle. Their reform goal aimed at balancing the financial responsibility between individuals and collective risk pooling. Based on experiences with pilot programs, a new policy directive on rural healthcare finance followed in 1994 demanding the development of local community-based programs to fund and organise healthcare for the rural residents (World

Bank 1997b: 51f.). The new regulation stipulated that each community organised its own collective finance for basic healthcare, and funding would stem from the government, village collectives and individuals. It also acknowledged the unequal development of regional economies and required that programs and benefit catalogues are set in accordance with local conditions and economic capacities. Above all, priority of the community-based program should be given to pre-emptive measures which could prevent disease dissemination.

Endeavours by the central government to reinstate the cooperative healthcare services during the 1990s achieved limited progress, as most prefectural and county governments had difficulties setting up community-financed programs based on individual contributions.<sup>5</sup> For an effective program to work, considerably higher contributions (but unaffordable to the villagers) would be needed. As a result, local governments lacked political incentive and financial capacities to establish cooperative healthcare systems. For this reason, the central government reassured its resolution by issuing a Decision on the Further Improvement of Rural Health Work in 2002 (Bloom and Fang 2003). The new rural health policy guideline envisaged a new type of rural cooperative medical program (RCMS) and a program of medical aids for the needy households. Based on the previous experiences of some local pilot projects, the new RCMS provided basic hygiene and health protection for all rural residents. From 2003 onward, a system of tripartite funding (central government, village collectives and rural workers) came in effect offering subsidies for medical treatments to the insured peasants. The program is operated at the county level, though considerable variation exists in the specific benefit packages across counties. The new RCMS is again voluntary with the enrolment unit required to be the household rather than the individual. In 2009, the central government announced an additional 850 billion RMB funding for the new RCMS over the next three years. Main targets aimed to expanding insurance coverage to over 90 per cent of the population and to increase the subsidies for residents to enrol in the new program. Introducing a national basic medicine system and establishing a comprehensive system of primary care facilities also stood on the agenda (Gao and Meng 2013).

Since its inception, the new RCMS could register a leap in medical utilisation among the insured peasants, though some studies also express concerns about the uneven distribution of policy effects or the inherent flaws of the healthcare system (e.g. Zhang 2014). Difficulties arose in the implementation, ranging from lack of sufficient funding from the central government to the reluctance of many provincial governments to fully cooperate for fear of financial over-burden (Liu 2004). The voluntary nature of the programs also undermined the operation of the healthcare program since mostly poor and ill members were more inclined to join the program than the richer and healthier ones. Many local governments had no option but to reduce the reimbursement payable to the participating members. Despite the plan of the central government to shift a larger part of organizing and financial responsibility to



local governments and individual peasants, the whole program would be unsustainable without the assistance of the central government.

The outbreak of SARS in 2003 gave the Chinese healthcare system a heavy blow in that the epidemic laid bare the institutional failure to cope with large-scale public health crises. The central government reacted by issuing several documents requiring rectification of the existing healthcare provision, most of which fleshed out further details of improving the new RCMS. The Resolution on Harmonious Society passed in October 2006 recommended policy improvements in seven areas. For the healthcare area, the Resolution emphasised the importance of strengthening the health status of the people; and it envisioned a basic healthcare system that provided public health and basic medical services for both urban and rural citizens. With the goal of universal health insurance coverage in rural areas, the new RCMS has managed to cover over 96 per cent of the rural population. Together with the Basic Health Insurance for Urban Residents, the two health insurance programs have effectively covered almost all the rural residents and non-active urban residents. Reimbursement for hospitalisation expenses also hit 70 per cent. The central government has been raising its subsidies to the program in order to expand medical coverage to include additional diseases.<sup>6</sup>

In 2007, the State Council issued an opinion ordering local governments to probe with the integration of the new RCMS with the existing Basic Health Insurance for Urban Residents.<sup>7</sup> This effort stemmed from the idea of urban-rural harmonisation to streamline the institutional design of basic social security programs for both urban and rural residents (Shi 2012b). Since then, many places have launched this policy. The reforms envisage a unified health insurance program covering those non-working urban residents and all rural residents. With (local) government subsidies, this insurance aims to cover the medical expenses for inpatient treatment of serious illness and, if local financial conditions allowed, for outpatient treatment as well. Since the financial pooling remains localised, benefit levels vary from place to place depending on local financial capacities and central subsidies. In terms of institutional harmonisation and insurance coverage, the new program marks an important thrust toward the elimination of urban-rural divide in healthcare and the provision of basic financial support for medical treatment.

## Poverty alleviation

Traditionally, rural areas established poverty relief programs offering in-kind assistance (*wubao*), catastrophic aid or welfare facilities (mostly homes for the aged). After the economic reforms in 1978, this strategy gradually gave way to promoting regional economic growth as a means of improving the income situations of the poor. One of the main goals of the economic reforms was to reduce the number of people living in (absolute) poverty. By means of rapid economic growth, the Chinese government hoped to uplift the average income and living standard of poor regions. This economic approach took

effect: the number of people living in absolute poverty dropped from 250 million in 1978 to merely thirty million in 2002. Yet the reduction of poverty numbers was only one side of the coin. Various studies have pointed out that income disparities among regions kept growing at an astounding rate, not least due to different natural endowments and diverse developmental paces among them (World Bank 1997a; Knight and Song 1999; Riskin *et al.* 2001; World Bank 2001). Among the population living in poverty, 80 per cent are concentrated in the western and central provinces. The central problem is now concerned less with total economic growth than how its fruits should be distributed among the regions.

The year 1982 marked the starting point of poverty alleviation. A comprehensive construction plan for the 'Three-West' regions (mainly Gansu, Ningxia) set out to boost the economy of poor western areas. As large-scale overarching policy packages required higher-level coordination, the State Council set up a Leading Group Office for Poverty Reduction (LGPR) in 1986 to streamline various poverty reduction measures at the local level, and to promote economic development in poor areas (Rozelle *et al.* 1998; World Bank 2001). The LGPR administered a new investment program allocating four billion Yuan per year to 300 nationally designated poor counties. Its executive agency, the Poor Area Development Office, has since then acted as the main advocate for the rural poor. This administrative model appealed to the local governments that later established similar offices in charge of poverty reduction programs. The year 1986 also marked the start of the central government's commitment to boosting economic development in poor areas, with most of its subsidized loans directed to poor households for improving their agricultural production. The Eighth Five Year Plan (1991–1995) confirmed the status of the LGPR and granted further authority to manage domestic funds and international aid.

The poverty reduction strategy gained further momentum through the 1994 National Plan for Poverty Reduction (8–7 plan) that set the goal of lifting the bulk of the eighty million poor above the official poverty line in the next seven years to 2000 (World Bank 2001: 41). The plan sought to (a) assist poor households with land improvement; (b) improve local infrastructure such as road construction, electricity provision, drinking water supply for poor villages; (c) extend primary education and provide basic preventive and curative health care; (d) improve management of poverty reduction funding; and (e) include and integrate support from all government ministries, coastal provinces and major municipalities, agencies as well as other organizations.

After launching the 8–7 plan, the central government mobilized all available resources to alleviate the plight of poor regions. In a National Poverty Reduction Conference in September 1996, a new 'poverty reduction responsibility system' came into force with leaders of the poor Western provinces and regions authorized to conduct the poverty alleviation work within their jurisdictions. Furthermore, the conference concluded that assistance should be given directly to those poor villages and households (*fupin daohu*), and



that supervision of poverty reduction tasks required more attention to improve the funding management. A similar conference followed in 1999 to consolidate the targets and measures of the 8–7 plan (World Bank 2001: 42). The central government took this opportunity to declare its goal to increase domestic investment and capital construction in the Western provinces as a key dimension for poverty reduction. It further confirmed the significance of micro-credits for poor households to improve agricultural production, aquaculture or animal husbandry. A vital government task aimed to strengthen the financial supervision and auditing of all poverty funds.

The amount of poverty funds for sustaining economies of poor regions have been rising ever since. While the overall sum of poverty funds during 1986 and 1993 amounted to 41.93 billion Yuan, the number doubled to 87.88 billion Yuan during 1994 and 1999 (You 2000). Yet in real terms, the total funding for poverty reduction programs did not grow until the second half of the 1990s. Since the provinces and their lower-level administration had to offer matching funds in the amount of 30–50 per cent of the national loan funds, many poor localities could hardly hit this target or handed out meagre contributions due to their weak fiscal capacities. Worse: many still relied heavily on the financial support from the center.

Institutional innovation in poverty relief gained momentum when the central government announced the *Regulation on the Minimum Living Standard Scheme* (MLSS) in 1999 requiring all cities to establish a modern urban social assistance program (Leung and Wong 1999; Shang and Wu 2004). A similar program for the rural residents took shape in 2006. The MLSS has arisen in response to the insufficiency of the traditional ‘five guarantees’ (*wubao*) program and the unemployment insurance to cope with the increasing urban poverty. The overall institutional framework of the MLSS found its origins in the past experimentation of coastal regions—with the proactive role of Shanghai—which spontaneously initiated the first prototype of its kind in 1993 (Duoji 2001: 97–9). The Shanghai model drew attention from the Ministry of Civil Affairs (MOCA), which extended its support and encouraged other cities to follow suit.<sup>8</sup> The ensuing pilot experiments by several localities provided the spring board for the final institutionalisation of the system.

Similar attempts to establish the MLSS began in some rural areas in the 1990s; even the term ‘minimum living standard guarantee’ (*zuidi shenghuo baozhang*) found its first usage in the early rural pilot programs. Much the same as the case in other social policies, however, the active experimentation of the rural programme gained momentum only *after* the urban MLSS had set out its nationwide expansion (Shi 2012a). The central government undertakes a significant financial responsibility by granting subsidies to rural (and urban) localities with little fiscal capacity (Table 9.1).

MOCA’s supervision played an important part in the introduction of the rural MLSS, which focused first on the program’s feasibility in areas of different developmental levels, with stepwise expansion to other regions with equivalent financial strengths. Rural MLSS thus takes on a strong incremental feature.

Table 9.1 Central and local government expenditures on MLSS, 1999–2013 (RMB, billions)

Year	Urban			Rural		
	Central	Local	Total	Central	Local	Total
1999	0.40	1.60	2.00	–	0.37	0.37
2000	0.80	1.90	2.70	–	0.36	0.36
2001	2.30	1.90	4.20	–	0.47	0.47
2002	4.60	6.30	10.90	–	0.71	0.71
2003	9.20	5.90	15.10	–	0.93	0.93
2004	10.60	8.00	18.60	–	1.62	1.62
2005	11.21	8.34	19.55	–	2.53	2.53
2006	13.60	9.49	23.09	–	4.35	4.35
2007	15.98	11.76	27.74	3.01	7.90	10.91
2008	26.94	13.60	40.54	9.36	14.03	23.39
2009	35.91	12.30	48.21	25.51	10.79	36.30
2010	36.56	15.91	52.47	26.90	17.60	44.50
2011	50.20	15.79	65.99	50.26	16.51	66.77
2012	43.91	23.52	67.43	43.14	28.66	71.80
2013	54.56	21.11	75.67	61.23	25.46	86.69

Sources: China Civil Affairs Development Statistics Report, year 1999–2009; China Social Services Development Statistics Report, year 2010–2013.

Compared to the earlier form of urban poverty relief, both the urban and rural MLSS stand out in terms of its accessibility to those able to work with a household income below the local poverty line. This marks an important advance because it loosens the tight link between work and welfare so prevalent during the planned economy era. The MLSS includes more poverty-stricken families and offers them more in-cash benefits than their traditional predecessors. Both urban and rural MLSS are residual in nature, nonetheless, relying on the means test conducted by street-level and village-level officials, respectively (Leung and Wong 1999; Shang and Wu 2004). Target groups of the new programs are persons who fall into the following destitute situations: traditional recipients of social assistance (three no’s), families in financial difficulties due to unemployment, unemployed people not eligible for unemployment benefits and pensioners with modest pension incomes. The assistance line is calculated according to the minimum standard of living often based on expenditure surveys of low-income households and the financial capacity of the local authority. Financial basis of the cash benefits stems from local governments (and partly from the center), leading to a wide variety of their levels according to local circumstances.

Despite the declining absolute number of the poor population, the overall policy framework for poverty alleviation still lacks a comprehensive development strategy. Experiences of the past decades suggest that economic growth of regions alone does not automatically translate into the desired poverty reduction. A vital task of the Chinese government is to strike a delicate

balance between economic growth and social justice in favour of poverty alleviation. Even though great efforts are underway to promote economic growth of backward poor regions, the proportion of public resources used for the rural sector still lags far behind, especially in social policy realms such as healthcare and education which could greatly improve the life chances of the rural poor. Lopsided emphasis on the economic dimension of poverty alleviation would only miss the target of helping those rural residents out of destitution.

### Old age security

In the course of the 1980s, many villages and townships prospered as a result of rapid development of TVEs. Improving fiscal conditions of local governments had laid the ground for designing old age security programs suitable to the needs of local circumstances. Yet despite spontaneous initiatives of local governments, the overall coverage of these kinds of program remained low. By 1985, about 600,000 peasants enjoyed benefits of such pension programs created in twenty-two provinces and municipalities (Zhang and Liu 2000: 36). The benefits provided by these programs were also much lower than that offered by the labour insurance for urban workers. In some regions the programs could afford a replacement rate of around 40 per cent of the average male income from collective sources—niggardly low in contrast to the standard of urban workers (roughly 80 per cent), but well above the subsistence levels set for the rural destitute or disabled. Nevertheless, spontaneous policies made by local governments to ensure local elderly people better economic support were rather sporadic efforts. The nationwide situation of old age security in rural areas remained unstable and fragmented. Even these pension programs were fragile as they lacked reliable financial bases. Much depended on the fiscal conditions of local governments: while benefits were dispatched normally in times of agricultural harvest or profitable collective enterprises, pensioners had also to bear the risk of benefit reduction or even deferral if they went badly. Furthermore, the entitlements to receive pension benefits were never guaranteed in the absence of national statute or state intervention. To be included in local pension programs was mainly associated with the criterion whether one's own household was registered in economically wealthier villages.

From 1986 onward, there were several experiments with various pension insurance programs in several provinces under the direction of MOCA. Most experiments were implemented at the village level by the village CCP branch and village committee because economic situations among villages even within the same township varied. Villages were basic units for distributing land and other means of production—an institutional equivalence to the former production brigade. The other experiments took the township as the unit of implementation for pension programs. In these cases, the township government organised and managed the programs that included all labour with

household registration in the towns. This type of experiment worked better than the first one since township government had stable financial resources and administrative structure. However, due to uneven development of the rural economy, generalisation of the preferable township-managed pension program experiments was impractical.

At the outset of the 1990s, the Chinese Communist Party addressed in its Eighth Five-Year Plan (1991–95) the problem of insufficient social security for the peasants. In 1991 the State Council decided to delegate competence of social security affairs for urban and rural residents to the Ministry of Labour (MOL) and the MOCA, respectively. This move gave the latter authority greater room for innovative policy initiatives. In April 1991, MOCA launched a preliminary plan in Weihai (two counties) and Yantai (three counties), Shandong Province, to provide peasants with basic pension insurance. After a difficult yet successful start in Weihai and Yantai, MOCA concluded at the end of 1991 that the time was right for further expansion of the pilot program.

Major regulations of this original pilot program aimed to include all residents with rural residential status between twenty and sixty, though participation in the program was primarily voluntary (MOCA 1992). The main source of funding was the contributions of individual participants, and in the case of economic betterment, the subsidies from employers or local governments. Individuals may contribute between two and ten Yuan per month to be placed in a special bank account. The state granted tax exemption for contributions paid to the program. The program emphasised individual responsibility, leaving the participants to decide by themselves a proper contribution rate according to their own financial capabilities. The retirement age was set at sixty, and participating rural residents arriving at this age were eligible to receive annuities based on accumulated contributions and accrued interest in personal accounts. The program is thus in essence a voluntary, defined-contribution, and fully-funded savings plan (see Table 9.2).

Yet, the development of rural pension insurance gradually reached a bottleneck. A central problem lay in the lack of a statutory regulation that would have given the rural pension policy a clearer status and direction (cf. Shi 2006). Since local governments were granted the autonomy to implement pilot programs in accordance with local circumstances, problems such as power abuse by cadres in forcing peasants to join in the program or embezzlement of accumulated funds surfaced. This mismanagement has undermined the accountability of the administration. Questions concerning sustainability and practicability of rural pensions arose as some leaders in the central government began to worry about the whole situation and put the policy design itself into question. The late 1990s thus witnessed severe policy retrenchment in this area. The external economic shock due to the 1997 Asian financial crisis was compounded by unstable rural finance, all of which led the central government to reverse the ongoing rural pension policy. The administrative and supervisory responsibility for rural old age security was entirely transferred from MOCA to the newly-established Ministry of Labour and Social Security (MOLSS) in

Table 9.2 Rural pension policy changes between original design and later revisions during the 1990s

	<i>The 1991 original design</i>	<i>Later changes</i>
Coverage	All rural citizens with agricultural hukou between 20 and 59 years	Children are covered  Special groups can be admitted before universal coverage
Funding	Individual Contributions, plus subsidies from employers or local communities; tax exemption for contributions  Choice of contribution rates, depending on individual capacities and desires	Pre-payment and retro-payment of contributions allowed
Fund investment	Bank deposits and special government bonds  Local interests should also be served  Expected return rate was fixed at 8.8% per year	Support local economic development only  Return rates set by the MOCA annually, slightly above the interest rate of bank deposits
Retirement age	60 years (preferentially)	Reduced to 55 or even 50 years
Benefits	Annuities depending on accumulated funds in individual accounts  Minimum 10-years of payment  Return rate of investment assumed 8.8% per year over the annuization period	Increased by 10% in 1994
Administrative organizations	MOCA Pensions Department: general guidance and supervision  Provincial or city/county social insurance agencies: administration of funds and individual accounts  Administrative costs up to 3% of current contributions	At the beginning of a pension program in a county, an extra 3% of contribution is allowed for administrative costs

Source: Leisering and Gong (2002): 25.

1998. Administrative reshuffling meant *de facto* to make void of all previous policy efforts by MOCA. Thereafter, rural pension policy suffered a severe backlash with most of the local pilot programs coming to a halt.

Following almost a decade of local experimentation, the central government regained the courage to launch a new rural pension program in 2009. Under the doctrine 'wide coverage, low basic pensions, multi-pillar protection, financial sustainability', the State Council issued the *Guidance to Carry Out the New Rural Pension Insurance Pilot Program* that declared nationwide implementation by 2020. In contrast to its predecessor, the new program envisions a larger government subsidy to the insured peasants. While the central government provides a basic monthly pension of 55 RMB to each eligible rural resident, each locality can top-up supplementary pension benefits according to its financial situation. In addition, benefits accrued in individual accounts are calculated by dividing the total savings from the accumulated contributions at the time of retirement by 139 (Xu and Zhang 2012; Wang *et al.* 2014).

In February 2014, the State Council further declared its resolution to unify the rural pension insurance with the urban resident pension insurance to become a national Basic Old Age Insurance for Urban-rural Residents. Nearly 498 million people were covered by this new pension program by the end of 2013 (MHRSS 2014). In essence, this new program incorporates what has been in practice in the existing two programs. It is an insurance program fully funded in finance, supplemented by the basic pension guaranteed by the central government and the various supplemental benefits by local governments. Pension eligibility is based on fifteen years of contribution record.<sup>9</sup> Innovative endeavours in the institutional integration pertain to the upgrading of financial pooling to higher government echelons from county- to municipality-level. Some provinces such as Guangdong further introduced new measures allowing the transfer of individual pension benefits among different localities within the same province. Although the issue of inter-provincial financial transfer remains a difficult task, recent policy improvements could at least facilitate labour mobility and promote risk pooling within a larger territory such as provinces. This convergence in institutional logic paves the way for the eventual nationalisation of basic pension insurance for all, supplemented by additional pension benefits by each local government according to its own financial capacities.

### Prospect: from urban-rural harmonisation to urbanisation

Over three decades of reform efforts have forged a new contour on the rural social policy in China, partly out of the necessity to accommodate the changing socio-economic circumstances of the countryside. The above analysis also portrays the policy changes toward the emergence of a comprehensive social security system for rural residents. Current central guidelines indicate the policy direction to erect a basic pillar of social security with universal coverage and



need-based entitlements (*guangfugai, dishuiping*), to which supplementary programs can be established according to local circumstances (*duocengci*), while equally securing their long-term financial sustainability (*kechixu*). In the new rural pensions and healthcare areas, local governments have been crafting insurance programs with multi-tier structures in accordance with their own financial capacities.

Meanwhile, rural social policy has been on the move since the 2000s, primarily aiming to achieve more institutional integration. Urban-rural harmonisation is one prominent example: the idea originated in the pilot experimentation conducted by wealthy coastal regions since 1978 (Lu and Tang 2010). The harbinger of urban-rural harmonisation includes local governments in Southern Jiangsu, including Shanghai, which has taken the lead in exploring innovative policy initiatives in conjunction with the industrial base of township and village enterprises (*Sunan* model). Many coastal provinces such as Zhejiang and Guangdong gradually followed suit and probed policies aimed at tackling problems of urbanisation and industrialisation (Zhu *et al.* 2008; Liu *et al.* 2010). The 1990s and 2000s have witnessed various endeavours of local governments to seek out feasible options for sustainable development, giving birth to the idea of urban-rural harmonisation.

The new Xi-Li leadership pushes the efforts even further. Since 2013, rhetoric about large-scale urbanisation especially among medium- or small-sized cities has been on the rise with particular reference to the issue of rural development.<sup>10</sup> While migration to major metropolitan regions such as Beijing and Shanghai remains under strict control, urbanisation policy is likely to encourage other cities to absorb rural migration. Policy directives to offer support catering to the needs of migrant workers also imply a potential increase in demand for more social service provision. Most important, urbanisation policy will require further streamlining between similar social programs of both urban and rural areas. Similar to the urban resident social insurance, rural social programs are likely to serve as the bottom-line institutional buffer offering basic social protection for all rural peasants while also providing avenues for benefit transfer to other social programs should the insured peasants change employment or resident status. The latest policy reforms already went so far as to merge these new rural social insurance programs with their urban counterpart of basic insurance programs for the economically non-active urban residents. Not only can the institutional fusion cover more population groups but also allow seamless benefit transfer in case of labour mobility.

In view of the uneven strengths of local governments' fiscal capacities, the central government would have to invest a considerable amount in financial subsidies to poor regions. So far, the crucial factor for the policy success still hinges on the financial strengths of the respective local governments responsible for implementation. And here comes the tricky part of Chinese social policy in general and rural social policy in particular: given the widening regional disparities in terms of local state capacity, the extent of local social

activism is bound to vary a lot among the regions (Shi 2012a, 2012b). The inherent regional inequality will shape the future development of rural social policy because this implies unequal social rights even in the basic social protection for the rural residents. Prospect of the envisioned urban-rural harmonisation will depend on whether the central government is willing to reverse the ongoing regionalisation of social protection by means of further institutional integration or even financial equalisation among the regional social programs.

## Notes

- 1 Part of this chapter is the revision of an unpublished work of this author (Shi, 2007, Chapter 5) with updated information of the latest rural social policy development.
- 2 The relative autonomy of local governments over local issues is widely regarded as the key factor boosting rapid rural industrialisation in the last three decades. See: Oi (1999); Walder (1995).
- 3 Rural residents also benefited from the reforms as their incomes rose rapidly initially, but they began to lag behind the increases of urban incomes in 1985 and the following years. This trend reversed only once in 1995.
- 3 Rural residents also benefited from the reforms as their incomes rose rapidly initially, but they began to lag behind the increases of urban incomes in 1985 and the following years. This trend reversed only once in 1995.
- 4 Social protection for rural-to-urban migrant workers is an important issue related to rural development but space limit precludes further elaboration here. Please refer to Chapter 11 in this volume.
- 5 However, residents of well-developed rural regions still enjoy better healthcare protection, as local governments take initiatives either to rebuild traditional community-based medical care or probe their own models. See: Huang (2004).
- 6 Chinese Government Work Report 2012, Beijing: the State Council.
- 7 See: [www.gov.cn/zwgg/2007-07/24/content\\_695118.htm](http://www.gov.cn/zwgg/2007-07/24/content_695118.htm). Accessed on April 16, 2015.
- 8 MOCA employed the same learning mode in various rural social policies, e.g. the new cooperative healthcare, new rural pension insurance.
- 9 Information available at [www.gov.cn/zwgg/2014-02/26/content\\_2621907.htm](http://www.gov.cn/zwgg/2014-02/26/content_2621907.htm). Accessed on March 12, 2015.
- 10 'Li Keqiang expounds on urbanization', [www.china.org.cn/china/2013-05/26/content\\_28934485.htm](http://www.china.org.cn/china/2013-05/26/content_28934485.htm). Accessed on May 26, 2013.

## Bibliography

- Bloom, G. and Fang, J. (2003) *China's Rural Health System in a Changing Institutional Context*, IDS Working Paper No.108. Brighton, UK: Institute of Development Studies.
- Cheung, A. B. L. (2001) Health Policy Reform. In L. Wong and N. Flynn (eds), *The Market in Chinese Social Policy*, Basingstoke: Palgrave Macmillan, pp. 63–87.
- Chu, W. C. (1996) The Politics of Welfare in China: The Impact of Political Concern on Welfare Development. In T. W. Lo and J. Y. S. Cheng (eds), *Social Welfare Development in China: Constraints and Challenges*, Chicago, IL: Imprint Publications, pp. 51–67.



- Cook, S. (2000) *After the Iron Rice Bowl: Extending the Safety Net in China*, IDS Discussion Paper 377. Brighton, UK: IDS.
- Dixon, J. E. (1981) *The Chinese Welfare System 1949–1979*, New York, NY: Praeger Publishers.
- Duckett, J. (2011) 'Challenging the Economic Reform Paradigm: Policy and Politics in the Early 1980's Collapse of the Rural Co-operative Medical System', *The China Quarterly*, 205(March):80–95.
- Duoji, C. (2001) *Research and Praxis of the Minimum Living Standard Scheme*, Beijing: People's Press (in Chinese).
- Gao, S. and Meng, X. (2013) Health and Rural Cooperative Medical Insurance. In D. J. Besharov and K. Baehler (eds), *Chinese Social Policy in a Time of Transition*, Oxford: Oxford University Press, pp.101–20.
- Huang, Y. (2008) *Capitalism with Chinese Characteristics: Entrepreneurship and the State*, Cambridge: Cambridge University Press.
- Khan, A. R. and Riskin, C. (2001) *Inequality and Poverty in China in the Age of Globalization*, Oxford: Oxford University Press.
- Knight, J. and Song, L. (1999) *The Rural-Urban Divide: Economic Disparities and Interactions in China*, Oxford: Oxford University Press.
- Leisering, L. and Gong, S. (2002) *People's Republic of China—Old-Age Pensions for the Rural Areas: From Land Reform to Globalization*, Manila: Asian Development Bank.
- Leung, J. C. B. and H. S. W. Wong (1999) 'The Emergence of a Community-Based Social Assistance Programme in Urban China', *Social Policy & Administration*, 33(1):39–54.
- Liu, Y. (2004) 'Development of the Rural Health Insurance System in China', *Health Policy and Planning*, 19(3):159–65.
- Liu, W., Zhang, S. and Sun, J. (2010) 'Comparison and Evaluation of the Urban-Rural Integration in the Four Municipalities', *Beijing Social Sciences*, 25(4):28–36 (in Chinese).
- Lu, C. and Tang, L. (2010) 'Urban-Rural Integration: Patterns and Strategies', *Anhui Agriculture Science*, 38(3):1585–7 (in Chinese).
- MOCA (Ministry of Civil Affairs) (1992) *Basic Provision of Rural Pension Insurance at County Level*, Beijing: Ministry of Civil Affairs (in Chinese).
- MHRSS (Ministry of Human Resources and Social Security) (2014) *Establishment of a Unified System to Better Protect the Rights and Interests of Urban and Rural Residents' Pension Insurance*, Beijing: Ministry of Human Resources and Social Security (in Chinese).
- NPFPC (National Population and Family Planning Commission) (2011) *Report on China's Migrant Population Development*, Beijing: China Population Publishing.
- Oi, J. C. (1999) *Rural China Takes Off: Institutional Foundations of Economic Reform*, Berkeley, CA: University of California Press.
- Riskin, C., Zhao, R. and Li, S. (eds) (2001) *China's Retreat from Equality*, Armonk and London: M. E. Sharpe.
- Rozelle, S., Park, A., Benziger, V. and Ren, C. (1998) 'Targeted Poverty Investments and Economic Growth in China', *World Development*, 26(12):2137–51.
- Selden, M. (1999) China's Rural Welfare Systems: Crisis and Transformation, In H. -H. Wu (ed.), *PRC Political Economy: Prospects under Jiang Zemin*, Taipei: Mainland Affairs Council, pp. 1–15.
- Shang, X. and X. Wu (2004) 'Changing Approaches of Social Protection: Social Assistance Reform in Urban China', *Social Policy & Society*, 3(3):259–71.
- Shi, S. -J. (2006) 'Left to Market and Family—Again? Ideas and the Development of the Rural Pension Policy in China', *Social Policy and Administration*, 40(7):791–806.
- Shi, S. -J. (2007) *Old-Age Pensions and Life Course in Rural China: The Emergence of Modern Retirement?* Bielefeld: Unpublished Dissertation at the Faculty of Sociology, University of Bielefeld.
- Shi, S. -J. (2012a) 'Social Policy Learning and Diffusion in China: The Rise of Welfare Regions?' *Policy & Politics*, 40(3):367–85.
- Shi, S. -J. (2012b) 'Towards Inclusive Social Citizenship? Rethinking China's Social Security in the Trend towards Urban-Rural Harmonisation', *Journal of Social Policy*, 41(4):789–810.
- Solinger, D. J. (1999) *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of the Market*, Berkeley, CA: University of California Press.
- Unger, J. (2002) *The Transformation of Rural China*, Armonk and London: M. E. Sharpe.
- Walder, A. (1995) 'Local Governments as Industrial Firms: An Organizational Analysis of China's Transitional Economy', *American Journal of Sociology*, 101(2):263–301.
- Wang, L., Béland, D. and Zhang, S. (2014) 'Pension Fairness in China', *China Economic Review*, 28(1):25–36.
- Wong, L. (1998) *Marginalization and Social Welfare in China*, London and New York: Routledge.
- Wong, L. and Macpherson, S. (eds) (1995) *Social Change and Social Policy in Contemporary China*, Aldershot: Avebury.
- Woo-Cummings, M. (1999) *The Developmental State*, Ithaca, NY: Cornell University Press.
- World Bank (1997a) *Sharing Rising Incomes: Disparities in China*, Washington, DC: World Bank.
- World Bank (1997b) *Financing Health Care: Issues and Options for China*, Washington, DC: World Bank.
- World Bank (2001) *China: Overcoming Rural Poverty*, Washington, DC: World Bank.
- Xu, Y. and Zhang, X. (2012) 'Pensions and Social Assistance: The Development of Income Security Policies for Old People in China', *Aging in China*, 2:43–59.
- You, F. -J. (2000) 'A Look at Poverty Relief Work', *Studies on Chinese Communism Monthly*, 34(11):62–76 (in Chinese).
- Zhang, S. and Liu, L. (2000) 'Historical Development and Characteristics of Rural Old-Age Security since the Establishment of the PR China', *Population Journal*, 5:35–9 (in Chinese).
- Zhang, W. (2014) 'Why Hasn't China's High-Profile Health Reform (2003–2012) Delivered? An Analysis of Its Neoliberal Roots', *Critical Social Policy*, 34(2):175–98.
- Zheng, G. (ed.) (2002) *Institutional Changes and Assessment of Chinese Social Security*, Beijing: Chinese Renmin University Press (in Chinese).
- Zhu, J., Zhan, Y. and Han, C. (2008) *The Way to Urbanization in Southern Jiangsu: Change and Innovation of Hudai Town*, Beijing: China Social Sciences Press (in Chinese).