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C3 3rd Workshop Minutes

November 24th, 2017
Ministry of Civil Affairs
Beijing Tibet Hotel

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Meeting has been moderated by Mr Liu Xitang, Director General of Social Assistance Department, Ministry of Civil Affairs, P.R.China

1. Welcome speeches made by Mr Liu Xitang, and Ms Marzena Breza

At the Welcome Speeches session, Director General Mr Liu Xitang, Department of Social Assistance, MoCA, introduced EU-China Social Protection Program (EU-China SPRP) and briefly expressed his thanks to all the participants for the workshop. He said that China social assistance system has established for not a long time, and has encountered many issues, such as regional disparity, which could be learned from EU experience.

Not long ago, China has held 19th CPC National Congress, which raised requirements and defined guidelines for the china social assistance development. It is definite that China would spare no effort to enhance the implementation of social assistance system. This workshop is significant for communication and sharing experience to further develop Chinese social assistance system.

Then Ms. Marzena Breza, C3 EU RE, expressed her gratitude to Mr Liu and all the experts from both sides. She hoped that the workshop will give an opportunity for a fruitful discussion.

2. Topic 3.2.2 Optimization of social assistance—procedures and eligibility criteria for social assistance benefits

In this section, CN expert Mr Yao Jianping, professor of North China Electricity Power University, EU experts Mr Julien Van Geertsom and Ms Lacramioara Corches, presented their draft reports on topic 3.2.2.

Firstly Prof. Yao presentation - he first analyzed procedures and eligibility criteria in China's social assistance system, which centered in "Dibao"and "Tekun". The criteria of local government may differ according to their levels of development. Then he talked about administrative procedure, which is roughly composed of application, qualification, home survey, democratic evaluation and publicity in community.

As for the eligibility criteria, the first issue he mentioned is the binding of eligibility between different social assistance programs easily causes welfare dependency. Secondly, the eligibility criteria of social assistance are complex and vague, thus it is difficult to make judgment accurate for lacking of quantitative calculation index on household income and assets. Besides, the problem of under coverage still exists under the condition of insufficient social workers. Another issue about procedure is the non-standardized procedure since several factors, such as the political policy, may influence the social assistance development. Last but not least, he expressed his views about recommendation of procedures and eligibility criteria for social assistance benefits.

He thought it was crucial to implement reclassification of the benefits (Fenlei Shibao) and separation of the welfare binding, which aims at clarifying social assistance and social benefits. In addition, the verification system of rural household income should be established, but measures of how to calculate

would be difficult. Another issue is about asset verification in rural areas, this may differ from situation in Europe, and need to be further discussed by local level governments. He thought that the term "fraud" might not be appropriate, specially referring to the vulnerable group. However, publicity of social assistance system should be encouraged.

He suggested that dynamic tracking system of database and initiative finding mechanism, like wechat (a social application) group, would be necessary for social assistance system development. What's more, anti-fraud should be achieved by legislation instead of democratic evaluation in the rural area, where deeply influenced by Chinese traditional culture. About insufficient local social workers, it is suggested to establish specific agency, which he recommended to be further discussed.

Mr Liu commented that Prof Yao's speech was significant for the pilots, which would be implemented next year.

It was followed by speech from Mr Julien Van Geertsom, he first raised the point that social assistance is the common topic, and he would mainly focus on the minimum income scheme in Belgium. First he introduced European Parliament resolution on minimum income policies, as a tool for fighting poverty, which was established on 24 October 2017. This policy is not only about social assistance, but also encourage people to be active in the labor market, which ensuring a balance between economic and social objectives. Member States work towards the progressive realization of adequate minimum income schemes, addressing the issues of adequacy, coverage and non take-up of the schemes.

When he talked about "Non take up", he pointed out four reasons, which included lack of information, costly or complex access, social barriers and administrative barriers. He mentioned that Belgium, a country of population nearly half of Beijing, has a complex system as well, since there are various communities with their own parliaments and governments. Social assistance in Belgium related to "the right to social integration", which not only about money, but also social participation.

He also mentioned the conditions of receiving the minimum income benefit, and introduced how this system was organized. About means testing, as well as social enquiry, which implemented by qualified social workers, is crucial. The social workers, who are obliged to keep professional secret, implement social enquiry by home visit. Crossroads Bank mentioned as the assistant to connect data from different departments. He also introduced the concept of "tell only once", which meant authority could only ask information from citizen once, which is regulated by the law. Later he further explained about "non take up" issue.

Ms Lacramioara Corches firstly explained the necessity of minimum income scheme. She mentioned that one of the problems in minimum income scheme (MIS) was missing objectives, which was the same issue as China has confronted with. Several reasons affect the effectiveness of the measures, including inadequate amount, not all under coverage, targeting, weak connection with ALMP's and non-efficient process in delivery.

As for inadequacy, there is a low proportion of GDP spent on minimum income scheme. Speaking of coverage and targeting, Ms Corches mentioned the eligibility condition excluded potential beneficiaries by categorizing conditions or by setting income threshold for entitlement too low.

She also talked about risks of non take up at four levels, which consisted of administration, scheme, which already mentioned by Mr Julien, society and individual. To improve this, several measures,

such as automatic granting, should be adopted. Then she introduced major trend in EU from 2010 to 2016.

For the challenges of China "Dibao", Ms Corches also shared her recommendation. Since China's "Dibao" remains a low level, which has limited impact on reducing poverty, it is suggested to increase spending on social assistance from GDP, connect or compare "Dibao" level with unique poverty line and attract more investment from private sector or civil society.

For unfair situation that undercoverage in rural areas and overcoverage in urban areas, it is recommended to connect "Dibao" with unique poverty line progressively and to reform "Dibao" as a universal and categorical benefit at the same time.

Confronting with the complex and complicated eligibility criteria, like Prof. Yao has said, a tracking system and initiative finding mechanism should be established, as well as transparent and simplified decision making and appeal procedure.

In the aspect of non-efficient management in delivery, the interconnective IT system, standardized administrative procedure, increasing number of staff and construction of social inspection mechanism could be implemented to solve the time and energy consuming issue occurred in social assistance procedure.

3. Free Discussion

Mr Tang Jun, Researcher from Center of Public Research, Chinese Academy of Social Sciences, first mentioned that China social assistance system has been established for 25 years since 1993, now it is time to be more institutionalized and more comprehensive, which is also recommended by the EU experts in their speeches. He considered the existing mechanism might be defective, one of the main issues in the current social assistance system is the decreasing number of beneficiaries happened in recent years. He mentioned, to achieve the goal of alleviating poverty in 2020, social assistance, such as" Dibao" and medical assistance would play an indispensable role. Now nearly 60% of "Dibao" recipients are suffered from diseases, thus medical assistance should not be neglected.

Mr Li Weidong, from MoCA Center of Monitoring and Verification for Low Income Families, first raised his request to Ms Corches about more specific features in social assistance system of 28 EU countries according to different geographic locations. He wondered whether means test, which he considered as the most time and energy costing, would be great distinction among all EU countries.

Ms Corches answered that it would be very complex, and she would like to specify this issue on Monday meeting, which will be held by MoCA center. Mr Julien responded that he did not consider means test time and energy consuming, since Belgium adopted Crossroads Bank to collect all information, so means test will mainly focus on the particular needs of the recipients, which is significant.

4. Topic 3.2.3: Coordination of overall social assistance resources

In the second section, Mr Liu first remarked that China social assistance system nowadays has been relatively completed. "Dibao" is merely one of many social assistance benefits, which covers medical assistance, housing assistance, temporary assistance and charitable aid as well. How to coordinate these resources would be a challenging topic.

CN expert Ms Zhang Haomiao, associate professor from Sichuan University, first introduced the situation of China's social assistance system that not all the resources be fully displayed. Problem of program resources, including Dibao welfare binding, lack of service assistance and coordination of assistance and other social security programs, was firstly mentioned. Second issue came from financial resources, with three sub-topics of non-standardized mechanism for fund guarantee and financial responsibility sharing, unfair financial resource distribution for social assistance between urban and rural regions and non-balanced financial expenditure structure between different assistance. The third problem would be from the aspect of organizations and human resources, to be specific, strengthening cooperation among assistance departments, clarification responsibilities of different levels of civil affairs departments, improving professional level of service agencies and personnel at grassroot level and insufficient participation of charitable organizations are suggested in her presentation. The fourth is the problem of information resources, such as imperfect information sharing mechanism and disparity of information coverage in urban and rural areas.

Speaking of recommendation on how to strengthen assistance resources' coordination, she first suggested that to avoid welfare binding, various assistance programs should be regulated, and improve service assistance to help vulnerable people in predicament. Besides optimizing the existing social assistance programs, new programs, such as rehabilitation and nursing assistance, care and custodial assistance, psychological assistance, should be given priority to. She also recommended that investment on social assistance should be increased, and unified social assistance transfer payment project from central government should be established. In addition, inter-departmental cooperation needs to be enhanced, and the efficiency of inter-departmental joint conference system for social assistance also needs improvement. Another suggestion would be establishing professional service agency and to change way of delivery into more demand oriented. Last but not least, informatization construction of social assistance should be promoted.

EU expert, Mr Heinz-Dietrich Steinmeyer first introduced that this topic varies according to different situations. He defined the connotation of coordination, which meant to achieve one goal, but avoid double benefits at the same time. As for Germany, the principle of guarantee people living in dignity is crucial. Then he further elaborated this principle, following by an example of "Hartz IV", which is a case related to unemployment jobseekers, in this case, the coordination of social resources occurred. On one hand, the local government plays the role of social assistance administration, on the other hand, the unemployment benefit agency also involved, which could be one of the situations concerning coordination in Germany.

Besides unemployment, he also mentioned social assistance for aging people and asylum seekers. Then he pointed out several risks, including income, housing, health care, long term care, health prevention, maternity and family planning. Talking about coordination of social assistance for job seekers, Mr Steinmeyer commented that it did not work very well. In addition, he introduced regional differences both on German national level and EU level, also made comparison between social assistance system and social insurance system. About financing, general social assistance financed by states and local government without involvement of the Federal government, while social assistance for job-seekers financed by unemployment agency. Finally, he introduced administration and organizations providing services.

Then EU expert Mr Jean-Yves Hocquet, first briefly began his topic from individual level, which was illustrated by a picture. Next he explained the necessity of using IT system in coordination of social assistance resources. Introduction of French complex social assistance system from national level and local level was followed. He mentioned if there was a cross administration concern, the ministry for social affairs would be the leading role. Besides this, France also covers multiple benefits, which needed coordination. He considered that coordination of social assistance should be "input complexity and output simplicity". Talking about simplicity, he elaborated this point with an example of the website named "Versailles", which actively functioned in the social assistance system. It is owned by various stakeholders with the aim of associating the recipients to the design of information.

He pointed out three policies including "one stop shop", "tell us once" and "pathway coordination". Then Mr Jean-Yves Hocquet explained "pathway" in detail. He pointed out that pathway should be understood dynamically, and need to be assessed and evaluated. Measures should be adopted of all local levels on the basis of national objectives and indicators. In the end, he named the case manager as a"diplomat", a mediator, a negotiator and a facilitator. He also mentioned one of the challenges for MoCA might be coordination of managing all levels of social assistance.

Mr Liu appreciated Mr Jean-Yves Hocquet's speech on the significance of IT system in social assistance. He commented that with the development of information system, it would be foreseeable beneficial for the pilots to be implemented next year.

5. Free Discussion

Mr Gao Lanxiang, Director of Social Assistance Bureau, Department of Civil Affairs of Hunan Province, first expressed his gratitude to participate in this workshop, as a local staff, he was inspired by the presentation given by experts from both sides. He commented that comparing to EU, which mostly are developed countries, the social assistance system in China may not be under the same condition. In the report of 19th CPC National Congress, "Dibao" was referred in the report, thus it must be strengthened in the future. Then he mentioned several issues, including the decreasing number of beneficiaries, the criteria of social assistance in rural areas and etc. He also introduced a database in his province, which was established in the aim of targeting, and anti fraud.

Mr Julien Van Geertsom talked about his opinion on coordination about the dialogue between national level and local level, newsletter and website about information and good practices, the role of inspection and ministry of redesign.

Mr Liu appreciated those comments and expressed the view that experts mainly focused on mechanism of social assistance while local staff was more detail oriented, which is crucial as well.

6. Topic 3.2.4 Fraud in social assistance: identification, coping strategy and prevention

In this section, when Mr Liu was talking about the third topic, he referred to Mr Gao, who was the local staff from Hunan Province, merely in his province, there are more than 2 millions of social assistance recipients, which is a massive fiscal expenditure. This emphasized the importance of monitoring and coping strategy in social assistance.

The third topic was presented by CN expert, Prof Lin Yi, Professor, Center for Ageing & Social Security Research, Southwestern University of Finance & Economics, and EU experts Mr Stephane Pacaud and Dr. Katharina Hackstein.

Prof. Lin Yi first presented his report on this topic. Firstly, he suggested improving legislation system, which ensured the implementation ruled by the law. Meanwhile, he also expressed his concern that mass media exaggerated the negativity in the process of disseminating social assistance system in the information society. Secondly, his recommendation was to establish a more precise targeting mechanism, which was also referred to by experts from both sides in the previous section.

He mentioned that many issues like undercoverage and fraud were related to the imperfect system, of which the dimension should be increased and efficiency should be improved. Whether to establish an information system within MoCA or to collect data from a comprehensive system in national level remained to be further discussed. He raised a point that since "Dibao" used to bind with many benefits, thus identification of fraud in social assistance was complex.

Speaking of informatization, he suggested it should be institutionalized and standardized. About protection of personal privacy, he raised an idea of establishing a nationwide social assistance data clearing center, which involving integration of technology, mechanism and policy as well. Then he mentioned automatically and dynamically management of supervision mechanism.

Talking about punishment, Prof. Lin commented "blacklist" should be adopted prudently. To prevent fraud in social assistance, he pointed out it should be comprehensively improved from the perspectives of economy, media, culture and credit system. Lastly, he focused on strengthening institution construction and increasing training of staff in local level, and social participation should be encouraged.

Mr Liu appreciated Prof Lin's inspiring policy recommendations.

EU expert Mr Stephane Pacaud, firstly presented major figures, which logically displayed the proportion of fraud in social assistance in France. It followed by introduction of four branches in of French social security, including health insurance, family allowance, old age insurance and receipt of contributions. Next, he introduced three elements to define fraud, which consisted of positive fact, legal text and intention. He raised a point that fraud could happen among beneficiary and employee in social security organization as well. Estimated fraud major figures and real fraud amounts in the aspect of social security and employment were also mentioned in detail.

Then he explained main legal dispositions anti fraud, which divided into detection and sanctions. Sanctions could be implemented by both social security local organization and the courts. He also talked about French anti fraud structure, coordination for anti fraud both from national and local level. Later, he introduced anti fraud actions of family allowances organization in a chronological way. When talked about how to detect fraud within family allowances organizations, he specified from four aspects, including integration of management policy, file control, professional control officers and computer procedures, which exchanged information between organizations. Besides, he mentioned special informatics searches, 90% successful data mining and specific criteria queries. In conclusion, he expressed his outlook on implementation of anti fraud.

Mr Liu was impressed by Mr Stephane's presentation, and he mentioned that he went to visit French family allowances organization previously, and he commented the importance of technology keeping pace with the time, especially the use of big data and cloud computing.

EU expert Dr. Katharina Hackstein firstly conveyed her gratitude, and briefly introduced the history of German social security assistance. When talking about social assistance background in Germany, she specified the aim, philosophy, which was support and demand, and budgeting as well, especially cost sharing from both national and local level.

About application, she mentioned application should be submitted at job center, and applicants were obliged to cooperate. In addition, third parties, like employers or relatives, were also obliged to provide information. She also covered the duration of social assistance payment and underlined the importance of a particular period to reapply, since situation of the applicants might be altered.

Then she talked about fines and sanctions. Besides, She expressed her concern that how to fine those people who were not able to pay the fines and who would inspect inspectors. Also she pointed out the difficulty to implement regulations in the reality.

By illustrating numbers of sanctions in 2015, Dr. Katharina Hackstein emphasized that the goal of anti fraud should not be fighting against poor, but poverty. Last but not least, she raised a point of beneficiary legal advice, but she also was aware of differences between German and China when filing a case to court in the aspect of social assistance.

Mr Liu appreciated Dr. Katharina's presentation, and expressed his anticipation to have a more thorough understanding of social assistance system in Germany.

7. Free Discussion

Professor Zuo Ting, Department of Humanities and Development, China Agriculture University, firstly commented that definition of "fraud" should be clarified, since people were encouraged to claim their right under most conditions. Another issue was improper criteria, in rural areas of China, the obligation to support parents makes it complex to define "household", and how to manage "income in kind" needs to be further discussed. Then he suggested the social assistance in rural areas should put particular emphasis on vulnerable groups including children and old aged, by which means to reduce the possibility of fraud.

Director Gao Jun, Civil Affairs Bureau of Changsha County, Hunan Province, firstly introduced preliminary attempt to establish two information system implemented in his county, one is an administrative platform while the other is verification system involving pension, police, transportation, etc. Then he expressed his suggestions on coordination of information resources, simplification of application and inspection by professionalized staff. He also conveyed his thanks to the experts for their inspiring reports.

Prof. Lin Mingang, School of Government Administration of Nanjing University, firstly summarized similarities in resources coordination, information exchange and usage both in EU and China, and also mentioned divergence, particularly in recipients. EU confronts with people with cash income in urban area, social assistance in China focuses on people living in rural areas with in kind income,

which is difficult to assess by means test. He raised his recommendations of activating recipients with work ability back to labour market. Besides, he suggested next topic of workshop could be "to provide help and service for vulnerable groups", which was written in the report of 19th CPC National Congress. He also raised a question about how officials view fraud in France.

Dr. Katharina added her observation of targeting in rural area, and she referred to the role of ministry of agriculture, where assessed information about size of farmland or animals was available and useful. She also mentioned there should be a balance between life dignity and sanction.

Mr Jean-Yves Hocquet replied to Prof. Lin's question, fraud is not the most common issue in social assistance, which view he would like to correct. Improvement is mainly about scheme used to anti fraud, thus the number of fraud cases is proportionally low compared to the amount of social assistance beneficiaries.

Then Mr Stephane Pacaud further explained major figures in his presentation, which could be seen that fraud in social assistance was few and relative.

Mr Julien Van Geertsom raised a point that best way to anti fraud is to prevent it in the first place. Then he mentioned the significance of using system to determine who were entitled in order to prevent non take up and fraud as well. He also expressed his concern that the focus on fraud influenced societal climate, which trends in increasing non take up.

Ms Lacramioara Corches commented on actions about means test in rural areas in Romania. She mentioned a list used to determine the eligibility criteria, and now it was converted to count potential income in local level, which will be easier to apply and put into practice. Another remark was that thanks to social inspection, the figures of fraud dropped dramatically.

Mr Heinz-Dietrich Steinmeyer firstly commented that he was skeptical on the figures. Then he stated his view about media, which on one hand exaggerate, but was necessary on the other hand. He also mentioned privacy protection in Germany.

Mr Jean-Yves Hocquet remarked on the principle of solidarity in France, and proper evaluation of the needs should be taken into account.

Mr Tang Jun commented that there was defect in social assistance system, and he also expressed his view on different situations between EU and China.

Mr Liu highly appreciated this heated discussion, and he also pointed out there was special circumstance in rural area of China. It is crucial to be inspired from the philosophy and best practice of EU countries, which is challenging for Chinese experts to learn, transform and design according to actual conditions.

8. Summary

Ms Marzena first expressed that she valued the time for experts from both sides to exchange their insights. Then she mentioned progress has been seen in the exchange, which became better and efficient. She was impressed that the discussion was fruitful for both sides, which could learn from each other. She pointed out that the reports from European side will be submitted in the following months and the reports would be relative to Chinese conditions as much as possible. She also

mentioned briefing before the workshop and several exchanges after this workshop, which would provide EU experts with a more comprehensive understanding of Chinese conditions.

She then offered her comments on the three topics—targeting, coordination and anti-fraud. She stated that the importance of data and evidence, which related to all these three topics. She also expressed her anticipation of MoCA Center of Monitoring and Verification for Low Income Families to further resolve this issue.

She noticed that CN experts all underlined the problem in rural areas, and it might not be realistic to give answer to solve rural poverty from EU experience. Then she talked about another crucial issue, which was social workers and professionalization of local staff. She suggested enhancing the efficiency by improving the quality of social workers. She also raised a point that EU experts began their speeches from legal basis while CN experts recommended that several legal provisions should be further detailed and focused.

In addition, she stressed that the importance of sharing best practice among regions of different provinces within China. She agreed with the idea mentioned by Mr Julien from Belgium about establishing a platform, which could be also implemented in China's social assistance system. When she talked about coordination of social assistance resources, she stated that horizontal and vertical cooperation should be implemented, which also mentioned by Prof Zhang Haomiao.

Finally, she mentioned pilots, which was paid highly attention by all experts in the SPRP project, and she hoped this workshop could provide indication for local staff from county level. And she conveyed her gratitude to MoCA team, scholars, and local officials of civil affairs, experts from both sides for this workshop.

In the end, Mr Liu Xitang appreciated experts from both sides sharing their research results, which were invaluable, and thanked all the staff participated in this workshop. He remarked it was significant to exchange experience from both sides. Also he expressed his expectation that all experts in the project would continue to cooperate and research in depth, which would be crucial for the pilots implemented next year. He mentioned pilots would be the third step, which to apply the best practice to improve social assistance system in China. He stated this plan for the pilots would be based on the reports from the experts and previous results as well.

Mr Liu listed several aspects might be covered in the pilots, including identification of social assistance recipients, means testing with Chinese features, application procedure, social participation, information system and monitoring, which would be experimental and innovative. He expected that experts from both sides and Chinese local staff would all contributed to this process, which aim was to enhance Chinese social assistance scheme through best practices and policy recommendation.

Drafted by Sun Wei, C3 Assistant

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