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LEGAL FRAMEWORK FOR SOCIAL ASSISTANCE



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3.1.1 Legal framework for Social Assistance Assessment Report

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Introduction

As an integral part of the social protection system, social assistance programmes in different countries may embrace a wide range of services with benefits either in-kind or in cash. Primarily, social assistance is a means-tested scheme where eligibility is dependent on an income test. Financed mainly by public funds, social assistance programmes have received growing attention from governments and social policy analysts in recent years in both developed welfare states and in transitional economies.

In China, social assistance is one part of the social security system. It provides benefits in-kind or in cash for needy families both in rural and urban areas. This allows them to withstand a life crisis and maintain the minimum standard of living. The social assistance system mode is restrained by the economic system, political will, employment, specific social conditions, culture, and social security system.

From the very beginning of P.R. China's existence, emergency assistance was the main mode of helping citizens. Social assistance usually provided temporary assistance for many post-war poor civilians to help them to recover from the war. During the comprehensive socialist construction period, the Working Unit System was the most universal and basic form of social organization. Social assistance reached a wide variety of recipients, such as the childless, the elderly, the sick, the disabled, those without a working unit and some of the needy with special identity. Social assistance functioned well in overcoming omissions and deficiencies.

Since the start of "Reform and Opening-Up", China has been undergoing large-scale socio-economic transformation. With the shift from a planned to a market economy, China's social security system has been fundamentally transformed. In the earlier stages of "Reform and Opening-Up" social assistance in China resumed the residual assistance mode from the era of the planned economy. This followed a pattern of urban/rural divide in social assistance. In the late 1990s, to pacify the vulnerable social groups consisting of redundant workers, the unemployed, retirees and poor farmers, the Chinese government started to reform its public assistance policy and established a social assistance system with the Minimum Livelihood Guarantee Standard scheme (Dibao, MLGS) at its core. The social assistance system was developed in many ways, including coverage, modes and funding. From the start of the 2000's a new social assistance system, in accord with a socialist market economy, was eventually set up. This featured the Minimum Livelihood Guarantee Scheme, the Five-Guarantee Scheme and was supplemented with dedicated assistance schemes. The new social assistance system reached both the urban and rural areas and changed the notion from passive poverty relief to positive social assistance. Therefore, a standardized and systematized of social assistance system came into being.

As a policy response to the rapid demographic, social and economic transformation, the current social assistance system in China indicates a statist approach to social development as it provides essential support to people in need. It is believed that Chinese social assistance policy will be more practical and effective, an increasing number of people with difficulties will benefit from the system, and the social security net will be further improved. However, there still exists a need to redefine the role of social assistance in China within the overall social protection framework. Besides continuing to increase the Government's input and further improve the social assistance policy system, Chinese social assistance policy will continue to be reformed in the near future. Among others, it is widely agreed that the legal foundation of the Chinese social assistance should be strengthened. As a situational analysis, this report provides the general picture of the social assistance system in China, and analyzes the progress, achievements and weaknesses of the legal framework for social assistance.

The rest of the report is organized as follows: the first chapter introduces and analyzes the subsistence assistance system, i.e. urban and rural Dibao and the Five Guarantee Scheme; the

second chapter examines the seven categories of dedicated social assistance schemes in detail; the third chapter introduces the existing legal provisions for each assistance scheme, summarizes the progress of the legal framework of social assistance, and concludes with the policy suggestions to overcome the weaknesses in the legal framework. This report is the result of the research conducted by SPRP experts. It is not a governmental opinion from the Ministry of Civil Affairs, P.R. China.

1. Urban and Rural Subsistence Assistance System (Minimum Livelihood Guarantee and Five Guarantee)

Executive Summary

This chapter focuses on China's subsistence assistance system, i.e. the urban and rural Dibao schemes and the rural Five Guarantee Scheme. This Minimum Livelihood Guarantee Scheme (MLGS, Dibao, or subsistence allowance) is the core component of China's social assistance policy, as well as the most important assistance program. MLGS is an income supplementing assistance system, which ensures that the income of the population in poverty can be kept at a certain level (Dibao line). This gives them the capacity to purchase basic living consumables. The Five Guarantee scheme was established right immediately after the foundation of the PRC and has been functioning for decades. Dibao was first initiated in Shanghai in the early 1990s and was then rolled-out nationally during the mid- and late 1990s. To be specific, China's Dibao program officially started in the cities in 1999, and then was rolled out into rural areas in 2007.

The first and second sections of this chapter introduce the historical development and policy framework of the urban and rural Dibao schemes separately, and analyze the hurdles through case studies. The third section introduces the historical development and the policy framework of the rural FG, and predicts its future reforms through case studies.

1.1 Urban Dibao

1.1.1 Historical Background and Policy Evolvement

China's Dibao program started in the cities. One key element of the economic reforms was to allow private-, individual-, and foreign-owned enterprises to compete with SOEs (state-owned enterprises). After two decades of reforms, the share of value-added produced by non-state enterprises in the industrial and service sectors has increased significantly from almost zero to more than 50 per cent. The development of the non-state sector greatly augments economic growth and provides enormous job opportunities. However, on the other hand it also posed fierce competition to the SOEs, which were plagued with the heavy burdens of social welfare provisions. To provide new impetus to the SOEs, the government launched an enterprise-restructuring program in 1996. The central theme of the SOE reforms was to transfer welfare-provision obligations, such as healthcare and housing, from enterprises to the social insurance agencies and individuals.

Meanwhile, the urban reforms and severe competition from other sectors resulted in soaring financial losses of state- and collective-owned enterprises. A large number of urban workers had to be laid off. As a social safety net was largely not in place, liberalization of the welfare system may have made some disadvantaged groups more vulnerable to shocks such as severe illnesses. Consequently both urban income inequality and urban poverty increased in the 1990s (Fang et al., 2002).

The "Minimum Livelihood Guarantee Scheme", popularly known as *Di Bao* (DB), was the government's main response to cope with the new poverty challenge during the 1990s. The scheme started in Shanghai in 1993. It then became a national policy with the formal regulations issued by the State Council in 1999. The program expanded rapidly once it became national policy and by 2003, participation had leveled off at 22 million people, representing 6% of urban residents, at a

cost of about 0.1% of GDP (O’Keefe, 2004). The scheme is administered by the Ministry of Civil Affairs (MoCA).

1.1.2 The Policy Framework

In 1997, the State Council issued the “*Notice on Establishing Urban Minimum Livelihood Guarantee Scheme Nationally*” to extend local experiments to a national policy framework.

In 1999, the State Council passed the “*Regulations on Guaranteeing Minimum Subsistence for City Residents*” to strengthen the legal framework of the MLGS. Meanwhile, local governments were to formulate and announce the subsistence allowance standards according to the expenses required to maintain a basic living standard, and then investigate and assess the average family income of the applicant.

These regulations were formulated for the purpose of standardizing the system of guaranteeing a minimum subsistence and guaranteeing a basic livelihood of city residents. In particular, the 1999 “*Regulations on Guaranteeing Minimum Subsistence for City Residents*” built up the policy framework for the Urban Dibao nationally. It contains specific articles which stipulate the targets, the administrative body, funding, Dibao line (standard), verification and dynamic management procedures.

According to Article 2, this scheme’s targets are city residents holding urban (non-agricultural) registered permanent residence with an average income of family members living together lower than the local standard for guaranteeing the minimum subsistence for city residents

According to Article 4, responsibility for the system is local people's governments at all levels who shall administer the system for guaranteeing the minimum subsistence for city residents. The Departments of Civil Affairs of the local people's governments at, or above, county level shall be responsible for the administration of guaranteeing minimum subsistence for city residents in their respective administrative areas. The financial departments shall, in accordance with the provisions, secure the funds required for guaranteeing the minimum subsistence for city residents. The departments of statistics, pricing, auditing, labor and social security, and personnel, etc. shall, according to their division of work functions, and each being responsible for their own work, be responsible for the relevant work of guaranteeing the minimum subsistence for city residents within their respective functions and duties. The Departments of Civil Affairs of the people's governments at county level, neighborhood offices and the people's governments of towns (hereinafter collectively referred to as organs of administration, examination and approval) shall be responsible for the concrete work in relation to administration, examination and approval of guaranteeing the minimum subsistence for city residents. Residents’ committees may, in accordance with the delegation by the organs of administration, examination and approval, undertake day-to-day administration and services for guaranteeing the minimum subsistence for city residents. The Department of Civil Affairs of the State Council shall be responsible for administering the guaranteed minimum subsistence for city residents throughout the country.

Article 5 indicates that the funds required for guaranteeing the minimum subsistence for city residents shall be included in the financial budget of the local people's government, incorporated as an item of expenditure of the special social relief fund, and administered as a special item as special funds for a special use.

Article 6 stipulates that the standards for guaranteeing the minimum subsistence for city residents are determined in the light of the clothing, food and living expenses which are required for local city residents to maintain a basic livelihood, and appropriate consideration shall be taken into account of expenses for water, electricity, fuel coal (gas) and expenses for compulsory education for minors. The standards for guaranteeing the minimum subsistence for city residents in municipalities directly under the Central Government and cities divided into districts shall be

formulated by the Departments of Civil Affairs of the people's governments of the municipalities or cities in conjunction with such departments as the finance, statistics and pricing. They shall be submitted to the people's governments at the same level

for approval and then be published for implementation. The standards for guaranteeing the minimum subsistence for city residents in counties (cities at the county level) shall be formulated by the Departments of Civil Affairs of the people's governments of the counties (cities at the county level) in conjunction with such departments as the finance, statistics and pricing, and after being submitted to the people's governments at the same level for approval and to the people's governments at the next higher level for the record, published for implementation. When the standards for guaranteeing minimum subsistence for city residents need to be raised, a reappraisal and new decision shall be done in accordance with the provisions of the preceding two paragraphs.

Article 7 spells out how to apply for benefits under the guaranteed minimum subsistence for city residents. In doing so, the head of a household shall submit a written application to the neighborhood office or the people's government of the town where the residence is registered, present relevant evidentiary materials and fill out an "Examination and Approval Form for the Benefits of Guaranteeing Minimum Subsistence for City Residents". The benefits of guaranteeing minimum subsistence for city residents are initially examined by the local neighborhood office or the local people's government of the town, and the relevant materials and the opinion on the preliminary examination are to be submitted to the Departments of Civil Affairs of the people's governments at the county level for examination and approval.

The body for administration, examination and approval may investigate and check the applicant's family economic status and their actual living standards by visiting the household, interviewing neighbors and obtaining evidence through correspondence for the purpose of examining and approving the benefits under the guaranteed minimum subsistence for city residents. The applicant and the relevant units, organizations or individuals shall accept investigations and accurately provide relevant information.

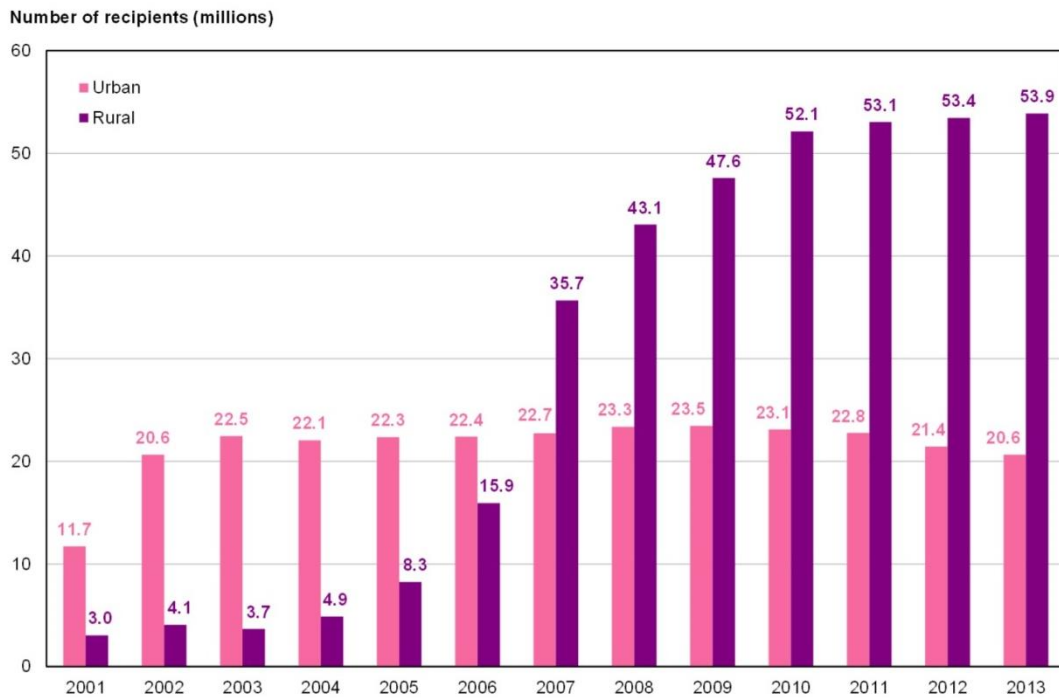
1.1.3 Evaluation of policy implementation/effects

This evaluation basically includes the scheme's coverage, funding, standards, benefits and administration.

Coverage

Faced with rapid demographic, social and economic transformation, China has taken steps to extend and strengthen the urban MLGS. The extension of the MLGS led to a rise in the number of beneficiaries from 2.6 million in 1999 to 20.6 million in 2002 (although long-term poor rural migrants remain excluded). From 2002, the rural MLGS started to local pilot local programs and since 2007 it has become a national program. This shows that the State was eventually able to expand the program into rural areas as a further step towards integrating the development of social assistance in urban and rural areas. In recent years, social assistance has become one of the government's priorities, as it seeks to address the basic needs of poor households in both urban and rural areas via, for example, cash transfers in the form of the Dibao programme. By 2014, Dibao covered almost 21 million people in urban areas and 54 million people in rural areas. Figure 1 shows the increasing of number of MLGS recipients over the past 15 years.

Figure 1. 1 Number of Urban and Rural MLGS recipients (Unit: Million)



Source: Ministry of Civil Affairs, China Civil Affairs' Statistical Yearbook, 2014

Budget and Funding

MLGS is one of the few social programs in China financed solely by the government. Owing to the vast territory and diversified social-economic conditions among different regions, MLGS is regulated, administered and partly funded by local authorities, under the guidance, support and supervision of the central government. Administered by the Ministry of Civil Affairs (MoCA), the Urban MLG has grown considerably in terms of expenditures during the recent decade. According to latest data of MoCA, by the end of 2014, the urban MLGS costs about 0.11% of GDP¹. The central government usually finances the principal part (e.g. more than three-fifth in 2014) of the total expenditure whilst, local governments are responsible for the remaining cost (Ministry of Civil Affairs, 2015).

Table 1 shows that the central government takes greater responsibility in providing for MLGS funding than local governments. Matching funds from local government are usually shared between the provincial, municipal and county or district governments in different proportions. These proportions vary considerably across localities.

Table 1.1 Expenditure on urban & rural MLGS in Recent Years (RMB)

Year	Total expenditure (100 million)	Local financial expenditure		Central financial subsidy	
		Amount (100 million)	Proportion	Amount (100 million)	Proportion
1999	13.8	9.8	71%	4	28.9%

¹ The government spent 72.2 billion RMB (around \$US11.6 billion) in 2014. A full year of Chinese GDP was 63640 billion RMB (more than \$US10 trillion).

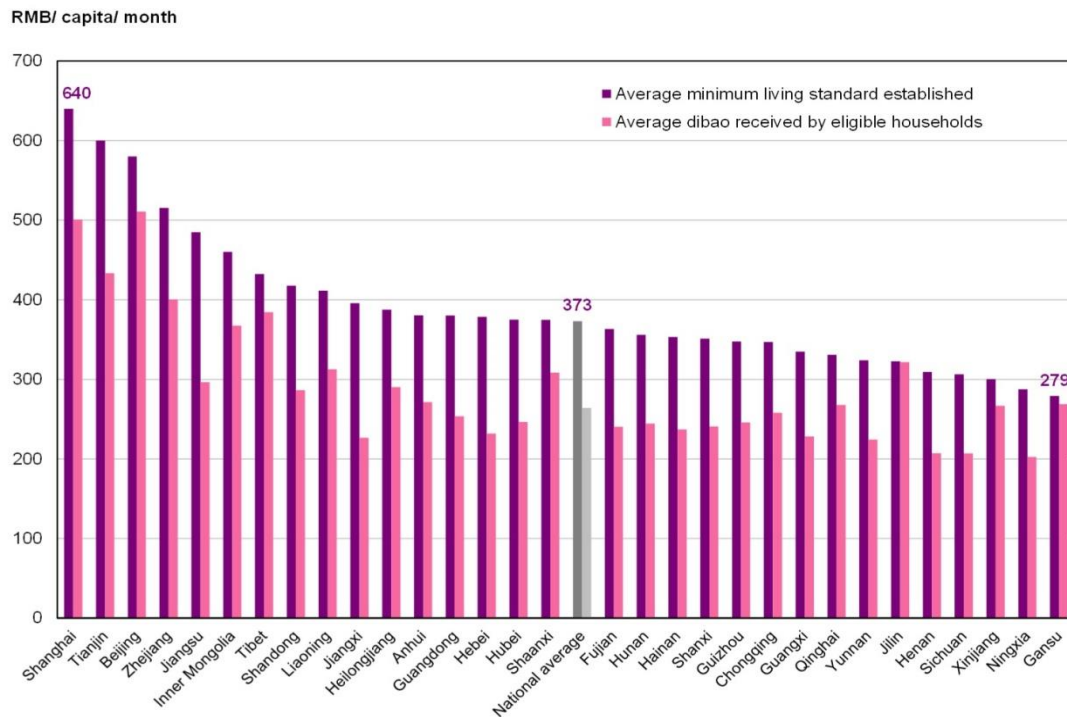
2000	25.6	17.6	69%	8	31%
2001	46.3	23.3	50%	23	50%
2002	115.8	69.8	60%	46	40%
2003	162.4	70.4	43%	92	57%
2004	188.9	86.9	46%	102	54%
2005	191.5	105.2	48%	112	52%
2006	267.6	131.6	49%	136	51%
2007	386.4	196.4	51%	190	49%
2008	622.1	266.1	43%	356	57%
2009	845.1	304.3	36%	540.8	64%
2010	969.7	335.1	36.7%	634.6	63.3%
2011	1327.6	323.0	24.3%	1004.6	75.7%
2012	1392.3	521.8	37.5%	870.5	62.4%
2013	1623.6	455.7	29.1%	1167.9	71.9%
2014	1592.0	570.6	35.9%	1021.4	64.1%

Source: *Annual China Social Service Development Report* (various years) and internal data from Ministry of Civil Affairs.

Standards and Average benefit

Dibao aims to provide a transfer to all registered urban households with incomes below the Dibao line set at the municipal level. The aim is to close the gap between the recipient's income and the local Dibao line (hereafter the "Dibao gap"), so that a minimum income is guaranteed. In other words, the allowance received by eligible households serves to "top up" household income so that it reaches the locally established minimum living standard. This amount varies from RMB 279 to RMB 640 per month across provinces in urban areas (shown in Figure 1 2).

Figure 1. 2 Average monthly Dibao received by eligible households and minimum living standard in urban areas, by province, 2013



Source: Ministry of Civil Affairs, *China Civil Affairs' Statistical Yearbook*, 2014

Administration

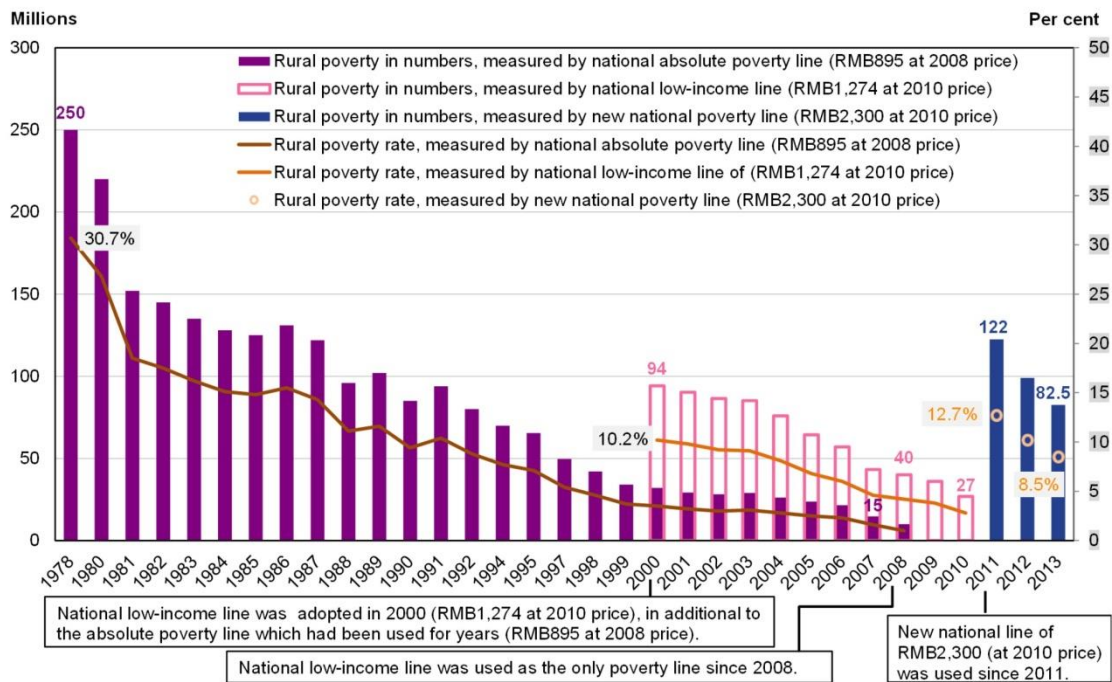
To facilitate the development of the programme, each city government has to establish a cross-departmental leading group to formulate operational policy and guidelines. Being community-based in operation, each applicant has to make his or her application to the local residents' committee. A residents' committee is a neighborhood-based mass organization, supervised by the street office, the agency of the district People's Government. An applicant has to show all the relevant documents, including household registration card, income receipts and household bills. The cadres of the residents' committee would carry out the investigations and make recommendations to the street office and then the district civil affairs bureau for approval. After approval, the residents' committee would be responsible for the delivery of benefits, the keeping of records and reviewing the recipient's situation of periodically. In this way, the administrative costs of setting up and operating the programme can be kept to a minimum.

1.2 Rural Dibao

1.2.1 Policy Background: Anti-poverty in rural areas

The poverty of China's rural areas is a critical issue that arose over many years in the past. Impoverished regions in China are characterized mainly by a large area and population stricken into poverty (shown in Figure 3). Based on its understanding of the basic national conditions, especially the reality of the poverty-stricken areas and people, the Chinese Government has formulated rural Dibao for development-oriented poverty alleviation that conforms to the reality in China. It sets mainly solving the problem of food and clothing of the rural poor as its basic objective and central task in this regard, starting from the most urgent problems, acting according to its capability, giving priority to key areas, and advancing step by step.

Figure 1. 2 Rural poverty, 1978–2013



Sources: National Bureau of Statistics, China Rural Household Survey Statistical Yearbook, 2011 (1978-1999 data); National Bureau of Statistics, Poverty Monitoring Report of Rural China, 2011 (2000-2010 data); National Bureau of Statistics, annual Statistical Communiqué of the People's Republic of China on the National Economic and Social Development (2011-2013 data)².

Over the past three decades, progress in rural poverty reduction has been tremendous, as measured by any of China's official poverty lines. The government has increased official rural poverty lines twice since 2000. It adopted a national low-income line of RMB 1,274 (at 2010 prices) in 2000, in addition to the absolute poverty line which had been used for years, and then the low-income line has been used as the only poverty line since 2008. In 2011 when the government launched the new ten-year Rural Poverty Reduction Strategy (2011–2020), the official poverty line was increased to RMB 2,300 (at 2010 prices, equivalent to 2005 PPP US\$1.6 per person per day). The near-doubling of the poverty line means that more people are now eligible for government assistance, reflecting both the government's increased fiscal capacity and its greater attention to poverty alleviation. In 2013, there were 82.5 million or 8.5% of rural residents living below the new poverty line of RMB 2,300³.

1.2.2 Policy Development and Current Framework

In order to help the new vulnerable groups in cities, the government started to set up the Dibao system for the urban residents in 1993. However, it was unfair if the same government provided Dibao to urban residents but not to rural residents as well. Therefore, in 1996, MoCA issued "*Suggestions on Accelerating the Development of Rural Social Security System*", calling for wherever the rural social security system is developed, the focus should be placed on improving the basic living allowance system. The policy should be established even starting with low standard if necessary. At the same time, the government also formulated the "*Guiding Methods to Establish Rural Social Security System*", asking local financial authorities and villages to share the cost. The exact sharing formula should depend on the circumstances specific to each area. In 2000, around 3 million villagers received Dibao.

² retrieved from <http://www.unicef.cn/en/index.php?m=content&c=index&a=show&catid=197&id=824>

³ UNICEF (2014) retrieved from <http://www.unicef.cn/en/index.php?m=content&c=index&a=show&catid=197&id=824>

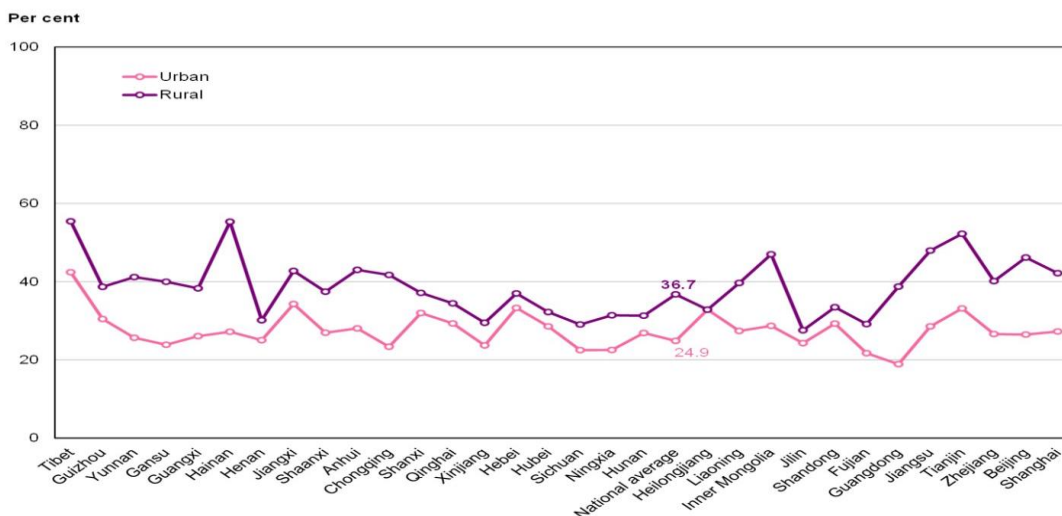
Nevertheless, the exemption of agricultural taxation in the mid-2000s greatly reduced local funding for Dibao. Therefore, the central government fulfilled its responsibility in promoting the national rural Dibao. In July 2007, the State Council issued the “*Circulars on Establishing the Rural Basic Living Allowance*”, aiming to set up Dibao nationwide. On August 2nd, 2007, the Ministry of Finance and the MoCA issued the Notice Related to the Funding of the Rural Dibao. The government earmarked three billion RMB to support local governments, especially those with fiscal difficulties. By the end of 2007, all the 31 provinces had produced Dibao policy documents. The minimum livelihood guarantee scheme for rural household residents covers all rural households whose income is below the local minimum living standard. Funding for the rural minimum livelihood guarantee scheme comes from local governmental budgets and central government grants with appropriate subsidies to poor regions. In terms of specific regulations, as rural Dibao largely follows its urban counterpart, the targeting mechanism, fund source, Dibao standard, application, verification and delivery are quite similar to the urban Dibao.

1.2.3 Evaluation of policy implementation

In principle, the minimum livelihood guarantee scheme for rural residents covers all rural households whose per capita net annual income is below the local minimum living standard. Nearly 52 million people were covered by the rural Dibao as of the end of 2014 with an average amount of 129 Yuan per capita per month, which is under the Dibao line of 2777 Yuan per capita per year⁴. Figure 1.1 shows the number of Rural MLGS recipients in recent years.

Figure 1.4 shows urban and rural Dibao lines as a percentage of consumption expenditures. The urban and rural Dibao cash transfer programmes have been rolled out nationally, although the minimum living standards differ widely from province to province, and between rural and urban areas, reflecting local development conditions and local government fiscal capacity. Nationally, the rural Dibao line is equivalent to 37 per cent of rural consumption expenditure, while the urban Dibao line is 25 per cent of urban consumption expenditure. All provinces have set urban Dibao lines while 9 provinces set rural Dibao lines higher than the new national poverty line of RMB 2,300 (at 2010 prices) per person per year. Rural Dibao lines of provinces in eastern China are generally higher than in provinces in the other parts of the country⁵.

Figure 1. 3 Urban and rural minimum living standards as a percentage of consumption expenditures, by province, 2013



⁴ Ministry of Civil Affairs (2015). Social Service Statistics Bulletin of 2014. Retrieved from <http://cws.mca.gov.cn/article/tjbg/201506/20150600832439.shtml>

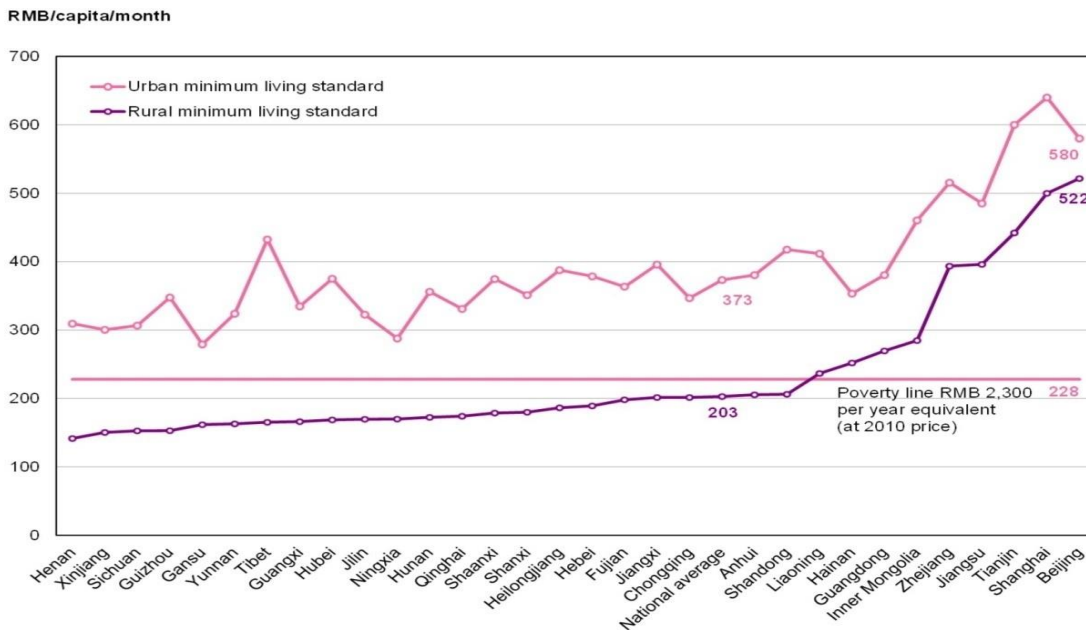
⁵ Ministry of Civil Affairs, China Civil Affairs' Statistical Yearbook, 2014; National Bureau of Statistics, China Statistical Yearbook, 2014

Sources: Ministry of Civil Affairs, China Civil Affairs' Statistical Yearbook, 2014; National Bureau of Statistics, China Statistical Yearbook, 2014

Geographic variation in Dibao participation rates is considerable. In 2009 Dibao participation rates (calculated using the CHIP data) ranged from less than 1% in Hebei and Zhejiang provinces to 5 or 6% in Guangdong and Chongqing. Variation in participation rates is also evident in the official data. Such variation reflects differences across locations in Dibao thresholds, financing and implementation, as well as differences in incomes and therefore eligibility.

According to official policy, the Dibao thresholds are set locally and so can vary across counties. The MOCA county-level data indeed show substantial variation in thresholds.

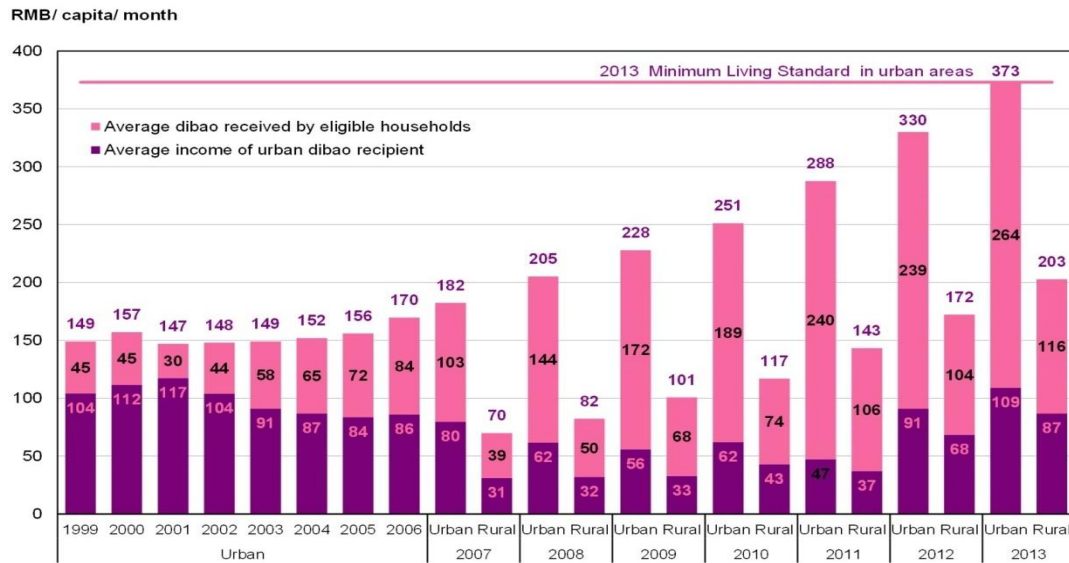
Figure 1.4 Urban and rural minimum living standards and national poverty lines, by province, 2013



Source: Ministry of Civil Affairs, China Civil Affairs' Statistical Yearbook, 2014

The urban and rural dibao cash transfer programmes have been rolled out nationally, although the minimum living standards differ widely from province to province, and between rural and urban areas, reflecting local development conditions and local government fiscal capacity. Nationally, the rural dibao line is equivalent to 37 per cent of rural consumption expenditure, while the urban dibao line is 25 per cent of urban consumption expenditure. All provinces have set urban dibao lines while 9 provinces set rural dibao lines higher than the new national poverty line of RMB 2,300 (at 2010 prices) per person per year. Rural dibao lines of provinces in eastern China are generally higher than in provinces in other parts of the country.

Figure 1. 5 Average income, dibao received by eligible households and minimum living standard in urban and rural areas, 1999-2013



Source: Ministry of Civil Affairs, China Civil Affairs' Statistical Yearbook, 2014

To summarize, MLGS is the major component of social assistance in China. The Dibao cash transfers in both urban and rural areas, have benefited from increased government commitment and financing. This has not only allowed an increase the population covered but has also in the level of average benefit received by poor households.

Case Study of Wuhan and Tsingdao

Background:

This case study refers to the key developments and challenges relevant to urban and rural Dibao schemes, and basic contextual information on the institutional framework of Dibao.

Purpose:

The primary purpose of this study is to develop an enhanced understanding of the issues associated with the development and implementation of urban and rural Dibao, including normative procedures of verification and approval of Dibao entitlement (e.g. household visits, letters, and public announcements); how much could Dibao guarantee the living/basic needs of people living in poverty; and how does Dibao coexist with other dedicated assistance schemes?

It should be noted that it is not the intention of this study to evaluate the success or failure of Dibao.

Key Development:

Wuhan has established the Family Economic Status Verification Center. This center coordinates among 10 different departments/bureaus such as Industrial and Business Bureau, banks, housing department, Vehicle Administration Bureau etc. to obtain necessary information for family income and asset verification. This is a significant achievement as it has made the assessment of family income and assets much more accurate and valid.

Wuhan has set up a clear standard for the application and approval flow of Dibao entitlements, i.e. Normative Procedures, which include household visits, an economic status

report, letters, and public announcements as verification measures.

Wuhan has set up a regular mechanism for adjusting the amount of Dibao allowance along with inflation and wages. One of the most important measures is that the Wuhan Bureau of Civil Affairs, Wuhan Bureau of Statistics and other relevant departments monitor 200 households to get information of inflation and how inflation affect people's living, etc.

Major Challenges:

Entitlement granting and dynamic administration

In general, the information system for Dibao needs to be further improved. The verification of income and assets is vague income in rural areas.

There is no Social Assistance Law so basically there is no case for welfare fraud. Neither the Ministry nor the Local Department of Civil Affairs has the right to punish applicants who falsify the income and asset record when applying for Dibao.

Administration: current entitlement is based on the household registration system, so the a change of address would cause an entitlement loss or inappropriate grant.

2. How to define and adjust the Dibao line?

The original policy framework only examined a family's income when applying for Dibao and then the government took assets into consideration, i.e. income & asset. However, it is observed that for certain group of people, including the disabled and those who are severely ill, their consumption is much higher than the normative spending.

How to adjust Dibao line along with the increase of inflation and wage?

Dibao is bearing too many responsibilities for other social assistance/welfare schemes, i.e. it is performing a larger role than it is supposed to. Currently, Medical Assistance, Educational Assistance, Welfare Housing and even Welfare for the Disabled are all based on a Dibao entitlement.

Intra-governmental relations (Multi-sector cooperation)

Dibao involves multi-sector cooperation, in particular, in terms of funding, information systems and dedicated assistance, such as education, health, and housing. However, the Ministry (Bureau) of Civil Affairs is not a super governmental department at both central and local levels.

5. Ambivalence between the low level of benefit and welfare dependency

At this stage, the benefit level is indeed low; however, welfare dependency has been observed among some recipients.

The reason lies partly in that, a large number of recipients are severely ill or disabled, so they have no working capacity, in other words, work-fare cannot truly be realized for them.

Another reason is that some recipients make a reasoned choice between work and welfare, they realize it is favorable to enjoy Dibao rather than to take on a job.

Conclusions

Dibao, including rural and urban dibao, has been well developed through recent years and is performing as an important role as the safety net.

However, there is still much room to improve Dibao. A legal framework for social assistance is needed and multi-sector cooperation for Dibao needs to be improved.

1.3 Five Guarantees (FG)

1.3.1 Policy Development and Framework

The Chinese government has been making great efforts to establish a new rural welfare system to protect the vulnerable groups. Those eligible for FG are undoubtedly some of the most vulnerable citizens in rural China. Because of the vast regional differences and imbalances, the central government has adopted a pragmatic approach to undertaking social welfare reform. Local governments in different provinces are allowed to make experiments with different program designs (Zhang and Sun, 2011).

In the rural areas of China, since the traditional source of living security is mainly farmland security and family support, in the 1950s the government established the *five-guarantee scheme* to support those (mainly the elderly, disabled, and minors below 16 years old) who have no ability to work, no source of income or no statutory caregiver to look after them, or those whose statutory caregivers have no ability to look after them. “FG” refers to the basic needs of the poorest residents which should be guaranteed in a collective form. ‘Five’ is not an exact number. Generally speaking, the contents of the ‘five guarantees’ consist of food, fuel, clothing, education and burial. In reality, its contents vary in different times and different areas. This scheme continues to function as an important part of the current social assistance system.

China started to implement a rural welfare system after the People’s Republic of China was founded in 1949. In 1956, the First National People’s Congress (NPC) published a directive entitled “Exemplary Charter for Advanced Rural Cooperatives” in which the rural communes were required to provide to farmers who were in extreme need the so called “five guarantees” including food, clothing, fuel, education and burial expenses and who had absolutely no responsible kin to care for them or who were too old, too young or too sick to support themselves⁶. Since then, the vulnerable group has been called ‘Five-Guarantee Households’ (FGHs) . The central government prioritizes providing FG with a base line of public services.

After China started to undertake economic reform in 1978, local government was required to take the prime responsibility for the well-being of rural FG. However, some local governments in the middle and western provinces of China did not have enough funds to provide adequate social care for rural FG due to their fiscal difficulties. For example, 2.74 million out of 5.71 million FG in rural China were not supported by the government scheme in 2003. In 2005, each dispersed FG in Zhuzhou County and Xiangtan County of Hunan Province received RMB 400 and RMB 480 from the local government respectively, which only amounted to about 10 percent of average net income of local farmers⁷. Even in the wealthy coastal provinces, the local government cannot totally meet the needs of rural FG. For example, health should be taken as basic need of people, and it is indeed included in FG. However, medical expenses may be much higher than the Five Guarantees Allowance, or in other words, not every FG recipient could be guaranteed with proper treatment.

With the founding of the People’s Republic of China in 1949, FG were given priority to enjoy social welfare. In 1953, the Central Government of China formulated a policy of “Food and Money Distribution for Famine Relief in Rural Areas” This gave destitute elderly people priority for social support. The first constitution of the People’s Republic of China in 1954 had a provision that any “Chinese laborer who loses their ability to work due to old age or illness has the legal right to material assistance.” This provided the legal foundation for the FG system. The “National Agricultural Development Programme and Exemplary Charter for Advanced Rural Cooperatives”

⁶ Office of the State Committee on Agriculture (ed.) (1981) *Compilation of Important Documents of Collectivization Agriculture (1949-1957)* (the 1st volume). Beijing: Central Party School Edition Association.

⁷ Wu X.(2010) The current policy and living conditions for „Five-guarantees“ in China, *Population and Development*,3:81-86

passed by the National People's Congress in 1956, required agricultural cooperatives to guarantee the needy members, including FG, with adequate welfare for their daily lives including food, clothing, fuel, education and burial expenses. These provisions were the foundation of FG policy in rural China⁸. Afterwards, the FG policy went through four main transformations (Table 1.2).

In the first phase from 1956 to 1977, the rural cooperatives and communes were responsible for the well-being of FG under the direction of the state. The Central Government stipulated that the members of cooperatives who were vulnerable could use communal welfare funds to maintain their basic livelihood. Two percent of the net income of the cooperatives was set aside for cultural and welfare affairs. In December 1958, the Sixth Session of the Eighth Chinese Communist Party Conference passed “Resolutions on Some Questions Concerning the People’s Communes”, which encouraged the construction of nursing homes for the FG. Under this policy, the cooperatives would pay living expenses for the FG. Nonetheless, the Central Government only formulated a legal framework for supporting the FG. As rural collectives varied widely in different parts of China, there was no uniform standard for implementing the FG policy. If the collective economy could not distribute free grain, they usually made alternative arrangements of subsidized work-points. In some poor communities, only food was guaranteed while the other four guarantees were ignored⁹.

In the second phase from 1978 to 2001, townships were responsible for the well-being of FG under the direction of the State. After the economic reform started in 1978, it became very difficult for the townships to collect communal welfare funds to implement the FG policy because collective communes became disintegrated in rural China. Therefore, FG had to rely on the limited help offered by some local villagers. The Bans on “Arbitrary Charges and Suppression of the Levy on Farmers and Guidelines on Rural Five-Guarantee Support Schemes” were introduced in 1985 and 1994 respectively, requiring townships to guarantee the basic livelihood of FG by establishing new communal welfare funds. The new communal welfare funds were financed through levying rural residents and township and village enterprises (TVEs). However, some local governments diverted the welfare funds for FG to other projects¹⁰.

⁸ National People’s Congress(1991) *Compilation of Literature of National People’s Congress of the P.R.C.* Beijing: China Democracy and Legal System Press.

⁹ Hong D. Y. and Fang L. J. (2004) Problems and solutions: A research on rural Five-guarantees work in post-collective era, *Journal of Renmin University of China*,1,1-7.

¹⁰ Wu X. and Wan G. (2009) A research on the social security policy for the „Five-Guarantees“ and its practice since the founding of New China, *Northwest Population*, 5,51-55.

Table 1.2 Five Guarantees Policy Evolution

Periods	FGs Policy	Financing	Policy Goals	Factors Affecting the Well-being of FGs	Well-being of FGs
1956-1978	<i>Exemplary Charter for Advanced Rural Cooperatives</i>	Communal welfare funds	Guarantee Clothing, Food, Housing, Education(for orphans), and a Proper Burial of FGs	Low economic level; Leftist line; the Cultural Revolution	The basic livelihood of FGs was guaranteed.
1978-2001	<i>Guidelines on Rural Five-Guarantee Support Schemes (1994)</i>	Tax from rural residents as well as from township and village enterprises	The townships should guarantee the basic livelihood of FGs by establishing new communal welfare funds .	Financial crisis of townships	The well-being of FGs improved, but some local governments diverted the welfare funds for FGs to other projects.
2002-2005	<i>The Circulars on Improving the Five-Guarantee Support Provisions (2004)</i>	1.4 per cent of extra agriculture tax levied by counties. Funding for FGs were shifted to the provincial and county level fiscal budget.	All villages should allocate some funding for the FGs from extra agricultural tax income after the normal expenditure of the village community.	Tax reform in 2004	The well-being of FGs deteriorated in some areas because the FGs subsidy from the central government decreased.
2006 onwards	<i>New Guidelines on Rural Five-Guarantee Support Provisions (2006)</i> <i>Adjusted Five-guarantee Standards for 31 Provinces (2007)</i>	Fiscal income from the local government and subsidies for the poor regions from the central government	The living standards of FGs should be higher than average local villagers, keeping in pace with the increase in local living standard.	Abolition of agricultural tax in 2006	The number of FGs covered and the amount of coverage increased, but most of FGs still lack psychological support.

Source: Wu, X. & Wang, J. (2011). The Well-being of Five-Guarantee Households (FG) in Rural China, Ninth Rural Rural Entrepreneurship Conference Paper, Retrieved from http://www.ntu.ac.uk/nbs/document_uploads/109338.pdf.

In the third phase from 2002 to 2005, local government supported the FG with the funds from the agricultural tax. China undertook tax reform to reduce financial burdens of farmers at the beginning of 2000. The central government abolished almost all the charges, fees, and levies on farmers, except for agricultural tax, which increased to 7 percent¹¹. However, most of the local governments charged the farmers a surtax of 20 percent. Therefore, farmers had to pay 8.4 percent, with 1.4 percent earmarked for village administration and social welfare. As a result, the well-being of FG actually deteriorated in some areas, because some counties were too poor to take care of the FG without receiving the subsidy from the central government. At the end of 2002, only 52 percent

¹¹ Yep R.(2004) Can “Tax-for-Fee” reform reduce rural tension in China? The process, progress and limitations, *The China Quarterly* , 177: 42-70.

of FG (about 3 million people) obtained welfare benefits. Meanwhile, the subsidy for FG from the central government decreased. FG who lived in nursing homes received only a yearly subsidy of RMB 1,691 on average in 2002 compared with RMB 2,173 in 2001. Those FG who lived in their own homes received RMB 958 in 2002 on average compared to an average RMB 1,262 in 2001. In some provinces, only the burial of destitute elder persons was guaranteed¹². In 2004, the Ministry of Civil Affairs, the Ministry of Finance and the National Development and Reform Commission, issued “*The Circulars on Improving the Five-Guarantee Support Provisions*”. These circulars required that all villages should allocate some funding for FG from extra agricultural tax income after the normal expenditure of the village community. The county and township governments should subsidize the villages in financial difficulty.

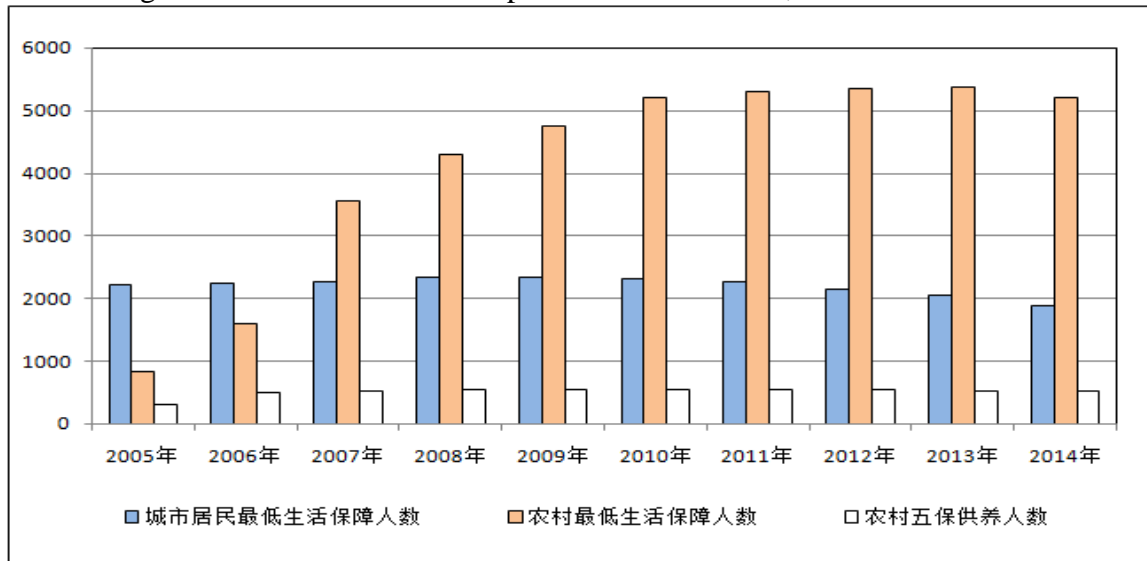
In 2006, the State Council adopted “New Guidelines on Rural Five-Guarantee Support Provisions”, explicitly stating that local governments should include FG within their fiscal budget for the first time. The Central Government would subsidise local governments that faced financial difficulty in implementing the FG policy. In some wealthy areas such as Shanghai City, Zhejiang province, other parts of East China and Guangdong province, the FG pension has increased by 60-70% since 2006. But it is still hard for some provinces in the middle and western parts of China to increase FG due to the reduction of fiscal income after the abolition of the agricultural tax in January 2006. In addition, most of FG in China still lacked psychological support.

In 2006, the State Council issued “*Regulations on Rural Five-Guarantee Scheme*” to reinforce this scheme. The “*Regulations on the Work of Providing Five Guarantees in Rural Areas*” adopted at the 121st Executive Meeting of the State Council on January 11, 2006, were then promulgated and became effective as of March 1, 2006. These Regulations are formulated for the purpose of bringing to success to the work of providing FG in rural areas, ensuring a normal life for persons receiving FG in rural areas and promoting the development of the social security system in rural areas. Article 6 indicates that villagers who are aged, disabled or under the age of 16 and have no ability to work, no source of income, and no statutory guardians to provide for them, bring them up or support them, or whose statutory guardians have no ability to provide for them, bring them up or support them, shall enjoy FG in rural areas.

Up to the end of 2014, there are 5.29 million rural FG recipients nationally. As of 2014, China has spent 18.98 billion RMB on FG in total, which has an increase of 10.2% over the previous year. There are 1.74 million people who are supported collectively (in a welfare institute), who have an annual FG allowance of 5371 RMB per capita on average; while, 3.54 million are living in their own household, who have an annual FG allowance of 4006 RMB per capita on average.

¹² Gong S. (2004) Institutional problems and countermeasures for Five-guarantees pension, *Jiangsu Social Sciences*, 3, 231-236.

Figure 1. 7 The number of recipients of urban Dibao, rural Dibao and FG



Note: Blue bar for Urban Dibao; Pink bar for Rural Dibao and White bar for FG.

Source: Ministry of Civil Affairs (2015) Social Service Statistical Bulletin 2014
<http://cws.mca.gov.cn/article/tjbg/>

1.3.2 Evaluation of Policy Implementation/effects and Future Reform

FG are undoubtedly some of the most vulnerable citizens in rural China. The well-being of this vulnerable group indicates the fairness and justice of society as a whole. The FG village in Guangxi Zhuang Autonomous Region offers a good social care model to improve the social well-being of rural FG for other less developed provinces in China. It not only meets the level of local economic development, but also takes into account the life habits of rural FG in the less developed regions. It is hard for the local government to establish nursing homes to accommodate all the FG in the less developed regions with its fiscal income.

However, we have to realize that the social care model of rural FG village can be improved further when it is spread to other less developed regions. Firstly, more opportunities need to be created for the elderly FG to take part in social activities and enrich their lives. Secondly, it is critical for local governments to guarantee the funding for constructing FG villages and exploring the feasibility of treating the projects as rural infrastructure. Thirdly, it is meaningful to explore if the FG village can be included in the rural social aid system.

In a couple of years the Five Guarantees program is to be included into “assistance for people in extreme difficulty” as can be observed and foreseen from the latest policy document on it. The “Interim Measures for Social Assistance” were issued and came into force on May 1, 2014. As such, Chapter Three “*Support of the Especially Poor Interim Measures for Social Assistance*” contains the Five Guarantees. Article 14 stipulates that the state shall grant support to the especially poor, i.e. the elderly, the disabled and minors under 16 years of age who have no persons with statutory obligations to support aging parents, children, or other persons or persons with statutory obligations to provide support but who do not possess the capacity to support them. Article 15 indicates that the support of the especially poor includes:(1) providing basic living conditions;(2) looking after those who cannot take care of themselves;(3) providing disease treatment; and (4) handling funeral matters. The support of the especially poor shall be integrated with the systems of pension insurance for urban and rural residents, basic medical insurance, minimum subsistence guarantee, and basic living guarantee for orphans.

Case Study of Wuhan and Tsingdao: FG

Background:

This case study refers to the key developments and challenges relevant to the Five Guarantees scheme, and basic contextual information on the institutional framework of FG.

Purpose:

The primary purpose of this study is to develop an enhanced understanding of the issues associated with the development and implementation of FG.

It should be noted that it is not the intention of this study to evaluate the success or failure of FG.

Key Development:

To increase FG allowance, Qingdao combined the Five Guarantees with the rural Dibao to increase the amount of allowance to Five Guarantee recipients.

Recently, Qingdao and Wuhan are paying more attention to the reconstruction of welfare institutes for FG.

Major Challenges:

Even with the foundation of the Family Economic Status Verification Center, it is still difficult to assess rural households' income and assets.

For Five Guarantee recipients, there is a dilemma of collective care and individual support. On the one hand, they prefer to living in their own housing even when they are old; however they have no relatives or care givers. This would cause risks as they are increasingly becoming fragile. On the other hand, collective care costs much more than individual living as it needs housing, maintenance, staff (care givers) and other expenses.

Five Guarantees include food, clothes, housing, health and funeral. While recipients have a low level of benefits, which actually cannot cover their medical expenses, local governments generally cover all the expenses on top of the medical insurance. This is necessary to maintain Five Guarantee beneficiaries' living. However, this sometimes would lead to the problem of over-treatment.

Conclusions:

For a long time, FG has played an important role in securing vulnerable groups' living. However, it is still faced with major challenges as previously mentioned. In the future, as the "Interim Measures for Social Assistance" stipulates, FG will turn into "Support for Persons in Extreme Difficult" and as such it is expected that there will have to be further fundamental reforms.

2. Specific Regulation

Executive Summary

Social assistance is the first building block of a modern social security system. It embodies the government's public responsibility and the moral conscience of the community. At present, China has established the basic framework for the social assistance system including three sub-systems: - long-term living assistance, special classification assistance and temporary emergency relief aid. The special classification assistance includes medical assistance, housing assistance, education assistance, relief and rehabilitation of the disabled and legal aid. Temporary emergency relief includes disaster relief and payments to beggars and vagrants. The main contents of this report include seven aspects: employment assistance, education assistance, legal aid, medical assistance, disaster relief, temporary assistance and housing security.

The employment assistance system is aimed at increasing household labor income and is targeted at people with difficulties in finding jobs. The government formulates special assistance policies, develops public-welfare jobs through multiple channels and provides a variety of targeted assistance measures to help people with difficulties in finding jobs to quickly find a job. However, the employment assistance system has many problems. The macro problems existing in the employment assistance system mainly include the chaotic concept of employment assistance, an imperfect construction of the legal system, varying legislative levels and institutional discrimination. Micro-problems are mainly manifested in poor connection between laws and regulations at the technical level of the employment assistance legislation, “scattering”, “chaos” and “absence” of specific legal clauses, and the absence of a dispute settlement mechanism at the implementation level of the employment assistance system.

As one aspect of the special classification assistance, education assistance is an assistance system for vulnerable group family members in the stages of compulsory education, senior secondary education and higher education. It plays a very important role in safeguarding the right to education and the right to the development of vulnerable group family members and in particular alleviating poverty among vulnerable group families.

Legal aid is a legal protection system, in which legal institutions set up by the Government organize legal aid workers and social volunteers to provide free legal services to citizens with financial difficulties or who are a party to special criminal cases in order to safeguard their legitimate rights and interests.

To guarantee housing for all under market economy conditions, the government should implement some special policy measures to help groups with housing difficulties in the market. The generalization of these policies is the housing security system.

As an organic component part of China's multi-level medical security system, medical assistance embodies the fact that the State respects and safeguards human rights. Medical assistance helps poor people alleviate the difficulties of not accessing basic medical services due to economic incapacity. It prevents impoverishment caused by disease and enhances the ability of poor people in health security, survival and development.

The above mentioned four aspects of the social assistance are addressed in separate sections and their respective problems are presented and discussed thereon.

Disaster relief is a social assistance system in which the state or society provides rescue services and assistance to persons impacted by various disasters. It aims to get disaster afflicted people out of the crisis through assistance and resuming production and life in the disaster area as soon as possible. However, disaster relief has many problems: weak awareness of the Government and the public of disaster prevention and the absence of disaster prevention and reduction education; lack of

a legal basis for disaster relief; the need for quantity and quality of emergency disaster relief teams and professional rescue teams to be improved; the difficulty of raising and operating disaster relief funds and insufficient reserves for disaster relief; and the long-term and arduous task of improving the psychological assistance system.

Temporary assistance means emergency and transitional assistance provided by the state to households or individuals who live in strained circumstances due to emergency events, accidental injuries, serious diseases or other special reasons and who are not covered by other social assistance systems for the time being or who still have serious difficulties in basic living after receiving other social assistances. However, temporary assistance has many problems: there are many subjective factors in defining recipients of assistance; it takes a long time to approval temporary assistance; there are limited funds to be spent on temporary assistance; and there is incomplete coverage of temporary assistance items.

Case studies corresponding to each of the 7 aspects are shown as appendices.

2.1 Employment Assistance

2.1.1 Definition

The employment assistance system is aimed at increasing household labor income and is targeted at people with difficulties in finding jobs. The Government formulates special assistance policies and develops public-welfare jobs through multiple channels and provides a variety of targeted assistance measures. It includes supporting and encouraging people in strained circumstances to find a job, giving priority to implementing various assistance policies, providing necessary living security, creating job opportunities by organizing employment skills' training and job recommendations.

As an assistance measure, employment assistance is targeted at urban retrenched or unemployed people living in poverty, who have labor capacity but face difficulties in employment. It covers a variety of aids and assistances to individuals as well as policy preferences, tax concessions and rewards to labor and employment service enterprises, to other enterprises employing unemployed people and to re-employment training institutions in order to encourage them to absorb unemployed people and to launch free or low-charge employment training. The basic elements of employment assistance include employment post assistance, employment policy assistance, employment legal assistance and employment service assistance.

2.1.2 History and Status Quo

2.1.2.1 Founding of New China – Before “Reform and Opening-Up”

In 1950, after the founding of P.R.C China, the Government Administration Council issued the “Interim Measures for Assistance to Unemployment Workers” to make appropriate provisions for unemployed people. Later, to further promote employment of the disabled, the Ministry of Internal Affairs of the State Council, the Ministry of Finance and the People's Bank of China jointly issued the “Notice on Tax Reduction and Exemption and Loan Support for Production Units of Urban Families of Revolutionary Martyrs and Servicemen and Poor People” in 1957, pioneering tax deduction and exemption of employment assistance for disabled persons in China. By then employment assistance system, in the real sense, had come into being in China, but had single assistance recipients, mainly including unemployed workers and disabled people.

2.1.2.2 Beginning of the “Reform and Opening-Up” to the End of the 20th Century

In 1980, the Central Committee of the Communist Party of China (“CPC” or the “Party”) proposed the employment guideline of “Combined Job Recommendation by Labor Department, Voluntary Employment Organization and Self-Employment under Unified Planning and Guidance of the State” at the National Labor Working Conference. Consequently, single employment subjects were

diversified, employment channels were expanded, foundations for the urban labor market were laid and competition mechanism was introduced into the employment field.

In 1982, the clause that “the state and society help make arrangements for the work, livelihood and education of the blind, deaf-mutes and other handicapped citizens” appeared in Paragraph 3, Article 3 of the Constitution of the People's Republic of China for the first time.

In 1986, the State Council promulgated the “Provisional Regulations on the Institution of the Labor Contract System in State-Owned Enterprises and the Provisional Regulations on for Employees of the State-owned Enterprises”, establishing China’s unemployment insurance system. In 1990, the Standing Committee of the National People's Congress (NPC) issued the Law of the People's Republic of China on “The Protection of Disabled Persons”, the first law safeguarding disabled persons in China’s history.

In 1933, the State Council published the “Measures for Resettlement of Surplus Employees of State-owned Enterprises”.

In 1995, the Ministry of Labor enacted the “Measures for Employment Registration and the Measures for Job Recommendations”.

In 1998, the CPC Central Committee and the State Council issued the “Notice on Effectively Doing a Good Job in Minimum Subsistence Allowances and Reemployment for Laid-off Workers of State-owned Enterprises”, further enhancing China’s employment security system.

In 1999, the Regulations on “Unemployment Insurance” were issued and implemented. China started, and preliminarily developed, its employment assistance legislation during the period from “Reform and Opening-Up to the end of the 20th century. Chinese state-owned enterprises were being restructured, so the targets of unemployment assistance mainly included disabled persons and laid-off workers of state-owned enterprises. Unemployment assistance mainly guaranteed a basic living and rarely involved improving the labor skills of these groups.

2.1.2.3 Beginning of 21st Century till Now

Since the beginning of the 21st century, more and more policy measures have been taken for people with difficulties in finding a job. This covers disabled persons, laid-off workers, families with no employment and farmers who have lost their land. Moreover, the “Employment Promotion Law” of the People's Republic of China was enacted. In other words, employment assistance for people with difficulties in finding jobs has witnessed rapid development and progress over this period.

On September 30, 2002, the CPC Central Committee and the State Council issued the Notice on “Further Doing a Good Job in Reemployment for Laid-off and Unemployed Workers” (Zhong Fa [2012] No.12). Targeted at the re-employment of laid-off and unemployed workers, the Notice summarized employment and reemployment work in China, established a proactive employment policy framework with Chinese characteristics and clearly defined assistance policies for needy recipients in accordance with the new situations and new characteristics of employment and re-employment.

On October 17, 2002, the General Office of the State Council published the “Notice on Charge Preference Policies for Laid-off and Unemployed Workers Engaging in Self-employment” (Guo BanFa [2002] No.57). On December 24, 2002, the People’s Bank of China, the Ministry of Finance, the State Economic and Trade Commission and the Ministry of Labor and Social Security jointly issued the Notice on “Printing and Distributing the Administrative Measures for Small-sum Guaranteed Loans for Laid-off and Unemployed Workers” (Yin Fa [2002] No.94), further segmenting relevant tax and fee policies for employment assistance.

In 2005, the Circular of the State Council on “Further Intensifying the Work of Employment and Re-employment” (Guo Fa [2005] No.36 further inherited, expanded, adjusted and enriched the original proactive employment policies. As a consequence, policy measures assisting the reemployment of people with difficulties were further improved with the following four adjustments.

First, the coverage of recipients was expanded. Employment assistance covered laid-off workers in their 40s and 50s from factory-run collective enterprises as well as long-term unemployed persons enjoying subsistence allowances for urban citizens in addition to the original older laid-off workers with difficulties in finding jobs from state-owned enterprises.

Second, insurance items were increased. Basic medical insurance was added in addition to original the subsidized endowment insurance and unemployment insurance.

Third, the period of the subsidy was extended. The period of the social insurance subsidy may be extended for laid-off and unemployed workers in their 40s and 50s who work for more than three years.

Fourth, older people with difficulties in finding jobs and who engaged in flexible employment could enjoy social insurance cover of a certain amount.

In 2007, the “Employment Promotion” Law of the People's Republic of China was officially promulgated, turning a series of proactive employment policies into legal provisions and starting long-term and law-based work of employment assistance. The Law devoted special chapters to formulating provisions of the employment assistance system by summarizing policy practices. Compared with the original policies, the legal provisions weakened the identity of state-owned and collective enterprises of recipients with difficulties, strengthened employment assistance for people with job hunting difficulties such as disabled persons and families with no employment as well as areas and industries in strained circumstances such as resources-exploitation cities and independent industrial and mining areas and embodied the orientation of the long-acting law.

On August 6, 2007, the Ministry of Labor and Social Security issued the Notice on “Further Strengthening Entrepreneurship Training and Promoting Employment” (Lao She Bu Fa [2007] No.30). On October 30, 2007, the “Provisions on Employment Services and Employment Management” were adopted and issued at the 21st session of the Ministry of Labor and Social Security and came into force on 1 January 2008. The applicability of the “Employment Promotion” Law of the People's Republic of China was strengthened slightly.

In 2008, the Notice of the State Council on “Doing a Good Job in Promoting Employment” (Guo Fa [2005] No.5) specified and clearly defined various measures of the legal provisions concerning employment assistance and detailing and expanding the employment assistance system. Compared with the [2005] No.36 Document of the State Council, this Notice featured the following enhancements.

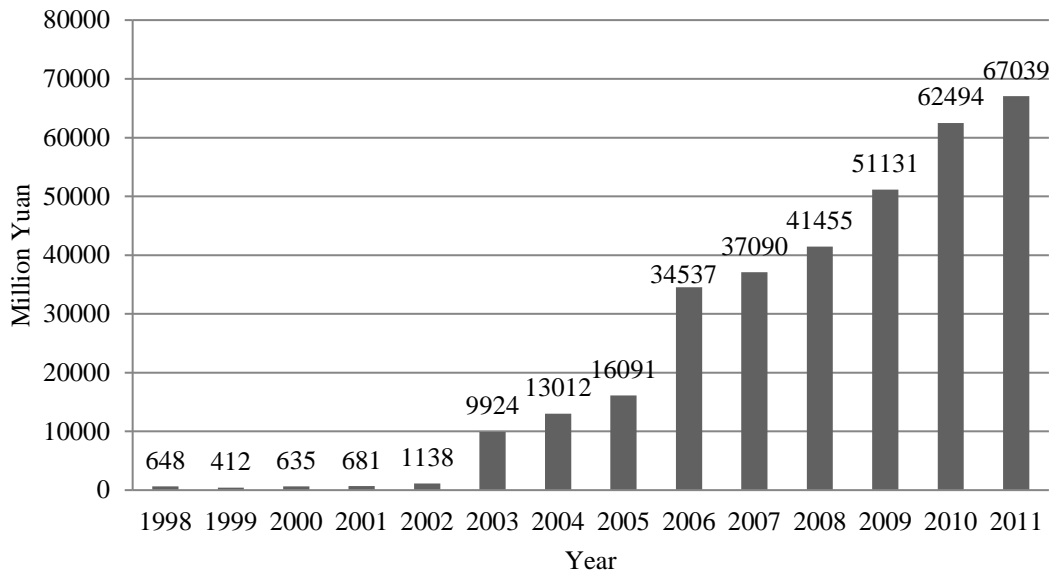
First, the scope of recipients was expanded. Employment assistance covered people with job hunting difficulties, including older people, disabled persons, persons unemployed for one and more consecutive years, people enjoying subsistence allowances and farmers who had lost their land.

Second, the term of the subsidy was extended. The term of the social insurance subsidy and the post allowance for people who were five years away from legal retirement age might be extended to retirement age.

Third, the scope of the subsidy was expanded. Subsidies of basic endowment insurance, basic medical insurance and unemployment insurance were granted to enterprises which employed people with job hunting difficulties, signed a Labor Contract and paid social insurance premiums within a certain time limit. Moreover, the Notice also granted a social insurance subsidy of certain amount to

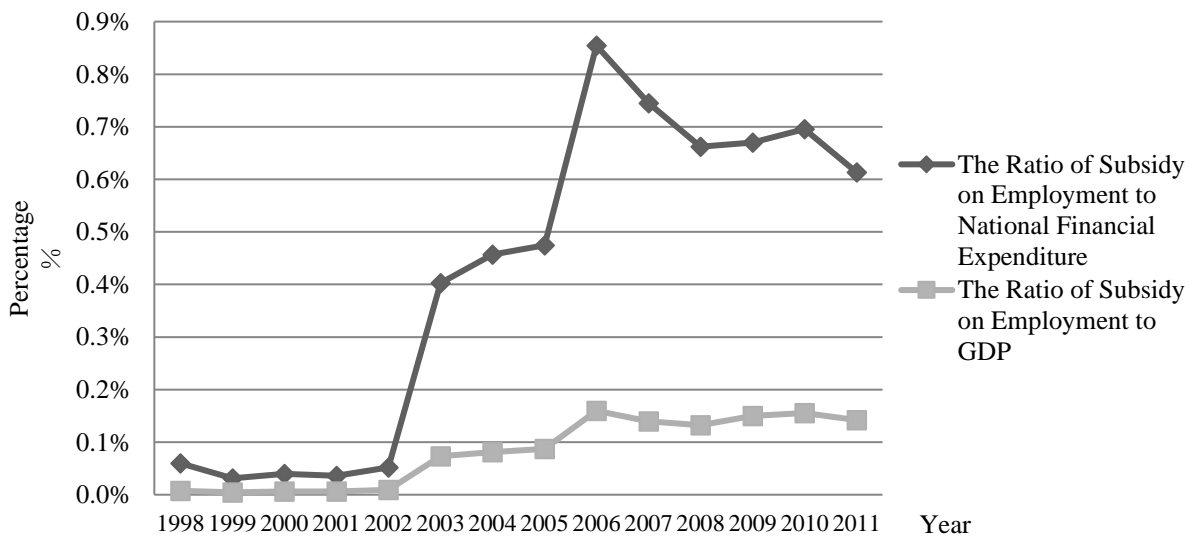
people with difficulty in finding a job who declared flexible employment and paid social insurance premiums.

Figure 2.1 Expenditure on Employment Subsidies



Sources: *Finance Statistical Yearbook of China 2012, China Civil Affairs Statistical Yearbook 2012*

Figure 2. 2 Ratios of Employment Subsidies



Sources: *Finance Statistical Yearbook of China 2012, China Civil Affairs Statistical Yearbook 2012*

The subsidy for employment has demonstrated an increasing tendency year by year. In 2011, the subsidy reached 67,039 million yuan, which accounted for 0.61% of the national fiscal expenditure and 0.14% of GDP (Figures 2.1 and 2.2).

Please refer to Appendix 1 for a case study.

2.1.3 Problems and Discussion

2.1.3.1 Macroscopic Aspect

Macro problems existing in employment assistance mainly include the chaotic concept of employment assistance, development of an imperfect legal system, varying legislation levels and institutional discrimination.

Firstly, the concept of employment assistance does not clearly embody people's orientation, fairness or justice. Some local governments continue the concept of employment assistance taking place during the Cultural Revolution (1966-1976) and regard providing necessary assistance to people with job hunting difficulties as charity or a philanthropic grace. However, actually, the legislative concept of employment assistance should abandon the concept of charity and the concept of right because it is a modern law concept embodying people's orientation, justice and fairness.

Secondly, the legal system of employment assistance is imperfect and the level of legislation varies. China has not established a sophisticated legal system although it has formulated numerous laws, regulations and policy documents. The one issue may be covered by various pieces of legislation whereas there are no legal provisions governing some issues. A low level of legislation gives rise to weak enforcement of the laws and regulations concerning employment assistance and makes it more difficult to apply these laws and regulations to practices.

Thirdly, numerous institutional discriminations or other discriminations exist. Many institutional discriminations exist in China's employment assistance, mainly evidenced by different employment security measures, employment reliefs, social insurances and benefits for agricultural laborers and non-agricultural laborers. Even non-agricultural laborers with different household registrations are discriminated in salary, medical treatment of work-related injury, children's education, housing assistance and social benefits. They thus face higher employment costs and heavier cost of living burdens.

2.1.2.2 Microcosmic Aspect

Micro problems are mainly manifested in the poor inter-connectivity between laws and regulations at the technical level of the employment assistance legislation, "scattering", "chaos" and "absence" of specific legal clauses, and the absence of a dispute settlement mechanism at implementation level of employment assistance.

Firstly, poor inter-connectivity between the laws and regulations exist at the technical level of the employment assistance legislation. The "Employment Promotion" Law of the People's Republic of China lacks a specific employment assistance system and relief mechanism. It guarantees effective implementation of employment promotion by supervision, examination and legal responsibility. However, the chapter concerning supervision and examination only briefly mentions the target accountability system, the special fund management system and the reporting system. The chapter concerning legal responsibility establishes too many macro provisions without involving the legal responsibility for employment assistance.

Secondly, the "scattering", "chaos" and "absence" of specific legal clauses exist. Chinese policies, laws or regulations on employment assistance are redundant, overlap, are inconsistent and even contradictory in terms of both their form and content. On the other hand, "redundancy", "scattering", "disorder" and even contradiction exist between the laws and the policies. For example, the "Employment Promotion" Law and the "Provisions on Employment Services and Employment Management" have roughly the same provisions and clauses on employment assistance.

Thirdly, there is no dispute settlement mechanism nor an practical enforcement system at the implementation level of employment assistance. Several dispute settlement mechanisms of reconciliation, mediation, arbitration and lawsuit for labor disputes are ineffective for people with job hunting difficulties and not receiving employment assistance. The employment assistance

system lacks a dispute settlement mechanism because it is difficult to classify an employment assistance dispute as a labor dispute.

2.2 Education Assistance

2.2.1 Definition

Education assistance is an assistance system for vulnerable-group family members over the stages of compulsory education, senior secondary education and higher education. It plays a very important role in safeguarding the right to education and the right to development of family members of vulnerable groups and in particular shaking off poverty for families of vulnerable-group. China's education assistance is divided into three parts by education stages:

- 1) Compulsory education assistance: This financially assists needy students by reducing and exempting miscellaneous fees and textbook fees or granting student subsidies and establishing education assistance funds. Funds from the "Project of the National Project of Compulsory Education in Poverty-stricken Areas" contribute to subsidizing students from vulnerable-group families and providing free textbooks.
- 2) Senior secondary education assistance. This allocates proportional funds from tuition fees collected by schools to establish stipends and scholarships. There is a "delayed payment, reduction and exemption" of tuition fees for students with financial difficulties according to the degree of family poverty. Local governments allocate special appropriations from the financial fund to grant stipends to help needy students.
- 3) Higher education assistance: There continues to be implementation of diversified policy systems to assist needy students dominated by scholarships, student loans, work-study funds, special subsidies and tuition reductions and exemptions at institutions of higher learning in China.

2.2.2 History and Status Quo

1) In the early years of the New China, free elementary and secondary education were implemented until the reform of the education system in the early 1980s. China began to make nine years of compulsory education universal on a national scale, exempted tuition and miscellaneous fees at the stages of compulsory education and collected tuition and fees from students in the non-compulsory education stages. As a result, some families with financial difficulties faced problems such as difficult school enrollment and high tuition and fee costs. The Chinese Government should guarantee that no students who had financial needs left school and began to explore the establishment of an education assistance system in the middle of the 1980s. The "Compulsory Education Law" of the People's Republic of China came into force in 1986 and the "Detailed Rules for Implementation of the Compulsory Education" Law of the People's Republic of China was promulgated in 1992. These formed the basis of the education assistance system for needy students at the stage of compulsory education. Then consequential developments in this field were:

In 1995, the State Education Commission and the Ministry of Finance issued the "Notice on Improving Grant-in-aid System for Elementary and Secondary School Students" to implement the grant-in-aid system.

In October 1997, the State Education Commission and the Ministry of Finance established the "State Grant-in-aid in Poverty-stricken Areas", making a substantial step forward in China's education assistance system.

In May 2001, the State Council issued the Decision on Reform and Development of Basic Education, establishing the basic framework for the "Two Exemptions and One Subsidy" policy.

In February 2004, the Ministry of Finance and the Ministry of Education issued the Notice on "Printing and Distributing the Interim Administrative Measures for the Work of Free Textbooks to

Needy Students in the State of Compulsory Education in Rural Areas”, stipulating that the “State shall provide free textbooks and subsidize boarding fees to rural needy students in western areas and exempt tuition costs and fees at the stage of compulsory education in rural areas”.

“We must exempt rural students at the stage of compulsory education from tuition costs and fees, provide free textbooks and boarding fee subsidies to needy students and expand the coverage of tuition costs and fee exemptions and subsidies in areas where conditions permit,” pursuant to the Several Opinions on “Actively Developing Modern Agriculture and Making Steady Progress in the Construction of the New Socialist Countryside” issued by the CPC Central Committee and the State Council. The education assistance system at the stage of compulsory education was gradually expanded from western and central poverty-stricken areas to rural areas nationwide.

“Boarding students from poverty-stricken families and students from families enjoying urban minimum subsistence allowance shall receive boarding fee subsidy,” was emphasized by the State

Council in the “Notice on Doing a Good Job in Exempting Urban Students at the State of Compulsory Education from Tuition and Fees” issued in August 2008. As of October 2008, the education assistance system benefited all needy students at the stage of compulsory education in urban and rural areas nationally.

2) There are a few assistance policies for students at the stage of senior secondary education, and only those students with good academic performance rather than needy students with ordinary academic performance are subsidized. At present, China is actively establishing a new financial aid policy for needy students at secondary vocational schools to guarantee all needy students can receive vocational education and to help rural needy students realize their dream of going to school.

3) Education assistance policy for Chinese impoverished college students roughly goes through four development periods, namely free enrolment + people’s stipend (beginning of the New China – 1983), coexisting people’s stipend and scholarship (1983-1986), coexisting scholarship and loan funds (1987-1994) and preliminary establishment and increasing improvement of the aid and subsidy system for impoverished college students made up of “scholarships, loans, stipends, subsidies and tuition reductions) (1994-now).

The Impoverished College Student Aid System has been gradually established and improved since 1994. China began to gradually reform the costs of college education in accordance with the “Outline of Education Reform and Development in China” and in 1997, all universities and colleges merged and China implemented charging system for higher education in a universal way. Reform of the costing system led college student assistance reform to a new phase in China, mainly as evidenced by the diversified assistance forms and methods. In terms of government aid, the State Education Commission launched assistance measures supported by government allocations and organized by institutions of higher learning such as “work-study fund”, “subsidy for most needy students” and “tuition reduction and exemption” in addition to scholarships for outstanding students, professional scholarships, directed scholarships and a loan fund in the late 1980s. The Impoverished College Student Aid System consisting of “scholarships, loans, subsidies and tuition reductions” took its initial shape.

In September 1999, the General Office of the State Council approved and forwarded the “Measures for the Administration of State-subsidized Student Loan (Trial)” issued by the People’s Bank of

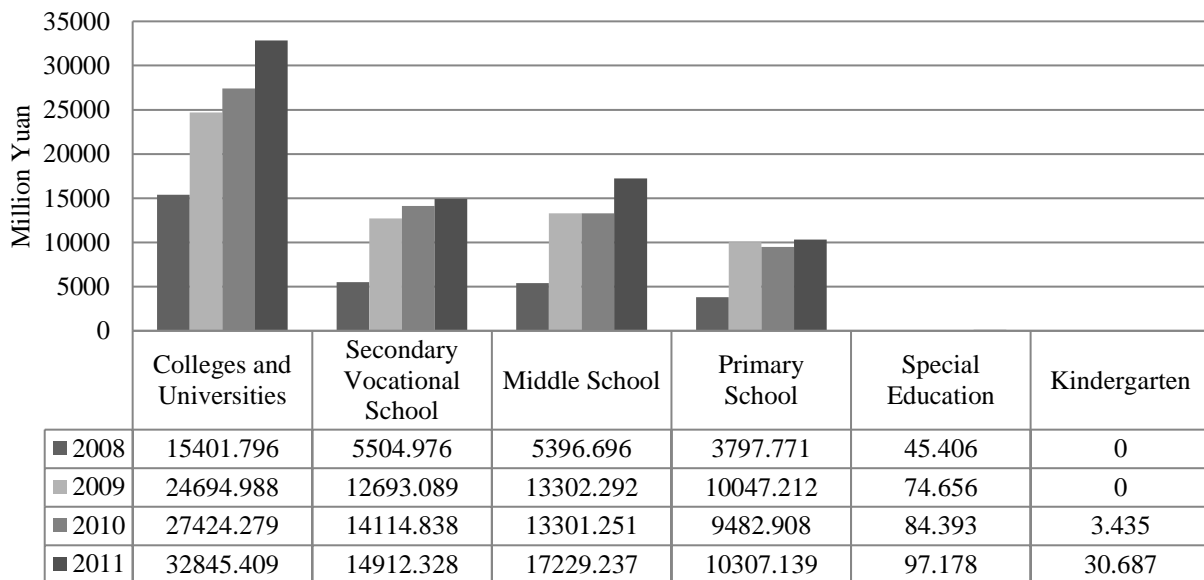
China, the Ministry of Education and the Ministry of Finance among others, and decided to launch a pilot of state-subsidized student loans at institutions of higher learning affiliated to central ministries and commissions in Beijing, Shanghai, Tianjin, Chongqing, Shenyang, Wuhan, Nanjing and Xi’an.

In August 2000, the General Office of the State Council forwarded the “Notice on Supplementary Opinions on the Administration of State-subsidized Student Loans” and the Notice of the People’s Bank of China on the “Measures for the Administration of State-subsidized Student Loans”, expanding the coverage of state-subsidized student loans from full-time undergraduate and junior college students at regular institutions of higher learning to all students and shifting the form of the loan from a guaranteed loan to a student credit loan.

In February 2002, the People’s Bank of China, the Ministry of Education and the Ministry of Finance issued the Notice on “Issues Concerning Effectively Advancing the Work of State-subsidized Student Loan” so as to improve the original state-subsidized student loan policies, implement measures of “four determinations” and “three assessments”, further improve the relevant management systems of state-subsidized student loans and put forward specific measures for strengthening the management of state-subsidized student loans, establishing risk prevention mechanisms and further improving organization and leadership.

In June 2004, the General Office of the State Council forwarded the Notice of the Ministry of Education, the Ministry of Finance, the People’s Bank of China and the Banking Regulatory Commission on “Several Opinions on Further Perfecting the Work of State-subsidized Student Loans”. The Opinions further defined relationships among state institutions of higher learning, students and banks concerning principles of loan facilitation and risk prevention and proposed specific measures for improving the management system of state-subsidized student loans, reforming the loan approval process and loan application methods, strengthening the management responsibilities of regular institutions of higher learning and banks and improving the loan repayment mechanism and the risk prevention mechanism.

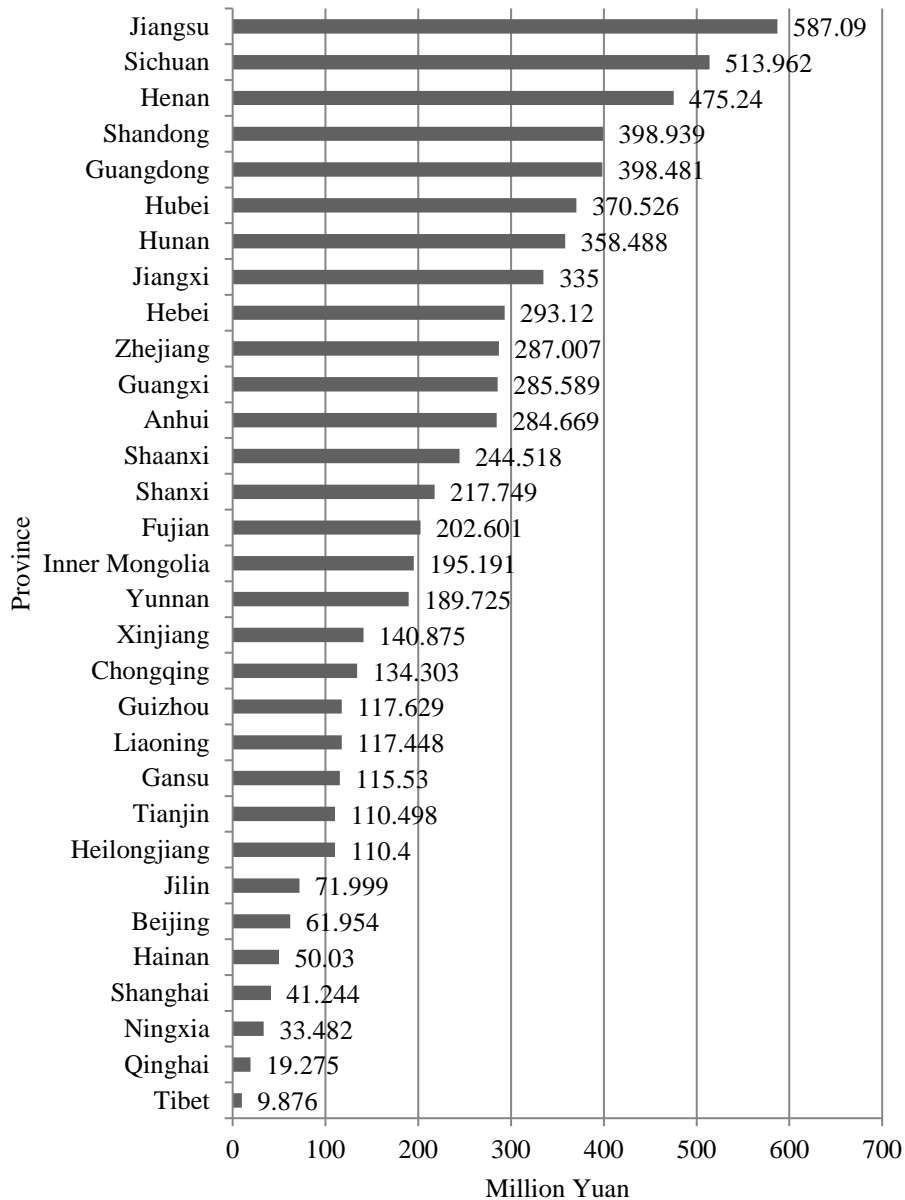
Figure 2. 1 Student Grants



Source: China Educational Finance Statistical Yearbook 2012

Grants for students from poor families continued to increase from 2008 to 2011. Grants for student in colleges and universities are the bulk of the loans. (Figure 2.3).

Figure 2. 2 Student Grants in Pvinces in 2010



Sources: China Educational Finance Statistical Yearbook 2012

In 2010, Jiangsu Province handed out the highest amount of the student grants, 587.09 million yuan (Figure 2.4).

Please refer to Appendix 2 for case study.

2.2.3 Problems and Discussion

To guarantee equal educational access to the children of poverty-stricken families, the Chinese Government has promulgated many policies and measures relating to educational assistance, such as assistance responsibility for compulsory education in legal form, special education appropriations from the fiscal budget to poverty-stricken areas, encouraging the establishment of charity foundations and mass organizations to provide educational assistance, preference policies for school-run enterprises and encouraging study-work programs for self-assistance. However, many problems exist in these measures, including the following:

The coverage of education assistance is very narrow, way of assistance is irregular and there are few assistance elements

The Chinese Government mainly makes investment in education assistance to guarantee that the nine years of compulsory education is accessible to the population of the appropriate age. However it provides little assistance at the stage of senior secondary education or higher education which have the highest expenses and charges. The basic means of assistance are scholarships, subsidies and work-study programs supplemented by a few tuition reduction and exemption measures, which are not standardized across the corresponding systems. Implementers face no limitations in determining the types of assistance according to their economic resources rather than according to the actual economic difficulties of poor students. There are very limited assistance measures. They are unable to meet the educational needs of children of families with financial difficulties.

The rights/obligation relationship is not clearly defined during the implementation of Education Assistance and there is no special management institution

Education assistance is both a right of the needy students and an obligation of the state and society. However, the laws and regulations on education assistance in China are still to be improved, there are many institutional loopholes and the right/obligation relationship is ill-defined, making it impossible to smoothly implement the education assistance system. China has not established a special management institution for the education assistance fund and the education assistance mechanism is operated in an inefficient way, impacting the development of the education assistance system and weakening its role in assisting students.

Obvious administrative flaws exist in the education assistance process

Judging from the structure and working model of China's Education Assistance, it is dominated by financial aid and the system shows obvious administrative flaws. The existing financial aid function is an extension of the government's function. Most education assistance jobs are attached to school level and education assistance departments and are at the end of the whole education assistance system. Education assistance administration is conducted from top down and is mainly subject to a superior's notices and requirements. The whole education assistance administration system is characterized by high operating costs, poor organizational competence and low-level collaboration among assistance elements.

It is difficult to implement the education assistance fund

At present, the education assistance fund is mainly sourced from government appropriations at all levels, funds raised by schools and social contributions. Funds raised by schools are an important approach making up the shortfall in fiscal appropriations at all levels, but it has some limitations. It is difficult for institutions of higher learning to contribute much money to education assistance because their interests will be damaged if they spend too much money on education assistance. Therefore, there is a large gap in the education assistance fund, which is a key issue that needs consideration as part of the further improvements needed for the education assistance system. Very few needy students receive education assistance in China due to the restrictions in funding this assistance.

The body responsible for Education Assistance is ill-defined

The department which is responsible for the management of education assistance is unclear. Only a few counties assign special staff to take charge of Education Assistance. In some areas, governments at all levels depend on payroll finance (a large proportion of the budget has been earmarked for paying salaries of government functionaries) due to their low level of economic development. They have no more money to spend on assistance for needy students. Consequently,

they invariably fail to bear due responsibility for assisting needy students , resulting in the obvious abrogation of responsibility.

Assistance procedure is not standardized

First, there is no long-term plan for education assistance measures and temporary assistance prevails. Most assistance measures adopted by China for vulnerable groups are provisional and highly random. They play a very limited role in aiding vulnerable groups. Second, the absence of a powerful education assistance guarantee mechanism makes it difficult to guarantee the implementation of assistance policies. This results in ill-defined responsibilities in institutions related to education assistance. As a result of non-standard distribution of the education assistance fund, some needy students are deprived of an education because they receive no assistance, some needy students get repeated assistance and some assistance funds are not timely distributed to needy students.

Recipients of education assistance are ill-defined

The State formulates no unified and detailed criteria for defining the recipients of education assistance. As a consequence, some local governments determine the recipients of education assistance randomly using personal emotion or choosing relatives. This is leading to a failure of the education assistance to needy students, or the absence of a public information platform on the recipients of the assistance leads to falsifications in defining the recipients of the assistance.

Way of education assistance is under-developed

At present, education assistance in China is dominated by financial assistance. Psychological aid to assistance recipients and the subsidizing of educational facilities are ignored.

Allocation proportion for finance at all levels is unreasonable

The existing social assistance system places an overwhelming emphasis on the responsibility of local governments. They however, have much weaker financial resources than the central government. This inevitably leads to inadequate investment in education assistance due to its heavy financial burden.

2.3 Legal Aid

2.3.1 Definition

Legal aid is a system of providing legal protection. Legal institutions established by the government organize legal aid workers and social volunteers to provide free legal services to citizens with financial difficulties or those who are parties to special criminal cases in order to safeguard their legitimate rights and interests. Legal aid is a system of free legal services and creates no direct economic benefit. Legal aid is part of a social security system that is implemented for the purpose of maintaining long-term social stability and sustained economic development subject to criteria of social benefit and social equity. Investors in legal aid can only be government and legal aid in essence is a government action of buying legal services for specific groups.

Chinese legal aid institutions are divided into four levels from central to local governments The specific legal aid implementation institutions include regulatory authorities of legal aid at all levels in addition to law offices and grassroots legal work departments. By the end of 2009, China had set up a total of 3,274 legal aid institutions. At present, in addition to legal aid services provided by dedicated legal aid institutions, lawyers, community legal workers, social organizations, law schools and colleges as well as social volunteers also provide legal aid, and the initial basic framework of legal aid has taken shape. In 2009, there were 13,081 legal aid workers in China, including 10,337 legal professionals, highlighting the fact that legal professionals are still the backbone of legal aid.

Funding is a key issue for legal aid and a basic guarantee for its smooth implementation. Pursuant to the Regulation on Legal Aid, it is the responsibility of the government to provide legal aid. People's governments at county level and above shall provide funds for legal aid to guarantee the smooth implementation of legal aid funds. In 2009, income from legal aid funds totaled 757.6037 million yuan, an increase of 11% compared to 2008 (682.4968 million yuan). Fiscal appropriations amounted to 748.7503 million yuan, an increase of 11.8% over 2008 (669.4758 million yuan), accounting for 98.8% of the fund's total income, a slight year on year increase over 2008.

2.3.2 History and Status Quo

The legal aid system has operated for 21 years since it was first proposed by the former Minister of Justice Xiao Yang in 1994. There have been three stages.

2.3.2.1 The Stage of Exploration and Establishment

The stage of exploration and establishment of China's legal aid system lasted from 1994 to 1996. In 1994, the then Minister of Justice proposed to build a Chinese legal aid system and his proposal was strongly echoed nationwide. "We must explore effective approaches and methods of building a legal aid system to provide free legal aid to parties with financial difficulties. This year, we must put this work formally on the agenda for full demonstration and intensify the effort to develop a feasible plan to establish the Chinese legal aid system at an early date," said Xiao Yang at the National Justice Department (Bureau) Directors Meeting on February 16, 1995. The Guangzhou Municipal Legal Aid Center was set up on November 19, 1995. It handled 75 criminal and civil legal aid cases in a period of less than 100 days after its establishment, winning social praises. Xiao Yang called to "introduce the practice in Guangzhou nationwide". In March 1996, the Preparatory Group of the National Legal Aid Center at the Ministry of Justice was established.

2.3.2.2 Stage of Rapid Development

The period from late 1996 to 2003 witnessed rapid development of the Chinese legal aid system. After over one year of operation, the Guangzhou Municipal Legal Aid Center gathered a rich experience, and the Ministry of Justice decided to popularize the Guangzhou model after its investigation and comparison. On December 28, 1996, the Legal Aid Center, Ministry of Justice was formally established, ushering in an upsurge in the establishment of legal aid institutions nationwide. Legal aid centers were set up in all provinces after the founding of legal aid center in Tibet Autonomous Region on August 22, 2001. Chinese legal aid institutions had taken their initial steps and legal aid entered a stage of rapid development.

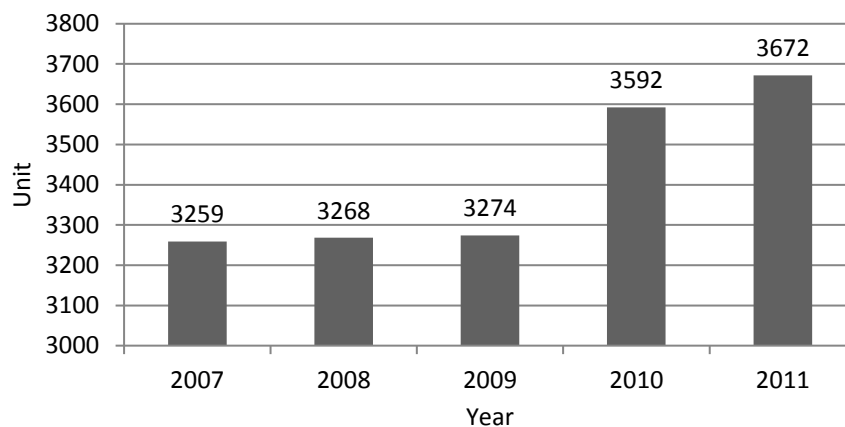
Concurrently, the institutional development of legal aid was further strengthened. Article 34 of the "Criminal Procedure Law" of the People's Republic of China was amended in March 1996. It stipulated that the basic principles and framework for the criminal legal aid system. The "Lawyers Law" of the People's Republic of China issued in 1996 specially set forth detailed provisions on legal aid in Chapter 6. On April 28, 1997, the Supreme People's Court and the Ministry of Justice issued the "Joint Notice on Criminal Legal Aid", promoting participation in the criminal legal aid system by social lawyers and facilitating the smooth implementation of criminal legal aid. On April 12, 1999, the Supreme People's Court and the Ministry of Justice issued the "Joint Notice on Several Issues Concerning Civil Legal Aid"; on April 24, 2000, the Supreme People's Procuratorate and the Ministry of Justice issued the "Joint Notice on Launching Legal Aid in Criminal Proceedings". In April 2001, the Ministry of Justice and the Ministry of Public Security issued the "Joint Notice on Launching Legal Aid in Criminal Proceedings". On April 3, 1999, Qingdao promulgated the first local law on legal aid in China, and afterwards, a variety of local laws and regulations on legal aid were gradually enacted. In March 2001, the National People's Congress (NPC) issued the "Tenth Five-year Plan for National Economic and Social Development", and "building the legal aid system" was written into the Plan for the first time. It was the first time that

highest organ of state power included legal aid in its plan for national economic and social development. This played a significant role in promoting the improvement of the legal aid system in China.

2.3.2.3 Stage of Legislation and Standardization

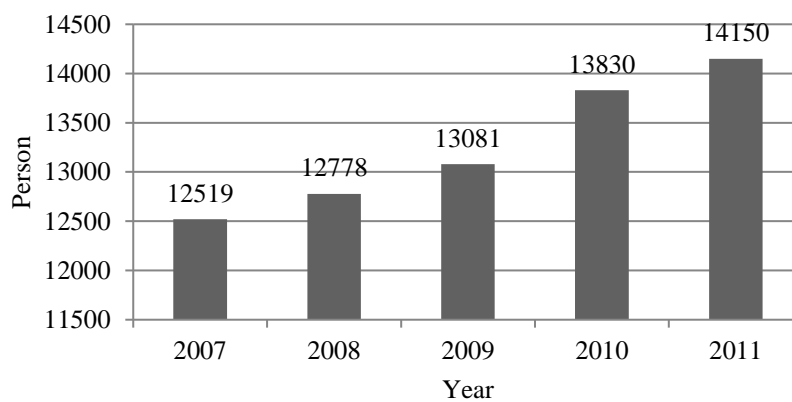
The period from July 2003 until the present represents the stage of legislation and standardization of legal aid. On July 21, 2003, the Regulation “on Legal Aid of the People’s Republic of China” was officially issued, marking a milestone in the history of China’s legal construction. The Regulation specified the basic framework of China’s legal aid system, clearly defined that it is the responsibility of the government to provide legal aid and prescribed the scope, standards, implementation procedures, rights and obligations of all parties concerned. It provides an important legal basis for promoting and standardizing the legal aid system. The Regulation marked the formal establishment and implementation of the Chinese legal aid system as well as the beginning of the legislation and standardization of legal aid. Legal aid was mentioned twice in the Report on the Work of the Government adopted at the Second Session of the Tenth National People’s Congress in March 2004, indicating that the Government had become fully aware of the importance and necessity of legal aid and was promoting its further implementation.

Figure 2. 5 Number of Legal Aid Institutions



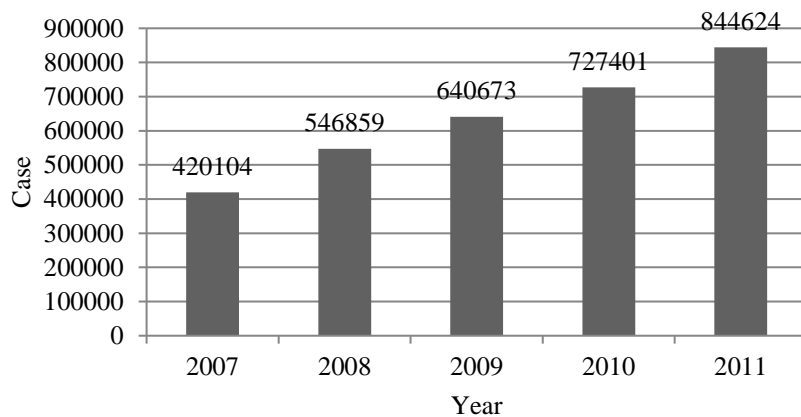
Sources: *China Social Statistical Yearbook 2012*

Figure 2. 6 Number of Legal Aid Staff



Sources: *China Social Statistical Yearbook 2012*

Figure 2. 7 Number of Cases Handled



Sources: *China Social Statistical Yearbook 2012*

The number of legal aid institutions, the number of legal aid staff and the number of cases handled has progressively increased since 2007 (Figure 2.5, 2.6 and 2.7).

Please refer to Appendix 3 for a case study.

2.3.3 Problems and Discussion

2.3.3.1 Low Legislative Level of Legal Aid

China started its legal aid system later than western countries and the relevant legislation is still to be further improved. Many provisions and clauses on legal aid are scattered across the “Criminal Procedure Law” of the People's Republic of China, the “Lawyers’ Law” of the People's Republic of China and other laws as well as provincial and municipal laws, regulations and rules at a low legislative level. China has implemented legal aid for more than 20 years since 1994, preparing corresponding conditions and possibilities for developing and issuing a unified Legal Aid Law. “Only when all citizens really enjoy rights in legal provisions can law become an incarnation of safeguarding social justice.” Legislative work is imperative.

2.3.3.2 Problems Existing in the Procedure Setting

Defects exist in the procedures of the existing Chinese legal aid system. These are mainly in the following two areas. Firstly, the application procedure is too tedious and miscellaneous. Pursuant to Article 14 of the Regulation on “Legal Aid”, a party shall apply to different institutions for legal aid for the five legal issues of different natures. A tedious and miscellaneous application procedure is adverse to the provision of smooth legal aid and makes some applicants desperate for legal aid. Secondly, the application procedure is vague. Since legal aid is classified into civil, administrative and criminal categories, the application procedures should be divided accordingly. However, the Regulation on “Legal Aid” provides for a general application procedure and thus is unable to guarantee the smooth implementation of the legal aid system. In addition, the Regulation on “Legal Aid” also specifies materials to be submitted as part of the legal aid application as well as measures to be taken by the legal aid institutions after receiving a legal aid application. The application still has obscure provisions on the detail needed.

2.3.3.3 Narrow Scope of Legal Aid Recipients

Pursuant to the Regulation on “Legal Aid”, “the present Regulation has been formulated for the purpose of ensuring that citizens with financial difficulties obtain the necessary legal services and promoting and regulating the work of legal aid”. However, the Regulation does not define the

concept of “criterion of financial difficulty” and only authorizes local provincial-level governments to specify that criterion. In other words, there is only “local criterion” rather than “national criterion” for what constitutes financial difficulty.

2.3.3.4 Problems Existing in the Institutional Setup

Regional economic development imbalances in China give rise to seriously unbalanced developments of the relevant legal aid institutions. Legal aid institutions are widely distributed in Beijing, Shanghai and other economically developed areas, through a distribution network ranging from districts and counties to streets. Legal aid centers are generally distributed in some urban areas or in individual counties in central areas such as Anhui. However, the legal aid center is only set up in some counties in the less developed Western areas such as Xinjiang and Tibet. At present, those people who need legal aid in China are concentrated in the remote and less economically developed areas, where more legal aid institutions should be set up. However, the contrary is the case. Legal aid institutions are concentrated in the economically developed areas and are scarce in the central and western areas, whose governments are adverse to the implementation of legal aid.

2.3.3.5 Problems Existing in Information

The absence of information on legal aid in many areas leads to the following three problems. First, legal aid information is developed to cater to leaders and fails to give play to its due role. Second, information areas are very narrow and the focus of the work is in the city. However, legal aid information is poor in remote areas and is even non-existent in some areas. Third, the information method is too simple and the information is confined only to leaflet distribution and banners in many areas. Consequently, many citizens do not accurately understand what the meaning of legal aid is.

2.3.3.6 Problems Existing in Funding Legal Aid

Insufficient funding of legal aid has always restricted the further implementation of legal aid in China. “Without adequate funds guaranteed, legal aid can only be an illusion. Funding has always been an important factor causing concern about and hindering the sound development of legal aid since its birth.” To be specific, the following two problems mainly exist in respect of funding China’s existing legal aid system. The first one is insufficient government appropriations and the second one is limited capacity for social fund-raising.

2.4 Housing Assistance

2.4.1 Definition

Housing security is a wide concept. In a broad sense, “homestead” and “welfare-oriented public housing distribution” are specific forms of housing security system, which guarantees “housing for all” under circumstance of low productivity level. Neither does housing resource allocation by market mean that all citizens buy a house only by their own income nor that all citizens can get housing only by market competition and independent and disperse policy decision. To guarantee housing for all under market economy conditions, the government should implement some special policy measures to help groups with housing difficulties under the market economy conditions. The generalization of these policies is housing security system.

2.4.2 History and Status Quo

2.4.2.1 Housing Security during 1978-1997

1) “Every household has an affordable house.” In 1986, the General Office of the State Council issued the Notice on Highlights of Technology Policies in Twelve Sectors. As the Highlights of Technology Policies in Urban Construction put it, we will endeavor to “realize high housing level and guarantee every household has an affordable, practical, comfortable and convenient house and

every citizen has living area of eight square meters on average and good dwelling environment” at the end of 20th century.

Pursuant to the Highlights of Technology Policies in Urban and Rural Housing Construction, “to realize well-off life of Chinese people, improvement in dwelling condition of urban and rural people is one of key elements. According to China’s national conditions, we will endeavor to guarantee that every urban household has one affordable house and national per capita living area reaches eight square meters and that every rural household has one applicable, sanitary and compact house and per capita living area of rural residents is slightly larger than that of urban resident to basically meet life and production needs”. China set a goal of “one affordable house for all households by 2000”, said Ye Rutang, Chairman of the “International Housing Year” China Commission and Minister of Urban and Rural Construction and Environmental Protection, in 1987.

2) “To address housing issue for urban households with special housing difficulties”. In September 1990, the Ministry of Construction and the All China Federation of Trade Union issued the Several Opinions on Addressing House Issue for Urban Households with Special Housing Difficulties. According to the Opinions, “the issue of housing difficulty has not been fundamentally addressed. In 1989, there were 5.4 million urban households with housing difficulties, including nearly 500,000 households with special housing difficulties whose per capita living area is less than two square meters. All local governments are required to strengthen leadership, work out proposals and build working group to address housing issue in a planned and step-by-step way.” It was the first time that China put addressing housing difficulty for urban residents on important agenda of the government.

3) Economically affordable housing went on the arena of history. In 1991, the State Council issued the Notice on Continuing to Actively Yet Prudently Reforming Urban Housing System, proposing to “vigorously develop affordable and practical commodity housing and give priority to addressing house issue for unallocated households and households with housing difficulties”. In 1993, the Ministry of Construction and other departments jointly issued the Opinions on Strengthening Macro Management of Real Estate Market and Promoting Sound and Sustained Development of Real Estate Industry, requiring local governments to “accelerate construction of economically affordable housing by fund-raising housing construction and cooperative housing construction and guarantee steady growth of housing construction”. In July 1994, the State Council promulgated the Decision on Deepening Reform of the Urban Housing System, emphasized that “we will build economically affordable housing supply system of social security nature targeted at low- and middle-income families and commodity housing supply system targeted at high-income families”. In late 1994, the Ministry of Construction and other departments jointly printed and distributed the “Administrative Measures for Construction of Urban Economically Affordable Houses”. In 1995, the General Office of the State Council forwarded the “Implementation Plan of the National Affordable Housing Project” to “advance the National Affordable Housing Project with a focus on large and medium-sized cities in a planned and incremental way by following the principles of government aid, unit support and individual expense bearing”.

4) The housing provident fund was established and became popular. In 1991, Shanghai took the lead to build its housing provident fund system by mirroring the Singapore experience. By the end of 1993, 104 cities nationwide had established housing provident fund systems. In July 1994, the State Council issued the Decision on “Deepening Reform of the Urban Housing System”, taking a decision to implement housing provident fund system in an all-round way and build a policy-related and commercial housing credit system. Afterwards, the Ministry of Finance, the Housing System Reform Leading Group of the State Council and the People’s Bank of China jointly issued the “Interim Provisions on Building the Housing Provident Fund System”, imposing specific requirements on building the housing provident fund system on a national scale.

2.4.2.2 Housing Security during 1998-2006

On 3 July 1998, the State Council issued the Notice on “Further Deepening the Reform of the Urban Housing System and Accelerating Housing Construction” (Guo Fa [1998] No.23) (hereinafter referred to as the “No.23 Document”), requiring cessation of housing allotment in kind and proposing to “implement different housing supply policies for families of different incomes, under which low-income families lease low-rent houses subsidized by the government or unit, middle-income families buy economically affordable houses and other high-income families purchase or rent commodity houses at market prices”, and began to comprehensively implement and improve the housing provident fund system. Afterwards, China started large-scale housing reform, but adopted a few practical housing security measures.

1) Economically affordable housing. The No.23 Document proposed to “build and improve the multi-level urban housing supply system dominated by economically affordable housing” and stipulated the support policies for land use, loans and so on. As the Ministry of Construction put it in the Present Housing System Reform Q&As, “currently, low-income families account for nearly 80% of urban households in China. In other words, nearly 80% of urban households rely on economically affordable housing to address the housing issue”. (Department of Housing and Real Estate Industry, Ministry of Construction, 1998, p.39) In June 2003, the National Development and Reform Commission (NDRC) and other departments jointly distributed the “Construction and Investment Plan for Economically Affordable Housing 2003-2004”, still emphasizing that “governments at all levels must further become aware of the important significance of economically affordable housing construction”. However, the Notice of the State Council on “Promoting the Sustained and Sound Development of the Real Estate Market” issued in August 2008 suddenly adjusted the policy of economically affordable housing, defined economically affordable housing as “policy-related commodity housing of a security nature” and shifted the focus of housing supply to “ordinary commodity housing”. The proportion of economically affordable housing showed an upwards trend year on year after 2001 and economically affordable housing only accounted for 5.1% of the total commodity housing capital invested in 2006, and new construction areas and sales areas also witnessed a decline in absolute value.

2) Low-rent housing. The No.23 Document stipulated “that low-income families lease a low-rent house subsidized by the government or unit”. The Ministry of Construction issued the “Measures for the Administration of Urban Low-rent Houses” in 2002 and issued the “Measures for the Administration of Urban Low-rent Housing for Families with the Lowest Incomes” in 2003. However, poor efforts have been made to implement the low-rent housing system which faces many problems such as narrow coverage, insufficient funds and unstable financial sources.

3) Housing provident fund. The No.23 Document required “comprehensive implementation and constant improvement of the housing provident fund system”, and the State Council also issued and implemented the Regulations on “Housing Provident Fund” in 1999. According to summary by the Ministry of Construction, the housing provident fund system is confronted with such problems as low coverage rate, widening gap in employee payments, imperfect internal control mechanisms of the regulatory authorities, non-standard uses of the fund, poor risk prevention and dissolution, unsound supervision and regulation mechanisms and poor supervision.

2.4.2.3 Housing Security after 2007

As the Minister of Housing and Urban-Rural Development, Jiang Weixin, said in 2009, “governments at all levels also need a process to understand housing security. The period of ten years after the large-scale housing reform in 1998 witnessed an absence of housing security. After 2007, the situation was improved. The housing security system had gradually taken shape and some achievements were accomplished in housing security.

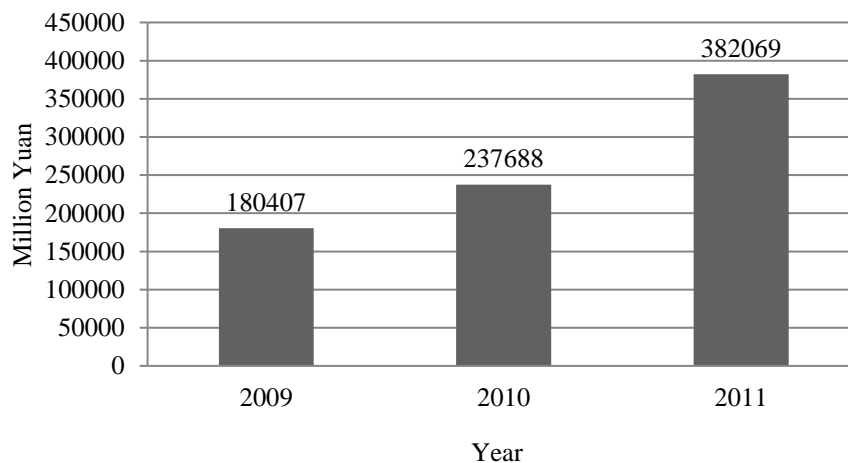
In terms of the security mechanism, the Ministry of Construction set up the Department of Housing Security and Housing Provident Fund Supervision and Management in late 2007. In March 2008, the Eleventh National People's Congress made a decision at the First Session to reorganize the Ministry of Construction to the Ministry of Housing and Urban-Rural Development. Afterwards, the Ministry of Housing and Urban-Rural Development founded the Department of Housing Security. In July 2009, the Coordination Group of the Government-subsidized Affordable Housing Project was resumed and set up subject to the approval of the State Council. Later, the Ministry of Housing and Urban-Rural Development signed target responsibility agreements with various provinces and municipalities year by year on behalf of the Coordination Group of the Government-subsidized Affordable Housing Project.

With regard to security policy, in August 2007, the "Several Opinions of the State Council on Addressing Housing Difficulties for Urban Low-income Families" proposed to "regard addressing housing difficulties of urban low-income families as an important task of safeguarding the people's interests, an important element of the housing system reform and an important function of government public services and to accelerate the pace of building and improving the policy system that is focused on low-rent housing system and addressing the housing difficulties of urban low-income families through multiple channels". In December 2008, the "Several Opinions of the General Office of the State Council on Promoting the Sound Development of the Real Estate Market" officially stated "we will intensify efforts in security housing construction" and expanded the object of housing security to urban low-income families with housing difficulties. Government-subsidized affordable housing projects were constructed on a large scale from 2008, and onwards. Security housing construction projects kept increasing year on year and the focus of housing security also gradually shifted to security in kind. In January 2010, the Notice of the General Office of the State Council on "Promoting the Steady and Sound Development of the Real Estate Market" proposed to "address the housing difficulties for low- and middle-income families". In June 2010, the Ministry of Housing and Urban-rural Development and other departments issued the "Guiding Opinions on Accelerating the Development of Public Rental Housing" stating that "the accountability system under which Provincial People's Governments bear overall responsibility and municipal- and county-level governments take charge of implementation should be implemented for the development of public rental housing". In 2011, the "Notice of the General Office of the State Council on Issues Concerning Further Doing a Good Job in the Regulation of the Real Estate Market" proposed to "gradually expand the coverage of the housing security system". In the same year, the "Guiding Opinions of the General Office of the State Council on the Construction and Administration of Government-subsidized Affordable Housing Projects" imposed requirements to "advance the construction of government-subsidized affordable housing projects in an all-round way, further strengthen and standardize the administration of the security housing, intensify efforts to address the housing difficulties of low- and middle-income families and realize the goal of housing for all" and to "endeavor to basically address the issue of housing difficulties of urban middle- and low-income families, effectively alleviate the issue of housing difficulties of new employees and significantly improve the housing conditions of migrant rural workers". Pursuant to the "Notice of the State Council on Approving and Relaying the Opinions on Key Work for Deepening the Reform of the Economic System" in 2013 (Guo Fa [2013] No.20) and the "Guiding Opinions of the General Office of the State Council on the Construction and Administration of Government-subsidized Affordable Housing Projects" (Guo Ban Fa [2011] No.45), China would merge public rental housing and low-rental housing into public rental housing in 2014, and the objects of public rental housing after the merger would cover the security objects of the original public rental housing and the public low-rent housing, namely qualified urban low-income and middle-income families with housing difficulties as well as qualified new employees without housing and migrant rural workers with stable employment. On August 4, 2014, the General Office of the State Council issued the "Notice on Further Strengthening Renovation of Shanty Towns",

stating that it should further improve planning for the renovation of shanty towns, optimize planning layout, improve site selection for resettlement housing and ameliorate planning layout of the supporting facilities.

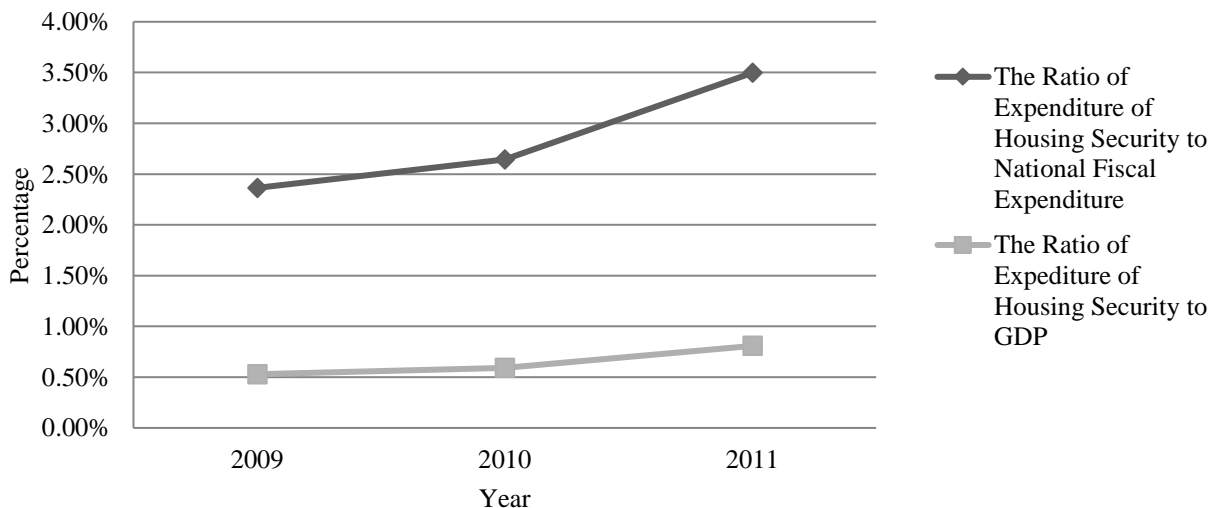
3) In regard to the security fund, the Central Government intensified efforts to subsidize security affordable housing projects and successively promulgated a series of fund implementation policies. For example, the Central Government required “urban people’s governments to contribute proportional net income from land transfers to the construction of low-rent housing” in May 2006. It specified the proportion as 5% or so of net income from land transfer in July 2006 and required that “the proportion of net income from land transfers contributed to the low-rent housing security fund should not be less than 10%” in August 2007. One priority of 4 trillion yuan of investment in boosting domestic demand in late 2008 was the construction of security affordable housing projects. In March 2014, the Ministry of Finance issued the “Notice on Financial Work in Merger of Public Rental Housing and Low-rent Housing”, requiring provincial-level financial authorities to distribute central and provincial subsidy funds in a unified way in line with public rental housing tasks after the merger and municipal- and county-level financial authorities should make overall arrangements of the funds in line with public rental housing tasks after the merger.

Figure 2.3 Expenditure of Housing Security



Source: *Finance Statistical Yearbook of China 2012*

Figure 2.4 The Ratio of Expenditure of Housing Security



Source: *Finance Statistical Yearbook of China 2012*

From 2009 to 2011, housing security expenditure showed an increasing trend. The 2011 national housing security expenditure reached 382069 million yuan, which was 3.50% of national fiscal expenditure and 0.81% of GDP (Figure 2.8 and 2.9).

Please refer to Appendix 4 for a case study.

2.4.3 Problems and Discussion

2.4.3.1 Narrow Coverage of Security

There are major defects in China's existing urban housing security systems, which are mainly embodied in the following issues:

1) The "sandwich-class" group is not covered by housing security. Due to the limitations of the coverage of housing security policy, the price of commodity houses in some developed cities in the eastern coastal areas keeps rising and employees have woefully inadequate housing affordability capacity in the process of urbanization, giving rise to increasingly prominent housing problem for most migrant rural workers. The sandwich-class group, a new group in the field of urban housing security in China, comes into being in such a context. At present, the relatively closed urban housing security system basically addresses the housing issue for low-income families with urban household registration and invariably excludes the migrant permanent resident population.

2) A deficiency exists in coverage of housing provident housing fund. Most members of many low-income families are jobless and thus do not enjoy either the housing subsidy or the housing provident fund. Consequently, the housing difficulties of low-income families are not effectively addressed.

3) Coverage of low-rent housing, economically affordable housing and public rental housing is narrow. These housing security policies impose strict requirements on the household registration of residents in the application qualifications. If housing security recipients are confined to families with urban household registration, disadvantaged housing groups such as floating people and migrant rural workers in the cities will be excluded from housing security, being more adverse to the principle of equity.

2.4.3.2 Deviation of Security Recipients

Economically affordable housing is an important component part of China's urban security affordable housing project. China started to push ahead with the construction of economically affordable housing in nationally in 1998 in a hope to meet the housing needs of urban low-income families. However, the economically affordable housing policy has a dual nature in its positioning, making it difficult to clearly distinguish economically affordable housing from commodity housing. Some high income earners invest and speculate in economically affordable housing, and thus low- and middle-income families really needing economically affordable housing are excluded from the housing security system. At present, many cities in China are unable to scientifically and accurately define the housing security recipients in the specific implementation process of the housing security system. Due to the absence of sophisticated resident housing archives in China, the security housing supply is invariably inconsistent with the housing security recipients. This is particularly true in the implementation process of the low-rent housing system. Deviations in respect of housing security recipients during the specific practices of the low-rent housing system is mainly embodied in the failure to define the recipients of low-rent housing and "households enjoying the minimum living guarantee" respectively. In addition, the payment mode of the housing provident fund widens the gap between the rich and the poor. Employees of enterprises with poor profitability receive a low proportion of new housing provident fund payments, and consequently high income earners get more from the housing provident fund while low and middle income earners receive small housing provident fund payments, widening the gap between the rich and the poor. Finally, only rich, high

income earners can afford housing, while low- and middle-income families do not benefit from the housing provident fund. This obviously goes against the original intention of the housing provident fund policy.

2.4.3.3 Decentralized Management of Housing Security Management System

Housing security is a systematic project. Improving the housing security management system is an important element of enhancing housing security's construction and operation. At the central level, the State Council requires multiple ministries and commissions to jointly participate in, and push ahead with, effective implementation of housing security policies. Joint participation of multiple ministries and commissions leads to typically decentralized management of the housing security system. Decentralized management clearly defines the rights and responsibilities of government departments, forms a pattern of housing security involving multiple departments, breaks the "hierarchy barriers" of a bureaucratic system, helps concentrate land, capital and other factors in the housing security sector and meets the needs of housing security development in China to some extent. However, it also has obvious disadvantages. First, functional departments are loosely organized with difficulties in coordination. Second, decentralized management is prone to departmental selfishness. Various departments are "rational economic persons" and are accustomed to striving for more self-interest and avoiding more responsibilities in their own interest, resulting in "bargaining" in the policy making process. Third, each department is prone to acting on its own. Various departments have the right to promulgate relevant housing security policies, making it difficult to clearly define the responsibilities of management and making it difficult for local governments to implement relevant policies.

2.5 Medical Assistance

2.5.1 Definition

Medical assistance is a medical security system in which government grants special aid and economic support through financial, policy and technological support and social charitable acts to poor people who cannot afford treatment of a disease or people with financial difficulties due to the payment of high medical expenses. It is an attempt to offer them necessary health services, maintain their survival ability and improve their health. As an organic component part of China's multi-level medical security system, medical assistance embodies the principle that the State respects and safeguards human rights. Medical assistance helps poor people alleviate their difficulties in accessing basic medical services due to their economic incapacity, prevents impoverishment caused by disease and enhances the abilities of poor people in respect of health security, survival and development.

2.5.2 History and Status Quo

2.5.2.1 Three Development Stages of Medical Assistance Development in China

The medical assistance system in China has constantly evolved by undergoing three important development stages, namely the primary stage (2003-2007) of "insurance" design and tendency to "bid disease", the second stage (2008-2011) characterized by the dominance of inpatient assistance and the close link with the new rural cooperative medical system and basic medical insurance for urban residents, and the development stage (2012-now) of comprehensive assistance made up of inpatient assistance, outpatient assistance (chronic disease included) and medical assistance for critical and serious diseases.

The main characteristics of the medical assistance system development are as follows. In the first stage, woefully inadequate health services accessible to assistance recipients coexisted with an abundant surplus of medical assistance funds, actually forming an "inverse subsidy" from the poor to the rich. In the second stage, the concept of an assistance system returns to "basic security", the

level of health services accessible to regional medical assistance recipients progressively links up with the new rural cooperative medical system and basic medical insurance for urban residents, fund expenditures soar and the balance of payments is maintained due to an accumulated surplus. In the third stage, as a result of the gradual establishment of the medical security mechanism for big diseases, the targets of medical assistance are gradually expanded from households enjoying the minimum living guarantee and households enjoying the FG (food, clothing, medical care, housing and burial expenses) to low-income groups and other vulnerable groups and the scope of assistance is expanded from single inpatient assistance to outpatient assistance and critical and serious diseases. Moreover, medical assistance institutions are gradually established outside the counties. It becomes more difficult to control medical expenses and more assistance funds are demanded.

2.5.2.2 Development and Changes of the Systems Related to China's Medical Assistance System

China's urban-rural medical assistance system follows a model of forging rural medical assistance followed by urban medical assistance and then the integration of rural and urban medical assistance. In 2003, the "Opinions on Implementing Rural Medical Assistance" (Min Fa [2003] No.158) put forward specific implementation opinions on building the rural medical assistance system for the first time and became the first administrative regulation promulgated for the purpose of addressing medical assistance for farmers. In early 2004, the "Interim Measures for the Administration of Rural Medical Assistance Funds" (Cai She [2004] No.1 Document) were officially issued, stipulating the specific operations of the rural medical assistance funds. These two administrative documents marked the formal implementation of the rural medical assistance system. In 2005, the "Notice on Opinions Concerning Pilot Work of Building the Urban Medical Assistance System" (Guo Ban Fa [2005] No.10) and the "Opinions on Strengthening the Administration of Urban Medical Assistance Funds" (Cai She [2005] No.39) were issued, symbolizing the implementation of the urban medical assistance system. Urban and rural medical assistance systems were established and integrated step by step, and urban medical assistance system was built on a national scale. As of the end of 2006, the rural medical assistance system was established in all of the agriculture-related counties (cities and districts) in China in a universal way. At the end of 2008, the urban medical assistance system was established in all prefecture-level cities. In June 2009, the "Opinions on Further Improving the Urban and Rural Medical Assistance Systems" (Min Fa [2009] No.81) were promulgated. These were of important significance in the development history of China's medical assistance. They mark the beginning of the standard development stage of China's medical assistance as separate from the exploration stage.

In 2012, the Chinese Government attached greater importance to medical assistance and successively issued a series of documents, including the "Opinions on Launching Medical Assistance to Serious and Critical Diseases" (Min Fa [2012] No.12), the "Guiding Opinions on Building an Emergency Disease Assistance System" (Guo Ban Fa [2013] No.15), the "Notice of the General Office of the State Health and Family Planning Commission on Doing a Good Job in Medical Assistance to Disadvantaged Groups" (Guo Wei Ban Yi Han [2013] No.467) and the "Measures for the Administration of Medical Assistance Funds in Urban and Rural Areas" (Cai She [2013] No.217).

Thanks to these documents, China's urban and rural medical assistance schemes entered a stage of in-depth development.

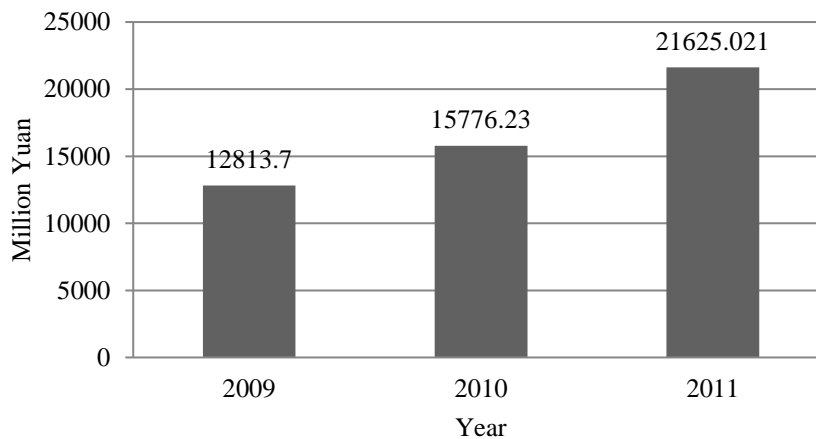
2.5.2.3 The Status Quo of Implementing Medical Assistance in China

In 2003, medical assistance was provided to persons on 108.323 million occasions, including 10.984 million times for inpatient assistance, 15.413 million times for outpatient assistance and 91.826 million times for subsidized insurance participation. In the same year, 21.8 billion yuan was raised, including 13.2 million yuan of appropriations from central finance. 25.76 million yuan of medical funds was spent and the average expenditure on inpatient assistance, outpatient assistance

and subsidized insurance participation service reached 1,673 yuan, 142 yuan and 63 yuan respectively. Medical assistance to serious and critical disease was provided on 1.562 million occasions and 3.768 million yuan of funds was spent, including outpatient assistance being provided on 818,000 occasions, with expenditures of 370 million yuan and an average amount of assistance expenditure of 452 yuan. Inpatient assistance was provided on 747,000 occasions with expenditures of 3.398 billion yuan and an average amount assistance expenditure of 4,567 yuan. “One-stop” instant settlement services of medical assistance were provided in 81% of counties (cities and districts) nationwide.

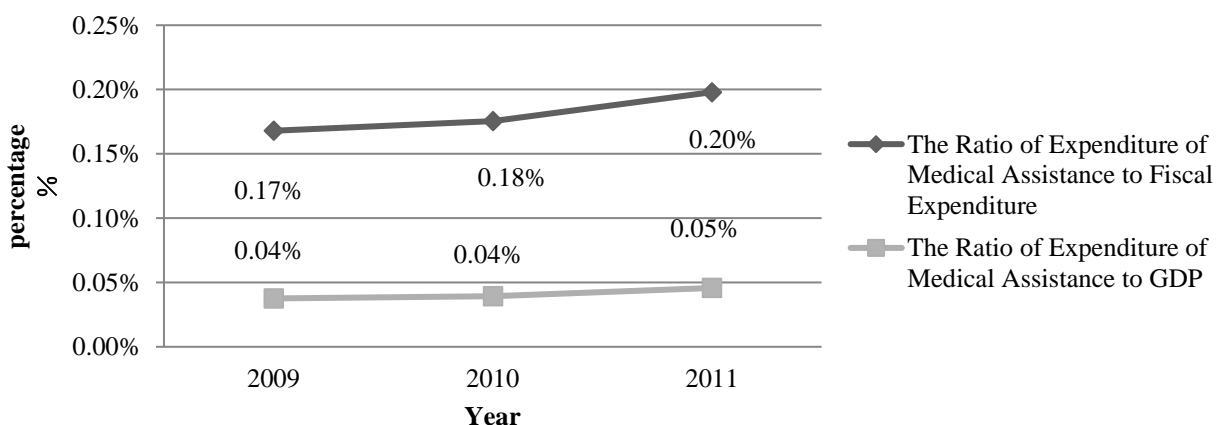
China has constantly improved coverage, fund expenditure and the level of medical assistance and has accomplished remarkable achievements in medical assistance ever since the operation of urban and rural medical assistance began in 2005, according to relevant data in the China Statistical Yearbooks of 2001 and 2003 and the Analysis Report on the Operations of Chinese Medical Assistance of 2013.

Figure 2.10 Total Expenditure on Medical Assistance



Source: *China Civil Affairs Statistical Yearbook 2012, Finance Yearbook of China 2012*

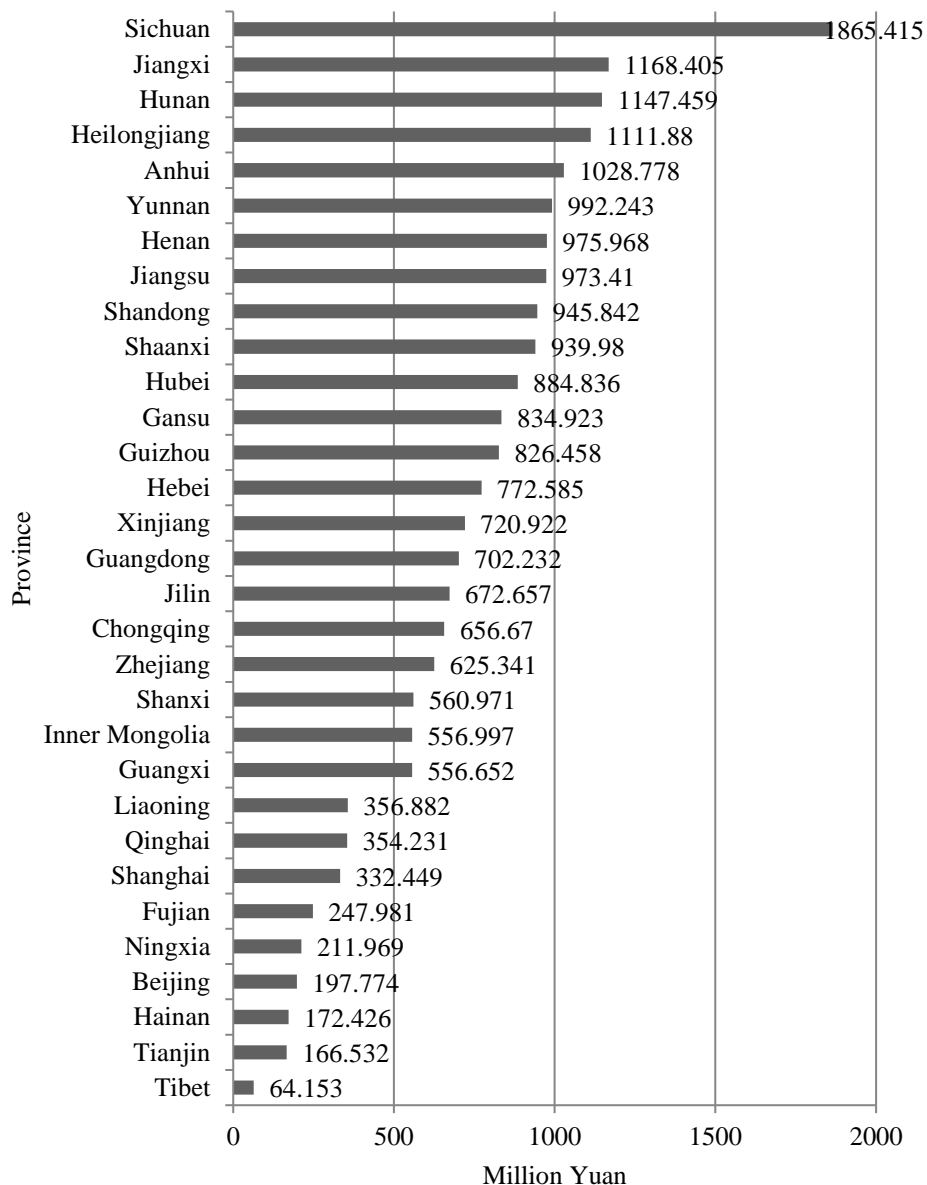
Figure 2.11 Ratios of Total Expenditure on Medical Assistance



Source: *China Civil Affairs Statistical Yearbook 2012, Finance Yearbook of China 2012*

From 2009 to 2011, national medical assistance spending continued to increase. Among them, the 2011 fiscal expenditure of medical assistance at all levels was 21.6 billion yuan, accounting for 0.20% of the total national expenditure and 0.05% of GDP (Figure 2.10 and 2.11).

Figure 2.12 Expenditure by Province on Medical Assistance



Sources: *China Civil Affairs Statistical Yearbook 2012, China Health Statistical Yearbook 2012.*

According to figure 5.3, the expenditure on medical assistance in Sichuan province in 2011 was the highest at 1865.41million yuan. This accounts for 8.63% of the total national financial expenditure in 2011(Figure 2.12).

Please refer to Appendix 5 for a case study.

2.5.3 Problems and Discussion

2.5.3.1 Deviation in Policy Orientation

Medical assistance policy in China is dominated by inpatient assistance supplemented by outpatient assistance. The orientation of the existing medical assistance policies runs counter to practical needs. Local governments mainly provide assistance to serious and critical diseases in practice and impose limitations on the variety and scope of serious diseases. The Government subsidizing poor people’s participation in medical insurance for urban residents or the new rural cooperative medical insurance is the main approach to outpatient assistance. This alleviates the medical burden on poor

people, but resulting in some practical problems. China implements a three-tier patient transfer system, in which the proportion of outpatient reimbursement greatly drops when a patient is transferred from a designated grassroots medical institution to a second or third tier medical institution. Consequently, people in strained circumstances still bear heavy a burden of paying expenses themselves. Disadvantaged groups live in poor conditions and thus ignore their health, delay their treatment for minor diseases and endure major diseases. The disease incident of poor people is higher than that of ordinary people. In 2013, 25.67 billion yuan was spent on medical assistance in China, an increase of 17% compared with 22.08 billion yuan in 2012. 18.38 billion yuan was spent on inpatient assistance, accounting for 71% of total expenditures, and 2.18 billion yuan was spent on outpatient assistance, accounting for 8% of total expenditures. When the proportion of expenditures on outpatient assistance is too low, that makes it more difficult to meet needs of disadvantaged groups for outpatient assistance, provide timely assistance for common and frequently occurring diseases of disadvantaged groups and hinders the full impact of the role that could be played by medical assistance system in helping those in distress and aiding those in peril.

2.5.3.2 Incomplete Coverage of Assistance Recipients

The existing medical assistance system classifies assistance recipients into urban and rural categories. Urban assistance recipients include urban residents enjoying the minimum living guarantee not participating in the medical insurance for urban residents, residents participating in the medical insurance for urban employees but bearing heavy personal burdens and other people with special difficulties. Rural assistance recipients cover households enjoying the five guarantees (food, clothing, medical care, housing and burial expenses) in rural areas, poverty-stricken family members and other qualified poverty-stricken farmers subject to local government provisions. Local medical assistance systems exclude non-local migrant workers, most of whom earn a low income and live in penury. Pursuant to the provisions of the medical assistance system, they are unable to get local medical assistance in the places where they work. Migrant workers contribute their youth and toil to urban construction, but are excluded from medical assistance when they are in need of help, violating the principle of all people benefiting from the medical assistance system.

2.5.3.3 Absence of Effective Fund-raising Mechanisms

The medical assistance system is a long-term process of institutionalization and needs steady multi-channel funding sources. Medical assistance is also a systematic project and needs mutual coordination and concerted participation of the civil affairs, health, financial and social security departments. Since various departments adopt relatively independent management systems, raising the allocation and use of medical assistance funds needs a long process, but there are numerous problems in coordination. Medical assistance funds are mainly sourced from a central government subsidy and a local government subsidy, supplemented by appropriations from lottery funds and social contribution. Various provinces and municipalities generally grant certain fiscal fund subsidies according to their actual fiscal conditions. In 2013, 21.8 billion yuan was raised for urban and rural medical assistance nationally, including 13.2 billion yuan allocated from central finance, accounting for 61% of the total, and 8.6 billion yuan raised at local levels, accounting for 39% of the total. The proportion of the social contribution can be ignored when considering total social assistance funds. In 2013, medical assistance expenditures exceeded funds raised for the third consecutive year, and the efficient utilization of funds was significantly improved. China faces heavy pressure in funding this operation in the context of slow growth in raising funds. The fund's Deficiency becomes a main factor which is hindering the rapid development of medical assistance.

2.5.3.4 The Unscientific Setting of the Minimum Payment Line and the Assistance Ceiling

An obvious disadvantage in medical assistance practices is the system of setting the minimum payment line and the assistance fund's ceiling. Many local governments set the minimum payment line and the ceiling line when providing medical assistance to poor groups in order to avoid risk.

Poverty-stricken families lead a hard life. The minimum payment line closes the door on absolute poor groups needing medical assistance, who thus fail to get this most badly needed assistance. When a member of an extremely poor family develops a serious disease, the family has to pay huge hospitalization expenses. However, due to the assistance fund ceiling, the assistance recipients cannot get adequate assistance and the families are forced to give up the treatment. This does not conform to actual conditions of medical treatment and does not embody the social value of medical assistance.

2.6 Disaster Relief

2.6.1 Definition

Disaster relief is a social assistance system in which the state or society provides rescue and assistance to people afflicted by various disasters. It strives to get disaster-afflicted people out of survival crisis mode through assistance and resuming production and life in the disaster area as soon as possible.

2.6.2 History and Status Quo

2.6.2.1 Development History

1) Disaster relief from 1950s to 1990s

In the 1950s, China had weak national strengths and the Chinese Government was unable to spend much money on solving problems of disaster-affected people. In 1949, the Ministry of Internal Affairs proposed a guideline of “disaster prevention by thrift, self-relief by production, mutual help among people and work relief” for the work of disaster relief. This, however, ignored the basic living arrangements of disaster-afflicted people. Later, after a series of reforms, China gradually guaranteed a disaster relief fund to be distributed to all disaster-affected people and strictly used special funds and special materials for special purposes only. This model lasted until the early 1980s.

In the 1980s, China implemented the household contract responsibility system with remuneration linked to output in rural areas, greatly emancipating the productive forces and significantly improving farmers’ resistance and self-relief against natural disasters. However, the separation of central and local finances led to woefully inadequate disaster relief funds and an outstanding contradiction between supply and demand. As a result, a new guideline for the work of disaster relief of “relying on the people and the collectives, self-relief by production and mutual help and relief supplemented by necessary national relief and assistance” was worked out at the National Civil Affairs Conference in 1983. This greatly increased the initiatives and enthusiasm of local governments at all levels in providing relief to natural disasters.

As a result of the “Reform and Opening-Up” in China, the planned economy system was replaced by the market economy system and traditional natural disaster relief could no longer meet the requirements of the new social situations. The Ministry of Civil Affairs presented a brand-new reform idea to deepen the reform of disaster relief and to build a disaster relief management system characterized by hierarchical management and level-to-level sharing of disaster relief funds at the National Disaster Relief Working Conference in November 1993. This reform idea was well received at the Tenth National Civil Affairs Conference in 1994, at which the hierarchical management of disaster relief was proposed as an important measure of “building a social security system suited to economic development”.

In January 1996, the Ministry of Civil Affairs specifically discussed the hierarchical management of disaster relief at the National Civil Affairs Department (Bureau) Directors Meeting and put forward the following objectives of hierarchical management of disaster relief in the future, namely “to eliminate short-comings in disaster relief on a national scale, strive for a county-level disaster

relief budget in all counties and realize the synchronous growth of central and local disaster relief funds as well as local financial budgets at all levels funding the equivalent of more than a half of the central budget; to implement an effective social mutual assistance mechanism; to build a scientific natural disaster assessment system, set grading criteria for natural disasters and define the responsibilities of governments at all levels in disaster relief according to grade of natural disaster to standardize and legislate for the hierarchic management of disaster relief”.

2) Natural disaster relief in the 21st century

Thanks to the rapid development of science and technology and improvement in living standards, a series of changes have occurred in natural disaster relief in China in the 21st century.

First, changes to the guidelines for the work of disaster relief: After decades of development and improvement, the guideline of “disaster prevention by thrift, self-rescue by production, mutual help among people and work relief” for disaster relief in early years of New China was changed into the guideline of “government dominance, hierarchical management, social assistance and self-rescue by production” at the Twelfth National Civil Affairs Conference convened by the State Council in 2006. The core principles and spirit of disaster relief in the final analysis are highly unified and are aimed at self-relief by production despite the changes to the guidelines for disaster relief over different historical periods.

Second, changes to the concept of disaster relief: The focus of China’s natural disaster relief has been gradually shifted from post-disaster rescue in the past to the present pre-disaster prevention strategy. The concept of natural disaster relief in China was confined to “rescue” and “relief” after natural disasters prior to 1990s. Thanks to international exchanges and cooperation, China has achieved a rapid development in disaster prevention and in reducing natural disaster relief since the establishment of the China International Disaster Reduction Ten Years Committee in 1989.

Third, changes to the goals of disaster relief: Natural disaster relief in China was mainly aimed at reducing economic losses and even some individuals died in order to protect state properties in a long period prior to” Reform and Opening-Up. In the 21st century, the first priority in delivering disaster relief is given to the “lives and livelihoods of people in disaster-affected areas” thanks to the establishment of people-oriented “Scientific Outlook on Development”.

Fourth, changes to the subjects of disaster relief: In the planned economy era, the Government took on all things related to disaster relief and charitable organizations set up during the Republic of China (1912-1949) were cancelled. Government departments basically did not recognize disaster rescue and relief. The “new mechanism of diversified, regular fund-raising activities implemented by social and grassroots organizations under the coordination of Party and government leaders and civil affair departments” has been gradually established ever since the issuance of the Notice of the Ministry of Civil Affairs on “Giving Full Play to Charitable Organizations in Social Assistance” in the late 20th century.

Fifth, changes to the content of disaster relief: Assistance to natural disasters was dominated by post-event relief in the past. A natural disaster was firstly checked before the contents of the disaster relief package were determined based on the results of the check. Thanks to the progress and development of international disaster relief work, China has developed an all-inclusive relief package for natural disasters characterized by pre-disaster prevention, in-disaster emergency response and post-disaster reconstruction.

Sixth, changes to the subsidy standard: For a long time, China used to adopt low subsidy standard for disaster relief. The disaster subsidy standard has been considerably raised thanks to the rapid development of the national economy in China since “Reform and Opening-Up”. For example, the government subsidy standard for renovation and reconstruction of collapsed rural houses in natural disasters was raised from 65 yuan per room in the 20th century to 10,000 yuan per household and

14,000 yuan per household in alpine regions after the Wenchuan Earthquake of 2008. The subsidy standard for the Ya'an Earthquake in 2013 followed the standard set for the Wenchuan Earthquake in 2008.

Seventh, improvement in disaster relief and reduction capacity: In the 21st century, China is implementing new developments in natural disaster relief and reduction. It is starting to focus on “system building” and “capacity building”. It is improving the natural disaster relief system and is significantly speeding up the emergency responses of state and local governments at all levels. Take the Wenchuan Earthquake as an example. “When the catastrophic disaster arrived, the Chinese government took timely, resolute and effective rescue and relief measures, setting an example for the successful response to natural disasters and demonstrating the remarkable ability of the Chinese government to cope with these disasters”.

2.6.2.2 Legal Systems Related to Natural Disaster Relief in China

China has progressively implemented natural disaster relief since the founding of the New China, during which period the corresponding legal systems have undergone a tortuous path of development.

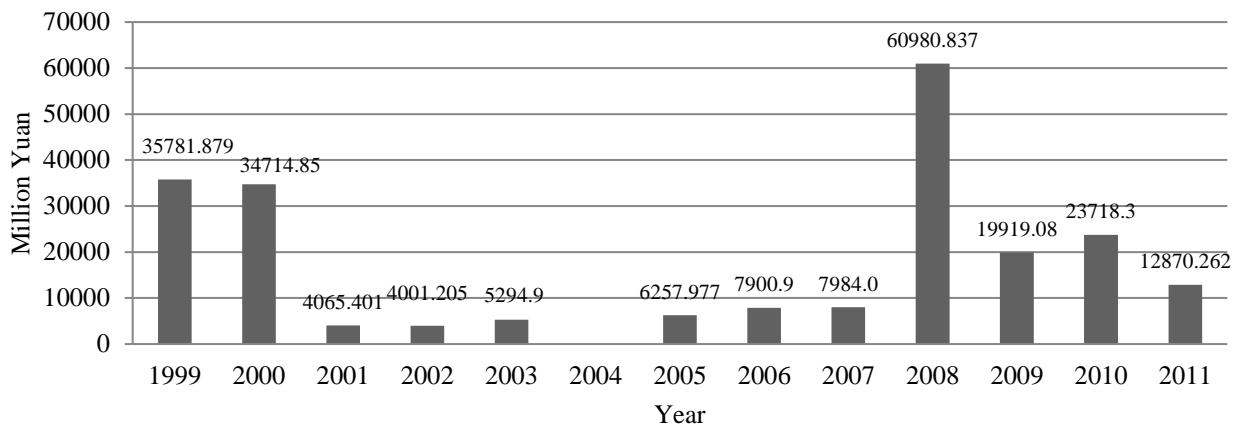
To support disaster-relief work, a variety of legal systems related to natural disaster relief took shape gradually during a period of more than 10 years from the founding of the New China up to to 1966, mainly including the “Instructions of the Government Administration Council on Disaster Relief by Production” on December 19, 1949, the “Notice of the Central Manufacture Disaster Relief Commission” on March 9, 1951, the “Instructions of the Ministry of Internal Affairs on Methods of Leading the Work of Disaster Relief Through Production” on May 14, 1952, the “Notice of the Ministry of Internal Affairs on Strengthening the Work of Disaster Investigation, Disaster Reporting and Disaster Information Statistics” on November 3, 1952, the “Instructions of the Ministry of Internal Affairs on Strengthening the Work of Relief for New Disasters” on June 10, 1954, the “Notice of the Ministry of Internal Affairs on Strengthening the Specific Leadership of Distribution of Relief Funds for Summer Famine” on June 2, 1955, the “Decision of the Ministry of Internal Affairs on Strengthening Disaster Relief” on September 21, 1956, the “Decision of the State Council on Further Doing a Good Job in Disaster Relief” on September 6, 1957, the “Notice of the Ministry of Internal Affairs on Contents of Natural Disaster Report” on May 19, 1961, the “Decision of the CPC Central Committee and the State Council on the Work of Disaster Relief Through Production” on September 21, 1963, and the “Opinions of the Ministry of Internal Affairs on Doing a Good Job in Disaster Relief” on August 2, 1965.

The legal system for disaster relief in China entered a period of stagnation as a result of the great damage to national politics, the economy and culture during the period of the Cultural Revolution from 1966 to 1976. The Ministry of Internal Affairs was abolished in 1969, a result of which was that no legal system related to natural disaster relief was promulgated and after which the legal system for natural disaster relief in China effectively disappeared.

The legal systems and policies relating to natural disaster relief mushroomed after the Third Plenary Session of the 11th CPC Central Committee in 1978, mainly including the “Notice of the Ministry of Civil Affairs and the Ministry of Finance on Reprinting and Redistributing” (62) Nei Zheng Ting CaiZi No.16 Document and the (62) Cai Wen Xing Zi No.42 Document (the Measures for the Administration and Use of Pension and Relief Funds) on December 20, 1978, the “Instructions of the State Council on Accepting UNDRRO Aid” on October 4, 1980, the “Notice of the General Administration of Customs on Tariff Exemption for the Imported Equipment for Aid Projects” on March 10, 1980, the “Notice of the Ministry of Civil Affairs on Strictly Implementing the Principle of Special Use of Relief Funds to Disaster-afflicted People for Relief Purposes Only” on November 29, 1983, the “Notice of the Ministry of Civil Affairs on Effectively Strengthening the Administration and Use of Disaster Relief Funds on May 5, 1987, the Provisions of the State

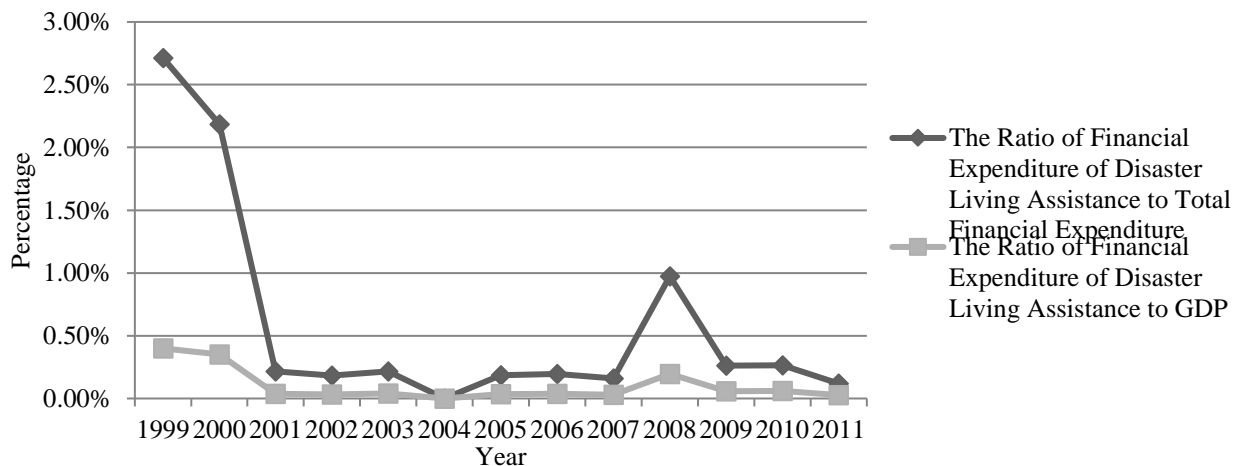
Seismological Bureau on Issuing Earthquake Prediction” in September 1988, the “Notice of the General Office of the Ministry of Civil Affairs on Issues Concerning Domestic Raising of Clothes, Quilts and Other Materials to Aid Disaster-affected Areas” on September 12, 1989, the “Fire Protection Law” of the People's Republic of China and the “Regulations on Forest Fire Prevention” in 1993, the “Interim Measures for Disaster Information Statistics, Verification and Reporting” issued by the Ministry of Civil Affairs on March 28, 1997, the Law of the People's Republic of China on “Protecting Against and Mitigating Earthquake Disasters” in 1998, the “Notice of the Ministry of Civil Affairs and the Ministry of Finance on Further Strengthening the Administration of Use of Disaster Relief Funds” on February 23, 1999, the “Notice of the State Council on Effectively Doing a Good Job in Disaster Relief” on July 28, 2000, the “Notice of the Ministry of Civil Affairs and the Ministry of Finance on Issues Concerning Standardizing the Allocation and Administration of Relief and Subsidy Funds for Extraordinarily Serious Natural Calamities” on August 15, 2002, the “Flood Control” Law of the People's Republic of China and the “Emergency Response” Law of the People's Republic of China in 2007, and so on. In 2010, the State Council issued the “Regulation on the Relief of Natural Disasters”, filling a void in China’s natural disaster relief program. However, the Regulation has a low legislative rank, does not stipulate provisions on some controversial systems, impacts the authority of the legal system for natural disaster relief, and fails to play a role in enhancing the basic law on disaster relief.

Figure 2.13 National Expenditure on Disaster Assistance



Source: China Civil Affairs Statistical Yearbook 2012

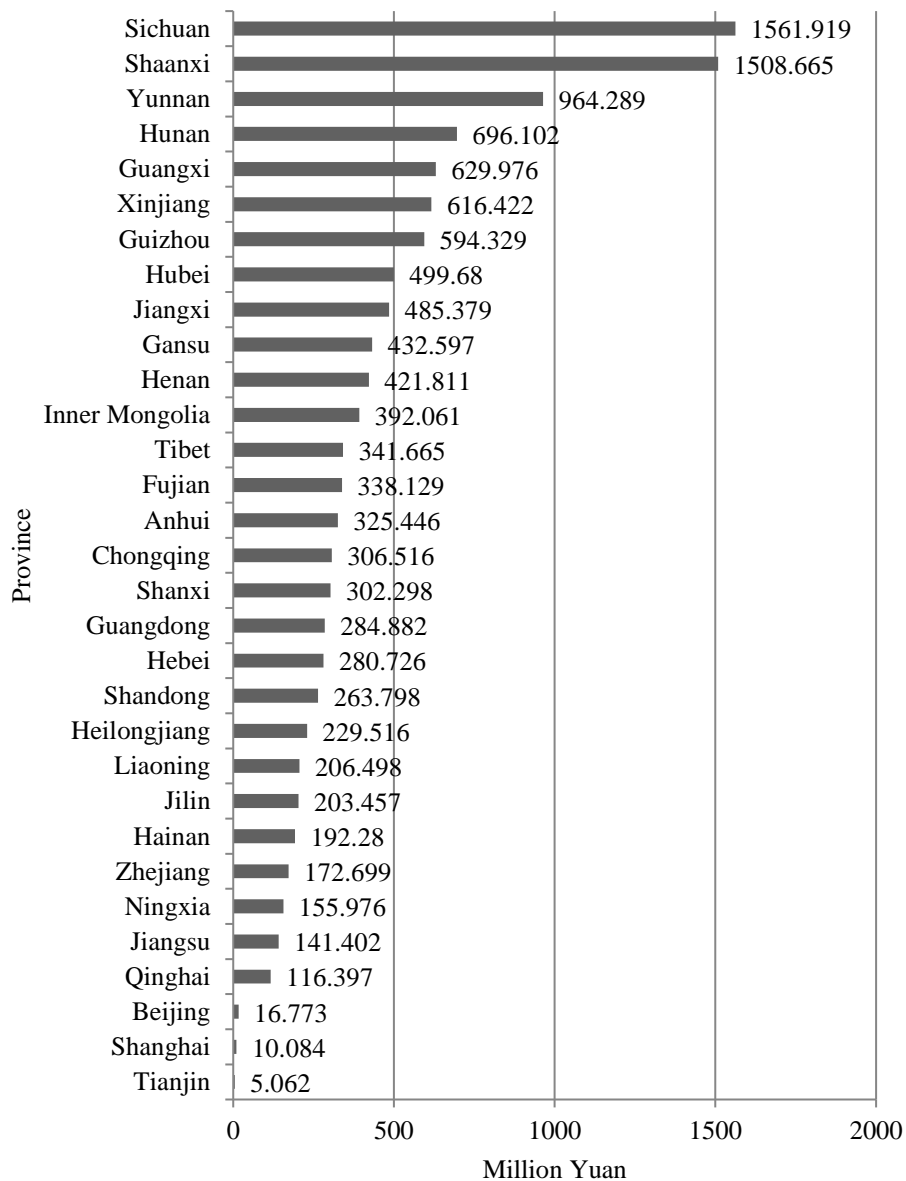
Figure 2.14 Ratio of Financial Expenditure on Disaster Assistance



Source: China Civil Affairs Statistical Yearbook 2012

Expenditures on disaster assistance are different in each year. The Wenchuan Earthquake in Sichuan province caused the substantial increase in 2008 (Figures 2.13 and 2.14).

Figure 2. 15 Provincial Expenditures on Disaster Assistance in 2011



Source: *China Civil Affairs Statistical Yearbook 2012*

In 2011, the expenditure on Disaster Assistance in Sichuan province reached the highest level. A total of 1561.919 million yuan, accounting for 0.014% of the total national fiscal expenditure was spent. (Figure 2.15).

Please refer to Appendix 6 for a case study.

2.6.3 Problems and Discussion

2.6.3.1 Weak Awareness of the Government and the Public on Disaster Prevention and the Absence of Disaster Prevention and Reduction Education

In China, knowledge of disasters and their prevention and relief is poorly communicated. Public awareness of disaster defense is very weak and only a few initiatives for effective disaster prevention and reduction acts are taken. There is poor knowledge on disaster prevention and relief.

This greatly restricts the psychological endurance, emergency response and relief skills of the government and the people to disasters, and thus has an overall impact on disaster prevention and relief. The best and most effective relief when a disaster occurs is self-relief. However, self-relief is closely related to training and drills at ordinary times, including contingency plans, law and regulation drills and experience in operating devices. These have been ignored for a long time in China.

2.6.3.2 Lack of a Legal Basis for Disaster Relief

There are no explicit provisions concerning the obligations of the Government and citizens, the rights of disaster-impacted people, disaster relief procedures during a disaster, disaster relief or post-disaster reconstruction. The “Emergency Response” Law of the People's Republic of China sets forth detailed provisions on the establishment of the disaster warning, disaster relief and reconstruction systems. However, it is a law in the general sense. It lacks a legal basis for responding to catastrophes and is unable to address a lot of the legal issues when an earthquake occurs. The legislative deficiencies lead to disorder and low efficiency in the judiciary. The seismological bureau, meteorological department, civil affairs department and other departments cope with natural disasters based on their own understanding and disaster situations for relief are classified by department.

2.6.3.3 The Quantity and Quality of Emergency Disaster Relief Teams and Professional Rescue Teams are Yet to Be Improved

China needs to improve the quantity and quality of professional emergency disaster relief rescue workers. There is a gap between the quality of the rescue teams and the actual need. This is due to the absence of special national and local training on disaster relief. Currently the Chinese volunteer management system is imperfect as shown by the following issues. Volunteers receive no training or professional knowledge of disaster prevention and relief prior to the rescue action, the service will of volunteers is not matched with aid-accepting the willingness of the disaster-affected areas to accept aid, and volunteers do not know the places needing rescue services and how to provide rescue and relief. The non-standard volunteer management system greatly dampens the volunteers’ enthusiasm for disaster relief and leads to an immense waste of volunteer resources. China must establish a powerful professional rescue team, provide powerful professional rescue devices, develop more scientific search and rescue technologies, improve the efficiency of its search and rescue system and intensify efforts in research and investment in these aspects.

2.6.3.4 Difficulty in Raising and Operating Disaster Relief Funds and Insufficient Reserves for Disaster Relief

The material reserves for disaster relief in China have problems of a single variety and have an unreasonable structure. They are unable to timely meet the needs of disaster affected areas. The existing 10 central-level disaster relief material reserve centres mainly store relief tents and disaster relief materials of local reserves. They are confined to tents, cotton-padded clothes, quilts with cotton wadding and a few lifesaving items. They are unable to meet the relief needs for extraordinarily serious natural calamities. For example, essential drugs and medicines that were most badly needed in Wenchuan Earthquake were hardly in the reserves of national and local disaster relief warehouses. Existing material reserves are unable to meet needs of a major natural disaster in terms of both variety and quantity. Moreover, non-governmental public welfare and charitable organizations are lagging in their development. They face great difficulties in launching social donations and contributions. Even though adequate disaster relief funds are raised, such disaster relief funds are used in a low efficiency way because there is no special organization for managing and supervising the operation and allocation of disaster relief funds.

2.6.3.5 It is a Long-term and Arduous Task to Improve the Psychological Assistance System

Disaster-afflicted people still need long-term psychological therapy after a major disaster to eliminate the shadow and pain of the disaster. A variety of problems exist in psychological assistance in China and professional psychological assistance volunteers are badly needed. Most psychological assistance volunteers receive no professional guidance or training, vary greatly in their psychological assistance competence and lack adequate experience in psychic trauma therapy. This easily gives rise to a series of problems such as disorder, secondary hurt, show and mere formality.

2.7 Temporary Assistance

2.7.1 Definition

Temporary assistance means emergency and transitional assistance provided by the state to households or individuals who live in strained circumstances due to emergency events, accidental injuries, serious diseases or other special reasons and are not covered by other social assistance systems for the time being or still have serious difficulties in meeting basic living needs after receiving other social assistances.

2.7.2 History and Status Quo

In June 2007, the Ministry of Civil Affairs issued the “Notice on Further Building and Improving Temporary Assistance System” (Min Fa [2007] No.92), requiring local governments to fully understand the important position of temporary assistance in the social assistance system and adopt effective measures to strengthen temporary assistance.

In August 2008, the “Social Assistance Law (Exposure Draft)” was published, which devoted a special chapter to specifying the provisions of temporary assistance. According to the Draft, temporary assistance is an important part of the social assistance legislative system and special legislation of temporary assistance is necessary to improve the social assistance legislative system, enhance coordination and the inter-connection between temporary assistance and social assistance in order to intensify the application of China’s social assistance law.

In 2009, the National Working Conference on the Minimum Livelihood Guarantee and Temporary Assistance in Rural Areas and the Conference on Temporary Assistance and the Administration of the Urban Minimum Livelihood Guarantee Funds in Some Provinces were successively convened, imposing further requirements on developing the system of temporary assistance.

In 2011, the Twelfth Five-year Plan for Development of Civil Administration further proposed to build the temporary assistance system in a universal way during the Twelfth Five Year Plan period. These measures marked the beginning of the development of the temporary assistance system in China.

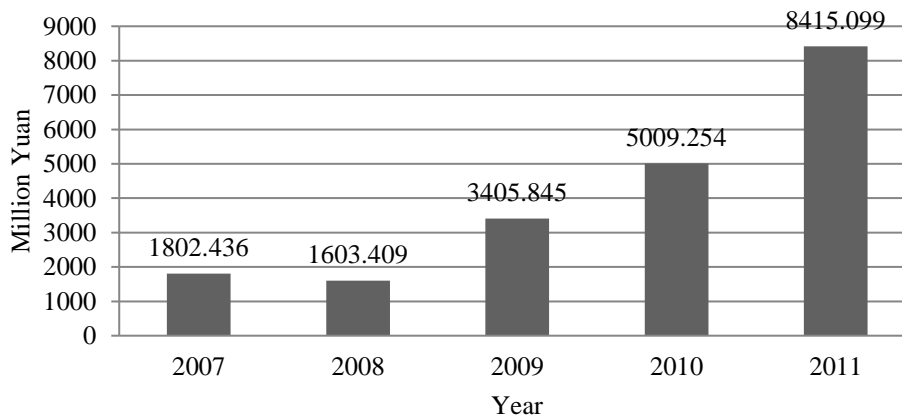
In October 2014, the “Notice of the State Council on Building the Temporary Assistance System in a Universal Way” (Guo Fa [2014] No.47) was issued, indicating that China had built temporary assistance system in a universal way and would further consolidate the safety network of the Chinese people’s livelihood guarantee.

Many local special policy documents were successively promulgated to stipulate the principle provisions on coverage, conditions, standards, approval procedure, fund raising and other important links to temporary assistance after the Ministry of Civil Affairs issued the Notice in 2007. In 2010, a total of 4,801 million urban and rural families with financial difficulties received temporary assistance in areas covered by the temporary assistance program. Temporary assistance fund expenditures totaled 2.47 billion yuan, with a per household assistance expenditure of 515 yuan. In terms of the reasons for receiving temporary assistance, 3.588 million families were reduced to temporary difficulties in life by excessive medical and educational expenditures, accounting for 74.7% of the total and 1.213 million or 25.3% families had temporary difficulties in life due to

sudden events such as fire, mining disaster, drowning, traffic accident or natural disasters. As of the end of April 2014, 21 provinces, autonomous regions and municipalities directly under the central government as well as four cities specifically designated in the state plan had developed temporary assistance policies. According to data in the “Statistical Communiqué on Social Service Development 2011” issued by the Ministry of Civil Affairs, temporary assistance was provided to 2.901 million urban person-time residents and 5.968 million rural person-time residents (meaning how many times in total residents have used the assistance), 5.294 million families received temporary assistance and 3.1 billion yuan of temporary assistance funds was spent. Average Per household expenditure reached 586 yuan. Various indicators were the reasons for the great increase when compared with 2010.

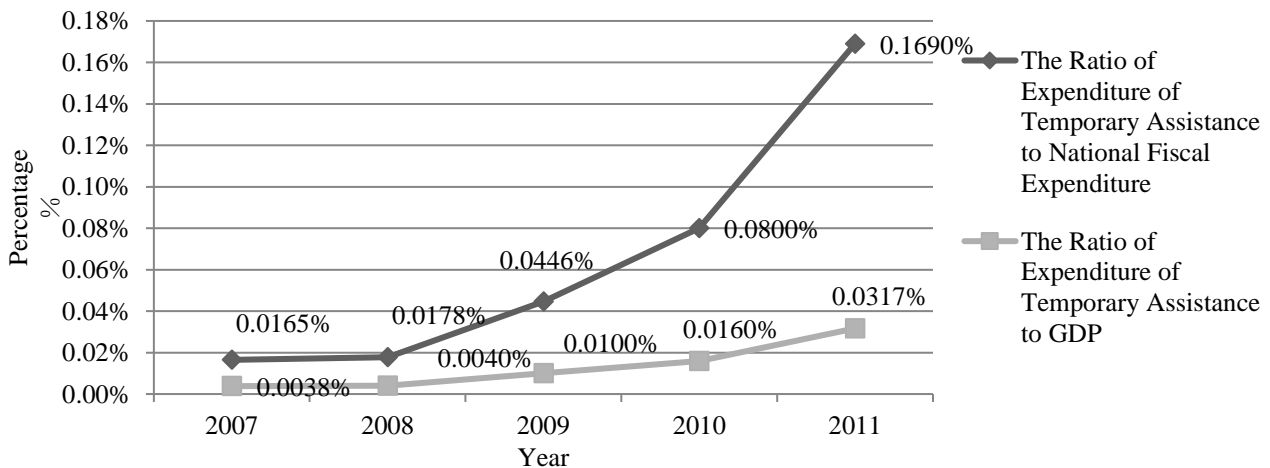
Pursuant to the Twelfth Five-year Plan for Development of Civil Administration formulated in late 2011, the temporary assistance system should be built in a universal way and reasonable temporary assistance standards should be developed during the Twelfth Five-year Plan period. Afterwards, the pace of building the temporary assistance system was accelerated in various areas. As of the end of October 2012, the temporary assistance system took its formative shape in 26 provinces, autonomous regions and municipalities directly under the central government nationwide, representing great progress in building the temporary assistance system.

Figure 2.16 Expenditure on Temporary Assistance



Source: China Civil Affairs Statistical Yearbook 2012

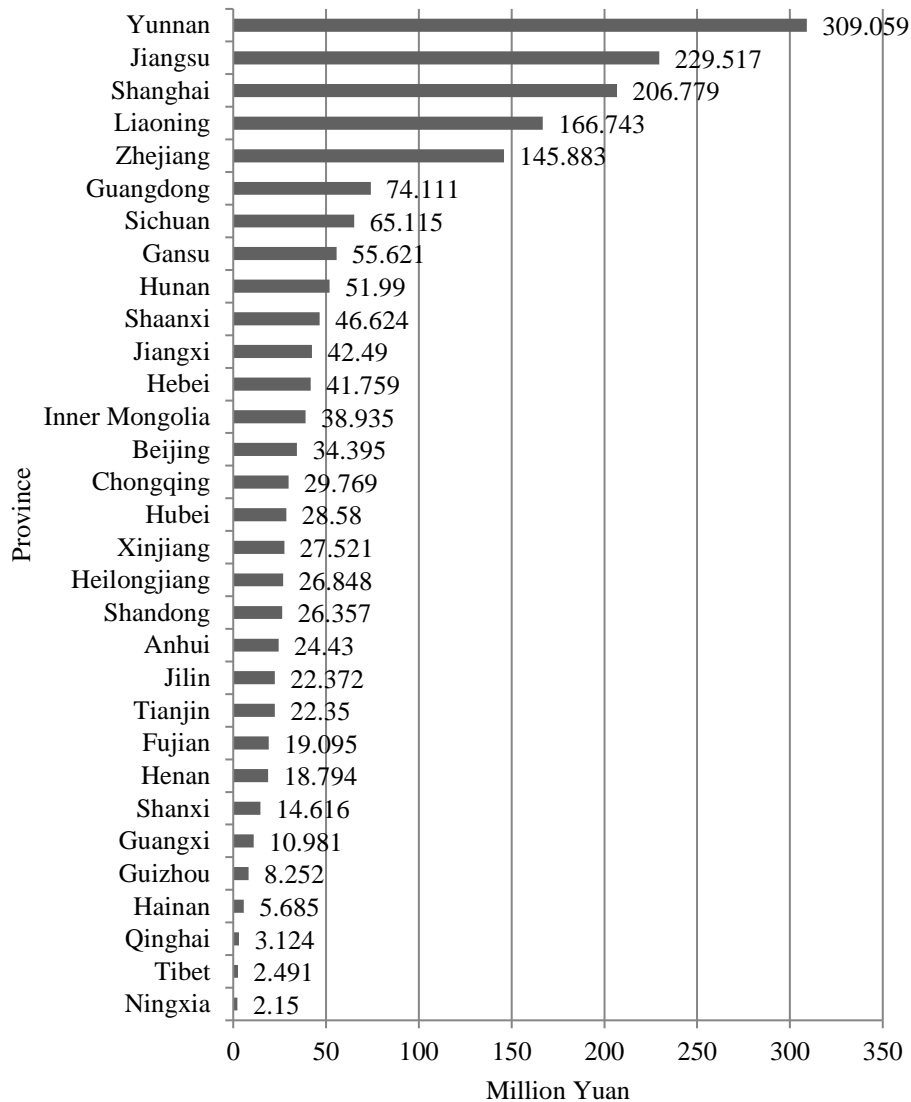
Figure 2.17 Ratio of Expenditure on Temporary Assistance



Source: China Civil Affairs Statistical Yearbook 2012

The expenditure on temporary assistance has been increasing since 2007. It reached 8,415 million yuan in 2011. This accounted for 0.169% of national fiscal expenditure and 0.0317% of GDP (Figures 2.16 and 2.17).

Figure 2.18 Provincial Expenditure on Temporary Assistance in 2011



Source: *China Civil Affairs Statistical Yearbook 2012*

In 2011, the expenditure on temporary assistance in Yunnan Province reached 309.05 million yuan. This accounted for 0.0062% of National Fiscal Expenditure and 0.0012% of GDP (Figure 2.18)

Please refer to Appendix 7 for case study.

2.7.3 Problems and Discussion

2.7.3.1 There are Many Subjective Factors for Defining Temporary Assistance Recipients

Various local governments explicitly define temporary assistance recipients in their “measures for, or opinions on, the implementation of temporary assistance”. Temporary assistance recipients basically include those residents having a local household registration and residing in the city. Key temporary assistance recipients are local people living on the minimum subsistence allowance, the “three-no people” (people without identification papers, a normal residence permit, and a source of

income) and households enjoying the five guarantees (food, clothing, medical care, housing and burial expenses) as well as local low-income families and poverty-stricken families due to accidents and natural disasters. However, temporary assistance institutions have no temporary assistance plan and thus temporary assistance workers invariably determine the temporary assistance recipients through subjective factors during the implementation of the temporary assistance program. The temporary assistance recipients and funding for temporary assistance fund are determined by the leader's intention or the perceptual understanding of temporary assistance workers.

2.7.3.2 Long-time to Approve Temporary Assistance Payments

Community temporary assistance is provided to community residents who are unable to independently solve their difficulties and is characterized by its emergency and temporary nature. Hence, paying temporary assistance must be handled timely. However, it is very hard to realize this goal due to the existing temporary assistance procedures of application to the community then review by the street committee and then approval by the civil affairs bureau. The whole process takes at least seven or eight business days. In other words, a temporary assistance applicant must go through three complicated procedures. These procedures guarantee the seriousness of the request for temporary assistance in a sense, but take a long time and do not embody timeliness of the need for temporary assistance.

2.7.3.3 Limited Funds Spent on Temporary Assistance

The proportion of expenditure on temporary assistance in national fiscal expenditure is still very low although China keeps has kept increasing funds for temporary assistance year by year in recent years. Social assistance funds generally account for 1%-2% of GDP in developed countries. Therefore, we must integrate more social resources into the assistance funds under government control. The degree of social participation in the temporary assistance fund is very low despite its vigorous advocacy by governments at all levels.

2.7.3.4 Incomplete Coverage of Temporary Assistance Items

Recipients of temporary assistance are families or individuals who have temporary difficulties in basic living due to special reasons. Seemingly, they lack money and materials, but actually they have more and more complicated problems than a lack of money and materials. Their problems may involve family, individual aspects and self-psychology. Therefore, there are multiple aspect aspects of the need for temporary assistance. However, the present temporary assistance items are dominated by fund provision regardless of other aspects.

This Minimum Livelihood Guarantee Scheme (MLGS, Dibao, or subsistence allowance) is the core element in Chinese social assistance policy, as well as the most important assistance program. The MLGS is an income supplementing system, which makes sure that the income of the population in poverty can be kept at a certain level (Dibao line) and that they have the capacity to purchase the basic living consumables. Dibao was first initiated in Shanghai in early 1990s and was then promoted nationally during the mid- and late 1990s. China's Dibao program officially started in the cities in 1999, and then was rolled-out into rural areas in 2007.

3. The Legal Framework of Social Assistance - Executive Summary

The system of Social Assistance relies heavily on policies and notices from MoCA and local governments. The document of the highest level of authority is the "Interim Measures for Social Assistance (2014)". This part of the report begins by addressing the various aspects of China's social assistance system from a legal point of view.

Legislations and regulations concerning the Minimum Subsistence Guarantee (Dibao), Five Guarantees, Relief for Victims Suffering from Disasters, Medical Assistance, Education Assistance, Housing Assistance, Temporary Assistance, Relief for Vagrants and Beggars without

Assured Living Sources as well as Legal Aid are separately addressed with a focus on the key clauses as stated in these important documents.

Then the four characters of the legislative framework of China's social assistance system are summarized. Firstly, the content of social assistance moves from single life assistance towards diversified comprehensive assistance. Secondly, social assistance changes from temporary assistance to regular institutional assistance. Thirdly, the territory that social assistance used to focus has moved from the urban areas to now both urban and rural areas. Finally, the persons targeted were previously decided on the basis of their identity whereas now it is the household that is approved for obtaining social assistance based on their economic status and the causes of their poverty. Some successes have been achieved. The basic social assistance law has been established over two stages - stage 1, the founding of the People's Republic of China to 1999 and stage 2, from 2000 to currently. Two pieces of legislation are the criteria for the division. . Minimum Substance Guarantee system covers both urban and rural areas. Five Guarantees used to be supported by collectives and is now supported by the government. The Relief for Vagrants and Beggars moves from restrictions on freedom to assistance. All kinds of special assistance systems have been established through legislation. However, there are still some obstacles. There is no comprehensive social assistance legal system. The functions of different special social assistances are a little confused. Cooperation among different departments needs to be strengthened. The executive capability of the social assistance agency is not strong. Special Social Assistance should be improved. The government's information and publicity is still insufficient.

For the recommendations on the reform on social assistance in the future, the government should continue to promote the social assistance legal system. It should set up a reasonable social assistance system and strengthen cooperation between departments. It should improve the enforcement ability of officials at the lower levels of government and improve the content of each specific social assistance program as well as promoting government information disclosure and transparency.

3.1 Introduction to the Development of the Legal Framework

3.1.1 Background and Challenges: A Solid Legal Framework Is Needed

As shown in chapters 1 and 2, an integrated framework for social assistance has been built up in China. However, there are still a number of challenges when implementing the existing regulations: 1) social assistance schemes are largely fragmented; 2) there is a lack of an explicit standard of benefit level and how to adjust it; 3) the executing agencies need legal provisions and effective tools for targeting and verification of the identify of beneficiaries; 4) some of the current legal provisions are so simple that local governments should develop their own policies and methods for implementation; 5) it is hard for civil affairs bureaus/sectors to ensure funding and get administrative support from other government departments.

Central to these challenges is a lack of an effective and coherent legal framework. Currently, China's social assistance legislation has a weak normative authority. Policies and measures in social assistance are not regulated by laws but are instead promulgated as administrative regulations, guidelines, notices, decisions, and opinions issued by the State Council and Ministries. Only Urban Dibao and the Five Guarantees had "regulations"; while, other schemes only have "documents" (guidelines, notices, decisions, and opinions). Therefore, the legal provisions are rather weak and narrow. A social assistance law is needed for the development of the social assistance system over the long term.

Developing social assistance legislation was initiated in 2005. Since then, the 10th and 11th National People's Congresses both included it into their legislation plans. Particularly, in 2008, the State Council released the full text of a draft regulation. However, the draft regulation failed to be

passed twice when reviewed by the State Council in 2009 and 2010 respectively. In October 2012, the Minister of Civil Affairs made a report “*State Council’s Report of social assistance*” to National People’s Congress. Some of the representatives raised the issue that it is problematic as the social assistance system, which involves the spending of a huge amount of funds, lacked a solid legal framework. Therefore, the NPC required the State Council to resubmit the draft of “social assistance law” for review.

However, this version of the draft did not contain provisions on medical assistance, education assistance, housing assistance or other dedicated assistance schemes. Then the “Interim Measures for Social Assistance” were issued by Premier Li Keqiang on February 21, 2014 and came into force on May 1, 2014.

3.1.2 Interim Measures for Social Assistance: Key Articles, Achievements and Weakness

China’s social assistance system has been built up over a long time despite there being up until today no Social Assistance Law. The system relies on lots of policies and notices from MoCA and local governments. The highest level of authority document is the “*Interim Measures for Social Assistance*”¹³, which was issued by the State Council of the People’s Republic of China and came into force on 1st May, 2014. It is a comprehensive piece of legislation about social assistance and includes thirteen chapters such as General Provisions, Minimum Subsistence Guarantee, Support for the Especially Poor, Relief of Victims Suffering from Disasters, Medical Assistance, Education Assistance, Housing Assistance, Employment Assistance, Temporary Assistance, Participation of Social Organisations, Supervision and Administration, Legal Liability and Supplementary Provisions. According to the “*Interim Measures*”, different departments have their own responsibility for the administration of social assistance.

The interim measures, for the first time, include the regulations of all social assistance programs together in the one administrative regulation. They provide the legal basis for the social assistance system. Formulated in accordance with the Constitution, it aims to strengthen social assistance, guarantee the basic livelihood of citizens, promote social equity, and maintain social harmony and stability. The social assistance system shall adhere to the principles of maintaining the baseline, responding to emergencies and difficulties and being sustainable. It is integrated with other social security systems, and sustains a level of social assistance that can adapt to the level of China’s economic and social development. There are some particular chapters and articles which are key to the development of the social assistance system.

Funding

Article 5 stipulates the People’s Governments above the county level shall include social assistance into their national economic and social development planning. They shall establish a sound social assistance coordination mechanism in which the governments assume the leadership with the departments of civil affairs taking the lead, the relevant departments cooperating, social organisations participating. They should improve the safeguard mechanisms of the social assistance funds and materials, and incorporate the social assistance funds arranged by the governments and the operating expenses of the social assistance programs into their fiscal budgets. The social assistance funds shall be subject to special-purpose administration, separate accounting, and use assets for designated purposes only. No entity or individual may misappropriate or embezzle such funds. The payment of social assistance funds shall be governed by the relevant provisions of the State Treasury Administration rules.

Social assistance administrative departments

¹³ http://www.gov.cn/zwqk/2014-02/27/content_2622770.htm.

Article 3 indicates that the department of civil affairs under the State Council shall coordinate the development of the social assistance system across the country. The departments of civil affairs, health and family planning, education, housing and urban-rural development, and human resources and social security under the State Council shall be responsible for the administration of social assistance according to their respective functions. The departments of civil affairs, health and family planning, education, housing and urban-rural development, and human resources and social security under the people's governments above the county level shall be responsible for the administration of social assistance within their respective jurisdictions according to their respective functions. The administrative departments as listed in the preceding two paragraphs are referred to as the social assistance administrative departments.

Article 4 indicates that People's Governments at the township level and the sub-district offices shall be responsible for accepting the relevant applications for social assistance benefits and conducting the investigations and examinations. Specific work shall be assumed by social assistance handling agencies or handling personnel. The villagers' committees and residents' committees shall assist in effectively conducting the relevant work of social assistance administration.

Article 6 points out that People's Governments above the county level shall establish an information system for social assistance administration according to the uniform national planning. This will achieve the interconnection and interworking of social assistance information and the sharing of resources.

Extremely difficult population

Article 14 stipulates the state shall grant support to the especially poor, to the elderly, the disabled and minors under 16 years of age who have no persons with statutory obligations to support aging parents, children, or other persons or persons with statutory obligations to provide support but who do not possess the capacity to support them.

Article 15 indicates that the support of the especially poor includes:

- (1) providing basic living conditions;
- (2) looking after those who cannot take care of themselves;
- (3) providing treatment for diseases and
- (4) handling funeral matters.

Social impact participation

In Chapter X "Participation of Social Organisations", Article 52 stipulates that the State shall encourage entities, individuals and other social organisations to participate in social assistance by means of donations, establishing sponsorship programs, establishing service agencies, and providing the services of volunteers. Article 53 indicates that when participating in social assistance, social organisations shall enjoy such policies as financial subsidies, tax preference and expense deductions and exemptions. Article 54 stipulates People's Governments above county level may purchase services for specific social assistance service matters from social organisations by means of entrustment, contracting, and purchase. Article 55 stipulates the local people's governments above the county level shall facilitate the roles of social service agencies and social workers and provide such specialized services as social integration, capacity improvement, and psychological counseling for the social assistance recipients.

Liability

Article 66 indicates that whoever violates the provisions of these Measures and falls under any of the following circumstances shall be ordered by the administrative authority at the higher level or the supervisory organ to make corrections and disciplinary action shall be taken against the persons directly in charge and other directly responsible persons in accordance with law:

- (1) failing to accept an assistance application that meets the application requirements;
- (2) failing to approve an assistance application that meets the assistance requirements;
- (3) approving an assistance application that does not meet the assistance requirements;
- (4) disclosing the personal information of citizens to which they have access to during their work and causing consequences;
- (5) losing or tampering with records of the social assistance funds, materials and services provided and other data;
- (6) failing to grant social assistance funds and materials or provide the relevant services as required; and
- (7) undertaking other acts of abusing powers, neglecting duties, or practicing favoritism for personal gains in performing social assistance functions.

Article 67 indicates where, in violation of the provisions of these Measures, anyone withholds, embezzles, misappropriates, or expends privately social assistance funds and/or materials, the relevant authority shall order the recovery of such funds and materials. If there is any illegal income it shall confiscate the illegal income; and impose disciplinary actions on the persons directly in charge and other directly responsible persons in accordance with the law.

Article 68 stipulates that where anyone fraudulently obtains social assistance funds, materials, or services by means of making a false report, concealing or forging information, the relevant authority shall decide to terminate the social assistance benefit and order the recovery of the illegally-obtained assistance funds and materials. It may impose a fine not less than the amount of gain but it cannot be more than three times the illegally-gained assistance funds or materials. If the action constitutes a violation against the public security administration, the violator shall be given a public security administrative punishment in accordance with the law.

Policy Circulation Mechanism

Article 62 stipulates that People's Governments above county level and the social assistance administrative departments shall publicize the laws, regulations and policies of social assistance through the press, broadcasting, television, internet and other social media. The People's Governments at county level and the social assistance administrative departments should timely disclose information on the administration and use of social assistance funds and materials through public consulting rooms, inquiry offices, information disclosure bulletin boards, and other means accessible to the general public and should accept social supervision.

3.1.3 Shortfalls of the Interim Measures and the Future Reforms

As mentioned, the Interim Measures were the first document to contain all the social assistance schemes. However, various challenges remain to be addressed.

First and foremost, the Interim Measures' legal provisions are formulated in broad terms, mainly providing general guidelines and principles with regard to eligibility, standards, and implementation procedures, including the methods of beneficiary identification and selection. Provincial government and municipal governments should release their own supporting materials as well. This results in a significant local discretion in the regulation, financing, and implementation of social assistance.

In addition, the legal framework is not sufficiently adequate to ensure synergies between the social assistance and the social insurance programs. It does not ensure that benefits accord with existing needs rather than with the fiscal constraints of local governments.

Finally, the current legislation does not adequately promote participation of NPOs in the delivery of social assistance, both in partnership with the government and as independent providers.

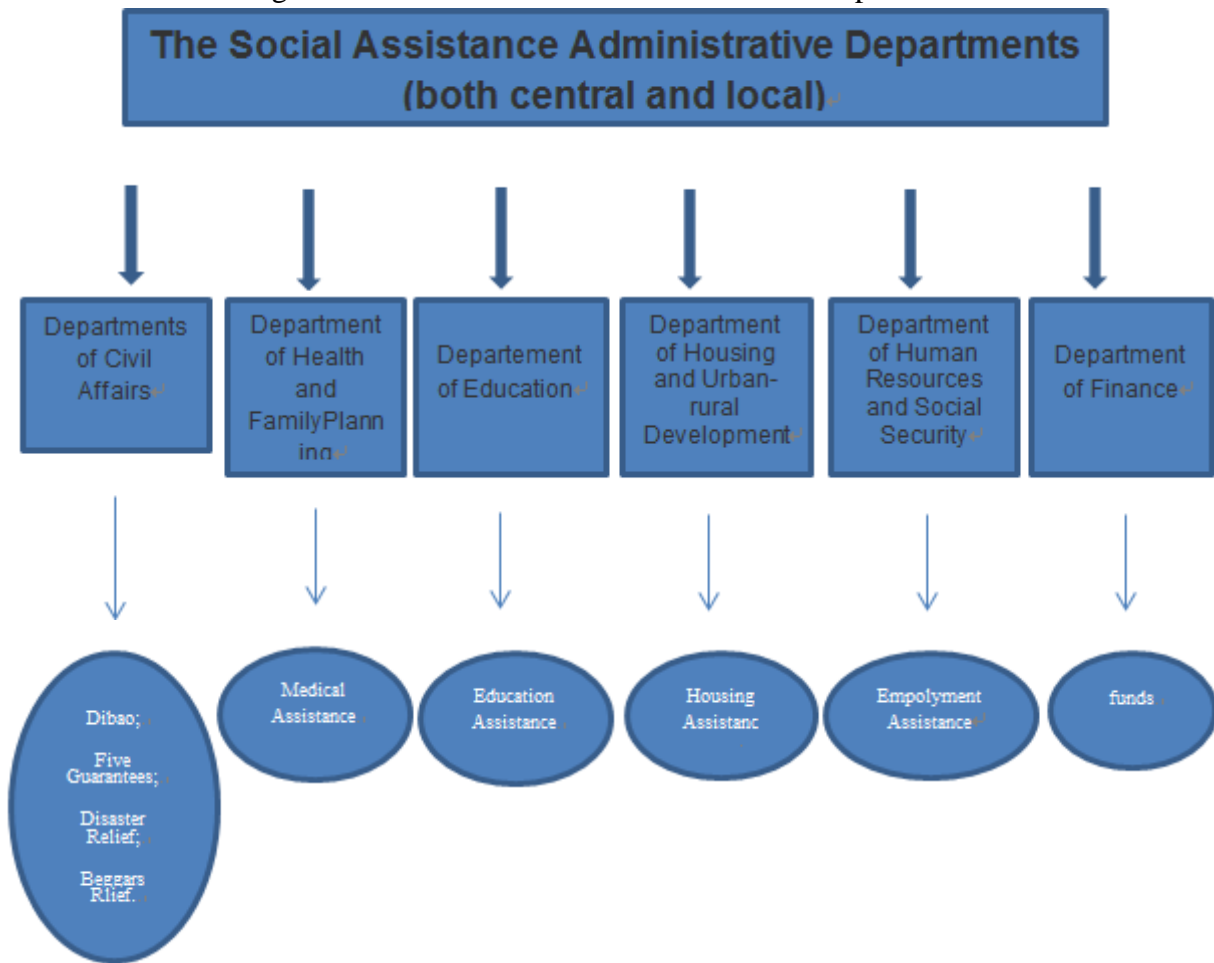
The Dibao thresholds do not adequately consider the vulnerabilities that individuals and families with different socio-economic characteristics face. The national regulations do not contain specific provisions in this respect. In restructuring the benefits, it is crucial to develop national legal requirements for adjusting social assistance standards in line with the change in commodity price inflation. In addition, benefits must be adjusted in line with earnings to reflect the actual incomes of the population. Improved beneficiary selection procedures and improved effectiveness of targeting are needed. The national legislation grants discretionary powers to local governments, not only in relation to social assistance regulation, but also in setting rules and administrative procedures for program delivery.

To improve the effectiveness of targeting, the government must establish consistent criteria and procedures for program implementation. The national legal framework must stipulate standardized methodologies, criteria, and procedures for measuring incomes, the extent and mechanisms of public scrutiny in the selection process and procedures for income and asset determination.

Address the urban-rural divide. The “Interim Measures on Social Assistance” seek to streamline the legal framework for urban and rural MLSG. This is crucial for achieving greater equity across the urban– rural dimensions. However, the “Interim Measures on Social Assistance” provide only general provisions and require further elaboration. In particular, more detailed and specific regulations and operational guidelines are required to replace the existing regulations on MLSG Urban, MLSG Rural, the Rural Five Guarantees, and so on.

3.1.4 The Legal Provisions of Dedicated Social Assistance Schemes

Figure 3.1 Social Assistance Administrative Departments



Besides the national measures, there are some local regulations and rules about the social assistance system:

Regulation of Zhejiang Province on Social Assistance (01-11-2014)¹⁴;

Implementation Measures of Sichuan Province on Social Assistance (01-03-2015)¹⁵;

Measures of Jiangsu Province on Social Assistance (01-02-2015)¹⁶;

Measures of Shandong Province on Social Assistance (01-11-2014)¹⁷;

Implementation Measures of Hubei Province on Social Assistance (01-11-2014)¹⁸;

Measures of Shanghai City on Social Assistance (01-01-1997, revised on 20-12-2010)¹⁹.

-Minimum Subsistence Guarantee (Dibao)

Dibao was first initiated in Shanghai in early 1990s and was then promoted nationally during the middle and late 1990s.

¹⁴<http://dbs.mca.gov.cn/article/shqztx/dfwj/201408/20140800680414.shtml>.

¹⁵<http://dbs.mca.gov.cn/article/shqztx/dfwj/201501/20150100758676.shtml>.

¹⁶<http://dbs.mca.gov.cn/article/shqztx/dfwj/201412/20141200747547.shtml>.

¹⁷<http://dbs.mca.gov.cn/article/shqztx/dfwj/201410/20141000721485.shtml>.

¹⁸<http://dbs.mca.gov.cn/article/shqztx/dfwj/201410/20141000721476.shtml>.

¹⁹[http://baike.baidu.com/link?url=Kwk6dW3ZKa-](http://baike.baidu.com/link?url=Kwk6dW3ZKa-LvfzCAEI_MsqzUZ_chkwzme7XIi1xwgHNLApWiEAsbNErf161T3UiaJSJOLA9NbTPeoRQqObysZs1fMRoUK0QEw_q0PcYL3gR6qDZoCPLD3P2MjOmmpltMyKCjo6EvW19IH_JfJq74QBuTP_q1ygaArx9DQVeBBorvEj1HjKQ-8DSdBtUMhs)

[LvfzCAEI_MsqzUZ_chkwzme7XIi1xwgHNLApWiEAsbNErf161T3UiaJSJOLA9NbTPeoRQqObysZs1fMRoUK0QEw_q0PcYL3gR6qDZoCPLD3P2MjOmmpltMyKCjo6EvW19IH_JfJq74QBuTP_q1ygaArx9DQVeBBorvEj1HjKQ-8DSdBtUMhs](http://baike.baidu.com/link?url=Kwk6dW3ZKa-LvfzCAEI_MsqzUZ_chkwzme7XIi1xwgHNLApWiEAsbNErf161T3UiaJSJOLA9NbTPeoRQqObysZs1fMRoUK0QEw_q0PcYL3gR6qDZoCPLD3P2MjOmmpltMyKCjo6EvW19IH_JfJq74QBuTP_q1ygaArx9DQVeBBorvEj1HjKQ-8DSdBtUMhs).

In 1997, the State Council issued the “*Notice on establishing Urban Minimum Subsistence Guarantee Scheme Nationally*”²⁰ to extend local experimentation to the national policy framework.

In 1999, the State Council passed the “*Regulations on Guaranteeing Minimum Subsistence for City Residents*”²¹ to strengthen the legal framework.

There were many measures and detailed rules proclaimed by local governments to implement the *Regulation*. Two years later, another notice was issued to emphasize the importance of the Urban Minimum Guarantee System. This was the “*Notice of the General Office of the State Council on Further Strengthening the Work of Urban Minimum Guarantee*” (12-11-2001)²².

In 2007, the State Council decided to develop Dibao in the rural areas and issued the “*Notice on establishing Rural Minimum Subsistence Guarantee Scheme Nationwide*”²³. That means that the Dibao System appeared about eight years later in the rural areas than in the urban areas.

“*Opinions of the State Council Concerning Further Strengthening and Improving the Work of Guaranteeing Minimum Subsistence*”²⁴ came into force on September 1st 2012. This is the first document of the State Council about Dibao to cover both urban and rural areas.

Dibao is the main system of Social Assistance, so there are more legal documents for it than for the other systems. “*Regulations on Guaranteeing Minimum Subsistence for City Residents (1999)*” is the main legal source of Dibao and has 17 articles. It has been considered the beginning of the modern social assistance system. Such words as “right to obtain assistance” and “guaranteeing a basic livelihood” firstly appeared in the legislation.

Article 2 City residents holding non-agricultural registered permanent residence and whose average income of family members living together is lower than that of the local standard for guaranteeing minimum subsistence for city residents shall have the right to obtain basic livelihood material assistance from the local people's government.

The income stated in the preceding paragraph refers to all monetary income and material income of family members living together, including alimony, payments for support or payments for foster care that should be paid by persons providing statutory alimony, payments for support or for foster care, but not including the pensions and subsidies for the disabled or the family of the deceased enjoyed in accordance with the provisions of the State.

Article 3 The system of guaranteeing the minimum subsistence for city residents adheres to the principle of guaranteeing city residents a basic livelihood, and insists on the policies of uniting government guarantees and social support and encouraging self-help through work.

Article 4 A responsibility system of local People's Governments at all levels shall be exercised for the system of guaranteeing the minimum subsistence for city residents. The departments of civil affairs of the local People's Governments at or above the county level shall be responsible for the administration of guaranteeing the minimum subsistence for city residents in their respective administrative areas. The financial departments shall, in accordance with the provisions, secure the funds required for guaranteeing the minimum subsistence for city residents. The departments of statistics, pricing, auditing, labor and social security, and personnel and so on shall, according to their division of functions, each take responsibility for their own work, be responsible for the relevant work of guaranteeing the minimum subsistence for city residents within their respective functions and duties.

²⁰ <http://www.mca.gov.cn/article/zwgk/fvfg/zdshbz/200711/20071110003522.shtml>.

²¹ http://www.gov.cn/banshi/2005-08/04/content_20243.htm.

²² http://www.gov.cn/gongbao/content/2001/content_61215.htm.

²³ http://www.gov.cn/zhengce/content/2008-03/28/content_6245.htm.

²⁴ http://www.gov.cn/zhengce/content/2012-09/26/content_7218.htm.

The departments of civil affairs of the People's Governments at the county level, neighborhood offices and the People's Governments of towns (hereinafter collectively referred to as organs of administration, examination and approval) shall be responsible for the concrete work in relation to the administration, examination and approval of guaranteeing the minimum subsistence for city residents. Residents' committees may, in accordance with their delegation by the organs of administration, examination and approval, undertake day-to-day administration and services for guaranteeing the minimum subsistence for city residents.

The department of civil affairs of the State Council shall be responsible for the administration of guaranteeing the minimum subsistence for city residents throughout the country.

Article 5 Funds required for the guaranteeing minimum subsistence for city residents shall be included in the financial budget of the local People's Government, incorporated as an item of expenditure of the Special Social Relief fund and administered as a special item while following the rule of special funds for special uses.

The State encourages social organizations and individuals to provide contributions and financial assistance for guaranteeing the minimum subsistence for city residents. All contributions and financial assistance provided shall be incorporated in the funds for guaranteeing the minimum subsistence for local city residents.

Article 6 The standards for guaranteeing the minimum subsistence for city residents are determined in light of the cost of clothing, food and living expenses which are required for local city residents to maintain a basic livelihood. Appropriate consideration shall be taken into account of expenses for water, electricity, fuel coal (gas) and the expenses for compulsory education for minors. The standards for guaranteeing minimum subsistence for city residents in municipalities directly under the Central Government and for cities divided into districts shall be formulated by the departments of civil affairs of the People's Governments of the municipalities or cities in conjunction with such departments as finance, statistics and pricing. They shall be submitted to the People's Governments at the same level for approval and then published for implementation. The standards for guaranteeing the minimum subsistence for city residents in counties (cities at the county level) shall be formulated by the departments of civil affairs of the people's governments of the counties (cities at the county level) in conjunction with such departments as finance, statistics and pricing, and after being submitted to the People's Governments at the same level for approval and to the People's Governments at the next highest level for record, publication and for implementation.

When the standards for guaranteeing the minimum subsistence for city residents need to be raised, a re-appraisal and re-decision shall be done in accordance with the provisions of the preceding two paragraphs.

Article 16 The People's Governments of provinces, autonomous regions and municipalities directly under the Central Government may, in accordance with these Regulations, and in the light of the actual circumstances of their work in guaranteeing the minimum subsistence for city residents within their respective administrative areas, formulate measures and steps for its implementation.

Besides the “*Administrative Regulations (1999)*”, there are about 27 normative documents from the Ministry of Civil Affairs, 3 local regulations and 90 local rules. The local regulations are as follows:

*Measures of Xiamen City on Guaranteeing the Minimum Subsistence (01-07-2004, revised On 04-12-2014)*²⁵

*Regulation of Nanjing City on Guaranteeing the Minimum Subsistence (01-11-2004, revised On 19-11-2010)*²⁶,

²⁵ <http://fujian.hexun.com/2014-12-04/171074847.html>.

*Regulation of Chongqing on Guaranteeing the Minimum Subsistence for Urban and Rural Residents (01-10-2008)*²⁷.

- Five Guarantees

The Five Guarantees System was founded in the middle of the 1950s. There were no formal regulations or rules about it for many years. It was only mentioned in some notes or minutes of meeting. In 1994, the State Council passed the “*Regulations on the Work of Providing Five Guarantees in Rural Areas*” (effective in 1994), and these were revised in 2006²⁸. In 2010, The Ministry of Civil Affairs made the “*Measures for the Administration of the “Five Guarantee” Service Institutions in Rural Areas*”²⁹ as one of the instrumentalities of the State Council. It has seven chapters, which are General Provisions, Persons Enjoying the Five Guarantees, The Five Guarantees, Forms of Support, Supervision and Administration, Legal Liability and Supplementary Provisions. The main contents of the *Regulations* (2006) cover the following:

Article 2 The term "providing five guarantees in the rural areas" in these Regulations means providing villagers with care and material support in their daily lives in terms of food, clothing, housing, medical care and burial expenses in accordance with the provisions of these Regulations.

Article 3 The civil affairs department of the State Council shall be in charge of the work of providing the five guarantees in rural areas throughout the country. The civil affairs department of a local People's Government at or above the county level shall be in charge of the work of providing five guarantees in the rural areas within its administrative area. The people's government of a township, nationality township, or town and shall administer the work of providing the five guarantees in the rural areas within its administrative area. A villagers' committee shall assist the People's Government of a township, nationality township, or town in carrying out the work of providing the five guarantees in rural areas.

Article 6 Villagers who are aged, disabled or under the age of 16 and who have no ability to work, no source of income, and no persons with statutory obligations to provide for them, bring them up or support them, or whose persons with statutory obligations have no ability to provide for them, bring them up or support them, shall enjoy the five guarantees in rural areas.

Article 10 The standard for the five guarantees in rural areas shall not be lower than the average living standard of local villagers, and shall be adjusted as the average living standard of local villagers improves. The standard for the five guarantees in rural areas may be established by the People's Government of the province, autonomous region or municipality directly under the Central Government, and be published and implemented within its administrative area. It may also be established by the People's Government at the level of a city divided into districts or at the county level, and be published and implemented after being submitted for recording to the People's Government of the province, autonomous region or municipality directly under the Central Government where the people's government at the city or county level is located. The civil affairs department and the finance department of the State Council shall strengthen their guidance on the establishment of the standard for the five guarantees in rural areas.

Article 11 The funds for the five guarantees in rural areas shall be included in the financial budget of the local people's government. Where there is income from rural collective operations, the funds may be arranged from such income to subsidize and improve the daily lives of the persons enjoying the five guarantees in rural areas. Where a person enjoying the five guarantees in rural areas entrusts another person with the cultivation of his contracted land, the proceeds therefrom shall

²⁶ http://www.nanjing.gov.cn/njgov_2014/zxfw_6528/xinzhutifuwu/shebao/shjz_22599/cxzdsbzb_22600/zcyjd_22601/201409/t20140927_3000450.shtml.

²⁷ http://www.npc.gov.cn/npc/xinwen/dfrd/chongqing/2008-09/19/content_1450471.htm.

²⁸ http://www.gov.cn/zhengce/content/2008-03/28/content_6253.htm.

²⁹ <http://dbs.mca.gov.cn/article/ncwb/zcfg/201206/20120600321564.shtml>.

belong to the person enjoying the five guarantees in rural areas. The specific measures in this respect shall be formulated by the People's Governments of provinces, autonomous regions and municipalities directly under the Central Government. The central financing agency shall provide appropriate subsidies in the form of funds to the areas which have financial difficulties in financing the five guarantees in the rural areas. The funds earmarked for the five guarantees in the rural areas shall specifically be used for the daily lives of the persons enjoying the five guarantees in the rural areas, and no organizations or individuals may embezzle, misappropriate, withhold, or divide up the funds in secret.

Some local governments made measures linked to the implementation of this system, such as

“Measures of Beijing Municipality for the Implementation of the Regulations on the Work of Providing the Five Guarantees in Rural Areas”(31-03-2008)³⁰;

Measures of Jiangxi Province for the Implementation of the Five Guarantees Subsistence Program in the Rural Areas (13-01-2008)³¹;

Measures of Henan Province for the Implementation of the Five Guarantees Subsistence Program in the Rural Areas (01-11-2007)³²;

Measures of Hunan Province for the Implementation of the Five Guarantees Subsistence Program in the Rural Areas (01-12-2007)³³.

- Relief for Victims Suffering from Disasters

Natural disaster occur frequently in China, so there are some laws which are related to natural disasters, such as the *Law of the People's Republic of China “on Protecting Against and Mitigating Earthquake Disasters”*³⁴ (29-12-1997, revised in 2008) and the *“Flood Control Law” of the People's Republic of China*(29-08-1997, revised in 2015)³⁵. Although these laws are very important they don't aim at *providing* relief to victims who suffer from a disaster.

The central and local departments of civil affairs took some measures to help the victims of disasters on the basis of rules and normative documents. *“Guiding Opinions of the General Office of the Ministry of Civil Affairs on the Reform Work of the Disaster Relief System”* (08-04-1998) took effect on 4th August, 1998. It requires Liaoning, Zhejiang and Guangdong Provinces to pilot a disaster relief system. In response to the requirement, the People's Government of Guangdong Province made *“Provisions of Guangdong Province on Natural Disaster Relief”*³⁶ (01-09-2002). The State Council issued the *“National Plan for Emergency Response to Natural Disaster Relief”*³⁷ on 16 October, 2011. Then the local governments made a number of detailed plans to enforce the national plan. *The “Regulation on the Relief of Natural Disasters”*³⁸ was adopted at the 117th Executive Meeting of the State Council on 30 June, 2010, and was promulgated on 1 September, 2010. It is the foundation for the relief from natural disasters.

Article 3 The administrative leaders of the People's Governments at all levels shall be responsible for the relief of natural disasters. The National Disaster Reduction Commission shall be responsible for organizing and leading the natural disaster relief work of the whole nation and coordinating the disaster relief activities for major natural disasters. The civil affairs department under the State

³⁰ <http://mztt.mca.gov.cn/article/wbgygzhy/zcfg/201011/20101100117296.shtml>.

³¹ <http://mztt.mca.gov.cn/article/wbgygzhy/zcfg/201011/20101100117290.shtml>.

³² <http://mztt.mca.gov.cn/article/wbgygzhy/zcfg/201011/20101100117287.shtml>.

³³ <http://mztt.mca.gov.cn/article/wbgygzhy/zcfg/201011/20101100117286.shtml>.

³⁴ http://www.npc.gov.cn/wxzl/gongbao/2009-02/05/content_1505230.htm.

³⁵ <http://www.88148.com/Info/201503133489.html>.

³⁶ http://www.gdmz.gov.cn/zcfg/jzjj/200506/t20050607_1016.htm.

³⁷ <http://www.mca.gov.cn/article/zwgk/fvfg/jzjj/201111/20111100191129.shtml>.

³⁸ http://www.gov.cn/zhengce/content/2010-07/14/content_6111.htm.

Council shall be responsible for the natural disaster relief work of the whole nation and undertake the specific work of the National Disaster Reduction Commission. The relevant departments under the State Council shall conduct the work related to nationwide natural disaster relief within the respective scopes of their functions and duties.

The local People's Governments at or above the county level or the emergency coordination bodies for natural disaster relief (hereinafter referred to as the “emergency coordination bodies”) of the People's Governments shall organize and coordinate the natural disaster relief work in their respective administrative regions. The civil affairs departments of the local People's Governments at or above county level shall be responsible for the natural disaster relief work within their respective administrative regions. Other relevant departments of the local People's Governments at or above county level shall conduct the work related to the relief of natural disasters in their respective administrative regions.

Article 4 The People's Governments at or above county level shall incorporate natural disaster relief work into their national economic and social development planning, establish mechanisms to guarantee the funds and materials needed for relief from natural disasters, and include the funds allocated for, and the expenditures on the relief of, natural disasters into their fiscal budgets.

Article 5 Villagers' committees, neighborhood committees, the Red Cross, charities, public foundations and other social organizations shall assist the People's Government in the relief from natural disasters. The State encourages and leads entities and individuals to make donations for relief from natural disasters, provide voluntary services and participate in other such activities.

Article 26 The civil affairs department and the financial department of the People's Government of the area which is suffering from a disaster and the relevant social organizations shall, via newspapers, periodicals, radio, TV and internet, voluntarily disclose the source, quantity and use of the money and goods allocated or donated for relief from natural disasters that have been accepted. The villagers' committees and neighborhood committees of the disaster area shall disclose the information about the people receiving relief, the amount of money or goods granted to them and the use of such money or goods.

Here are some the local rules on the relief of victims suffering from disasters:

*Measures of Anhui Province on Natural Disaster Relief (01-06-2015)*³⁹;

*Measures of Jiangxi Province for Implementing the Regulations on Relief from Natural Disasters (01-08-2014)*⁴⁰;

*Provisions of Yunnan Province on Natural Disaster Relief (01-03-2013)*⁴¹.

- Medical Assistance

Medical Assistance was first founded in 2003 in the rural areas based on the “*Opinions of the Ministry of Civil Affairs, the Ministry of Health and the Ministry of Finance on the Implementation of Medical Assistance in Rural Areas*” (expired). About one and half years later, the system was extended to the urban areas. “*Opinions of the Ministry of Civil Affairs, the Ministry of Health, the Ministry of Labor and Social Security Affairs and the Ministry of Finance for Pilot Work on Establishing the Medical System in Urban Areas*”⁴²(effective) was issued on 14 March, 2005. In order to manage the system, the four ministries jointly issued another opinion, “*Opinions of the Ministry of Civil Affairs, the Ministry of Health, the Ministry of Labor and Social Security Affairs and the Ministry of Finance on Further Improving the Medical Assistance in Rural and Urban*

³⁹ <http://www.ahmz.gov.cn/thread-22347-1.html>.

⁴⁰ http://www.jxmzw.gov.cn/zcfg/2014-07/30/content_1702023.htm.

⁴¹ <http://yunnan.mca.gov.cn/article/ztl/fzjzjz/tzgg/201302/20130200418851.shtml>.

⁴² http://www.gov.cn/zhengce/content/2008-03/28/content_6157.htm.

Areas” (2009, effective)⁴³. The important issue of medical assistance is its funding, so a special notice was issued about funding. This was the “*Opinions of the Ministry of Finance and the Ministry of Civil Affairs on Strengthening the Administration of Urban Medical Assistance Funds*” (2005, expired). It was replaced by the “*Notice of the Ministry of Finance and the Ministry of Civil Affairs on Issuing the Measures for the Administration of Medical Assistance Funds in Urban and Rural Areas*” (23-12-2013, effective)⁴⁴.

The latest notice about this system is the “*Notice of the General Office of the State Council on Forwarding the Opinions of the Ministry of Civil Affairs on Further Improving the Medical Assistance System and the National Roll-Out of Medical Assistance to Serious and Critical Diseases*” (21-04-2015, effective)⁴⁵. Chapter V of “*The Interim Measures for Social Assistance*” (01-05-2014) is about Medical Assistance. This is the primary supreme legal authority source. According to it, the State should establish sound medical assistance rules and ensure that medical assistance recipients obtain basic medical and health services. Besides the notice and opinions from the central government and ministries, there are over six hundreds of rules and measures from local governments. For example:

*Interim Measures of Gansu Province for Medical Assistance in Urban and Rural Areas (01-01-2010)*⁴⁶ ;

*Implementation Measures of Anhui Province for Medical Assistance (01-01-2013)*⁴⁷;

Interim Measures of Guangxi Province for Medical Assistance in Urban and Rural Areas for Especially Poor People in the Hospital (01-08-2013);

*Measures of Wenzhou City for Medical Assistance in Urban Areas (08-01-2015)*⁴⁸;

*Measures of Ningbo City for Medical Assistance (01-07-2006)*⁴⁹;

*Measures of Dalian City for Medical Assistance in Rural Areas for Poor People (23-02-2008)*⁵⁰.

- Education Assistance

Education Assistance evolved along with the other special social assistance programs however it was not considered as important as the others. The only notice from the central department is the “*Notice of the Ministry of Civil Affairs and the Ministry of Education on the Further Efforts about the Education Assistance for Minors in Urban and Rural Areas*” (26-08-2004)⁵¹. Chapter VI of the “*Interim Measures for Social Assistance*” (01-05-2014) is about Education Assistance. The state should grant education assistance to members of households under the minimum subsistence guarantee program and persons enjoying the support of the especially poor in the compulsory education phase. Appropriate education assistance shall, in the light of their actual circumstances, be granted to members of households under the minimum subsistence guarantee program and persons enjoying the support of the especially poor during senior high school education (including secondary vocational education) and regular higher education and to disabled children who cannot receive compulsory education in schools. There are not many local government documents about this system but the following are worth mentioning:

⁴³<http://www.mca.gov.cn/article/zwgk/fvfg/zdshbz/200906/20090610031974.shtml>.

⁴⁴<http://www.mca.gov.cn/article/zwgk/fvfg/zdshbz/201403/20140300610941.shtml>.

⁴⁵<http://dbs.mca.gov.cn/article/csyjz/zcfg/201504/20150400809646.shtml>.

⁴⁶http://baike.baidu.com/link?url=sUf_EXnkJIbFN3bd0ktpnR2BEYgMJj8utZmRqW1pwm5K0CA7_cjm7tSawzWmcWJ6leEY2BywtyLMUG3nIS6f3.

⁴⁷<http://www.hefei.gov.cn/n1070/n304559/n4317942/27482879.html>.

⁴⁸http://www.wenzhou.gov.cn/art/2015/1/9/art_5575_1102.html.

⁴⁹<http://baike.haosou.com/doc/7656339-7930434.html>.

⁵⁰<http://baike.baidu.com/view/8124996.htm>.

⁵¹<http://fss.mca.gov.cn/article/etfl/zcfg/200809/20080910019772.shtml>.

*Interim Measures of Weihai City about Medical Assistance and Education Assistance for Persons under the Minimum Subsistence Guarantee Program (01-01-2005)*⁵²;

*Interim Implementation Measures of Nanjing City about Education Assistance for Poor Families in Urban and Rural Areas (05-01-2005)*⁵³;

Notice of the Department of Civil Affairs of Hainan Province on Implementing the Education Assistance for Poor Families in Urban and Rural Areas (21-08-2012).

- Housing Assistance

The Housing Assistance is a program to establish and improve the urban subsidized housing system and to guarantee the basic housing needs of the families with the lowest incomes. *The “Measures for the Administration of Urban Subsidized Housing for Families with the Lowest Incomes”*⁵⁴, which was adopted at the 22nd Executive Meeting of the Ministry of Construction on 15 November, 2003 was promulgated and came into force on 1 March, 2004. (Order of the Ministry of Construction, the Ministry of Finance, the Ministry of Civil Affairs, the Ministry of Land and Resources, and the State Administration of Taxation, Order No.120). Housing Assistance was only established in urban areas according to the above Measures.

Three years later, the “*Notice of the State Council on Solving the Housing Difficulties of Low-income Families in Urban Areas*” (2007)⁵⁵ came into force. This required the establishment of low-rent housing finance. Accordingly the Ministry of Finance made “*Measures for Managing Low-rent Housing Funds (2007)*”⁵⁶. The “*Measures for the Guarantee of Low-rent Homes*”⁵⁷ were discussed and adopted at the 139th Executive Meeting of the Ministry of Construction on 26 September, 2007. This document was then signed by the National Development and Reform Commission, Ministry of Supervision, Ministry of Civil Affairs, Ministry of Finance, Ministry of Land and Resources, People's Bank of China, State Administration of Taxation and National Bureau of Statistics and promulgated and came into force as of 1 December, 2007. It is clear that “*Measures for the Guarantee of Low-rent Homes*” expands housing assistance to rural areas.

In 2014, the “*Notice of the Ministry of Housing and Urban-rural Development, Ministry of Civil Affairs and Ministry of Finance on the Work of Housing Assistance*” was promulgated (2014). The “*Interim Measures for Social Assistance*” were issued and come into force on 1 May, 2014. These are superior to the “*Measures for the Administration of Urban Subsidized Housing for Families with the Lowest Incomes*”. So The Interim Measures replaces the former measures.

Chapter 7 of the Interim Measures focuses on housing assistance. Housing assistance shall be granted to households under the minimum subsistence guarantee program and persons enjoying the support of the especially poor in a decentralized manner who have difficulties with housing and who meet the prescribed criterion. Housing assistance shall be implemented by means of the renting of public rental housing, granting of housing rental subsidies, and renovating rural dilapidated housing. Although the “*Measures for the Administration of Urban Subsidized Housing for Families with the Lowest Incomes*” is still effective, most of its content about housing assistance is covered by the “*Interim Measures for Social Assistance*”. Besides the measures from the central government and departments, there are some measures from provincial governments such as

⁵²http://www.weihai.gov.cn/art/2004/12/1/art_562_102963.html.

⁵³http://www.nanjing.gov.cn/njszfnew/bm/mzj/200801/t20080124_1213683.html.

⁵⁴http://www.gov.cn/test/2005-06/30/content_11348.htm.

⁵⁵http://www.gov.cn/zwzk/2007-08/13/content_714481.htm.

⁵⁶http://fgk.mof.gov.cn/law/getOneLawInfoAction.do?law_id=64656.

⁵⁷<http://www.mca.gov.cn/article/zwzk/mzyw/200711/20071100004824.shtml>.

Administrative Measures of Tianjin Municipality on Basic Housing Security (17-08-2012)
Provisions of Zhejiang Province for the Guarantee of Low-Rent Housing (08-09-2010) ; *Measures of Jiangsu Province on Guarantee on Low-Rent Housing (12-03-2008)*.

- Employment Assistance

Employment assistance appeared at the same time as the economic reforms. A lot of people lost their jobs because of the economic reforms so the government had to make some measures to deal with the situation. There were some notices about employment assistance which were of a low level. The “*Regulation of Labor Market Management*” (expired) was promulgated and came into force on 29 November, 2000. The “*Employment Promotion Law of the People's Republic of China*”⁵⁸, was adopted at the 29th session of the Standing Committee of the Tenth National People's Congress of the People's Republic of China on 30 August, 2007 and was promulgated and came into force as of 1 January, 2008. Chapter VI is about Employment Assistance.

In order to implement the law, the “*Provisions on Employment Services and Employment Management*”⁵⁹ were adopted at the 21st executive meeting of the Ministry of Labor and Social Security on 30 October, 2007 and came into force as of 1 January, 2008. These replaced the “*Regulation of Labor Market Management*”. There is a special chapter about employment assistance in The “*Interim Measures for Social Assistance*” (01-05-2014), which is the main basis for employment assistance nowadays.

According to the Interim Measures, the State shall grant employment assistance to members of households under the minimum subsistence guarantee program who have the ability to work and who are out of work. This includes subsidized loans, social insurance subsidies, position subsidies, training subsidies, expense deductions and exemptions, the arrangement of public welfare positions, and other means.

The following are some local measures and regulations:

*Regulations of Gansu Province on Employment Promotion (31-03-2010)*⁶⁰

*Measures of Jiangsu Province on Implementation of the Employment Promotion Law of the People's Republic of China (31-12-2008)*⁶¹;

*Regulations of the Shenzhen Special Economic Zone on the Promotion of the Employment of Residents (23-02-2001)*⁶²

- Temporary Assistance

Temporary Assistance is a complement to the other assistance measures. It appeared in the early 1950s but there were not many official documents about this system. It was a customary practice of the government. There are now over one hundred and eighty documents from departments and local governments. Chapter IX of the “*Interim Measures of Social Assistance*” is about Temporary Assistance. The State shall grant temporary assistance to households with temporary serious difficulties in their basic living situation on account of unexpected events such as fire, traffic accidents or sudden and critical illness of household members or households under the minimum subsistence guarantee program with temporary serious difficulties in basic living due to sudden increase in necessary living expenses, which exceed the affordability of such households, and to households that suffer from other special difficulties.

⁵⁸http://www.gov.cn/flfg/2007-08/31/content_732597.htm.

⁵⁹http://www.gov.cn/gzdt/2007-11/07/content_798826.htm.

⁶⁰http://www.law-lib.com/law/law_view.asp?id=317179.

⁶¹<http://hk.lexiscn.com/law/law-chinese-1-497002.html>.

⁶²<http://hk.lexiscn.com/law/law-chinese-1-22159.html>.

According to the “*Interim Measures*” (01-05-2014), the State shall provide assistance in terms of temporary accommodation, acute disease treatment, and assistance in returning home for indigent vagrants and beggars. That means that the relief for vagrants and beggars without any assured living source is a kind of temporary assistance. On 27 October, 2014, the State Council issued the “*Notice on Fully Establishing a Temporary Assistance System*”.⁶³ The Notice clarifies the objectives, general requirements and main contents for the establishment of the temporary relief system. In addition, the Notice requires the building of a sound working mechanism for temporary relief and strengthening the safeguard measures for the implementation of the temporary relief system. The only local government rule is the “*Interim Measures of Gansu Province for Temporary Assistance to Urban and Rural Residents*” (27-11-2009)⁶⁴.

- Relief for Vagrants and Beggars without Assured Living Sources

This system has a long history and was first founded in the early 1950s. The first departmental regulations appeared in 1982 and were issued by the State Council. They were “*Measures of Internment and Repatriation for Vagrants and Beggars in Cities*” (1982 ineffective). In the same year, the Ministry of Civil Affairs and the Ministry of Public Security jointly issued the “*Implementation Rules for Measures of Internment and Repatriation for Vagrants and Beggars in Cities*” (1982 ineffective). In 1991, the State issued “*Opinions on the Reform for Internment and Repatriation*”, which covered the system for people without legal certificates, fixed residence or steady income. The “Sun Zhigang case”⁶⁵ led three Doctors of Laws to hand over a review proposal for the *Measures* (1982) to the Standing Committee of the National People’s Congress. As a result, the State Council promulgated the “*Measures for the Administration of Relief for Vagrants and Beggars without Assured Living Sources in Cities*” (2003)⁶⁶. One month later, the Ministry of Civil Affairs issued the “*Implementation Rules for the Measures for the Administration of Relief for Vagrants and Beggars without Assured Living Sources in Cities*” (2003)⁶⁷.

As a kind of social assistance, the People's Government of the cities at county level and above shall set up relief stations for vagrants and beggars where necessary. The relief provided to vagrants and beggars by the relief stations is a temporary public relief measure. The People's Government of the cities at county level and above shall take active and timely measures to relieve vagrants and beggars and shall include the funds needed for this relief work in their financial budgets to guarantee such funds. The State encourages and supports public organizations and individuals to assist vagrants and beggars. The departments of civil affairs of the People's Governments at county level and above shall be responsible for the work of relief for vagrants and beggars, and shall direct and supervise the relief stations. The departments of public security, public health, communications, railways, and city administration shall take care of the relevant work within the scope of their respective duties. The functionaries of public security organs and other relevant administrative departments shall, if finding any vagrant or beggar in the performance of their duties, inform that vagrant or beggar to seek relief from a relief station; and shall guide and escort that vagrant or beggar to the relief station if he/she is disabled, minor, old, or otherwise has any difficulty in action.

The local regulations and rules which matched the *Measures* (1982) lost their effectiveness as well. Some local governments made measures to implement the *Measures* (2003), which are effective now:

⁶³http://www.gov.cn/zhengce/content/2014-10/24/content_9165.htm.

⁶⁴http://hk.lexiscn.com/law/content.php?provider_id=1&isEnglish=N&origin_id=531433&keyword=55SY6IKD55yB5Z%2BO5Lmh5bGF5rCR5Li05pe25pWR5Yqp5Yqe5rOVLOWKnuazlSzmLZHliqks5Li05pe2LOWxheawkSzln47kuaEs55SY6IKDLOecgQ%3D%3D&t_kw=55SY6IKD55yB5Z%2BO5Lmh5bGF5rCR5Li05pe25pWR5Yqp5Yqe5rOVLOWKnuazlSzmLZHliqks5Li05pe2LOWxheawkSzln47kuaEs55SY6IKDLOecgQ%3D%3D&eng=0.

⁶⁵<http://baike.haosou.com/doc/5406405-5644251.html>.

⁶⁶http://www.gov.cn/zhengce/content/2008-03/28/content_6164.htm.

⁶⁷<http://www.mca.gov.cn/article/zwgk/fvfg/shflhshsw/200711/20071100003391.shtml>.

*Administrative Measures of Jiangxi Province for Assisting Vagrants and Beggars with No Means of Support in Cities(01-04-2008)*⁶⁸ ;

*Implementation Measures of Hubei Province on Aid and Administration of the Urban Homeless Wanderers and Beggars (01-06-2006)*⁶⁹.

-Legal Aid

The purpose of the Legal Aid System is to ensure that the citizens with economic difficulties obtain necessary legal services. At the beginning of 1994, the Department of Justice put forward a proposal to officially establish the Legal Aid System in China. There were some experiments in Guangzhou, Shenzhen, Shanghai, Beijing, Wuhan, Nanjing, Zhengzhou and Qingdao starting then. The “*Criminal Procedure Law*”⁷⁰ was revised in March 1996. Article 34 is about legal aid in criminal procedure. That is the basic framework of criminal legal aid system and also “legal aid” appeared in the law for the first time.

The “*Lawyers Law*” of the People's Republic of China⁷¹, adopted at the 19th. meeting of the Standing Committee of the Eighth National People's Congress of the People's Republic of China on 15 May, 1996, was promulgated and entered into force as of 1 January, 1997. Chapter 6 is mainly about legal aid and that is the outline of Chinese legal aid system. The “*Lawyers Law*” has been revised three times - in 2001, 2005 and 2012.

The Ministry of Justice, the Supreme Court, Ministry of Civil Affairs, the other central departments and local governments also produced a series of documents about legal aid. The “*Regulation on Legal Aid*”⁷² was adopted at the 15th executive meeting of the State Council on 16 July, 2003, and was promulgated with effect as of 1 September, 2003. “*Provisions on the Procedures for Handling Legal Aid Cases*”⁷³ were published by the Ministry of Justice on 9 April, 2012.

The General Office of the Central Committee of the CPC and the General Office of the State Council recently issued the “*Opinions on Perfecting the Legal Aid System*” as well as a notice requiring serious implementation of the Opinions in all areas and by all departments based on their actual situation (30-06-2015). According to the “*Regulation on Legal Aid*” (01-09-2003), any and all citizens that meet the requirements as provided for in the present Regulation shall be entitled to obtain gratuitous legal services according to the present Regulation, including legal consultation, assistance, criminal defense, etc. It is the responsibility of the Government to provide legal aid. The People's Governments at county level and above shall take active measures to promote the work of legal aid, provide financial support for legal aid, and to ensure that legal aid progresses in coordination with the economy and social progress. The funds for legal aid shall be used for the purpose of legal aid only, and shall be subject to the supervision of the Departments of Public Finance and Auditing.

The Administrative Department of Justice of the State Council shall supervise and regulate the legal aid over the whole country. The administrative departments of justice of the local People's Governments at county level and above shall supervise and regulate legal aid work within their respective administrative divisions. The All-China Lawyers' Association and the local lawyers' associations shall, according to the constitution of the Lawyers' Association, give assistance in the legal aid work implemented according to the present Regulation.

⁶⁸http://xxgk.jiangxi.gov.cn/fgwj/fg/200807/t20080728_57875.htm.

⁶⁹http://www.hbmzt.gov.cn/xxgk/zcfg/zcfg/gfxwj/201410/t20141020_194402.shtml.

⁷⁰http://www.gov.cn/flfg/2012-03/17/content_2094354.htm.

⁷¹<http://www.lawtime.cn/faguizt/93.html>.

⁷²http://www.gov.cn/zhengce/content/2008-03/28/content_6944.htm.

⁷³http://www.gov.cn/gzdt/2012-05/10/content_2133758.htm.

The administrative department of justice under the People's Government of the municipalities directly under the Central Government, the district cities, or counties shall determine the legal aid institutions within their respective administrative divisions in light of the practical needs. The legal aid institutions shall be responsible for the acceptance and examination of legal aid applications, and for designating or arranging for people to provide legal aid to the citizens who are eligible according to the present Regulation.

Lawyers shall perform their duty of providing legal aid services according to the relevant provisions of the Lawyers' Law and the present Regulation. They shall provide qualified legal services to the beneficiaries so as to safeguard their lawful rights and interests. They shall accept the supervision of the Lawyers' Associations and the Administrative Departments of Justice.

In any of the following situations where any citizen needs an agent and fails to entrust one due to economic difficulties, he or she may apply to a legal aid institution for legal aid for the following situations: requesting state compensations; requesting social insurance treatment or minimum life alimony treatment; requesting survivor's pensions or relief funds; requesting payments for supporting parents or grandparents, and children; requesting payment for labor remunerations; or claiming civil rights and interests arising from the brave act of righteousness.

The People's Government of the provinces, autonomous regions, and municipalities directly under the Central Government may make supplementary provisions regarding the legal aid matters to be addressed other than those as described in the preceding paragraph. Citizens may seek legal consultation from the legal aid institutions in terms of the matters as described in Paragraphs 1 & 2 of the present Article.

If, in the course of criminal proceedings, any of the following circumstances occurs, a citizen concerned may apply to the legal aid institutions for legal aid: a criminal suspect fails to hire a lawyer due to their economic difficulties after he has been interrogated for the first time by the investigative body or as of the day when mandatory measures are effected; the victim or the legal agent or close relation thereof in public prosecution cases fail to hire an agent ad litem due to economic difficulties as of the day when the case is transferred for examination for filing a prosecution; a private prosecutor or the legal agent thereof in a private prosecution cases fails to hire an agent ad litem due to economic difficulties as of the day when the case is established by the People's Court.

In the case where public prosecutors appear in a court trial and of the accused fails to hire a defendant lawyer due to economic difficulties or any other reason, and if the people's court designates a lawyer for the accused, the legal aid institutions shall provide those legal aid services. Where the accused is blind, deaf, or dumb, or is a minor and fails to hire a lawyer, or if the accused who may be sentenced to capital punishment fails to hire a defendant lawyer, and if the people's court designates a defendant lawyer for him, the legal aid institutions shall offer the legal aid services without having to examine the economic standing of the accused.

The standard of economic difficulty as mentioned in the present Regulation shall be set down by the People's Government of the province, autonomous region, and municipality directly under the Central Government in the light of economic developments and the demand for legal aid in the locality. Where the standard of economic difficulty is not identical to that of the place where the legal aid institution that accepts the application is located, the standard of the place where the legal aid institution that accepts the application is located shall apply.

There are many implementation measures from local governments, such as:

*Several Provisions of Tianjin Municipality on Legal Aid (01-11-2004)*⁷⁴ ;

⁷⁴http://www.moj.gov.cn/flyzs/content/2009-04/08/content_1066884.htm?node=7678.

*Measures of Liaoning Province for the Implementation of Legal Aid Services(10-12-2004)*⁷⁵ ;
*Regulations of Jiangsu Province on Legal Aid (2005 Revision)(01-12-2005)*⁷⁶ ;
*Provisions of Shanghai Municipality on Legal Aid(01-07-2006)*⁷⁷ ;
*Regulations of Shanxi Province on Legal Aid (2008 Revision, 01-10-2008)*⁷⁸ ;
*Regulation of Beijing Municipality on Legal Aid(01-03-2009)*⁷⁹ ;
*Regulations of the Shenzhen Municipality on Legal Aid (01-05-2009)*⁸⁰ ;
*Procedures of Guangzhou Municipality for Legal Aid Implementation (01-10-2009)*⁸¹ ;
*Regulation of Chongqing Municipality on Legal Aid (01-05-2014)*⁸² .

3.2 Conclusions Concerning the Development of the Social Assistance Legal Framework Achievements

-The basic social assistance law system has been established. The development of the social assistance legislation in China can be divided into two stages: Stage 1, the founding of the People's Republic of China to 1999 and Stage 2 from 2000 to 2014. The criteria for the division are two legislative documents. The “*Regulations on Guaranteeing the Minimum Subsistence for City Residents*” was effective on October 1, 1999. This is the foundation stone of social assistance’s legislative history. It is still the core of modern Chinese social assistance. The “*Interim Measures for Social Assistance*” came into force on May 1, 2014. These integrate the different programs of social assistance and lays the foundation for a future Social Assistance Law.

In conclusion, the Chinese social assistance system has four distinctive features. Firstly, the content of the social assistance program moves from a single life assistance towards a diversified comprehensive assistance. So far the social assistance system is based on Dibao, Five Guarantees, Relief of Victims Suffering from Disasters, Medical Assistance, Education Assistance, Housing Assistance and Temporary Assistance. Secondly, social assistance transforms from temporary assistance to regular institutional assistance. Thirdly, the territorial scope of social assistance used to focus on urban areas and now focuses on both the urban and rural areas. Poor people can get assistance irrespective of where they live. Finally, in the past the targets of assistance were decided on the basis of their identity. Today a household that is approved to obtain social assistance is based on their economic status and the causes of their poverty. Because of these changes, the Chinese social assistance has developed from an old style to a modern style with standardization and institutionalization.

From what has been discussed above, we can see that the legal framework for the Chinese social assistance system includes laws, administrative regulations, departmental rules, local regulations, local rules and a lot of notices and opinions. According to the “*Legislation Law*” of the People's Republic of China⁸³ (2000, revised in 2015), they have different levels of authority.

The National People's Congress and its Standing Committee shall exercise the legislative power of the State (Article 7). The State Council shall develop administrative regulations in accordance with the Constitution and laws (Article 65). The People's Congress and its standing committee of a

⁷⁵http://www.moj.gov.cn/flyzs/content/2009-04/08/content_6057296.htm?node=7677.

⁷⁶http://www.moj.gov.cn/flyzs/content/2009-04/08/content_6057294.htm?node=7677.

⁷⁷http://www.moj.gov.cn/flyzs/content/2009-04/08/content_6057302.htm?node=7677.

⁷⁸http://www.moj.gov.cn/flyzs/content/2009-04/08/content_6057301.htm?node=7677.

⁷⁹http://www.gov.cn/gzdt/2008-12/25/content_1187594.htm.

⁸⁰<http://www.chinalaw.gov.cn/article/fgkd/xfg/dfxf/200904/20090400130949.shtml>.

⁸¹<http://www.gzsfyc.cn/GuideLaw-detail.aspx?id=4>.

⁸²<http://baike.haosou.com/doc/5226966-5459498.html>.

⁸³http://www.gov.cn/test/2005-08/13/content_22423.htm.

province, autonomous region, or municipality directly under the Central Government may, according to the specific circumstances and actual needs of the administrative region, develop local regulations, provided that such regulations do not contravene the Constitution, laws, and administrative regulations. The People's Congress and its standing committee of a districted city may, according to the city's specific circumstances and actual needs, develop local regulations on urban and rural development and administration, environmental protection, and historical culture protection, among others, provided that they do not contravene the Constitution, laws, administrative regulations, and the local regulations of the province or autonomous region where the city is located, unless a law provides otherwise for the development of local regulations by a districted city.

The local regulations of the districted city shall come into force after being reported to, and approved, by the standing committee of the People's Congress of the province or autonomous region (Article 72). The people's congress and its standing committee of the province or city where a special economic zone is located shall, according to the empowerment decision of the National People's Congress, develop regulations to be enforced within the special economic zone (Article 74). The people's congress of an ethnic autonomous area shall have the power to develop autonomous regulations and separate regulations based on the political, economic, and cultural characteristics of the local ethnicities. The regulations of an autonomous region shall come into force after being reported to, and approved by, the Standing Committee of the National People's Congress. The regulations of an autonomous prefecture or an autonomous county shall come into force after being reported to, and approved by, the standing committee of the People's Congress of the province, autonomous region, or municipality directly under the Central Government (Article 75).

Table 3.1 Outline of the current Chinese legal framework on social assistance

	Level of Authority	Name
Social Assistance (comprehensive legislation)	Administrative Regulations(national, State Council)	<i>Interim Measures for Social Assistance (2014)</i>
	Local Regulations (provincial, Local Congress)	<i>Regulation of Zhejiang Province on Social Assistance (01-11-2014)</i>
	Local Government Rules (provincial, Local Government)	<i>Implementation Measures of Sichuan Province on Social Assistance (01-03-2015);</i> <i>Measures of Jiangsu Province on Social Assistance (01-02-2015);</i> <i>Measures of Shandong Province on Social Assistance (01-11-2014);</i> <i>Implementation Measures of Hubei Province on Social Assistance (10-09-2014);</i> <i>Measures of Shanghai City on Social Assistance (20-12-2010).</i>
	Administrative	<i>Regulations on Guaranteeing Minimum</i>

Minimum Subsistence Guarantee (Dibao)	Regulations (national, State Council)	State	<i>Subsistence for City Residents (1999)</i>
	Local Regulations (provincial, Congress)	Local	<i>Measures of Xiamen City on Guaranteeing Minimum Subsistence (01-07-200, revised in 2014),</i> <i>Regulation of Nanjing City on Guaranteeing Minimum Subsistence (01-11-2004, revised in 2010),</i> <i>Regulation of Chongqing on Guaranteeing Minimum Subsistence for Urban and Rural Residents (01-10-2008).</i>
	Normative Document (national, MoCA)		<i>Notice on establishing Urban Minimum Livelihood Guarantee Scheme in the nationwide (02-09-1997)</i> <i>Notice of the General Office of the State Council on Further Strengthening the Work of Urban Minimum Guarantee (12-11-2001)</i> <i>Notice on establishing Rural Minimum Livelihood Guarantee Scheme in the nationwide (11-07-2007)</i> <i>Opinions of the State Council Concerning Further Strengthening and Improving the Work of Guaranteeing Minimum Subsistence(01-09-2012)</i>
Five Guarantees	Administrative Regulations (national, Council)	State	<i>Regulations on the Work of Providing Five Guarantees (2006)</i>
Relief of Victims Suffering from Disasters	Administrative Regulations (national, Council)	State	<i>Regulation on the Relief of Natural Disasters(01-09-2010)</i>
	Local Rules (provincia, Government)	local	<i>Measures of Anhui Porince on Natural Disaster Relief (01-06-2015)</i> <i>Measures of Jiangxi Province for Implementing Regulation on the Relief of Natural Disasters (01-08-2014)</i> <i>Provisions of Yunnan Province on Natural Disaster Relief(01-03-2013)</i>

Medical Assistance	Local Rules (provincia, Government)	local	<p><i>Interim Measures of Gansu Province for Medical Assistance in Urban and Rural Areas (11-27-2009)</i></p> <p><i>Implementation Measures of Anhui Province for Medical Assistance (01-01-2014)</i></p> <p><i>Interim Measures of Guangxi Province for Medical Assistance in Urban and Rural Areas for Espically Poor People in the Hospital(01-08-2013)</i></p>
	Local Rules (local, government of city)		<p><i>Measures of Wenzhou City for Medical Assistance in Urban Areas (08-01-2015)</i></p> <p><i>Measures of Ningbo City for Medical Assistance (01-07-2006)</i></p> <p><i>Measures of Dalian City for Medical Assistance in Rural Areas for Poor People(23-02-2008)</i></p>
Education Assistance	Normative Documents (national, governments)	central	<p><i>Notice of the Ministry of Civil Affairs and the Ministry of Education on Further Efforts about the Educaiton Assistance for the Minors in Urban and Rural Areas(26-08-2004)</i></p>
	Normative Documents (local, governments departments)	local or	<p><i>Interim Measures of Weihai City about Medical Assistance and Education Assistance for people under the Minimum Subsistence Guarantee Program(01-01-2004)</i></p> <p><i>Interim Implementation Measures of Nanjing City about Educaiton Assistance for Poor Families in Urban and Rural Areas(05-01-2005)</i></p>
	Normative Documents (provincial, government)	local	<p><i>Notice of the Department of Civil Affairs of Hainan Province on Implementing the Education Assistance for Poor Families in Urban and Rural Areas(21-08-2012)</i></p>
Housing Assistance	Departmental Rules (national, governments)	central	<p><i>The Measures for the Administration of Urban Subsidized Housing for Families with the Lowest Income(01-03-2004)</i></p> <p><i>The Measures for the Guarantee of Low-rent Homes(26-09-2007)</i></p>
	Local Rule (provincial)		<p><i>Administrative Measures of Tianjin Municipality on Basic Housing Security (08-17-2012) ;</i></p> <p><i>Provisions of Zhejiang Province for the Guarantee of Low-Rent Housing (08-09-2010) ;</i></p> <p><i>Measures of Jiangsu Province on Guarantee of</i></p>

		<i>Low-Rent Homes (12-03-2008)</i>
Employment Assistance	Local Rule (provincial)	<i>Regulations of Gansu Province on Employment Promotion (03-31-2010)</i> <i>Measures of Jiangsu Province on Implementation of the Employment Promotion Law of the People's Republic of China (12-31-2008)</i>
	Local Rule (local governments or departments)	<i>Regulations of the Shenzhen Special Economic Zone on the Promotion of the Employment of Residents (02-23-2001)</i>
Temporary Assistance	Normative Document (national, central departments)	<i>Notice of the State Council on Fully Establishing A Temporary Assistance System(27-10-2014)</i>
	Local Rule (provincial)	<i>Interim Measures of Gansu Province for Temporary Assistance to Urban and Rural Residents (11-27-2009)</i>
Relief for Vagrants and Beggars without Assured Living Sources	Administrative Regulations (national, State Council)	<i>Measures for the Administration of Relief for Vagrants and Beggars without Assured Living Sources in Cities(2003)</i>
	Departmental Rules (national, central departments)	<i>Implementation Rules for the Measures for the Administration of Relief for Vagrants and Beggars without Assured Living Sources in Cities”(2003).</i>
	Local Rules (provincial)	<i>Administrative Measures of Jiangxi Province for Assisting Vagrants and Beggars with No Means of Support in Cities (03-22-2008)</i> <i>Implementation Measures of Hubei Province on Aid and Administration of the Urban Homeless Wanderers and Beggars (12-03-2005)</i>
Legal Aid	Administrative Regulations (national, State Council)	<i>Regulation on Legal Aid(2003)</i>
	Departmental Rules (national, central departments)	<i>Provisions on the Procedures for Handling Legal Aid Cases</i>

	Local Regulations (provincial, local congresses or standing committees)	<i>Regulation of Beijing Municipality on Legal Aid (12-19-2008)</i> <i>Provisions of Shanghai Municipality on Legal Aid (04-26-2006)</i> <i>Several Provisions of Tianjin Municipality on Legal Aid (09-14-2004)</i> <i>Regulation of Chongqing Municipality on Legal Aid (Title Only) (03-26-2014)</i> <i>Regulations of Jiangsu Province on Legal Aid (2005 Revision) (09-26-2005)</i> <i>Regulations of Shangxi Province on Legal Aid (2008 Revision) (07-30-2008)</i>
	Local Regulations (local, local congresses or standing committees)	<i>Regulations of the Shenzhen Municipality on Legal Aid (12-29-2008)</i>
	Local Rules (provincial)	<i>Measures of Liaoning Province for the Implementation of Legal Aid Services (11-04-2004)</i>
	Local Rules (local city governments)	<i>Procedures of Guangzhou Municipality for Legal Aid Implementation (08-29-2009)</i>

-Minimum Substance Guarantee system covers both urban and rural areas.

The Minimum Substance Guarantee system was the "last line of defense" after the state-owned enterprise unemployed basic livelihood guarantee and the unemployment insurance. It was a system related to the economic reform and laid-off workers. This means that its targeted persons were those who lived in urban areas and who lost their jobs. Dibao has already been accepted widely and advocated throughout China since 1997 based on the "Notice on Establishing the Urban Minimum Livelihood Guarantee Scheme Nationwide". By contrast, it was expanded to rural areas based on the "Notice on Establishing the Rural Minimum Livelihood Guarantee Scheme Nationwide" (2007). Although the establishment time-frame is different, we established the same system both in urban and rural areas.

-Five Guarantees used to be supported by collectives and now by the government.

Before the reform of rural taxes and fees, Five Guarantees used to be supported by the village collective. That meant that Five Guarantees were a kind regional cooperative action between villagers. In 2006, the Five Guarantees were transferred from the mutual aid of farmers to the government's obligation. The funds for the five guarantees in rural areas shall be arranged in the financial budgets of the local People's Government. Where there is income from rural collective operations, these funds may be used to subsidize and improve the daily lives of the persons enjoying the Five Guarantees in rural areas. Where a person enjoying the Five Guarantees in rural areas entrusts another person with the cultivation of his contracted land, the proceeds therefrom shall belong to the person enjoying the Five Guarantees in rural areas. The specific measures in this respect shall be formulated by the People's Governments of provinces, autonomous regions and

municipalities directly under the Central Government. The central finance authority shall provide the appropriate subsidies in the form of funds to the areas which have financial difficulties in financing the five guarantees in rural areas.

- The Relief for Vagrants and Beggars changes from restriction of freedom to assistance.

The Relief for Vagrants and Beggars in urban area is based on “*Measures of Internment and Repatriation for Vagrants and Beggars in Cities*” (1982, no longer effective). In practice it was an action to restrict citizens' personal freedom. It played a very important role in our social security while it had serious disadvantages in practice. The system of take-in and repatriation transformed into an administrative compelling and punishment measure which limited the citizen's personal freedom. The State Council announced the abolition of the 21-year-old detention and repatriation system in June 2003 because of the “*Sun Zhigang Case*”, which is regarded as an important milestone in China's social development.

The present Measures are enacted in order to provide relief to the vagrants and beggars without assured living sources in cities, to guarantee their basic living rights and interests, and to perfect the public relief system. A relief station shall provide the following relief according to the recipient's needs: food in conformity with the requirements on food hygiene; and a lodging place that meets the basic conditions. In case of the recipient suddenly suffering acute disease in the relief station, the person will be sent to hospital for treatment. The scheme helps to contact the recipient's relatives or their work place; In case the recipient has no money to pay for his return to his/her domicile or place of work, he or she will be provided with a travel certificate. A relief station may not take any charges from the recipients, or the relatives or working entities thereof, or organize under any circumstance for the recipients to engage in labor work.

- All kinds of special assistance systems have been established through legislation.

Concerning disaster relief, the “*Regulation on the Relief of Natural Disasters*” (2010) was formulated to regulate the relief of natural disasters and safeguard the basic livelihood of victims. It includes seven chapters, which are General Provisions, Preparatory Work for the Relief of Disasters, Emergency Assistance, Post-disaster Relief, Legal Responsibility and Supplementary Provisions.

For legal aid, “*the Regulation on Legal Aid*” (2003) is the main legal basis. It consists of General Principles, Scope of Legal Aid, Application for Legal Aid and the Examination, Implementation of Legal Aid, Legal Liabilities and Supplementary Provisions.

For medical assistance, there is “*Opinions of the Ministry of Civil Affairs, the Ministry of Health, the Ministry of Labor and Social Security Affairs and the Ministry of Finance for Pilot Work on Establishing the Medical System in Urban Areas*” (2005). For education assistance there is the “*Notice of the Ministry of Civil Affairs and the Ministry of Education on Further Efforts about the Education Assistance for Minors in Urban and Rural Areas*” (2004). With regard to Housing Assistance, there is the “*Measures for the Administration of Urban Subsidized Housing for Families with the Lowest Incomes*” (2003). Aside from all that special assistances, temporary assistance is based on the “*Notice on Fully Establishing a Temporary Assistance System*” (2014), which is supplementary to all the other assistance measures.

Main Problems:

The development of the current social security system encounters a number of significant problems illustrated by the following.

-There is no intact social assistance legal system. Although we have set up the basic framework of social assistance and made some laws, regulations and rules, it is still not a legislative law. The critical problem is that there is no Social Assistance Law. By this we mean that the law was made by the National People's Congress or its Standing Committee. The operation of social assistance

depends on a lot of local regulations, local rules, implementation rules, notices and announcements. These documents have a relatively low level of authority. These documents are promulgated under the background of the local social situation. All the assistances look like charity from the government. The social assistance system is pushed by the local powers and there is much randomness in its enforcement. The result has a close relationship based upon the local leadership.

Through local study visits, I find that some officials in grass-root governments think that “*The Interim Measures for Social Assistance*” have little use in practice. It did not bring as big a change as was expected. It just integrates the existing systems. The content is too general. For instance the “*Regulations on Guaranteeing Minimum Subsistence for City Residents*” (1999) has much more detailed than *the Interim Measures*. So grass-root governments still implement Dibao according to the “*Regulations on Guaranteeing Minimum Subsistence for City Residents*” (1999). There are different kinds of notices or other such documents now and then from MoCA and local governments. These are so complicated that the staff do not have enough time to learn about them.

-The function of the different special social assistances is a little confusing.

There are eight special assistances (Minimum Subsistence Guarantee, Support of the Especially Poor, Relief of Victims Suffering from Disasters, Medical Assistance, Education Assistance, Housing Assistance, Employment Assistance and Temporary Assistance) at present. They aim to target different people. These systems can't work as a whole. The development of different social assistances is unbalanced.

In the near future, Support of the Especially Poor will replace the Five Guarantees. The state shall grant support to the especially poor, to the elderly, to the disabled and to minors under 16 years of age who have no persons with statutory obligations to support aging parents, children, or other persons or persons with statutory obligations to support but who do not possess the capacity to support them.

Any of the following persons may apply for the relevant medical assistance: members of a household under the minimum subsistence guarantee program; persons that enjoy the support of the especially poor; and other persons with special difficulties as prescribed by the People's Government above county level. To apply for medical assistance, an applicant shall file an application with the People's Government at the township level or the sub-district office. Upon review and publication, the department of civil affairs under the People's Government at the county level shall approve the application. The medical assistance for members of households under the minimum subsistence guarantee program and persons enjoying the support of the especially poor shall be directly handled at the department of civil affairs under the People's Government at county level. That means that those people targeted by Medical Assistance is wider than those of Dibao. It is hard for the officials to decide in individual cases.

Employment Assistance means the state shall grant employment assistance to members of households under the minimum subsistence guarantee program who have the ability to work and are out of work via subsidized loans, social insurance subsidies, position subsidies, training subsidies, expense deduction and exemption, arrangement of public welfare positions, and other means (*The Interim Measures for Social Assistance*, Article 42). This has a special Chinese characteristic. Actually, it is not social assistance but employment support.

Temporary Assistance was established for a short time. There are different understandings in practice. It is supplementary to the other assistances so it looks like a bottom line assistance system. The state shall grant temporary assistance to households with temporary serious difficulties in their basic living due to such unexpected events as fire and traffic accident or sudden and critical illness of household members or households under the minimum subsistence guarantee program with temporary serious difficulties in basic living costs due to a sudden increase in their necessary living

expenses, which exceeds the affordability of such households, and households that suffer from other special difficulties (*The Interim Measures for Social Assistance*, Article 47). The problem is if the other special social assistances work efficiently, do people still need the Temporary Assistance? In addition the state shall provide assistance in terms of temporary accommodation, acute disease treatment, and assistance for indigents, vagrants and beggars to return home (*The Interim Measures for Social Assistance*, Article 50). As is the case with Five Guarantees, the Relief for Vagrants and Beggars without Assured Living Sources will be replaced by Temporary Assistance.

-The Cooperation between different departments needs to be strengthened.

The responsibility of different department is clear in Article 3 of “*The Interim Measures for Social Assistance*”. Civil Affairs Departments (from central government to local governments) have the prime responsibility to take the lead in fulfilling their assignments. Civil Affairs Departments have to coordinate with other departments (the departments of health and family planning, education, housing and urban-rural development, and human resources and social security) in many cases. The level of communication between the different departments and their sharing information is at a low level. There is a need to take enhance efforts to promote further collaboration.

According to the “*Interim Measures*”, the state shall grant employment assistance to members of households under the minimum subsistence guarantee program who have the ability to work and who are out of work via subsidized loans, social insurance subsidies, position subsidies, training subsidies, expense deduction and exemption, arrangement of public welfare positions, and other means (Article 42). A member of a household under the minimum subsistence guarantee program who has the ability to work but is out of work shall accept the work introduced by the relevant department of human resources and social security. If he or she refuses to accept the work introduced to him or her that is appropriate for his or her health and labor capacity for three consecutive occasions without any justified reason, the department of civil affairs under the People's Government at county level shall decide to reduce or terminate the granting of minimum subsistence allowances to him or her (Article 45).

The local People's Governments at all levels and their relevant departments shall provide the necessary assistance and preferential treatment to city residents who enjoy the benefits of the guaranteed minimum subsistence for city residents in such respects as employment and engaging in individual business operations (*The “Regulations on Guaranteeing Minimum Subsistence for City Residents” 1999*, Article 11). Such wording as “the relevant departments” is not clear which means it is not clear which department's obligation it is. In practice it was thought to be the obligation of the department of Human Resources and Social Security. However, the reality is that the department of Human Resources and Social Security usually neglects their responsibility. The result is that the department of civil affairs can't reduce or terminate the grant of a minimum subsistence allowance. These articles don't work in reality. The department of civil affairs under the People's Government above county level may, according to the application or the request and entrustment of the household that has obtained social assistance, inquire and verify the income status and property status of the household through the departments of residence registration, taxation, social insurance, real property registration, business registration, housing provident fund management and so on, The relevant entities and financial institutions shall cooperate with the department of civil affairs. It is hard for the department of civil affairs to get such information.

-The executive ability of the social assistance agency is not strong. In recent years, along with the growing the targets for assistance and expanding its content, the task is increasingly heavy. The standardization of the management system requires the staff to have higher professional qualifications. Enforcement of social assistance mainly depends on low level local governments, such as those at the county and village levels. Through local visits, I find that the officials in low level local governments feel that the workload is extremely heavy. Sometimes they even have to

face threats by the applicants. Poor working conditions and a shortage of financial and human resource restrict the development of the social assistance program.

-The Special Social Assistance should be improved. The resources for social assistance are still insufficient. With the development of the economy, the content and criteria of social assistance should be improved. There is a gap between the current system and the people's expectations. Some poor people need not only the eight social assistance benefits but also daily care and psychological counseling. These services are not included in the social assistance program.

Although some households' income is higher than the basic life criteria, they live a poor life. The Dibao System only provides a guarantee to households whose per capital income of members living together is below the local criterion of the minimum subsistence guarantee. That conforms to the local provisions on the property status of households. So the income status and property status of households are decisive factors under the minimum subsistence guarantee program. The family structure and expenses are irrelevant. If a family member of a regular household falls ill then their actual living standard would be lower than the guaranteed household.

The 'Hukou'⁸⁴ is also important to Chinese people's ordinary lives. A household member shall file a written application with the People's Government at the township level or the sub-district office at their place of domicile. With the development of migration and urbanization, more and more people live in a different place from their domiciled place (the place where they have their 'Hukou'). But those emigrant people do not apply for Dibao because they do not have a local Hukou. After the application, the agency has the responsibility to check the applicant's family income and property (house, car, stock and so on). The issue is that the agency does not have that information. The information platform with integral information is being setting up in many provinces.

The urban-rural gap is still great. Rural migrants have been disadvantaged in various ways. Rural migrants encounter high barriers in acquiring the status of an urban inhabitant with its full rights and opportunities. Most of them lack social security when compared with their urban counterparts.

-The Government's information publicity is still insufficient. Few provisions mention the Government's information disclosure in social assistance legal framework. Concerning the transparency of the Government, the "*Regulation of the People's Republic of China on the Disclosure of Government Information*"⁸⁵ was adopted at the 165th executive meeting of the State Council on 17th January, 2007. It came into force as of 1 May, 2008. According to it, an administrative organ shall voluntarily disclose Government information satisfying any of the following basic requirements: Information concerning the vital interests of citizens, legal persons or other organizations; Information that should be widely known by the general public or concerns the participation of the general public; Information reflecting the structural establishment, duties, procedures for handling affairs and other situation of the administrative organ; Other information that shall be voluntarily disclosed by the administrative organ as prescribed by laws, regulations and the relevant state provisions. The publicity of governmental information shall comply with the principles of legitimacy, timeliness, genuineness and impartiality. However, the transparency of the Government still has some obstacles and the information can not be provided in accordance with the Regulations. This is formal in China and there is no exception. Government information disclosure about social assistance is still at a low level.

3.3 Recommendations for the Reform of Social Assistance

-Continue to promote the social assistance legal system.

⁸⁴Household register, which is the official document that records the basic information of the resident. It is the other identity certificate apart from ID card.

⁸⁵<http://baike.baidu.com/link?url=9iCUAvh3QA1CJ0bJgNJKRzGhtn-MG7hlUOOrCuZLBbSaG3yVkJGhhQt0tzWsfFaYKLCmnJaDOSMOZKheLcfMYUa>.

The legislative foundation of the Chinese social assistance should be strengthened. China's legislative body is formulating a comprehensive Social Assistance Law, which covers the specific regulations on Subsistence Allowance for Residents, Measure for Urban and Rural Medical Assistance, Law on Housing Security, etc. Through the construction of laws and regulations, the scope, content, standard, management, capital raising, etc. of the social assistance system with the core of subsistence allowances will be fixed, institutionalised and normative. This will further reduce the randomness of social assistance.

A Social Assistance Law has been included in the legislative plan of the People's Congress.

According to the actual needs for the development of social assistance, the Social Assistance Law should be promulgated as soon as possible. Once promulgated the relative regulations and rules should be rectified. The ideal legal framework of social assistance would then come into force, which would include about four parts: the law to arrange all the different kinds of social assistance (National People's Congress); regulations about each kind of social assistance (the State Council), and measures about enforcement matters (MoCA and province government).

- Establish a reasonable social assistance system.

As previously mentioned above, there are too many special social assistance systems. They have different names and different functions, while they can't display overall superiority. We should create a reasonable and logical social assistance system. In my opinion, the Five Guarantees and the Relief for Vagrants and Beggars without Assured Living Sources will disappear and will be replaced by others.

Medical Assistance and Employment Assistance don't belong as part of social assistance. Social Security is a system and the social assistance is the bottom line of the overall social security system. The State should try to improve the social insurance system and ensure that the people can obtain basic medical and health services. We should establish various forms of medical insurance to provide medical services to the people. Employment assistance is something special along with China's economic reforms. We should not name it "Employment assistance" any more. Housing Assistance is only a part of the housing guarantee system. With the high price of houses in the cities, it is not only the lowest income families who can't buy or rent houses (or apartments). A middle class family would also find it difficult to afford such a purchase. The housing guarantee system is both welfare and relief. In conclusion, the social assistance should mainly include Dibao, Legal Aid, Relief of Victims Suffering from Disasters and part of the Temporary Assistance.

-Strengthen cooperation between departments.

According to the State Council's arrangement, joint inter-ministerial conferences led by the Ministry of Civil Affairs should be established to co-ordinate the different social assistance benefits at the central level. Local governments at different levels should establish social assistance coordination mechanisms accordingly. The Civil Affairs Departments play a leading role. Such mechanisms prove to be inefficient because the civil affairs departments do not have the power to order other departments. It is recommended that the State Council should take the lead. Besides, there should be more information sharing and co-operation. Family economic checks are the key step of social assistance. If there is no information sharing, it might make the family economic check impossible.

-Improve the enforcement ability of the officials at low level governments.

Officials at the lower levels of government deal with social assistance affairs and have direct contact with the applicants. Too much work pressure will affect their mood and work efficiency. We should add new staff and guarantee their work place and conditions through legislation. They should have the right to be trained every year.

-Improve the content of each specific social assistance.

As far as Dibao is concerned, it is the most important and perfect part among all the social assistance schemes, but it still needs improving. It is the target of the household registration reform to abolish the distinction between farmers and city dwellers. It is expected that China will cancel the household registration system in the near future. So the problems caused by *Hukou* will be resolved naturally. Although China started the experiment of rural minimum living standard system in early 1990's, many local governments have encountered many obstacles in the course of the experiment. This has led to the stagnancy of the system in many areas. In order to set up the rural minimum living standard system successfully, local governments should determine the reasonable level of the rural minimum living standard and improve the relevant rules. The criterion for the minimum subsistence guarantee shall be determined and released by the People's Government of province, autonomous region, municipality directly under the central government, according to the cost of local residents' minimum subsistence expenses and be appropriately adjusted on the basis of the local economic and social development level and price changes. It should be increased with the economic growth and take into consideration the family structure.

-Promote Government information disclosure and transparency.

Transparency of government information is not as good as expected in respect of social assistance. This problem exists not only in social assistance but also in other fields. Although there is the "*Regulation of the People's Republic of China on the Disclosure of Government Information*" it can not be implemented precisely. Most departments of Governments at all levels can not publish the government information in a timely manner. So it is not easy for the public to access the information. To solve this problem, the agencies should obey the above regulation.

Local Study Visit of Guangdong Province

Background

Guangdong province is one of the most developed provinces in China. Its economic development level is well in excess of the other provinces. Because of its economic development, a large number of people migrate from inland to Guangdong.

Economic and Social Aspects

In 2014, the permanent population of Guangdong Province was 107.24 million. The GDP of Guangdong Province was 6.779224 trillion (RMB), and GDP per capita was 63,452 thousand (RMB). The local province's public finance budget revenue was 806.006 billion (RMB). Per capita disposable income was 25,685 RMB. Per capita disposable income in the rural areas was 1224. RMB. Per capita disposable income in urban areas was 3,214 RMB.⁸⁶

Implementation Issues and Lessons Learned

Guangdong is one of the provinces that built Dibao in both the rural and urban areas. Before 1995 social assistance was mainly for the "three non-personnel". The "*Notice of the Department of Civil Affairs and Department of Finance on Establishing the System of Minimum of Substance Guarantees both in Rural and Urban areas*" came into force in May, 1997. According to the Notice, on basis of the Minimum of Substance Guarantees in the urban areas, the system would be expanded to rural areas. So the urban-rural integration system would come true at last. The Minimum Substance Guarantee in rural areas in Guangdong Province started earlier than in most of the other provinces. As for the standard of Dibao, the "*Notice of the General Office of People's Government of Guangdong Province on Establishing the Provincial Standard of the Minimum*

⁸⁶ "*Guangdong's Economy and Society Development Statistical Bulletin 2014*", <http://www.da.gd.gov.cn/webwww/nychq/NeiRong.aspx?ID=13231>.

Substance Guarantee came into force in April, 2014. Since 2013, the Department of Civil Affairs and the other relative departments made the standard of Dibao. The standard has four levels according to the area's four types of economy. The shortage of work expenses is another problem in the lower level governments. In order to solve this problem the "Notice of the Department of Finance in Guangdong Province on Implementing the Work Expense of Minimum Subsistence Guarantee" was made in May, 2014. Departments of Finance at all levels should budget the work expense at 3% based of the Dibao fund of the previous year. In 2013, 35.4 million was arranged as the work expense of Dibao in provincial finance.

In practice, the local governments make efforts to strengthen supervision on the enforcement of social assistance. For example, according to *Notice on Further Strengthening the Supervision of the Minimum Substance Guarantee of Department of Civil Affairs, Department of Public Security, Department of Finance and Department of Audit (23-09-2013)* it should be recorded if an official's relatives benefit from Dibao. The detailed files should be established about the situation of the officials' and Village Commission (or Residents Committee) members' whose relatives getting the Dibao allowance. The Department of Civil Affairs in Guangdong Province should check the files randomly.

The local cities started early to construct the family income verification system. According to the Ministry of Civil Affairs' arrangement, two cities in Guangdong Province, Guangzhou and Shenzhen were determined to be the pilot cities for verifying the urban residents' household income in 2009. Two years later, the other three cities, Dongguan, Zhuhai and Zhongshan were determined to be the second group of pilot cities. By the end of 2015, all the cities in Guangdong Province were to establish the system for verifying residents' household incomes.

Improve the mechanisms of cooperation among different departments. In order to solve the problem of cooperation of different departments the "Notice of the General Office of the People's Government of Guangdong Province on Establishing the Inter-departmental Meeting System for Social Assistance"⁸⁷ was made on 18 April, 2013. On basis of the Notice, the vice-governor of Guangdong Province should be in charge of the meeting and be the convener. The heads of 22 departments are its members. The Department of Civil Affairs should be responsible for the daily work. The main responsibility of the Inter-departmental Meeting is to reinforce the coordination of the different departments, the inter-connection of the different kind of social assistance, and to promote the changing and sharing of information.

Besides the above, in order to solve the problem of a shortage in human resources, the Governments implement a policy to purchase services from society. In 2014, the fund to purchase social services was more than 48.05 million RMB. This method is solving the problem of the shortage in human resources in lower-level governments to some extent.⁸⁸

Through local study visits some problems are discovered.

Firstly, the financial input into social assistance is inadequate. As previously mentioned, Guangdong is one of the most developed provinces, but the standard of social assistance in Guangdong is much lower than in the other provinces. According to the investigation of Guangdong Provincial People's Congress, although the situation has improved, there has not been much radical change. Take the standard for Dibao in December 2012 as an example, the standard for Dibao was 262 RMB per month in the rural areas and 325 RMB per month in the urban areas of Guangdong Province. Such standards are not only lower than those in Jiangsu Province and Zhejiang Province, but also in Jiangxi Province. Jiangxi is in the middle of China and is not as

⁸⁷http://zwgk.gd.gov.cn/006939748/201304/t20130428_373754.html.

⁸⁸"The Profile of Civil Affairs of Guangdong Province in 2014", http://www.gdmz.gov.cn/zwgk/zwgb/gzgzk/201503/t20150305_41653.htm.

developed as Guangdong. As far as Medical Assistance is concerned, the situation is much more serious in Guangdong. There has been no increase over the past ten years that the province has had public financial input to Medical Assistance. The per capita is only 70 RMB which is less than 18% of the central subsidies' standard. The number of recipients of Dibao in Guangdong Province in 2011 was 2.24 million people (including both rural and urban areas). This is 2.1% of the total population. Such a percentage is much lower than the national average, which is 5.6%. Meanwhile, the corresponding percentages are 4.8% in Liaoning Province and 2.4% in Fujian Province. These two provinces have the same level of economic development as Guangdong.⁸⁹ Secondly, social assistance to immigrants is a serious problem. There is a large number of immigrants in Guangdong province from the inland provinces. According to the "*Regulations of Social Assistance in Guangdong Province*" (2010), only those people who have a local Hukou can apply for social assistance. A lot of immigrants don't have that right. The government put forward that the social assistance will gradually cover the immigrants in "*The Planning Framework of the Pearl River Delta (2008-2020)*".⁹⁰ But such an idea has made no substantive progress up until now. Thirdly, the disclosure of the public information is relatively lagging. The budget of the public financial input into social assistance can not be found on either the website of the Department of Civil Affairs of Guangdong Province or the Department of Finance of Guangdong Province. By contrast, the situation is so different in Jiangxi Province where such a figure can be found on the website of the Department of Civil Affairs of Jiangxi Province.

Appendix 1 Case Study of the Municipality of Chongqing

To targeting employment assistance for weak-in-employment groups, Chongqing City began to launch the "Employment Assistance Month Activity" in late 2011. Wanzhou District carried out an employment assistance month activity that was themed at "Employment Assistance and Help" on January 10, 2015. It focused on helping weak-in-employment groups and unemployed disabled people and aimed at actively implementing a variety of employment support policies. The activity has reaped preliminary benefits. During the activity, visits were paid to 2,270 households whose residents had with difficulty in finding a job in the district, 1,071 unemployed people who have difficulty in finding a job were registered, including 47 disabled people. 19 special job fairs were organized. The district helped 788 weak-in-employment people, including 14 disabled persons as well as 10 members of households enjoying the minimum living guarantee to successfully find a job. They provided employment services to persons on 5,376 occasions. Enterprises recruited 316 people having difficulty in finding a job and helped 646 people with difficulty in finding a job enjoy assistance policies, including 441 who were enjoying a social insurance subsidy. Wanzhou District mainly took five measures in employment assistance.

1. Developed A Work Plan and Launched an Information Campaign

To actually benefit from the employment assistance month activities, a proposal for the Employment Assistance Month Activity 2015 in Wanzhou District was developed and distributed to unify its ideological understanding and clearly define the employment assistance measures. Concurrently, the district launched an extensive information campaign via radio, TV and so on. This widely informed the population on the conditions for registration and the accreditation of persons with difficulty in employment, the specific contents of the assistance activity as well as national and local employment support policies. This involved sub-district-, town- and community-level labor employment and social security service centres posting advertisements, hanging up banners and paying visits to households, in a bid to help employers and people with

⁸⁹"The standard of Dibao in Guangdong is lower than the national average standard", <http://gz.bendibao.com/life/2013914/135677.shtml>.

⁹⁰"The immigrants are expected to be covered by social assistance", http://www.gdshjs.org/s/2013-05/10/content_68641389.htm

difficulty in employment get familiar with the preferential policies. According to the statistics, Wanzhou District distributed over 5,000 copies of information materials and put up 130 banners.

2. Carried Out General Survey on Employment Assistance and Handled Registration and Accreditation

203 staff from 52 sub-district and township social insurance agencies were sent to conduct a general survey of people with employment difficulties in the district. Visits were paid to 2,270 households of people with difficulty in employment, those visited were categorized and 1,072 people with employment difficulties were registered and accredited. On the other hand, local weak-in-employment people registration windows were opened to make real-name registration of qualified people, and the Unemployment Registration Certificate and the Employment Assistance Card were distributed to know information and employment demands of assistance objects. Targeting at characteristics of weak-in-employment groups, nearly 2,000 jobs with low technology content suitable for employment were reserved, laying a solid foundation for the implementation of employment assistance policies in an all-round way.

3. Provided Employment Services and Reserved Employment Positions

Various sub-district and township social insurance agencies opened a special service window to offer “one-stop services” free of charge. They actively provided policies, jobs and services to accredited assistance recipients and rendered door-to-door employment assistance contents and services to people with difficulty in employment by means of meticulous services such as assistance contact cards, one-to-one service, considerate service and service agreements signed with assistance recipients. Wanzhou District visited people with special difficulty in employment by means of condolences, door-to-door services, focused assistance and assistance help. In particular, home visits were paid to unemployed college graduates from poverty-stricken households and long-term employed people to offer them targeted occupational guidance, explain the purpose and significance of the employment assistance month activity, clearly explain policy contents and specific operating process of the employment policy and help them find a job as soon as possible and benefit from the relevant national support policies. In addition 19 job fairs were organized for people with special employment difficulties by following a unified district deployment to provide real-time employment positions, employment policy consulting and occupational guidance and offer employers employee recommendation and position matching services. During the activity, the district provided employment services to 5,376 persons with 2,171 persons receiving employment guidance and 1,690 persons receiving job recommendations. They helped 788 people with employment difficulties to successfully find a job through multiple channels. 316 people with employment difficulties registration and accreditation were recruited by enterprises.

4. Implemented Employment Support Policies and Provided Employment Assistance

During the employment assistance month activity, Wanzhou District guided weak-in-employment people by supporting a policy for them to become self-employed and independently find a job. They gradually implemented employment support policies for all households and all people, helped people with flexible employment who were in their “40s and 50s” to participate in social insurance, and granted social insurance subsidies and organized small-sum guaranteed loans for self-employed people. During the activity, the district helped 646 people with employment difficulties to enjoy preferential policies and 441 people to enjoy a social insurance subsidy to the value of 1.79 million yuan. They granted small-sum guaranteed loans to the value of 290,000 yuan to five people.

5. Improved the Assistance System and Fulfilled Their Assistance Responsibilities

With regard to the building assistance responsibility system, Wanzhou District firstly launched assistance actions in multiple forms such as door-to-door services, one-to-one help, posting recommendations and a door-to-door policy information campaign to implement assistance for all

recipients at grass-root level by depending upon the community labor security service platform. Secondly, the district built a return visit and tracking system to pay visits to assistance recipients and to track their employment conditions. Thirdly, the district sent staff who were familiar with the policies and services, who had a strong sense of responsibility and were good at communicating to provide employment assistance consulting. In terms of building a long-term assistance mechanism, the district intensified its effort in implementing and inspecting various employment support policies to ensure the implementation of these employment support policies. Moreover, it opened a special policy consulting window in the service hall of the human resources markets and sub-district and township social insurance agencies to offer unemployed people long-term policy consulting services. It mobilized various forces within its jurisdiction to provide all-round employment assistance to weak-in-employment people.

Appendix 2 Case Study of the City of Changchun)

Changchun City has adopted a wide variety of educational assistance forms and reaped bumper achievements in educational assistance in the recent years. The main forms of educational assistance in Changchun City are as follows:

1. Charitable Assistance

Orphans, children of heroes and martyrs and examinees with high scores in the senior high school entrance examination and college entrance examination in Changchun will get charitable assistance of a certain amount. Outstanding impoverished candidates for the college entrance examination refer to candidates who reach the admission score of key undergraduate colleges and enjoy urban subsistence allowances in Changchun. Rural candidates are covered by a general subsistence allowance survey; standard for candidates who enjoy urban and rural subsistence allowances and whose parents are disabled or one parent has died of disease may be granted a lowered admission score for entry to general undergraduate colleges. Outstanding impoverished candidates for senior high school entrance examination refer to candidates who are admitted to a first-class senior high school in Changchun and receive the urban subsistence allowances or are covered by the general rural subsistence allowance survey. The conditions for candidates receiving urban or rural subsistence allowances and whose parents are disabled or one parent die of disease may be lowered for entry to second-class schools.

Candidates for senior high school entrance examination and college entrance examination meeting the above-mentioned conditions may call the hotline on 16888007 or log in at www.cc-charity.com to register for assistance. The Changchun Charity Federation will timely receive, classify and sort the relevant information and distribute such information to the relevant counties (districts) and cities for separate handling. Orphans and children of heroes and martyrs may apply for educational assistance to county-level and municipal-level civil affairs departments step by step by household register. Charitable education application forms and certificates issued by schools and villages (towns).

2. “One Foundation Ocean Heaven”

The Changchun project of the “One Foundation Ocean Heaven Program” was officially launched in December 2011 and focused on providing assistance to poor autistic children aged 2-14. The first-batch funds of 50,000 yuan contributed were used to financially aid four months of tuition for 12 autistic children. Autistic children meeting the pre-conditions could apply for assistance from the project’s fund in 2012 to the Changchun Welfare Foundation for the Disabled.

3. “Changchun Love Home”

The assistance recipients of the Changchun Love Home are mainly elementary and secondary school students. A philanthropist signs a love agreement with an assistance recipient to provide at least 500 yuan to the impoverished child until he/she graduates from elementary or junior secondary school. Since 2008, the Changchun Love Home has held 63 educational assistance activities, raised contributions of more than 4.5 million yuan and helped over 1,500 students from poor families to realize their dream of going to school.

4. “Education for the Disabled”

Changchun City has rapidly developed its education for the disabled and improved its education system in recent years. This basically safeguards the right to education of the disabled people and raising their education level. The Changchun Disabled Person’s Federation has basically realized full coverage of educational assistance to all disabled children by focusing on supporting educational assistance projects for the disabled people.

Since 2014, the Changchun Disabled People’s Federation has subsidized 3,000 yuan a year in living allowances to every disabled child studying at designated preschool educational institutions in Changchun for up to three consecutive years. To solve the employment problem of graduates, a one-time subsidy of 10,000 yuan is granted to an educational institution where mentally handicapped and disabled children study to support occupational education and training for disabled people.

5. “Happy Changchun · Educational Assistance”

Changchun City began to implement the “Happy Changchun · Educational Assistance” activity in July 2012. The activity is organized under the leadership of the Changchun Municipal People’s Livelihood Office to coordinate educational assistance in the city. It is implemented by the municipal education bureau, the federation of trade unions, the municipal youth league committee, the Disabled Persons Federation, Red Cross, Charity Federation and other educational assistance institutions. On the other hand, the activity program unifies assistance for the division of labour and the assistance execution standards for various responsible assistance units in accordance with departmental functions and characteristics of assistance recipients based on fresh examinees admitted to junior colleges and above.

Specific division of labor: the Changchun Charity Federation is responsible for the assistance to students from families receiving subsistence allowances and low-income families and orphan students in urban and development districts by following the principle of “assistance to all”. The Changchun Municipal Youth League Committee, the Changchun Municipal Youth Federation and the Changchun Red Cross address students from families receiving subsistence allowances and orphan students in Yushu, Nong’an, Dehui and Jiutai Counties (cities) (quota-based assistance subject to funds). The Changchun Municipal Federation of Trade Unions addresses children of needy workers from families not receiving subsistence allowances and low-income families and the children of rural migrant workers in the city. The Changchun Municipal Disabled Persons Federation addresses disabled students from families not receiving subsistence allowances and low-income families and children of poor disabled people in urban and development districts.

Assistance recipients: students from poor families whose registered permanent residence is in Changchun and who are admitted to ministerial and provincial universities, independent colleges and private institutions of higher learning. The loan is mainly used to pay tuition and lodging fees and the remaining part may be used for living expenses.

Assistance standard: every student passing the examination can get a loan of between 1,000 yuan and 6,000 yuan (integer). The length of maturity is between 6 years and 14 years and should be up to 10 years after graduation. Students may repay the loan ahead of the loan’s maturity.

6. Other Educational Assistance Projects of the Education Bureau

The Changchun Municipal Education Bureau has made the overall design of its educational assistance projects and established a complete educational assistance system (including 16 projects), longitudinally covering the educational stages of preschool, elementary school, junior secondary school, senior secondary school and college and horizontally including basic education, special education and occupational education.

1) Project of educational assistance to children in kindergartens from families with financial difficulties in urban areas

Assistance recipients and conditions: children in kindergarten from families receiving subsistence allowances and low-income families in urban areas.

Assistance standard: 315 yuan per student per month. Assistance funding source: Municipal finance

2) Project of assistance to the children in kindergartens from families with financial difficulties in urban and rural areas

Assistance recipients and conditions: children from families receiving subsistence allowances and low-income families in urban and rural areas and orphans going to all approved kindergartens.

Assistance standard: annual living subsidy of 2,000 yuan in urban areas and annual living subsidy of 1,500 yuan in rural areas.

Assistance fund and source: Shared on the basis of 50/50 of costs by both provincial and district finances.

3) Project of assistance to needy students receiving compulsory education in cities

Assistance recipients and conditions: children receiving compulsory education from families receiving subsistence allowances and low-income families in cities as well as students at special education schools.

Assistance standard: exemption of expenses of national and provincial textbooks, exercise books and school uniforms and subsidy to students' lodging and living expenses (three exemptions and one subsidy).

Assistance fund and source: Municipal finance

4) Project of charitable grant-in-aid to candidates for the senior high school entrance examination

Assistance recipients and conditions: new candidates for the senior high school entrance examination from families receiving subsistence allowances in urban and development districts who are admitted to a senior high school or secondary vocational school (excluding self-paying candidates).

Assistance standard: 3,000 yuan per student. A one-time distribution in September of the year of enrollment.

Assistance fund and source: Funds are allocated from the "dual day donations" of the Changchun Municipal Charity Federation.

5) Project of nutritious lunch subsidies to students from families receiving subsistence allowances in the city

Assistance recipients and conditions: Elementary and secondary school students from families receiving subsistence allowances and low-income families in the city.

Assistance standard: 6 yuan per person per day for elementary school students, 7 yuan per person per day for junior secondary school students and 8 yuan per person per day for senior secondary

school students in the urban areas (including Kaifa District and Shuangyang District); 4 yuan per person per day for elementary school students, 5 yuan per person per day for junior secondary school students and 6 yuan per person per day for senior secondary school students in four counties. 195 days per academic year for elementary and junior secondary school students and 205 days per academic year for senior secondary school students.

Number of assistance objects: over 25,000 students from families receiving subsistence allowances and low-income families, including 9,210 students in urban areas and over 15,800 students in the four counties.

Assistance fund and source: the over 28 million yuan needed by the nutrition lunch subsidy is wholly borne by the municipal finance.

6) Project of state stipend for regular senior secondary schools

Assistance recipients and conditions: students at regular senior secondary schools from needy families that have a formal enrollment registration (20% of total students).

Assistance standard: 1,500 yuan per student per year on average (varying from 1,000 yuan to 3,000 yuan in two or three grades).

Assistance fund and source: 60% by national finance, 20% by provincial finance and 20% by municipal finance.

7) Project of state stipend for secondary vocational schools

Assistance recipients and conditions: new policy for freshman students and old policy for non-freshman students. The new policy was implemented for students enrolling in 2012, namely students of agriculture-related majors having full-time formal school enrollment and 15% of students from needy families not majoring in agriculture. In-school students having full-time formal school enrollment in 2011 in rural areas (including counties and towns) and students from needy families in urban areas enjoyed the state stipend subject to the old policy.

Assistance standard: 1,500 yuan per year per student (distribution by semester). State assistance for two years and subsidized internship for students in third year.

Assistance fund and source: shared cost of educational assistance by national, provincial and municipal finances in the ratio of 16:2.4:1.6.

8) Project of state tuition waiver for secondary vocational schools

Students at Grades 1-3 at public schools and at Grades 1-2 at private schools in rural areas (including counties and towns), students of agriculture-related majors in urban areas and 10% of students not majoring in agriculture in urban areas enjoy tuition waiver of 2,000 yuan per year (excluding art and performance majors). Public schools do not collect tuition from students enjoying the tuition waiver and private schools may collect the differential beyond the tuition waiver from students in Grades 1-2 and full tuition from students in Grade 3.

Assistance fund and source: shared cost of educational assistance by national, provincial and municipal finances in the ratio of 16:2.4:1.6.

Appendix 3 Case Study of Hainan Province

The Provisions on Legal Aid in Hainan Province were adopted at the Sixth Session of the Standing Committee of the Fourth Hainan Provincial People's Congress on November 28, 2008. This , required judicial administrative departments at provincial, municipal, county (district) and autonomous county levels to set up legal aid institutions in accordance with the law.

Since 2004, the Hainan Provincial Party Committee and People's Government included "providing legal aid to people in strained circumstances and rural migrant workers" in the top 10 practical events for the people for two consecutive years. It listed legal aid among the key accountable events of the work of the Standing Committee of the Provincial People's Congress for the first time in 2015.

Hainan Province focused on implementing the following measures in legal aid.

1. Strengthened Organizational Leadership

Since 2009, the Hainan Provincial People's Government has convened a legal aid working conference every year and focused on deploying the implementation of events for the people. In 2014, the Plan for the Implementation of the Practical Event for the People on "Providing Legal Aid to People in Straitened Circumstances and Rural Migrant Workers" by the Hainan Provincial People's Government was formulated and distributed at the legal aid working conference. All judicial bureaus of its 18 cities and counties developed an implementation plan and set up a lead group to advance the practical events for the people in an orderly way.

2. Expanded the Scope of Legal Aid

To provide legal aid to more people in strained circumstances, the Provisions on Legal Aid in Hainan Province (Amendment) was adopted at the Seventh Session of the Standing Committee of the Fifth Hainan Provincial People's Congress in 2014, including six areas such as compulsory land acquisition, compensation for housing demolition and compensation for damages requested by women in the scope of supplementary events of legal aid. It lowered the "financially-challenged standard" to 1.5 times the minimum living guarantee standard in a bid to cover more people in strained circumstances under legal aid. On the other hand, the legal aid service network was extended, the provincial-level "12348" legal aid service hall was established to offer people one-stop services of reception and consulting, case consulting, case acceptance, mediation organization and complaint acceptance. The "12348" legal aid service hotline was upgraded to increase its service and the number of on-duty staff and to realize a 24-hour hotline service. All cities and counties set up 508 legal aid stations in towns (sub-districts), at social organizations for workers for the young, women, the old and the disabled, at traffic police brigades, at labor arbitration commissions, at detention houses and at other departments or institutions so as to form an extensive service network and providing more convenient and faster legal aid services to people in strained circumstances.

3. Reinforced Quality Management

Local judicial administrative organs and legal aid institutions in Hainan intensified their efforts in case quality management and strengthened their guidance and supervision on the various links of legal aid case acceptance by taking measures such as court hearings, return visits to the parties concerned, case evaluation and network-based case information management to steadily improve the quality of legal aid cases. To address the shortage of lawyers in some cities and counties, the Hainan Provincial Department of Justice built a unified allocation and collaboration mechanism of case handling, coordinated Haikou, Sanya, Danzhou and other regions rich in lawyer resources to support Lingao, Baisha, Wenchang, Baoting and other regions with scarce lawyer resources to handle legal aid cases, and applied the "1+1" China Legal Aid Volunteer Action Program for six cities and counties, effectively mitigating the predicament of no lawyer to be dispatched to regions with scarce case handling resources.

4. Strictly Granted Legal Aid Funds

In 2014, 6.7034 million yuan from central funds was spent, including 5.5 million yuan transferred from the central subsidy to the local legal aid case handling and 1.2034 million yuan from the legal aid

project fund of the special central lottery public-welfare fund. 1.5 million yuan was allocated from Hainan provincial finances to provincial legal aid centres as project funds and 1.1 million yuan of transfer payments was granted to cities and counties to basically fund the demand for case handling and effectively improve the working environment and the facilities for people's convenience.

5. Carried Out an All-round Information Campaign

The Hainan Provincial Department of Justice organized "1+1" legal aid volunteer lawyers to launch a voluntary consultation activity themed at "Green Island Legal Aid - Happy Sunset Action" to answer legal questions raised by the people free of charge, accepted legal aid applications on the spot and placed legal aid signs in all villages to actively promote the legal aid system. Various cities and counties also organized staff to launch legal aid information campaigns on construction sites, street markets, towns and other places where people or rural migrant workers are concentrated through the local legal aid office of the township or the sub-district office of justice.

6. Significantly Improved Social Influence and Public Awareness

In 2014, a total of 18,394 legal aid cases were accepted and handled in Hainan, a year-on-year increase of 13%. Free legal consulting was provided to 54,833 persons, an increase of 4.4% year on year. Losses recovered or benefits obtained for people in strained circumstances amounted to 1.55 trillion yuan, a year-on-year increase of 24%.

Appendix 4 Case Study of Qinghai Province

In recent years, Qinghai province has insisted on taking the construction of indemnificatory housing and the transformation of shanty towns as powerful starting points in its structural adjustment, development promotion, growth stabilization and people's livelihood improvement. It has gradually established and improved its housing security system, and has effectively promoted the construction of the people's livelihood projects. Since the implementation of the urban housing project in 2008, there have been 453,300 units of urban indemnificatory housing and shanty towns constructed by the province - 362,300 units basically completed, and 238,200 units occupied. The specific work is as follows:

1. Improve the System, and Strengthen the Basic Work

In recent years, Qinghai province has formulated and issued more than 20 administrative regulations in succession, such as the "Implementation Advice on Accelerating the Construction of Urban Indemnificatory Housing", "Measures for the Management of Indemnificatory Housing in Qinghai Province", "Rules for the Implementation of Access Distribution Exit and Operation Management of Indemnificatory Housing in Qinghai Province etc. These form a policy system from construction to operational management. In the light of the outstanding problems found in its audit and inspection, Qinghai province has formulated and issued the "Notice On the Effective Solution to the Outstanding Problems in Urban and Rural Housing" and has put forward the opinions and measures to solve the problems. In particular the implementation of unified construction and strict supervision has solved the "live well" problems of shanty town residents moving back.

2. Define the Goal Responsibility, and Highlight the Planning Lead

Qinghai province has included occupancy indicators into the targeted responsibility assessment of local government for three consecutive years. The city, state, and county party committees and governments implement the "Leader" responsibility system. They have arranged the starting of the next year's projects in advance for three consecutive years. For example in 2013, the provincial finance arranged 67,460,000 yuan and started the implementation of the urban shanty towns reconstruction project of 10,120 households in 2014 in advance. Qinghai province has reasonably

arranged the annual plan, and prepared the shanty towns' reconstruction planning from 2013 to 2017, defragmenting the task to each year and implementing specific projects and construction sites in the city and in counties. Qinghai province also has set up the pre-conditions for the preparation of constructive detailed planning or implementation plans for the urban indemnificatory housing project included into its annual plan in 2014. Projects with constructive detailed planning or implementation plans which are not prepared will not be included into the annual plan.

3. Explore the Placement Mechanism, and Implement "two houses merging"

With the large-scale completion and delivery of the indemnificatory housing program, in the light of the large local government construction funding gap and the urgent desire of people concerning the ownership of the housing etc., Qinghai province has taken a series of measures.

Firstly, all regions have set up non-profit indemnificatory housing operations management agencies under the city and county housing urban and rural construction (real estate) competent departments.

Secondly, since 2014, the adjustment of the construction plan for low-rent housing has been included into the annual construction plan of public rental housing. The construction in progress included into the construction plan of low-rent housing before 2014 will be carried out continuously, and will be included into the public rental housing management uniformly after its completion, to realize the "two houses merging".

Thirdly, to integrate the original low-rent housing and public rental housing acceptance service windows, to further improve the application acceptance channels and the audit access procedures for public rental housing. This will facilitate application of the general public. On the basis of the comprehensive consideration of the level of housing difficulties, income level, application order, security demand and housing etc. of potential housing security recipients the office is reasonably able to determine the waiting and ordering rules and the waiting list for unified rent.

Fourthly, to adjust the public rental housing rent so as to be determined in accordance with the rent area and the rent standards. For the public rental housing invested and managed by the government, they have implemented a differentiated rent according to the payment ability of the recipients.

Fifthly, in accordance with the principle of "Rent first, sale second, common property, rent and sale develop simultaneously", they have selected in Guide (Qinghai province), Menyuan, and Datong three counties as the pilot areas for indemnificatory housing placement, to gather experience in carrying out the common property rights system for indemnificatory housing.

Sixthly, carry out the registration of indemnificatory housing properties, implement property identification and certification for the indemnificatory housing that is completed and occupied.

4. Innovate System Mechanism, and Solve Development Problems

1) Funds

The exploration of the cooperative housing construction model between the government and enterprises, the government and the people, and the implementation of the common property rights system has made up the funding gap to a certain extent. For several years, there have been more than 50 enterprises and 54,000 people cooperating in the construction of 73,900 sets of public rental housing. At the same time, the financing channels have been continuously developing, and 5 billion yuan of private debt for indemnificatory housing was successfully released in 2012. Qinghai province supported the shanty towns reconstruction policies by making use of development finance, and signed a framework agreement of 62.4 billion yuan loan for shanty town reconstruction from 2013 to 2017 with the CBD. As of the end of 2014, 10.5 billion yuan of the CBD loan had been implemented.

2) Land

The land for indemnificatory housing projects in all regions gives priority to the state-owned stock of construction land. The projects involving new construction sites are implemented once separate papers are submitted for approval. These have been recognized by the Ministry of Land and Resources and promoted in the whole country. In the annual, newly added land use planned indicators, Qinghai province implements a separate indemnificatory housing projects land use plan. Before the issuing of the planned indicators, the indemnificatory housing projects land use indicators in all regions can be paid in advance. The province allows all regions to provide the project land first, and to improve the measures of land use procedures during the year, to make the indemnificatory housing projects land be kept to the best, and ensure that the construction is completed on time.

3) Construction

The province set up a "Green Channel" for the construction of the indemnificatory housing projects, implemented a series approval and one-stop work to improve the efficiency of the administrative examination and approval. It accelerated the projects' construction, the foundation construction of the new project image must be completed in the year to achieve a positive or negative rating. At the same time, they promote and apply the new energy-saving building structural system and renewable energy utilization technology.

4) Supervision

Qinghai province has carried out a mid-term evaluation on the implementation of its indemnificatory housing projects policies, which has provided the basis for scientific decision-making and guidance for its future housing security work. At the same time, Qinghai province has organized 8 supervision groups, divided up the work and assigned a part to each individual, and carried out daily inspections, special inspections and key inspections on the construction of the indemnificatory housing, to ensure that the policy measures can be put in place. The Audit Department has implemented a full coverage audit of the annual indemnificatory housing projects, to correct the problems in time.

5. Make the Construction Procedures Strict, and Ensure the Quality Safety

Qinghai province has always put quality and safety issues in the first place for its indemnificatory housing projects. It has "zero tolerance" for quality issues. To fully implement the project quality responsibility system and the lifelong responsibility accountability system, it has strictly implemented the basic construction procedures, standards and processes. Qinghai province carries out the special inspection of quality and safety of indemnificatory housing projects every year in a timely manner. This has promptly corrected and processed a number of common quality problems and safety hazards. The province has uniformly implemented permanent signs and the sub - door acceptance system of indemnificatory housing projects within the scope of the province. Since 2014, the indemnificatory housing program has fully implemented green building standards. The newly built indemnificatory housing must reach at least a one star standard. "Housing Instructions" is implemented in the delivery of the indemnificatory housing, which is illustrated in more than two kinds of text in the national regions.

6. Well Grasp the Distribution, and Ensure the Fairness and Justice

In order to ensure the fairness of the distribution system, Qinghai province has formulated and introduced the indemnificatory housing distribution system with standard procedures and public disclosure. This has reasonably determined the access income control standards and the housing difficulties standards of the housing security recipients. The audit to the housing security recipients has been transferred gradually from basic income and housing to the income, housing, vehicles, financial securities assets, taxes, housing reserve, social security etc. i.e. a comprehensive situation. And the basic audit system of communities, streets, counties (districts) three level audit and streets,

counties (districts) two level publicity "three audit two publicity" has been implemented in all cities and counties in the province. And in accordance with the principle of people having difficulties first and taking care of the lonely old sick and disabled people, the housing is distributed by the method of "Score sorting, open lottery, notarization by notary organs". NPC deputies and CPPCC members, the discipline inspection and supervision departments and the news media fully participate in the distribution, to make sure that the process is open and transparent and the result is fair and equitable. At the same time, the housing security recipients having been assigned occupancy will be irregularly reviewed and randomly spot checked. Families having changes in their income and housing conditions which are not in conformity with the security conditions will be timely adjusted or removed.

Appendix 5 Case Study of the City of Guangzhou

In terms of medical assistance, Guangzhou issued the "Notice on Printing and Distributing Trial Measures for Medical Assistance in Guangzhou", the "Trial Measures for Medical Assistance to Major and Serious Diseases in Guangzhou", the "Detailed Rules for the Implementation of the Trial Medical Assistance Measures in Guangzhou", the "Trial Measures for Medical Assistance to People in Strained Circumstances in Guangzhou" and other policy documents to provide policy support for the implementation of medical assistance.

Medical assistance in Guangzhou is mainly made up of the 330,000 yuan medical assistance, charity society assistance and social assistance.

1. 330,000 Yuan Medical Assistance

Residents with a Guangzhou household registration can get medical assistance of up to 330,000 yuan. This medical assistance policy has been implemented since 2013. The specific implementation scheme for the application of medical assistance is as follows: a resident impoverished by disease can apply for medical assistance to other people and people with special difficulty apply to the sub-district office of their place of domicile. The medical assistance office examines the total assets of the applicant's family. If the applicant's medical expenses reach and exceed 60% of the family's total assets, the applicant can get medical assistance of up to 330,000 yuan for one year. The applicant obtaining medical assistance to other people can get reimbursement up to 40,000 yuan for medical expenses for one year. In the case of a serious disease with medical expenses beyond the 40,000 yuan, the applicant can continue to apply for medical assistance for major and serious diseases up to 100,000 yuan for one year. In addition, the applicant may apply for medical assistance to people with special difficulty and get subsidy to participate in commercial medical insurance with an annual coverage up to 150,000 yuan.

The medical assistance fund up to 330,000 yuan is made up of four parts:

(1) Basic medical assistance: this is an annual accumulative outpatient and hospitalization assistance of up to 40,000 yuan per person to Guangzhou citizens, including households enjoying the minimum living guarantee, low-income people, households enjoying the five guarantees (food, clothing, medical care, housing and burial expenses), people without identification papers, severely disabled people and people impoverished by disease. Medical expenses of this part may be directly paid by the medical insurance system or be applied for separate reimbursements to the sub-district or township civil affairs departments.

(2) Medical assistance for major and serious diseases: a local citizen whose annual accumulative medical assistance limit exceeds the 40,000 yuan per year may apply for medical assistance for major and serious diseases with an annual limit of 100,000 yuan per person to the municipal medical assistance service center.

(3) Supplementary assistance of commercial insurance: an annual accumulative limit of 150,000 yuan per person. People should apply for this benefit at the district and prefecture-level commercial insurance medical assistance outlets.

(4) Temporary medical assistance and charity and emergency medical assistance: people enjoying the minimum living guarantee, low-income people, those enjoying the five guarantees (food, clothing, medical care, housing and burial expenses), people without identification papers and other people in strained circumstances may apply for temporary medical assistance with an annual accumulative limit of 10,000 yuan per person. Charity and emergency medical assistance with an annual accumulative limit of 30,000 yuan per person may be applied for at county-level charity societies.

The verification of a family's economic status by the medical assistance office generally takes half a month and charity medical assistance and social help may be applied for in the case of an emergency.

2. Charity Society Assistance

The Guangzhou Charity Association opened a self-help assistance-seeking channel on its websites to enable citizens to seek social help. A citizen may register an individual account on the www.gzcf.org site which states "I want to seek help". One gets themselves registered as instructed and submits relevant materials to talk through one's difficulties and seek social help.

The institution concerned will intervene into, and track, an individual "seek-help" case of "show myself" after the case passes an examination and the Guangzhou Charity Association will do its best to provide medical assistance to the applicants.

As of September 30, 2014, charity medical and emergency medical assistance in Guangzhou had cumulatively covered 3,478 persons, involving 19 million yuan.

3. Social Assistance

Social assistance mainly refers to the "Timely Rain Care Fund of the Guangzhou Welfare Lottery". The "Timely Rain Fund" is a special fund jointly initiated and set up by the Guangzhou Welfare Lottery Center and the Guangzhou Charity Association, with voluntary contributions from winning lottery buyers. It is designed to provide timely short-term assistance to families and individuals in strained circumstances and encourage more social figures to provide social assistance.

The single assistance amount of the "Timely Rain Fund" is 2,000 to 10,000 yuan. The assistance standard may be appropriately raised up to 20,000 yuan subject to special approval under special circumstances.

The "Timely Rain Fund" was officially enacted on December 21, 2013. As of October 13, 2014, 16 winning lottery buyers had together contributed 1.513 million yuan to the fund which then had a balance of 1.318 million yuan. As of October 13, 2014, the "Timely Rain Care Fund" had provided assistance to 16 applicants with 195,000 yuan, with a wide ranging coverage of recipients including families impoverished by a sudden accident, children suffering from a serious disease and single elderly people needing emergency assistance. The assistance amount of every case ranges from 10,000 yuan to 20,000 yuan. Formalities of examination, fund allocation and assistance of all individual assistance cases are completed within seven business days upon the receipt of the case's acceptance.

Appendix 6 Case Study of Sichuan Province

In recent years, extreme weather and climate events in Sichuan province have significantly increased. There has been active seismic and during this period there have been strong earthquakes.

Sichuan province has undertaken a lot of work related to disaster warning, transfer and resettlement, emergency rescue, disaster reconstruction and warm winter and other fields. While fully protecting the basic livelihood of the affected people, the civil affairs departments at all levels have also included the "Construction of a disaster prevention and reduction system" into the overall situation of the people's livelihood projects. The comprehensive ability of the province's disaster prevention and reduction has been greatly improved.

1) The insistence on the initiative actions has reshaped the "civil affairs disaster relief". On September 1, 2010, the "Regulations on Natural Disaster Relief" were promulgated and implemented. The promulgation and implementation of the "Regulations on Natural Disaster Relief" recognizes the work principles, systems and methods of natural disaster relief work that have been formed in years in a law, marking a new stage in the historical development of the law-based administration. In real life, Sichuan province has put forward and practiced the new idea of "disaster reduction, disaster preparedness, disaster relief and post-disaster relief" the four-in-one comprehensive disaster relief mechanism around departmental responsibilities and on the basis of the refinement and the reconstruction of traditional single disaster relief operations. The disaster relief work has been extended to the pre-disaster prevention and control and post disaster relief. This has acknowledged the equal importance of pre-disaster prevention and control and emergency disposal, has combined normal disaster relief and emergency rescue, and has clarified and enriched the connotation of "civil affairs disaster relief".

2) The integrated and coordinated development has rationalized the working mechanisms. All cities (states) and counties (cities, districts) in the province have set up Disaster Reduction Committees in accordance with the requirements of the provincial Disaster Reduction Committee, through the improvement of the work engagement mechanism. The comprehensive coordination functions of the offices of Disaster Reduction Committees at all levels have been further strengthened. At the provincial level, on the one hand, by taking the standardization of the schedule as the starting point, the relationship between the offices of the Disaster Reduction Committees and the member units has been rationalized. On the other hand, by taking the convening of the disaster consultation as an opportunity, the information linkage mechanism among multiple disaster related departments has been set up. After the "4 -20" Lushan earthquake, by taking the Disaster Reduction Committee Office as a platform, Sichuan province comprehensively, scientifically and efficiently did a good job in the evaluation of earthquake disaster losses and accumulated experience in the natural disaster loss assessment. After the "11-22" Ganzi Kangding earthquake, Sichuan provincial Civil Affairs Department independently completed a full disaster loss assessment for the first time. This provided the scientific basis for the Provincial Government to introduce the post-disaster reconstruction policy and to establish the post-disaster reconstruction scheme. It also created a precedent for the national provincial civil affairs departments to independently carry out a major disaster loss assessment in the name of the office of the Disaster Reduction Committee.

3) The emphasis on the thinking of the rule of law has improved the policy system. In its practice of natural disaster relief, Sichuan province has focused on the thinking of the rule of law and adhered to the advancement, according to the law, of the new ideas of "disaster reduction, disaster preparedness, disaster relief and post-disaster relief" - the four-in-one comprehensive disaster relief mechanism. Sichuan province has summarized and refined the good practices and has good experience in this work. It has recently revised or formulated a series of normative documents such as the "Natural Disaster Relief Emergency Plan in Sichuan Province", the "Disaster Relief Material Management Method in Sichuan Province", the "Guidance on the Standardization Management of Centralized Resettlement Areas for Affected People in Sichuan Province", the "Interim Measures for the Assessment of Major Economic Losses of Major Natural Disasters in Sichuan Province", the "Work Specification for the Disaster Relief Working Group of the Sichuan Provincial Disaster Reduction Committee", the "Code for the Disaster Relief Work of Sichuan Provincial Civil Affairs

Department “, the “Work Rules for the Emergency Disaster Relief Working Group of the Sichuan Provincial Civil Affairs Department” etc., matching with the “Regulations on Natural Disaster Relief”. The civil affairs departments at all levels have also drafted and introduced a lot of detailed measures combining them with actual work practices. This has provided a system of guarantees for the orderly and efficient development of disaster relief work. Through several years of hard work, the law-based rescue policies and systems based on the national laws and the actual situation of basic levels linking and communicating with the central, provincial, municipal and county level have been established. The province's civil affairs disaster relief work has entered a scientific phase and has created a new standard for the normal situation.

4) The emphasis on the capability of construction has improved the level of security. The first point is the ability to construct technical support. The Sichuan Provincial Civil Affairs Department set up a disaster reduction center in Sichuan Province in 2009 and there are 12 cities which have set up a Municipal Disaster Reduction Centre in Sichuan province. Guangyuan City also set up a disaster relief center to be a deputy county level unit. , This has attracted professional and technical personnel and is a means of support for disaster prevention and reduction.

Meanwhile, Sichuan province has promoted the construction of a comprehensive disaster reduction and relief emergency command system at province, city, county, and townships at four levels. At present, the comprehensive disaster reduction and relief emergency command system has realized the information exchange among provinces and cities. The emergency response capability has been improved.

Another is the ability to create material support. The central relief supplies that include the Chengdu reserve, 20 municipal (state) disaster relief material reserves, more than 140 county disaster relief material reserves and 782 relief material reserves set up in towns and remote villages prone to natural disasters have been put into use. The disaster relief material reserve network system "by taking the central relief supplies Chengdu reserve as the center, the municipal (state) disaster relief material reserves as the backbone, the county (city, district) disaster relief material reserves as the basis, and the relief material reserves set up in towns and remote villages as the supplement" has been established. The province invests 30 million yuan of special funds every year for disaster relief supplies procurement. All regions also actively coordinate with the Finance departments at all levels, to increase the disaster relief supplies at this level. In recent years, the quantity of material reserves in the province has increased year by year, and the material reserve types are enriched. This has provided the conditions for the affected people in the event of a natural disaster emergency rescue to have water to drink, food to eat, clothes to wear, places to live in, and have timely assistance for sickness.

Another is the ability to construct the basic guarantee. Since 2010, the province has held more than 10 sessions of provincial disaster information officer training courses and has trained nearly 4,000 disaster information officers at city, county and town level at no cost. At the same time, according to the requirements of the “Long Term Plan for the Development of Talents in Disaster Prevention and Reduction in Sichuan Province” (2010-2020), all regions have done a good job in training disaster information officers. The total number of staff trained in disaster information is more than 40,000. Deyang city, Luzhou city, Meishan city, etc. have realized the full coverage of the township disaster information staff training. Through professional skills training, the province's natural disaster information submission level and disaster prevention and reduction work quality have been improved. On the other hand, by using the improvement of the public awareness of disaster risk as its purpose, in recent years, the construction activities of the national comprehensive disaster reduction demonstration community have been carried out vigorously.

Since 2010, there have been 286 communities in the province which have been awarded the "National Comprehensive Disaster Reduction Demonstration Community" by the National Disaster

Reduction Committee and the Civil Affairs Department. These are to the forefront of the country. Chengdu city also has coordinated with the city levels to invest more than 20 million yuan of special funds for the construction of the demonstration communities, and has proceeded to formulate the “Specification for Construction of Public Information Identification of Comprehensive Disaster Reduction in Communities (Villages)”. This has done a useful preparation in promoting disaster reduction work on standardization and standardized development. Mianyang City also has drawn on special funds from the city level budget to give a 50,000 yuan reward to the successful communities. Qingchuan county and other places have a definite objective in mind according to the characteristics of regional disasters, having realized the simultaneous construction of city communities and rural communities, and promoted the city's construction of “Comprehensive Disaster Reduction Demonstration Community” to a new level.

Appendix 7 Case Study of Gansu Province

Gansu Province issued the “Trial Measures for Temporary Assistance for Urban and Rural Residents in Gansu Province” in November 2009. It promulgated the “Plan for the Implementation of the Temporary Assistance System for Urban and Rural Residents” in March 2010 and issued the “Opinions on Further Strengthening and Improving the Work of Temporary Assistance” in December 2014, detailing the assistance contents, clearly defining the assistance procedures and standardizing limits for examining and approving authority.

Gansu lays equal stress on fund raising and system building to actively support temporary assistance. In 2014, Gansu raised fiscal guarantee funds of 212 million yuan, a growth of 4.7 times when compared with 2013. Temporary assistance was provided to 299,000 persons with a per capita assistance fund of 710 yuan. The smooth implementation of the temporary assistance system in Gansu builds the “last safety network” of the social assistance system.

In 2014, the financial departments in Gansu Province allocated 44.67 million yuan to the provincial subsidy funds in addition to the 120 million yuan temporary assistance funds appropriated by the central finance department. It encouraged the local allocation of supporting funds in full by strictly following the proportion of 1:1:1 and realized the hierarchical sharing of the temporary assistance funds. On the other hand, Gansu opened a mutual fund complementation channel between the subsistence allowance and temporary assistance in urban and rural areas. It transferred 50 million yuan surplus funds from subsistence allowances in urban and rural areas to temporary assistance in full consideration of actual balance of subsistence allowance funds in rural and urban areas as well as the actual needs of temporary assistance. It raised funds of 212 million yuan, an increase of 4.7 times when compared with 2013.

To facilitate its pilot implementation of “emergency assistance”, the Gansu Provincial Department of Civil Affairs selected Baiyin District and Huining County in Baiyin City, Minle County in Zhangye City, Tianzhu County in Wuwei City and Wudu District in Longnan City that are characterized by the importance attached by the Party and government leaders, the excellent work by the civil affairs department and a solid foundation for social assistance to launch the pilot “emergency assistance”. To strengthen the organizational leadership of the pilot work, the Gansu Provincial Department of Civil Affairs assigned its deputy director as well as the head and deputy head of the business division as the responsible persons to track and guide the pilot “emergency assistance” in the various counties and districts. They explored the experience and provided the references for the implementation of the comprehensive “emergency assistance” pilot in an all-round way.

On the other hand, Gansu Province attaches importance to the linkage between the temporary assistance system and the other social assistance systems, timely track the temporary assistance system after sorting and standardizing the subsistence allowances in urban and rural areas and effectively addressing the sudden emergencies impacting the people’s basic life. It maintains the

seriousness of the urban and rural subsistence allowance systems and gives play to the role of remedy and supplement of the temporary assistance system.

Lanzhou established the temporary assistance system in an all-round way in 2010. In 2010, it provided guarantees to 16,019 persons and in total spent guarantee funds of 10.792 million yuan. From 2010 to the first quarter of 2015, 49,007 persons were provided with guarantees and 34.821 million yuan was in total spent as guarantee funds.

In 2015, Lanzhou revised the “Measures for Temporary Assistance in Lanzhou”. While encouraging people in strained circumstances to become self-reliant and self-employed and actively improve their living conditions, Lanzhou included the following recipients in the scope of temporary assistance, namely low-income families in urban areas with great difficulties in basic life due to sudden and temporary reasons, rural families receiving subsistence allowances and families enjoying the five guarantees in rural areas, families with separate registered and actual residences who have a fixed residence, live in and work in the city and live for more than one year in the same county and district and meet the accreditation conditions for low-income families and other people with special difficulties. In 2014, Lanzhou in total provided assistance to 8,362 people from 3,848 families and spent 7.15 million yuan.

For temporary assistance system, Lanzhou adheres to the principles of combining government assistance and mutual social assistance with self-assistance through labor, one discussion for one case, timeliness, moderation, fairness and openness to provide non-quota-based and non-regular assistance to people suffering from temporary and sudden difficulties in life, guaranteeing the basic life of people in strained circumstances. In April 2015, Lanzhou revised and improved the “Measures for Temporary Assistance in Lanzhou” in accordance with the relevant provisions on temporary assistance formulated by the State Council and Gansu Province and based on the actual conditions in Lanzhou, and issued and implemented the Measures in the name of the government, giving full play to the temporary assistance system.

1) The scope of temporary assistance has been further expanded. The newly-revised “Measures for Temporary Assistance in Lanzhou” creates unified standards for urban and rural areas and enables people in strained circumstances in urban and rural areas to get equal access to assistance policies. In terms of the assistance recipients they are low-income families in urban and rural areas and families with the separation of registered and actual residences and non-local household registration in addition to recipients of subsistence allowances in urban and rural areas and recipients of the Five Guarantees in rural areas in the scope of temporary assistance, effectively addressing the issue that families with the separation of registered and actual residences have no access to the various social assistance policies in both their registered and actual residences. This is providing assistance to non-local migrant workers who make outstanding contributions to the economic and social development of Lanzhou and encounter temporary and sudden difficulties in their life. This creates a significant breakthrough in the assistance policy and the full coverage of assistance recipients. It effectively addresses temporary assistance for marginalised people in strained circumstances and fills in the gap in social assistance.

The assistance content is further detailed. Assistance is provided subject to different standards according to the degree of difficulty in life caused by various temporary and sudden reasons. This highlights the flexibility of temporary assistance when compared to the other assistance systems. A one-time benefit of 1,000 to 1,500 yuan is paid to people whose actual dwelling is damaged or collapses due to fire, whose properties are damaged and who have no self-relief ability according to the degree of property loss, and a one-time benefit of 5,000 to 10,000 yuan is paid on the death of a family member to families with death. A one-time benefit of 5,000 to 10,000 yuan is paid on the death of a family member to families who after this death still have heavy burdens even after getting the various compensations, insurances and assistance as a result of personal injury and death

due to accidents and badly need the assistance due to difficulties in basic life. A one-time benefit of 1,000 to 3,000 yuan for injury and disability of family members according to degree of injury and disability; one-time benefit of 5,000 to 10,000 yuan is paid for a death in families that face difficulties in basic life and badly need assistance as a result of personal injury and death caused by traffic accident when the traffic police department is unable to find the responsible person or the responsible person is unable to pay for compensation. A one-time benefit of 1,000 to 3,000 yuan to families whose member suffers from injury and disability according to degree of injury and disability, and a one-time benefit of 3,000 to 5,000 yuan to people hospitalized according to their degree of difficulty in basic life caused by the burden of medical expenses; a one-time benefit of 1,000 to 5,000 yuan to families that face difficulties in basic life and badly need assistance when some persons, subject to enforcement of civil compensation in personal injury cases, are unable to make compensation after the applicant's unit, sub-district office or town issues a certificate that is confirmed by court; one-time benefit of up to 6,000 yuan based on 20% to 40% of the remainder of the actual amount paid by individuals to people whose basic family life is seriously impacted by actual self-paid medical expenses, that enjoy no medical assistance and badly need assistance as a result of critical diseases subject to the diagnosis and certificate issuance by a medical institution above county-level; an annual one-time life subsidy of 800 yuan to people whose child goes to senior high school and who face difficulties in their basic life due to their educational expenses and enjoy no assistance and subsidy (except subsistence allowances in urban and rural areas), a one-time benefit of 2,000 yuan or 3,000 yuan to people whose child is formally admitted to a local university in Gansu or non-local university through the unified college entrance examination and who face difficulties in their basic life due to their educational expenses and enjoy no assistance and subsidy (except subsistence allowances in urban and rural areas) respectively, and a one-time benefit of 1,500 yuan or 2,000 yuan per academic year to a student admitted to a local university in Gansu or non-local university through other unified enrollments whose family faces difficulties in basic life due to educational expenses and enjoys no assistance and subsidy (except subsistence allowances in urban and rural areas); one-time assistance of 500 to 5,000 yuan to an applicant for temporary assistance whose family faces difficulties in basic life due to other sudden accidents and badly need assistance; a one temporary assistance benefit for one event in one year and secondary assistance in the same year subject to approval by the county- or district-level civil affairs department in the case of special circumstances, with a total assistance up to 10,000 yuan. Lanzhou has realized full the coverage of assistance for temporary and sudden difficulties in life.

3) The assistance mechanism is further improved. Pursuant to requirements of the State Council, the Ministry of Civil Affairs and the Gansu Provincial Department of Civil Affairs, the General Office of the Lanzhou Municipal Government printed and distributed the "Notice on Accelerating the Mechanism Construction of Acceptance by One Department and Coordinated Handling", set up a unified "comprehensive service window for social assistance" in the government service and the people's convenience service halls of people's governments at county or district level, township people's governments and sub-district offices, and built and improved the comprehensive service platform of "acceptance by one department" of a social assistance application to timely accept, transfer (handle) and get involved in the application of people in strained circumstances. On the other hand, the financial department, the human resources and social security department, the educational department, the health and family planning department, the housing department, the disabled persons federation, the labor unions, charity associations and other departments have become involved in establishing a mechanism of "acceptance by one department and coordinated handling" and form a work pattern of one-stop application and handling, opening a "green channel" for the timely acceptance of applications for assistance to people in strained circumstances. At present, the "comprehensive service window for social assistance" has been opened in eight counties and districts and 114 sub-district offices and towns in Lanzhou.

4) Assistance procedures are further standardized. Lanzhou adheres to three-level examination and approval process for temporary assistance. It makes public the assistance procedure and clearly requires that assistance be first and procedures be later. It provides for supplementary publication of rules for emergencies, intensifying its efforts in supervision, examination and responsible investigation for temporary assistance, standardizing assistance procedures and clearly defining the responsibilities of the temporary assistance administration authorities and staffs. On the other hand, Lanzhou adopts a process of checking and verifying a family's economic status to effectively solve the problem of inaccurate identification of assistance recipients and effectively creating an open, equal and fair "sunshine assistance" program.

5) Efforts relating to supervision are further intensified. The Assistance Fund is made up of the budget fund and funds allocated from provincial finance and social assistance as well as social donations to the fund based on a ratio of 1:1 according to the expenditure standards formulated by cities and counties (districts) based on the population within their jurisdiction and provincial provisions. Municipal and county- or district-level financial departments create a special account for the temporary assistance fund to handle fund raising, checking and allocation. The temporary assistance fund is distributed by county- or district-level civil affairs department or by township people's government or sub-district office entrusted to realize socialized fund distribution step by step. The annual balance of the temporary assistance fund may be carried-over to the following year and shall not be used to balance a budget or used for other purposes. The audit and supervision departments work with the relevant departments every year to strengthen supervision and inspection of the management and use of the temporary assistance fund. The civil affairs department makes public the number of people receiving temporary assistance and the distribution of the temporary assistance fund on a regular basis to accept social supervision.

3.1.1 Legal framework on Social Assistance - Policy Recommendations

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1. Introduction

As an integral part of the social protection system, social assistance programmes in different countries may embrace a wide range of services in kind and in cash. Primarily, social assistance is a means-tested scheme where eligibility is dependent on the test of income. Financed mainly by public funds, social assistance programmes have received growing attention from governments and social policy analysts in recent years in developed welfare states and transitional economies.

In China, social assistance is one part of the social security system which provides benefits in kind or in cash for needy families both in the rural and urban areas, so that they can withstand a crisis in their life and maintain the minimum standard of living. The social assistance system mode is constrained by the economic system, political will, employment, specific social conditions, culture, and the social security system.

Since the “Opening Up and Reforms”, China has been undergoing large-scale socio-economic transformation. With the shift from a planned economy to a market economy, China’s social security system has been fundamentally transformed. In the earlier stages of the “Opening Up and Reform”, social assistance in China resumed the residual assistance mode in the era of the planned economy, which followed a pattern of urban-rural divide in social assistance. In the late 1990s, to pacify the vulnerable social groups consisting of laid-off workers, the unemployed, retirees and poor farmers, the Chinese government started to reform its public assistance policy and established a social assistance system with the minimum livelihood guarantee standard scheme (Dibao, MLGS) as its core. The social assistance system was developed in many ways, including coverage, modes and funding. In the beginning of 2000s a new social assistance system in accord with a socialist market economy was eventually set up. This featured in the Minimum Livelihood Guarantee Scheme, the Five Guarantees Scheme and was supplemented with dedicated social assistance schemes. The new social assistance system reached both the urban and the rural areas and changed the notion from passive poverty relief to positive social assistance. Therefore, a standardized and systematized social assistance system came into being.

However, there are still a number of challenges when implementing the existing regulations: 1) social assistance schemes are largely fragmented; 2) there is a lack of an explicit standard benefit level and how to adjust it; 3) executing sectors need legal provisions and effective tools for targeting and verifying the identify of beneficiaries; 4) some of the current legal provisions are rather simple so that the local governments should develop their own policies and methods for implementation; 5) it is hard for the civil affairs bureaus/sectors to ensure funding and administrative support from other government departments.

Central to these challenges is the lack of an effective and coherent legal framework. Currently, China’s social assistance legislation has a weak normative authority. Policies and measures in social assistance are not regulated by laws but instead are promulgated as administrative regulations, guidelines, notices, decisions, and opinions issued by the State Council and ministries. Only the Urban Dibao and the Five Guarantees had “regulations”; while the other schemes only have “documents” (guidelines, notices, decisions, and opinions). Therefore the legal provisions are rather weak and narrow. A social assistance law is needed for the development of the social assistance system in the long run.

Drafting social assistance legislation was initiated in 2005. Since then, the 10th and 11th National People’s Congress both included a law into the legislation plan. Particularly, in 2008, the State Council released the full text of a draft regulation. However, the draft regulation failed to be passed twice when reviewed by the State Council in 2009 and 2010 respectively. In October 2012, the Minister of Civil Affairs made a report “State Council’s Report on Social Assistance” to the National People’s Congress. Some of the representatives raised the issue that it is problematic as social assistance system which

involves the spending of huge amount of funds lacked of a solid legal framework. Therefore, the NPC required the State Council to submit the draft of “social assistance law” again for review. However, this version of draft did not contain medical assistance, education assistance, housing assistance or other dedicated assistance schemes. Then the “Interim Measures for Social Assistance” were issued by Premier Li Keqiang on February 21, 2014 and came into force on May 1, 2014.

To summarize, the legal framework of Chinese social assistance includes law, administrative regulations, departmental rules, local regulations, local rules and a lot of notices and opinions. According to the “Legislation Law” of the People's Republic of China (2000, revised in 2015), they have different levels of authority.

2. Challenges and Problems

The development of the legal framework for social assistance system encounters a number of significant problems illustrated as follows.

-There is a lack of a comprehensive social assistance legal system.

Although we have set up the basic framework of social assistance and made some laws, regulations and rules, it is still not a legislative law. The critical problem is that there is no Social Assistance Law. Here a law means that it was made by the National People's Congress or its Standing Committee. The operation of social assistance depends on lots of local regulations, local rules, implementation rules, notices and announcements. These documents have a relatively low level of authority. These documents are promulgated under the background of the social situation. Social assistance is pushed by the powers and there is much randomness in its enforcement. The result has significant relationships with the local leadership.

“*Interim Measures*” is a comprehensive piece of legislation about social assistance and includes thirteen chapters such as General Provisions, Minimum Subsistence Guarantee, Support of the Especially Poor, Relief of Victims Suffering from Disasters, Medical Assistance, Education Assistance, Housing Assistance, Employment Assistance, Temporary Assistance, Participation of Social Force, Supervision and Administration, Legal Liability and Supplementary Provisions. According to the “*Interim Measures*”, different departments have their own responsibility for the administration of social assistance. The interim measures for the first time includes the regulations of all social assistance programs together in the one administrative regulation, and provides a legal basis for the social assistance system.

However, various challenges remain to be addressed. First and foremost, “Interim Measures” legal provisions are formulated in broad terms, mainly providing general guidelines and principles with regard to eligibility, standards, and implementation procedures, including methods of beneficiary identification and selection. Provincial government and municipal governments should release their own supporting materials as well. This results in significant local discretion in the regulation, financing, and implementation of social assistance.

In addition, the legal framework is not adequate to ensure the synergies between the social assistance and the social insurance programs. It does not ensure that benefits accord with existing needs rather than fiscal constraints of local governments.

Finally, the current legislation does not adequately promote participation of NGOs in the delivery of social assistance, both in partnership with the government and as independent providers.

In a word, the “Interim Measures for Social Assistance” is not yet complete and it has not much use in practice. It doesn't bring as big a change as was expected as it just integrates the existing systems. For instance, “Regulations on Guaranteeing Minimum Subsistence for City Residents” (1999) is much more detailed than the “Interim Measures”. So they still implement Dibao according to the “Regulations on Guaranteeing Minimum Subsistence for City Residents” (1999). There are

different kinds of notices or other such documents now and then from MoCA and local governments, which are so complicated that the staff don't have enough time to learn them.

-The function of dedicated social assistance programs are yet to be improved

There are eight special assistances (Minimum Subsistence Guarantee, Support of the Especially Poor, Relief of Victims Suffering from Disasters, Medical Assistance, Education Assistance, Housing Assistance, Employment Assistance and Temporary Assistance) at present. They aim to cover different groups of people, however, these systems can't work as a whole. The development of different social assistance programs is unbalanced, and they are highly relying on the Dibao entitlement.

In the near future, Support of the Especially Difficult people will replace Five Guarantees. The state shall grant support of the especially poor to the elderly, the disabled and minors under 16 years of age who have no persons with statutory obligations to support aging parents, children, or other persons or persons with statutory obligations to support but who do not possess the capacity to support them.

Any of the following persons may apply for the relevant medical assistance: members of a household under the minimum subsistence guarantee program; persons that enjoy the support of the especially poor; and other persons with special difficulties as prescribed by the People's Government above the county level. To apply for medical assistance, an applicant shall file an application with the People's Government at the township level or the sub-district office. Upon review and publication, the department of civil affairs under the People's Government at the county level shall approve the application. The medical assistance for members of households under the minimum subsistence guarantee program and persons enjoying the support of the especially poor shall be directly handled at the department of civil affairs under the People's Government at county level. That means that the target group for Medical Assistance is wider than Dibao. It is hard for the officials to decide in individual cases.

Employment Assistance means the state shall grant employment assistance to members of households under the minimum subsistence guarantee program that have the ability to work and are out of work via subsidized loans, social insurance subsidies, position subsidies, training subsidies, expense deductions and exemptions, arrangement of public welfare positions, and other means (The Interim Measures for Social Assistance, Article 42).

Temporary Assistance has been established for a short time. It is a supplement to the other assistances so it looks like a bottom line assistance system. The State shall grant temporary assistance to households with temporary serious difficulties in basic living due to such unexpected events as fire and traffic accidents or sudden and critical illness of household members or households under the minimum subsistence guarantee program with temporary serious difficulties in their basic living due to a sudden increase in their necessary living expenses which exceeds the affordability of such households and households that suffer from other special difficulties (The Interim Measures for Social Assistance, Article 47). The problem is that if the other special social assistances work efficiently, do they still need the Temporary Assistance program? Besides, the State shall provide assistance in terms of temporary accommodation, acute disease treatment, and assistance to return home for indigent vagrants and beggars (The Interim Measures for Social Assistance, Article 50). Just as with the Five Guarantees, the Relief for Vagrants and Beggars without Assured Living Sources will be substituted by the Temporary Assistance program.

The supplies of social assistance are still insufficient. With the development of the economy, the content and criteria of social assistance should be improved. There is a gap between the current system and the population's expectation. Some poor people need not some of the eight assistances

but also daily care and psychological counseling, while such services aren't included in social assistance.

Although some households' income is higher than the basic life criteria, they live a poor life. The Dibao System only guarantees to households whose per capital income of members living together is below the local criterion for the minimum subsistence guarantee and that conforms to the local provisions on the property status of households. So the income status and property status of households are the decisive factors under the minimum subsistence guarantee program. The family structure and expenses are not relevant. If a family member of regular household falls ill then their actual living standard would be lower than the guaranteed household.

-Cooperation between central-local government and between different departments needs to be strengthened.

The responsibilities of the different departments are clear in Article 3 of the "Interim Measures for Social Assistance". Civil Affairs Departments (from central government to local governments) have the main responsibility and take the lead to fulfill their assignments. Civil Affairs Departments have to coordinate with other departments (the departments of health and family planning, education, housing and urban-rural development, and human resources and social security) in many cases. Different departments' communication and sharing of information is at a low level. There is a need to take steps to promote further collaboration.

According to the "Interim Measures", the State shall grant employment assistance to members of households under the minimum subsistence guarantee program who have the ability to work and are out of work via subsidized loans, social insurance subsidies, position subsidies, training subsidies, expense deductions and exemptions, the arrangement of public welfare positions, and other means (Article 42). A member of a household under the minimum subsistence guarantee program who has the ability to work but is out of work shall accept the work introduced by the relevant department of human resources and social security. If he or she refuses to accept the work introduced to him or her that is appropriate for his or her health and labor capacity consecutively for three times without any justified reason, the department of civil affairs under the people's government at the county level shall decide to reduce or terminate the granting of the minimum subsistence allowances to him or her (Article 45).

The local People's Governments at all levels and their relevant departments shall provide the necessary assistance and preferential treatment to the city residents who enjoy the benefits of the guaranteed minimum subsistence for city residents in such respects as employment and engaging in individual business operations (The Regulations on Guaranteeing Minimum Subsistence for City Residents 1999, Article 11). Such words as "the relevant departments" is not clear as to which department's obligation it is. In practice it was thought to be the duty of the Department of Human Resources and Social Security. However, the reality is that the Department of Human Resources and Social Security usually neglects this responsibility. The result is the Department of Civil Affairs can't reduce or terminate the granting of minimum subsistence allowances. These articles don't work in reality.

The Department of Civil Affairs under the People's Government above the county level may, according to the application or the request and entrustment of the household that has obtained social assistance, inquire and verify the income status and property status of the household through the departments of residence registration, taxation, social insurance, real property registration, business registration, housing provident fund management and so on, The relevant entities and financial institutions shall cooperate with these departments of civil affairs. It is hard for the department of civil affairs to get such information.

-The executive ability of the social assistance agency is not strong.

In recent years, with growing the target people and the expanding content, the management task has become increasingly heavy. The standardization of the management requires higher professional techniques for the staff. The enforcement of social assistance mainly depends on lower level local governments, such as those at county and village levels. Through local visits, I find that the officials in low level local governments feel that the workload is extremely heavy. Sometimes they even have to face applicants' threats. Poor working conditions and shortage of financing and human resource restrict the development of the social assistance.

-The government information publicity is still insufficient.

Few provisions mention the government's information disclosure in the social assistance legal framework. About the transparency of government, The "Regulation of the People's Republic of China on the Disclosure of Government Information" was adopted at the 165th executive meeting of the State Council on 17 January, 2007 and came into force on 1st May, 2008. According to it, an administrative organ shall voluntarily disclose the government information that satisfies any of the following basic requirements: Information concerning the vital interests of citizens, legal persons or other organizations; Information that should be widely known by the general public or concerns the participation of the general public; Information reflecting the structural establishment, duties, procedures for handling affairs and other situations of the administrative organ; Other information that shall be voluntarily disclosed by the administrative organ as prescribed by laws, regulations and the relevant state provisions. The publicity of governmental information shall comply with the principles of legitimacy, timeliness, genuineness and impartiality. However, the transparency of the government still has some obstacles and the information can't be provided in accordance with the Regulations. This is formal in China and there is no exception. The government information disclosure about social assistance is still at a low level.

3. Recommendations for the Legal Framework of Social Assistance

-Continue to promote the social assistance legal system. The legal foundation of the Chinese social assistance system should be strengthened. The Chinese legislative body is formulating a comprehensive Social Assistance Law, which covers specific regulations on Subsistence Allowance for Residents, Measures for Urban and Rural Medical Assistance, Law on Housing Security, etc. Through the construction of laws and regulations, the scope, content, standards, management, fiscal investment etc. of the social assistance system with the core of the subsistence allowance will be fixed, institutionalised and normative. This will further reduce the randomness of social assistance.

A Social Assistance Law has been included in the legislative plan of the People's Congress. In line with the actual needs and the development of social assistance, the Social Assistance Law should be passed as early as possible, and then the relative regulations and rules should be issued accordingly. The ideal legal framework of social assistance will come into force would include four parts: the law to arrange all the different kinds of assistance (National People's Congress); regulations about each kind of assistance (the State Council), and measures about the enforcement matters (MoCA and provincial governments).

-The social assistance law should be based on an assessment of the existing legal framework

Before integrating the current legal framework, to draft the social assistance law it is necessary to evaluate the existing regulations, measures and notices etc. MOCA should carry out an all-round evaluation of the "Interim Measures" in the near future. The law should be drafted afterwards.

- The social assistance law should be built upon a mature social assistance system.

The legal framework of social assistance should rely on a mature and reasonable social assistance system. In macro terms, Social Security is a holistic system and social assistance is the bottom line of this overall system. It should be coordinated with other social security programs. Meanwhile,

social assistance should be combined with the Anti-poverty Programs, which will be developing very rapidly in the next five years.

In micro terms, there are several special social assistance systems as mentioned above. They have different names and different functions. They can not display overall superiority. In the near future, we could foresee several reforms in social assistance. For example, the Five Guarantees will be upgraded and replaced by the “Support for Persons in Extreme Difficult” program.

The state is trying to improve the social insurance system and to ensure that the people can obtain basic medical and health services and medical assistance is provided to poor people. Employment assistance should be implemented to help the recipients to jump out of the poverty trap. Moreover, social assistance should not limit itself to cash transfers, it should also include intangible social services such as counselling.

-Strengthen the cooperation between the different levels and departments of Government both in the legislative process and literally in writing the Social Assistance law

According to the State Council’s arrangement, a joint inter-ministerial conference led by the Ministry of Civil Affairs should be established to co-ordinate the different social assistances at the central level. Local governments at different level should establish social assistance coordination mechanisms accordingly. The Civil Affairs department will play the leading role. Such mechanisms prove to be inefficient because the civil affairs departments don’t have the power to order other departments. It is recommended that the State Council should take the lead. In addition there should be more information sharing and co-operation. Family economic checks are the key step of social assistance. If there is no information sharing, it might make the family economic check impossible.

-The level of Social assistance and the Government’s liability should prescribed in the law

The law should indicate how much liability the government should undertake and this closely relates with the levels of social assistance benefits. Therefore the law should contain the uniform methodology for social assistance benefits calculations and the extent to which the Government would secure people’s basic needs.

In particular, China is faced with an economic downturn. Social expenditures may be restricted by the potential long-term fiscal stress. The legislative body should take a long-term view, and the social assistance law should not be affected by current concerns.

-Improve the enforcement ability of the front-line officials

The social assistance law should insist "Rights being equal to liabilities". The “Interim Measures” stipulate that “Whoever violates the provisions of these Measures and falls under any of the following circumstances shall be ordered by the administrative authority at the higher level or the supervisory organ to make corrections; and a disciplinary action shall be taken against the persons directly in charge and other directly responsible persons in accordance with law”. However, it was observed from the local visit that administrative and front-line staff (Local Bureaux of Civil Affairs) were performing heavy workloads with limited capacity and resources. The officials at the lower levels of government deal with social assistance affairs and have contact with the applicants directly. Too much work pressure will affect their mood and work efficiency. On one hand, the law should forbid the abuse of powers, neglect of duties, or practicing favoritism for personal gains in performing the functions of social assistance but on the other, the law should also indicate the capacity and resources that are needed in executing the law. The law should protect the staff and guarantee their work place and conditions through legislation. Besides, they should be trained regularly.

- Coordination within the overall social security system

Social assistance is one part of the overall social security system. The law should cover the methodology for calculating benefits, the interaction between different benefit schemes and social services, such as the coordination between social assistance regulations and the Social Insurance Law; social assistance schemes and other anti-poverty schemes.

-Promote the government information and transparency

The transparency of government information is so far not as good as expected in the social assistance sphere, mainly at local level government. This problem exists not only in social assistance but also in other fields. Although there is the “Regulation of the People's Republic of China on the Disclosure of Government Information”, it can not be carried out precisely. Currently many of the departments of the local governments could not publish the relevant government information in time. So it is not easy for the public to access the information. To solve this problem, the agencies should obey the above regulation.

3.1.1 Legal framework on Social Assistance - EU experience and policy recommendations

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1. Introduction

A social assistance system is an important part of an overall social security system. It provides benefits in cash and in kind including services for needy families and individuals to maintain their minimum standard of living.

China has a long tradition in the field of assistance to the poor and dependent persons and families. The People's Republic of China is characterized by a relatively rapid development in the field of the modern approach towards social assistance but the system is still facing several important challenges in this regard, namely:

- Overall the system is still fragmented
- Standards of benefits and services are not clear and some are partly missing
- The legal provisions especially for those at lower levels of government (provincial, local) are sometimes too complicated and unclear
- Support and cooperation from other governmental departments is sometimes weak, again especially at the lower levels

The fact is that at the moment the whole area of social assistance is legally covered by the Interim Measures. There is no comprehensive legislation in this very important part of the social protection system. This important fact has already been recognized several times, not only by the responsible Ministry and Government, but also by the National People's Congress.

The aim of this paper is to provide some guidelines for the preparation of comprehensive social assistance legislation based on the experiences of the EU and its member states. In this regard I am aware that circumstances and historical developments in China are very specific and different to Europe. European legacy and proposals should be used critically and one should bear in mind that a specific approach is needed for China.

Before drafting the law, the Government should resolve some dilemmas and adopt some basic guidelines for the new legislation namely:

- Who will be the target group for services and benefits? Just those who are very poor or should the ambition of the new legislation be to focus on a wider target group (social assistance coverage) so that consequently social assistance will be recognised as a right of each and every citizen who will be faced with particularly difficult circumstances.
- Will the new legislation be a comprehensive set of benefits and services?
- Will the new system have an ambition to overcome division (segmentation) between "rural" and "urban" approaches towards poverty?
- How will jurisdiction and competence be divided between the various levels of government? How much discretion will local governments have?

2. European Overview

Social policy and social protection systems in the EU are the responsibility of the individual Member States. The same applies to the field of social assistance. Key tasks at the EU level are the co-ordination of social security systems, the exchange of best practices, mutual learning and statistical monitoring and analysis in this area provided mainly on the basis of so-called "open method of coordination".

The legislation and solutions in the field of social assistance between Member States vary considerably but their key characteristic is that in almost all Member States (except Greece and partially in Italy) they provide a minimum income scheme, which is means tested and that most Member States have developed a system of basic social services implemented at the local level. It is a known fact that minimum income schemes within EU "play a vital role in alleviating the worst

impact of poverty and social exclusion in many countries” (Frazer, 2016). But at the same time in most of the countries there is a lot of room to develop a more integrated and tailored approach in supporting people receiving benefits and to provide better social labour integration for them. Related to that the European Commission has prepared several documents and approaches which I am going to elaborate on in more detail.

2.1 Fight Against Poverty and Social Exclusion

2.1.1 Contextual Introduction

By adoption of the Lisbon strategy in 2000, the European Union undertook, among other tasks, very ambitious plans for the eradication of poverty and social exclusion. Despite relatively favorable economic conditions, existing up to 2008, these goals were not achieved or were only partially fulfilled. Characteristic of this period was the opinion that increased employment and general economic growth would crucially contribute to the eradication of poverty and social exclusion. In a large number of European countries, this in fact did not happen.

In 2008 the European Commission developed the so-called “Active Inclusion Strategy” in order to help those excluded from active life, unemployed and those who were without the means to live in dignity to support their active integration in life and work in their local settings.

The “Active Inclusion Strategy is based on three interconnected, yet independent pillars:

- (1) adequate income support,
- (2) an inclusive labour market and
- (3) access to quality services.

The strategy demands an integrated approach and is inclusive in nature. These are its key strengths.

In 2010 the European Union launched “Europe 2020 Strategy”. Its primary objective is “smart, sustainable and inclusive growth”. For the first time, the strategy clearly defines the aims concerning the fight against poverty. They would diminish the number of people living below the poverty threshold in Europe to below 20 million.

One of the seven flagship initiatives in the above mentioned strategy is the so called “European Platform against Poverty and Social Exclusion”.

The Platform is based on five areas of action (EC, 2010):*

- 1) Delivering actions across the whole policy spectrum such as the labour market, minimum income support, healthcare, education, housing and access to basic banking accounts.
- 2) Better use of EU funds to support social inclusion. The Commission has proposed that 20% of the European Social Fund be earmarked for fighting poverty and social exclusion.
- 3) Promoting robust evidence of what does and does not work in social policy innovations before implementing them more widely.
- 4) Working in partnership with civil society to support more effectively the implementation of social policy reforms. The participation of people experiencing poverty is now acknowledged as a catalyst for inclusion strategies.
- 5) Enhanced policy coordination among EU countries has been established through the use of the open method of coordination for social protection and social inclusion (Social OMC) and the Social Protection Committee in particular.

In 2013, the European Commission complemented the Active Inclusion Strategy with the “Social Investment Package”. The essence of this new approach is that expenditures on social protection are

not seen as a "costs" but as "investments for development". The argument for such a policy is the finding that early and effective investment in education and further human capital development, health care and different social services are success factors in economic development and combatting the economic crisis. Numerous studies show that the expenditure associated with social exclusion is much larger and not as efficient as the early investment in human capital.

In the same year the European Commission announced in its Communication on Strengthening the Social Dimension of the Economic and Monetary Union (EMU) the creation of a new scoreboard to follow key employment and social developments relevant to the well-functioning of the EMU. The scoreboard was used for the first time in the 2014 European Semester and will be applied as an analytical tool throughout the coming years.

The scoreboard focuses on employment and social trends that would threaten the stability and good functioning of the EU and the EMU by undermining employment, social cohesion and human capital, and therefore the competitiveness and sustainability of growth. Its purpose is to allow a broader understanding of social developments to be fed into the debates at institutional level. It serves as an analytical tool, allowing for the better and earlier identification of major employment and social problems and therefore allowing for prompt action (EC, 2014):

The scoreboard consists of a number of key indicators of employment and social trends that can severely undermine employment, social cohesion and human capital. Five headline indicators are the:

- (1) unemployment rate
- (2) youth unemployment
- (3) rate of those not in education, employment or training (NEET rate)
- (4) household disposable income
- (5) at-risk-of-poverty rate income inequalities.

The scoreboard covers all European Union Member States and comparisons are thus made with the European Union average. At the same time, statistical deviations from the euro area average merit particular attention as convergence in socio-economic outcomes is crucial for the good functioning of a currency union using a single monetary policy. This is why there are two annexed tables showing the Member States' situation vis-à-vis the European Union and the Euro zone averages respectively.

Respect for human dignity and social development, including social justice, integrated social protection and action against social exclusion, are the European Union's elementary principles. Clear and concise objectives, based on these principles, are stated in the various strategic documents both at the European Union and Member State levels. They are examined by the European Union through a series of indicators or their implementation is discussed in the realm of so-called method of open coordination.

2.1.2 Three Pillars of the Active Inclusion Strategy

2.1.2.1 Adequate Income Support – Minimum Income

Minimum income is intended for those who are unemployed and without the means for sustenance. It represents one of the fundamental social rights and is a cornerstone of the welfare state and the European Social Model. Crucial challenges for most Member States who implemented the minimum income scheme are:

- adequacy of the minimum income. Often the minimum income is too low to allow for a “decent life” or cannot cover all the basic needs (goods and services) of an individual or a family,
- the application process is sometimes too complicated and incomprehensible, which results non-take up,
- the right to receive minimum income often do not include any additional stimulus or does not cover the expenses of active job seeking.

2.1.2.2 Access to Quality Services

Access to quality general social services and especially such services as health care, education and vocational training, child care and eldercare, is essential when ensuring basic human rights and dignity and social inclusion.

The European Union differentiates discerns between services of “general interest” and other services. Services of the so-called “general interest” are of vital importance in most people’s lives. They include” services of general economic interest”, of an economic character and regulated in a certain degree (energy, transport, and telecommunication), and” social services of general interest” which are in the public interest as well however are of social character and are related to welfare and social protection (obligatory social insurance systems, personal social services, employment and training services, long-term care, child care, social housing etc.).

It is crucial that both types of services are available and accessible to most of the public. To successfully apply an active inclusion strategy, it is therefore important that the socially disadvantaged are ensured access to quality economic and social services.

2.1.2.3 Access to Employment – Inclusive Labour Market

Quality employment and the possibility of ensuring a regular employment status are decisive for effective social inclusion and economic independence. In the past years the approach of “employment first” was favored too much in the European Union. This paid no regard to the quality of the employment available, mostly to the recipients of social transfers. That work is to be accepted “at any cost” is a one-dimensional perception of employment and is opposed to the basics of the Active Inclusion Strategy. The strategy therefore stresses especially the activation of programmes, based on human rights principles, access to quality employment, and long-term support to those who had been excluded from the labour market and lifelong learning. It is important to realise that the longer the exclusion from the labour market lasts, the more difficult and demanding the return to work will be. An individualised approach, based on a coordinated activities and job search, counselling, and vocational training, is consequently a key to success.

2.1.3 Efficient Implementation of Active Inclusive Inclusion Strategy

According to the proposal of the “Active Inclusion Strategy” European Union Member States should prepare their own comprehensive national strategies, based on the foundations of the Active Inclusion Strategy. They are to be elaborated on the local, regional and national (central) levels. Certain systemic changes need to be executed as the prerequisite for their successful implementation:

- Establishing entry points to simplify access to services and incomes intended for the socially excluded, together with connecting employment services providers with providers of social benefits and social (personalized) services;
- Simplifying access to social rights and services;

- Establishing integrated information systems to warrant an individualised and integrated approach and to eliminate duplication and ineffectiveness of systems involved in resolving the social distress of the socially excluded;
- Simplifying the collaboration and coordination of local, regional, and national authorities.

In most Member States, the young and the elderly unemployed (the rate of unemployment and social exclusion among the young in the European Union is especially worrying), migrants and members of ethnic minorities, people of low education and qualification levels, and people with disabilities, mental and other chronic illnesses, or with difficult family conditions are at the largest risk of social exclusion and poverty.

Additionally, most individuals belonging to the groups listed above typically experience certain personal circumstances, such as lack of motivation and work habits, lack of life and social skills, and possibly also reluctance to work, related to receiving the various types of “benefits and subventions”. Local and regional factors, such as distance, poor communal structure and transport connections of certain, mostly rural areas often complement these reasons. Together with a lack of work and distinct selectivity of employers it becomes clear, how difficult and complex the employment and social integration of the long-term unemployed and socially excluded is.

2.1.4 Possible Approach to Successful Active Inclusion

As numerous examples show, the best approach to the socially excluded is one that focuses on an individual and their specific qualities, that is to say the individualised approach (person centered approach), based on continuity and “early intervention”, one that is comprehensive and does not target employability or job activation only. This points to the importance of regular contact between an individual taking part in an active inclusion programme and a single expert/key person to collaboratively shape a long-term plan of support and cooperation with clearly defined aims. The key prerequisite for successful implementation of such programmes is the realistic possibility of future employment or of a different type of active inclusion. This is why the partnership with employers and local communities is of outstanding importance.

2.1.4.1 Support Partnership for the Socially Excluded

Apart from the appropriate approach at the individual level, active partnerships with several other stakeholders should be formed, as this is the only way to overcome the obstacles of effective employment and social integration for those on the margins of society. This is essential for successful social inclusion and the employment of long-term social transfer recipients. Private providers should be allowed to develop in situations where appropriate public services are not provided, on the condition that their services are of the same availability, accessibility and quality as those of the public systems. All providers (public and private) should be oriented towards clearly measurable goals for their services.

When developing suitable partnerships, a particular task is to improve the cooperation with employers, especially to diminish their prejudices of employing social benefit recipients and those excluded from the labour market for longer periods. Different approaches are possible, depending on the size of the employer or the way their human resources departments are organized.

Those who have had success in combating unemployment and social exclusion confirm that the most successful approaches are based on intense, individually tailored programmes, depending on mutual obligations and commitments. It is of outmost importance, that solutions are linked to the local environment and the particularities of the local labour market, without forgetting the possibilities and opportunities of social entrepreneurship. Lack of quality jobs offered by “traditional” employers is a key problem, recognized by all involved in the field of social inclusion. In addition to cooperating intensively and innovatively with the existing employers it is

therefore also important to expand the possibilities of new forms of employment in the social economy, including forms of activities not directly connected to employment.

2.1.5 Conclusion

The basic goals of the “Active Inclusion Strategy” and the “2020 Anti-Poverty Platform” were to support people who are out of work and who are not included in community life to be re-employed and/or actively participate in their local environment. The Strategy was followed by a social investment package which also called for modernisation and innovative approaches in the field of social protection. Despite the noticeable shift in some Member States, in general, the number of unemployed and those living below the poverty risk has increased since 2008.

It is becoming clear that strict austerity measures in the field of social protection have proved an inadequate response to the crisis. Different solutions which should be characterized by the, innovation and modernisation on the basis of inclusion and social investment approach in social protection are essential for the preservation and development of social protection in the European Union.

The creation of comprehensive national, regional and local objectives and strategies to fight poverty and social exclusion in relation to the effective use of financial resources from various European Funds with the continuous monitoring of economic and social development are crucial for the welfare of European citizens.

In the year 2010 the concrete ambition of the European Union was to reduce the number of people in or at risk of poverty and social exclusion (AROPE) to 20 million by 2020. Speaking about the current situation (2015) we can see that contrary to the ambitious plan, the actual number gap with has increased to 27 million.

But even more important is the fact that poverty has spread among broader segments of the population. It is not predominantly limited to the traditional risk groups. The economic crisis, austerity policies and the dismantling of the welfare state have threatened other population groups. Even an increasing share of the middle class is now at risk of becoming poor at some point in their lives, because of the significant fall in real household incomes per head in times of crisis related to the fall in GDP per head and the fall in employment rates.

“The dominance of economic considerations at the expense of social considerations (for instance, in the National Reform Programmes (NRPs)) has played an important role. Austerity programmes have lacked social impact assessments integrated with fiscal sustainability assessments when agreeing conditional stability” (European Social Network, 2015).

2.2 European Legal Framework for Social Assistance

2.2.1 Legal Framework in the context of European Welfare Regimes

As I have already pointed out legal solutions in the field of social assistance within European countries vary greatly. They are very much related to the economic, political, historical and cultural situation and in particular to the welfare regimes in Member States.

Social assistance is an important part of the European social protection system. In some countries benefits and services are part of the same legislative acts. In others these two components of social assistance are separated and defined by separate laws. Most of the countries provide national (central) legislation but in some cases regions (provincial level) are responsible in particular for the service and also benefits related legislation.

To better understand the European situation it is important to be familiar with European welfare regimes. One could divide them on the basis of different criteria. For our paper I am going to

present five provisional models which are sometimes named differently but have common characteristics:

- 1) Continental (Bismarckian-conservative)
- 2) Anglo-Saxon (Beveridge-liberal)
- 3) Nordic (Scandinavian/social democratic)
- 4) Mediterranean (Southern European)
- 5) Central/Eastern European (transitional)

Regardless of their differences, the models are designed to protect people against the risks of unemployment, parental responsibilities, health care, old age, housing, poverty and social exclusion.

Basic differences between the individual regimes are mainly reflected in the various proportions within the so-called “Welfare Triangle” i.e. the relationship between the state, market and civil society.

2.2.1.1 Continental (Bismarckian-conservative) - Austria, France, Germany, Belgium and Luxembourg.

The continental model is based on compulsory insurance schemes. Transfers (benefits) are more important than services although social services are of a high quality. The term “security” is most characteristic for this model.

2.2.1.2 Anglo-Saxon (Beveridge-liberal) - United Kingdom and Ireland.

In the case of this regime, the State is providing social benefits to those who are in need, universalism is weak and social assistance is the last resort. The central government is providing clear guidelines for the delivery of social care. Most of the social security system is funded by taxation.

2.2.1.3 Nordic (Scandinavian/universalistic) Sweden, Finland, Denmark, and Netherlands

The fundamental principle of this model is universalism. Welfare is based on the principles of equality, solidarity and security. The State is a crucial player in the field of social protection. Social services are very well developed. The system promotes individual autonomy, social mobility and a human rights approach. Generally speaking poverty and social exclusion in these countries are very low.

2.2.1.4 Mediterranean (Southern European); Italy, Spain, Greece, Portugal

The basic assumption of this model is that the family has a crucial role in the social protection of their weak members. The role of the State is important but is focused only on a limited number of social issues. This system has also some similarities with the Continental model but social services are not of such a high quality, especially in rural areas. The level of social assistance is lower than in previous models, which means that poverty and social exclusion are higher.

2.2.1.5 Central/Eastern European (transitional); Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Baltic countries

Central and Eastern European countries which were part of the so-called “Socialist System” before 1990 are characterized by big differences in their welfare regimes which are especially visible when comparing the so-called “Baltic countries” (Lithuania, Latvia and Estonia) with the so-called “Visegrad States” (Poland, Czech Republic, Slovakia, Hungary). The common feature for these countries is that they have mostly undertaken important social policy reforms in the field of social protection. Key characteristics of those reforms are related to the pluralisation of the social protection system and the partial withdrawal of the State from public social sector. This has also

resulted in more power and responsibilities for the regional and local levels. The role of the family and its involvement is still very much important.

Basic characteristics of those five models are shown in the following table:

Welfare models	Geographical Zones	Territorial organisation	Governance	Relationships State/Third Sector	Capacity of Innovation
Nordic/ Universalistic	North of Europe	Local autonomy centrally framed	Managerial and participative mixed	Pervasive role of the State	High capacity of innovation
Continental/ conservative	Continental Europe	Regionally /Centrally framed	Corporatist	Active subsidiarity	Later but substantial innovation
Anglo saxon/ Liberal	Anglo-Saxon Countries	Centrally framed	Pluralist and corporative mixed	Market model and residual role of the State	Proactive deregulation
Mediterranean/ Familistic	South of Europe	Regionally framed	Populist and clientelistic mixed	Passive subsidiarity	Fragmented innovation
CEE/ Transitional	Central and Eastern Europe	Transitional mixed	Highly diversified – difficult to define	Highly diversified – difficult to define	Highly diversified – difficult to define

Source: Adapted on the basis of Oosterlynck, 2013

2.2.1.6 “Welfare Mix” Model

At the end of the last century, it became increasingly clear that, for many reasons (demographic changes, revised production patterns, globalization), the concept of the welfare state no longer functioned so that it could provide social security for the majority of its population. After 1990 several scholars proposed a new approach. The almighty state is no longer at the center of the system, its responsibilities are equally shared with several other stakeholders. Instead of the welfare(social) state they started to speak about a welfare society. *Welfare mix or organized welfare pluralism* has become new paradigm discussed not only by scientists but also by the politicians (New Labour in Great Britain).

According to Bernd Marin (Marin, 2013), welfare mix is characterized by the complex interaction of five complementary sectors in society: the state, markets, social security institutions, civil society and voluntary associations and community/family/households. A new concept should be characterized by a dynamic relationship between the different actors, and based on a permanent reform process, reorganization and constant innovation. The key task of the new approach should be the optimal organization and division of labour between the five key sectors in order to provide an optimal welfare mix (Marin, 2013).

In accordance with the same author's views, within the new paradigm, national governments have a crucial and very important role in shaping social policies, especially in relation to legislation, policy documents and national plans but it should be borne in mind that other actors should be always consulted and involved in the process of preparing such a document.

To promote the approach of "welfare mix" it is also important to support the role and development of civil society, not only different non-governmental organizations (traditional ones and new ones) but also households and families who are not just consumers but are also providers of social welfare.

The "welfare mix" should be also characterized by the promotion of the "Third sector of Non-governmental Organizations" in all their different varieties, namely the development of public private partnerships and the promotion of complex services where prevention, advocacy and the provision of support are provided.

Despite numerous critical views it appears that the paradigm of the welfare state is becoming history. Modern societies will have to look for new solutions within the concept of the welfare society or the welfare mix. The People's Republic of China has an ideal opportunity to use the experiences of European social policy in designing their solutions in the best possible way.

2.2.2 Selected Examples of Transitional Countries

At the end of the last century, a large number of central and eastern European countries changed their political and economic systems. These changes have had a significant impact on their social policies and on their social protection systems. Over the last 25 years they have gone through various changes, which will be highlighted in selected cases.

2.2.3 Romania – Development of a Social Benefits and Services System After 2001

After the change of the political system in 1990 the social welfare system in Romania was, as in many others socialist countries, significantly changed. The legal framework for social assistance was, and still is, divided in two parts. Separate laws were adopted for the minimum income scheme and for social services.

Between 1995 and 2001, social assistance was provided for the poor under the means-tested Social Assistance Benefit (Law 67/1995). Since January 2002, it has been provided by means of the Minimum Income Guarantee scheme (Law 416/2001). That law defines the right to a guaranteed minimum income as a form of social security. It introduces safeguard measures to mitigate the disincentives to work (i.e. obligation for beneficiaries to undertake community work, incentives for those beneficiaries getting formal employment) and combines cash benefits with in-kind provisions.

Currently, Romania has in place three main means-tested minimum income (MI) schemes – minimum income guarantee (MIG), family support allowance (FSA) and heating aids (HA). The schemes underwent a series of adjustments and redesigns during the 2000's. Their impact decreased up until 2009 due to their fiscal and administrative decentralization (Pop, 2015).

All three schemes are legally regulated at the central (national) level, while they are implemented at the local level. The first two benefits are paid directly to beneficiaries while the third one is paid to the energy providers.

The Minimum Income Guarantee is characterized by transparency and a government commitment to help the poorest individuals and groups. It is a highly targeted allowance, identifying those at risk of poverty and social exclusion. It is offering a safety net at a very low level for families that are truly dependent on this allowance, as a typical beneficiary family would still live in poverty.

Eligibility assessment, decision-making and payment of benefits is provided by the municipalities in collaboration with the network of specific public agencies - “the county-level payment and social inspection agencies (CPSIA).

The decision is made first by the municipality and then checked by CPSIA in cooperation with the local employment agency. Eligibility criteria and means testing are standardized and the degree of discretion afforded to the local community has decreased in the past years but they still have some discretionary power. The primary role of the municipality is the assessment of eligibility. The responsibility of CPSIA is mainly cross checking and the delivery of the payments.

In theory MIG is closely linked to the employment (labour market) programs but since the majority of beneficiaries are inhabitants of the rural areas where the employment opportunities are weak, and local employment offices are not fully equipped to support the most vulnerable families, in practice this is not the case. (Pop, 2016).

The level of the MIG benefit is calculated as the difference between all eligible disposable income (including self-consumption, according to the eligibility criteria) and a legally stipulated threshold, calculated according to the number of persons in the family.

Since 2010, the thresholds have been expressed in terms to the social reference index (SRI, defined by Law 76/2002 regarding unemployment insurance and employment stimulation), to which a social insertion index is applied. Unfortunately, the threshold levels are not automatically updated, and the SRI did not change after 2008 (EGO 126/2008) (Pop, 2015). Over the period of the last five years, indexation of the MGI was arbitrary.

Single persons or families are eligible for MGI if they are legal residents, irrespective of their nationality. A child is dependent if it is younger than 18 years or 26 if attending educational programs. Eligibility is means tested and income and other assets are taken into account.

Beneficiaries who are able to work and are of working age must undertake “inclusion in the community” work. The duration of the benefit payment is related to the eligibility conditions. Many old persons, who do not benefit from a social insurance pension, are long term beneficiaries of MIG. Health insurance is provided directly to the beneficiaries of MIG and they are also eligible for heating aid while there is no direct linkage to other social benefits.

According to the latest analyses (Pop, 2015) the linkage between the minimum income schemes and quality social services is weak.

Social Assistance Services in Romania

Social assistance services in Romania are provided on the basis of the Social Assistance law (no. 292/2011). The law covers both social services and social benefits (other than the minimum income schemes). Social services are (Lazar, 2013):

- Social support to ensure basic needs of the individual
- Personal care Rehabilitation
- Social inclusion

Social benefits covered by the law are:

- State allowance for the children,
- Benefits for raising a child
- Monthly allowance for severely handicapped adults and
- Heating benefit

According to the current legislation social assistance services are designed to meet general social needs as well as to meet the special needs of individuals, families or groups. (Lazar, 2013)

The National Social Assistance System is based on the principles of:

- Social solidarity,
- Subsidiarity
- Proximity (accessibility)
- Integrated approach
- Individual approach and
- Beneficiaries' participation

The social assistance system is decentralised, with a shared responsibility for developing, managing and providing social services. Thus, central public authorities are responsible for regulating the social assistance system through public policies, programmes, national strategies etc. and for coordinating their implementation, as well as for monitoring and evaluating the social services' quality. Local public administrations are responsible for organising, managing and providing social services. This local responsibility can be outsourced to NGOs, clubs, legal persons etc. (Rusandu, Lazar, 2016)

In Romania social services are financed by state and local budgets, by the contribution of beneficiary/user and by other sources.

Services are provided at a local (community) level and are delivered by public or private providers, namely, at the request of the user or his legal representative.

According to the applicable law, social services and benefits should be delivered as a complementary set of measures to effectively tackle the hardships of individuals and social groups. The current law also has a requirement that social services should be organized and implemented in conjunction with the employment services, health, education and other areas. The approach is specified in the Law as "integrated social assistance measures".

The Public Social Assistance Service (PSAS) which is subordinated to the local authorities has the key responsibility in providing and coordinating social services. Social workers employed in the PSAS are the first contact point for people in need and should act as case managers responsible for the assessment and for directing users to a broad range of possible social services. In relation to that, clear steps for identifying and addressing the specific needs of an individual or family are defined, initially evaluated then a draft of the initial intervention prepared. This is followed by a complex evaluation plan prepared by the community team to which is added a personalized intervention plan. This is then discussed with the individual and/or their legal representatives. It is then presented to a licensed service provider.

Social services in Romania are characterized by a relatively rapid development over the recent period both in terms of their diversity and volume. Unfortunately the whole process was seriously affected by the consequences of the economic crisis that began in 2008 (Lazar, 2013) especially in terms of funding. As in many other EU countries the important challenge is how to provide sufficient finance to fund social assistance system in times of crisis.

According to several analyses (Rusandu, Lazar, 2016) currently the most important challenge is how to implement the solid existing legal framework in the best possible way.

2.2.4 The Case of Slovenia – Reform of Social Transfers System

2.2.4.1 Adoption of the New Social Assistance Legislation in 2010

Slovenia, which was previously part of Yugoslavia, gained its independence in 1990. One of the first laws adopted in the National Assembly was the Social Assistance Law (1992). This was a comprehensive law which covered both cash social assistance and social assistance services. Since 1992 the law has been through many changes but the most important was the decision to separate the social benefit provisions from the social services provisions. The result was huge reform which actually started with preparations in 2007 and resulted in the adoption of the package of the new legislation in year 2010, amended in 2011 (later also in 2013) and implemented in 2012. With the new legislation fundamental changes in the access to, and delivery of, social benefits and subsidies that are means-tested were introduced.

The two acts which were adopted in 2010 are titled “The Social Benefits Act” and “The Exercise of Rights to Public Funds Act”.

The main objectives of the reform were:

- More transparent, efficient and user-friendly distribution of social transfers and subsidies that are means-tested (one-stop shop, one application form, one decision about all rights)
- Harmonisation of the criteria for granting the four types of social transfers and nine types of subsidies that are means-tested (criteria were related to the income, property and assets)
- A more targeted system (to investigate those who really needed the social benefits)
- More adequate income support (an increase in the minimum income as a base for social transfers – based on a study on the minimum life costs from 2009)
- Incentives for work and actively searching for solutions to one’s problems (activity supplement for beneficiaries working or in active programmes with the amount depending upon the duration and character of the activity)
- More focus on activating long-term recipients capable of work
- Income support for pensioners transferred from the pension system to the social benefits system (an income supplement for those not able to work).

2.2.4.2 Connection to an inclusive labour market

An important part of the new legislation was a variety of incentives for employers and employment offices that were supposed to promote the employment of the unemployed recipients of benefits.

The most important were:

- Subsidies for employers when they employ a long-term recipient of financial social assistance (not much interest from employers in the circumstances of economic crisis)
- Development of new programmes for hard-to-employ persons (as part of active employment policy)
- An intention to develop social activation programmes (motivation and activation programmes) for long-term recipients of financial social assistance that are far from the labour market and have different complex problems, such as addiction, mental health problems, homelessness
- An ambition to promote the development of Social Enterprises in Slovenia. The main emphasis is to support social enterprises in employing people from hard-to-employ groups (long term recipients of cash benefits)

2.2.4.3 Connection to access to services

The linkage between the benefits for basic survival and the benefits that are associated with satisfying other needs had been highlighted at the beginning of preparation process of the new legislation. The purpose of the new legislation was to provide people from the most vulnerable groups (but not only them) with other services or rights particularly the following:

- Access to health services (compulsory health insurance for recipients of financial social assistance covered by the state; subsidy covering the difference to the full value of the health care services)
- Contribution to the payment of a family assistant (for severely disabled persons living at home)
- Rent subsidy
- Fully subsidised public child-care facilities fee (or reduced payment)
- Subsidised school meals (lunch/snack in elementary and secondary schools)
- Transport subsidy for secondary school pupils and students
- Exemption from the payment of social care services

2.2.4.4 Implimentation of the reform

Implementation of the new social legislation started on full-scale on 1st of January 2012.

A huge preparation process before the implementation was very much related to IT support (provision and connection of 44 data sources from 24 institutions, data protection issues) but also to the training of social work centres' personnel, new employment at the centers of social work, desk service support, information for the beneficiaries, etc.

The main problems during the first two months of implementation were:

- Information support (e-Social Work Centre module) – overburdening of the system with enormous huge pressure on the system leading to delays in issuing the new decisions on benefits.
- The pressure from, and critical attitude of the media and some experts, when it became clear that the effect of the property and savings of the recipients on social benefits would be higher than expected (some people were not entitled to benefits any more).

2.2.4.5 Consequences for the system and public finances

The aim of the reform was to increase the adequacy of income support as well as the coverage of the persons in need (and specific disadvantaged groups).

In the short term it was expected that the number of beneficiaries of financial social assistance and the necessary public funds (due to the increase in the minimum income and the transfer of income support for pensioners and old age pensions to the social transfer system) would increase rapidly. However, the number of recipients did not increase in the first twelve months. However after the first two years of implementation the number increased, mainly as a consequence of the economic crisis.

The effect of stricter conditions for accessing the means-tested benefits (strictly taking into account incomes and property and movable assets) and the information system support (connection of data bases which prevented fraud of the system) was estimated to be around 10% of beneficiaries (who would not be entitled to benefits any more). But after the first two years of implementation the non take-up of benefits has become an (unexpected) problem. Partially this

was connected to the “Inheritance Act” from 1970s, according to which the state should be repaid the amount given as financial social assistance after the death of the beneficiary from the inheritance – except if this endangered the social security of heirs. This was rarely implemented until the then new legislation, but became stricter with the implementation of the reform. Among older people who received income support from the pension system nearly 18% renounced the benefit when it was transferred to the social assistance system.

Over the long-term a decrease in the recipients of financial social assistance was expected, especially long-term recipients capable of work due to activation measures. It turned out that the introduction of the activation approach was a much lengthier process, which had to be very well prepared and had to involve a wide range of stakeholders.

2.2.4.6 Consequences for individuals

Just before the implementation started the Government at the time was faced with the serious challenges of the economic crisis so the decision was taken (after consultation with the social partners) that the originally proposed amount of financial social assistance for an individual would be reduced from 288 EUR to 260 EUR per month. The effect was that the objectives planned during the preparation process were not entirely fulfilled, namely:

- Improvement of the adequacy of income support aimed at improving the situation of categories with the highest poverty risk. For example: elderly people living alone are now entitled to higher benefits (including income support that was previously attached only to certain types of low pensions, while now it is available to persons with low incomes that are not capable of work regardless of age and type of income; the incapability to work is established by special committees of the Institute of Pension and Invalidity Insurance).
- Individual decisions about take-up of benefits that are to be repaid (financial social assistance and income support) - the impact of non-take-up on poverty rates?

As was already mentioned the activation measures for long-term recipients of financial social assistance who are capable of work did not show results immediately. The proposed measures were:

- activity supplement to financial social assistance recipients who are partly employed or are part of ALM programs
- obligatory cooperation of employment offices and centres of social work with the individual recipients in defining the problems, possible solutions and activities of individual
- social activation programmes and employment programmes for hard-to-employ individuals

Since the beginning of this year a new baseline amount of CSA is implemented. It is 288 EUR for the first single person.

2.2.4.7 Applicable arrangements for the Minimum Income/Cash Social Assistance (CSA)

Whilst the legal framework is adopted at the national level, the organisation and delivery of the minimum income scheme (CSA) is provided at a local level by the network of Centers for Social Work (CSW). CSW are acting as a one stop shop for all means tested transfers while also providing some key social services and activation programs for the unemployed.

The basic amount of minimum income is defined by the law and is annually indexed in accordance with the growth in the cost of living. According to the current legislation the

competent ministry has to determine the minimum cost of living (which is the basis for CSA) every five years using a comparable methodology.

To determine the amount of minimum income for the family, the following equivalence scale is used:

Weight	Family member
1	The first adult
1,28	The first adult working 60-128 hours/month
1,56	The first adult working more than 128 hours/month
0,7	Single person aged 18-25, living with parents and registered as unemployed
0,76	Single person - permanently unemployable, or permanently incapable of work, or older than 63 (woman) / 65 (man) - living with persons who have sufficient means of subsistence for themselves and are not their family members (according to the definition in the Act)
0,56	Each further adult
0,71	Each further adult working 60-128 hours/month
0,88	Each further adult working more than 128 hours/month
0,76	The first child: the oldest child whom the beneficiary is obliged to maintain
0,66	Further child whom the beneficiary is obliged to maintain

Source MLFSA, 2016

Persons who are eligible for CSA must be nationals of the Republic of Slovenia with permanent residence or foreigners with a permanent residency permit or persons granted international protection or persons eligible according to international Acts. Apart from that individuals or family incomes and assets are tested in accordance with the limits laid down by the law.

Persons who are able to work must be registered at the local employment office and must actively seek employment.

CSA is provided in the form of a temporary or permanent benefit. Temporary CSA is granted for a period of three to six months so long as there are grounds for benefit. Permanent CSA is provided to those who are permanently unemployable or older than 63 for women and 65 for men. Active beneficiaries can also obtain an allowance for activity.

Beneficiaries of CSA are also entitled to some other benefits like income support, care allowance, payment of contributions for health insurance, death grant and funeral grant.

Social Assistance Services

The current legislation related to social assistance is based on the assumption of subsidiarity - everyone is primarily responsible for their own social situation. However when, due to external or internal reasons, individuals are not able to provide for their social security and well-being, they are entitled to help from the State and the local community (assistance).

The Social Assistance law provides the basis for six sets of social assistance services that are related to counseling, assistance and help for the individuals and families, and different forms of long term assistance to persons who are not, for various reasons (disability, age, chronic illness) able to live independently. The services are as follows:

- first social aid,
- personal help,
- help to the family,
- institutional care,
- guidance, protection and employment under special conditions
- help to workers in enterprises, institutions and at other employers

The conditions for the delivery and the financing of the services are precisely determined by means of specific standards which apply to the territory of the entire country. Inclusion in the service is possible for all potential users who meet the prescribed eligibility criteria and is only limited by the number of service providers or vacancies.

The network and financing of social assistance services is in the domain of the State and the local communities. The social assistance sector is entirely non-profit and basic services like first social aid or personal help are entirely free of charge. There is a surcharge for the other services which depends upon the material situation of the user. The state shall form the network on the basis of the needs within local communities and the number of people living in such communities. In relation to the organisation of the providers' networks the active role of the non-governmental sector is very important.

The current legislative framework for social assistance services is outdated and does not provide adequate mechanisms and structures to effectively increase the flexibility of the system and to provide quality prevention and provision of help and support to the individuals and groups who find themselves in a situation of economic poverty and who have various other social needs. The existing legislation does not include solutions that are in the field of social assistance promoted by the European Union.

2.2.4.9 Conclusions

After the first year of the implementation of the new legislation a comprehensive evaluation was carried out in order to eliminate the shortcomings and inconsistencies. The competent Ministry proposed further amendments to the law once it entered into force in 2014 and in 2016. In the analysis, which was carried out by the competent National Institute in 2015, it was found that the proposed changes were appropriate and that they adequately improved the situation of the social assistance recipients.

As I have already pointed, the existing legislation relating to social assistance services has not changed since 1992. In 2009 a special working group was appointed to prepare a new law, but it stopped its activities in 2010. The main goals of the new legislation were to be:

- to ensure better accessibility, affordability and availability of various types of services for individuals and vulnerable groups who are exposed to the risk of poverty and social exclusion,
- to ensure efficient cooperation among the State and local communities and other stakeholders in planning for the services networks and the different forms of assistance, their financing and the execution of supervision over the delivery of programs, services and other types of assistance (quality control),

- to ensure greater involvement of the users (or their representatives) in the planning and provision of social services,
- to ensure greater autonomy of service providers, which would increase their responsibility and ensure more efficient supervision over the delivery of services, programs and other types of services.

The Ministry responsible for social assistance is planning to start on the preparation of new legislation in 2016.

3. Objectives of New Legislation Related to Social Assistance in the People's Republic of China

3.1 Long term effort of state to help people in need

As I have already mentioned in the introductory paragraph the present situation in the social assistance field in the People's Republic of China is characterized by the interim legislation. There are several reasons for that, but at this point I do not want to discuss them. After long period of successfully implementing the Dibao scheme and rich experiences in this regard at the central, provincial and local levels there is a great opportunity for the relevant Ministry and the Government to show their strong commitment towards the alleviation of poverty by drafting comprehensive social assistance legislation.

A long term approach is important not only from the point of the government side but also from the citizens' point of view as it assure to all Chinese citizens that they can rely on the social protection system even in times of crises and circumstances which will affect their basic standard of living. By building a sustainable network of support for those people in need, the Government will also show its attitude towards building social cohesion and promoting better living conditions for all citizens no matter what their age, sex or other circumstances are.

It is of course important that the population is aware that the primary responsibility for their living conditions is in their hand but it is also important for them to know that they can rely on the others help (solidarity) in times of unexpected events or circumstances they were not able to influence. Effective networks of help and support are critical and crucial for their own empowerment and support on their way back to "normal" living conditions.

Of course one should always bear in mind that there are always some vulnerable groups of people who are dependent over the long-term or even permanently. This is especially true for the very old or persons with a severe disability. These groups should always experience solidarity on the basis of their rights but also on the basis of the generosity of the welfare system.

3.2 Alleviation/elimination of poverty

Although we live in an age of tremendous technical and societal progress there are still some groups of the people who cannot, for reasons which they are not responsible for, provide for themselves a decent standard of living. Deep poverty is a complex phenomenon which should be tackled from different angles. In strong economies like China's is deep poverty should be minimised or even totally eradicated. One of the best ways to fight this phenomenon is to provide, among other measures, comprehensive legislation that will ensure the effective ways (benefits and services) for help, support and empowerment of people in need.

In this regard medium- and short-term planning is also important. To successfully combat poverty, comprehensive national, provincial and local strategies are also needed. The obligation for their preparation should be also one of the components of comprehensive social assistance legislation.

3.3 Better targeting of the benefits

Financial Social Assistance (*Dibao*) is a social benefit which acts as a final safety net. It is provided to families and individuals who are unable to secure their material security, for reasons beyond their control. The purpose of Financial Social Assistance is to provide funds to meet the minimum needs at a level which allows the basic subsistence. In this respect it is very important to act quickly and to find the people who are really in need. So the system must provide simple procedures but it has also to prevent possible frauds. This means that the circumstances of a family or individual person should be carefully considered.

3.4 Engagement of the local community and other stakeholders (social organisations)

As I have already mentioned several times poverty is complex phenomena and it should be solved in the local environment in which it occurs. That is very important in such a big country as the People's Republic of China. It is not only important just to provide enough means to survive and to cover the basic health, educational and housing needs. Sometimes inclusive tailor made services are even more important. Concrete help for a family should be planned as a combination of the different measures which are involving different stakeholders from the governmental offices in different levels but also from the social organisations. Plans to help people in need should also include involving family members and volunteers. This could be a more cost-effective and efficient solution especially in the areas with limited resources.

During the process of the assessment and planning of help/support it is very important to determine whether a family is in need of short- or long-term help. The relevant related findings can help us to prepare an effective and suitable plan of measures related to one's concrete situation.

Coordination of the different players in the local environment is crucial for successfully helping and supporting those families in need.

There are several possible approaches towards this coordination and they should be adopted by local government.

Frequently poverty is not related only to the isolated families but it also affects more numbered social groups like elderly, minorities etc. So one cannot focus only on concrete cases but should prepare more broad approaches towards those particular social groups. In those cases even more comprehensive approaches are needed. These need to include not only horizontal but also vertical coordination.

3.5 Activation of the recipients

It is a well-known fact that people adopt different strategies during their times of poverty and social exclusion. It is also known that the patterns of help vary much in relation to the traditions of family support and the welfare system. But it is always a fact that the longer they live in a state of poverty, the more passive people are. Activation of a benefit recipient is crucial for their social inclusion and the alleviation of their poverty. Possible strategies to achieve that are different but it is always necessary to make a good assessment and comprehensive plans on an individual level. Participation of the recipient is crucial so it is important that realistic and achievable targets are developed.

3.6 Transparency of the procedure

If we would like to develop a kind of welfare mix system we should define clear boundaries between segments like social insurance, social assistance and charity work. Procedures within each of those three components of social security should be clear, which is especially important when different levels of government are involved. The present system is very much characterized by unclear competencies at certain governmental levels. Civil servants are often complaining that they have too much discretion whilst on the other hand they sometimes abuse this discretion (see more in Grace's paper). It is very important to draw clear boundaries between competencies of the government at different levels and to know what their responsibilities should be. In regard to this it

is also important to define the level of discretion, especially at the local level, because sometimes decisions can be quite subjective. Well trained and competent staff are also a prerequisite for the transparent implementation of the law as well as solid IT support.

3.7 Simplified and user friendly procedures

People who are facing poverty, especially some particularly vulnerable groups, are often faced with obstacles like lack of knowledge, poor literacy, difficulties in communication. To involve them in the assessment procedure, and to prepare successful and comprehensive plans to help them, we need to provide simple, clear and user friendly procedures. When many stakeholders are involved in the provision of support and different forms of services, it is important to provide one entry point and one key person who will lead them through all the stages of the process.

3.8 Effective and Efficient use of public resources

Support to people in need should be provided with funds from different levels. Their structure and scope should be defined partly in the relevant legislation and partly in budget plans. It is crucial to constantly monitor their efficiency starting from the point of the individual recipient be they family or individual user. In respect to that, clear standards and related objectives should be prepared for monitoring the progress.

Measures for the effective use of public funds are especially important when private providers are involved in providing public tasks. To prevent abuse of these funds, and to enhance their effective use, regular reporting in relation to clear objectives should be provided.

4. Preparatory Process for the New Legislation

4.1 Evidence Based Drafting

For the successful preparation of the new legislation a comprehensive drafting process is very important. The foundations for the drafting should be based on the evaluation of past legacy/tradition, analyses of good and bad practices in the present system and comparison with other relevant systems/countries. Many analytical reports are already prepared in relation to social assistance system reform in the People's Republic of China.

A possible starting point for the new legislation could be the present interim legislation but before starting a careful assessment should be prepared.

There are several possibilities for drafting new legislation. One is for drafting by experts (administrators from the Ministries and scholars). Another is drafting by a dedicated working group composed of different stakeholders. The way that first drafts are prepared influences the degree of other stakeholders' involvement in the later phases of the adoption of the legislation. Since the social assistance legislation will be related to all the levels of government, and it should be also comprehensive one covering benefits and services one could propose to draft the new act via a broad experts group. This may also provide a bigger commitment when it comes to the implementation of the new legislation. However in this case a clear leading role of the responsible Ministry must be established.

4.2 Coordination with other Ministries/Debate with stakeholders and civil society

Several times I have already pointed that poverty is a multidimensional phenomenon. Successful implementation of the different measures to fight it must involve different governmental sectors and other responsible parts of the society. The draft legislative proposals need to be discussed and agreed with the relevant Government Ministries. The Finance Ministry, Human Resource Ministry and Ministries responsible for Health, Education and Housing are of crucial importance. For there to be a successful legislative proposal not only is active approval needed but real commitment is also needed. Sometimes this process is very time consuming since Ministries' priorities are focused

on other objectives but again only comprehensive vertical and horizontal solutions can provide solid results.

The formal non-governmental sector is still developing in the People's Republic of China. An important fact is that a draft of the Charity Law has been already prepared. On the other hand China has a long lasting tradition of help to the needy being provided through family and the basic local community. This is particularly the case in the rural environment. Old traditions and new solutions should be combined particularly in the urban areas where many poor families do not have an efficient safety net. Social organisations will be increasingly more important in the eradication of poverty. They have to be an important pillar in the new legislation but they also have to actively contribute to the process of preparing the new law.

5. Content of the Legislation on Social Assistance

(Each component may be further explained)

5.1 General Provisions of the Law

- *the aim and the purpose of the law basic definitions*
- *applicants and beneficiaries under the law,*
- *explanation of terms used in law*
- *principles the law is based on*
- *responsibilities of the central government*
- *responsibilities of the provincial governments*
- *responsibilities of local governments*
- *obligation to prepare strategies (plans for combating poverty and social exclusion at the central and other levels)*
- *the obligation of other ministries and players (stakeholders) to participate in comprehensive policy approach to fight poverty and social exclusion*

5.2 Special part - benefits

- *the conditions for eligibility for the financial social assistance,*
- *the methodology to define the level of Financial Social Assistance for the family,*
- *the assessment of the income and assets of a family (individual),*
- *the period of receiving a benefit,*
- *the procedure for exercising rights including the definition of the competent authority,*
- *other rights related to the Financial Social Assistance,*
- *medical assistance housing assistance educational assistance*
- *active labour market assistance*
- *promoting the employment of beneficiaries of financial social assistance*
- *obligation of financial social assistance beneficiaries to accept any job*

5.3 Special part services (European non-binding quality framework for SSGI could be used here)

General article on the services and their nonprofit nature, services could be structured according to the different methodology e.g. their nature, intensity duration, financing (totally free services (fully financed), partly co financed or fully paid by the users)

As a possible proposal I would suggest the following division of services:

- *consulting*
- *personal support*
- *personal (help)assistance*

- *coordination of assistance and support housing services with the care accompanying activities*
- *general social services for the citizens of the People's Republic of China,*
 - *content,*
 - *quality standards,*
 - *other provisions for the services*
- *special (targeted) social services for the recipients of Financial Social Assistance*
 - *content, quality standards, other provisions for the services*
 - *eligibility criteria, assessment procedure, contracting with providers*
 - *providers of the services specified on the basis of the content of service they are providing; with special emphasis on the providers in the private sector (contracting, concessions, etc)*
 - *criteria for the provision of the networks of the services and the responsibility for their planning according to the level of the government*
 - *social assistance staff's responsibilities*
- *control of fund used (staff and recipients levels)*

5.4 Coordination and collaboration with the stakeholders involved in the process of social assistance

5.5 Appeal process if is not arranged otherwise by the other legislation

5.6 Funding of benefits and services (*based on different approaches: money is following beneficiary/direct financing/personal budgets or the money is provided to the providers/indirect payments schemes*)

- *who is responsible for what, nature and method of payments*
- *process of contracting with providers on different levels*

5.7 Monitoring (*financial control, quality control*)

5.8 Definition of responsible bodies and their competences to collect and process data

- *general article with a special regard to the privacy and security of data*
- *definition of data bases and data which should be shared*
- *the collection of data*
- *data processing*
- *storage and archiving of data*

6. Implementation of the New Legislation

6.1 Time table

When starting with the preparation of new legislation one should prepare a clear time-table of activities related to the process from the start to the end or from drafting to the implementation/exercise of the legislation. The cornerstones should be as follows:

Preparatory activities (piloting, preparation of new system structures, preparation for the transition period etc.)

Actual start of the implementation/exercising of the new Act

In this chapter we are going to focus on the activities in the transitional period from the adoption to the actual start of the implementation of the legislation. The length of this period is very much related to the content of the activities in the preparation process and changes made during the parliamentary procedure. It is very important to start some supportive activities already during process of the drafting of the legislation.

6.2 Organizational changes

The new legislation will bring a number of changes in the structure and competencies of decision-makers at all levels. It will be necessary to decide how to separate or to connect the administrative and professional/contextual procedures. The scope of social services will begin to develop on a new basis and will have to be adapted to the existing networks of providers in the field of health, education and employment.

6.3 IT Support

Different options and possibilities for IT support should be considered and planned sufficiently early. IT specialists should be a part of drafting team and especially if we would like to achieve a transparent and simple procedure they should be involved in the design of the legislative solutions. Related to the IT support it is also important to plan the IT infrastructure which should be updated, provided on all levels and compatible. This is very important not only for the administrative support assessment, payment and monitoring of benefits and services but also for very specific activities related to the service provision.

For the decision making processes adequate IT support would be crucial. Well planned IT support will provide simplified and reliable procedures for users and administrative staff.

6.4 Training/Education of the staff/providing bodies

6.4.1 Training of administrative and professional staff on the decision makers' side

In the light of the new legislation any administrative support to the decision-making process on the rights related to the benefits and services will be changed in many aspects. It will be necessary to examine whether to combine it or to separate it. According to the decision a plan has to be set on the number and qualifications of new staff, in particular, in some areas. This can be a major challenge.

6.4.2 Training/education of professional staff on the providers' side

The new legislation will introduce a number of new services. Some of them will be able to be introduced by the existing personnel. For some there will need to be further training and for some completely new human resources will be needed.

6.5. Informing the important stakeholders and the general public/publicity

Changes in social policy are sensitive issues for the general public and those impacted. A well planned public education campaign is very important. It is related to two complex sets of activities. The first is information for the general public. The other is information for potential and actual beneficiaries of benefits and services. If the law brings important innovations/changes and especially if they are going to be IT supported, they need to be carefully explained to the potential beneficiaries. Many of the recipients are poorly educated and do not understand all the benefits of modern technologies.

7. Policy Recommendations

7.1 General recommendations

Adopt a long-term approach to the law on social assistance

With the new law/legal framework, the Government should clearly show its long term intention to support people at the risk of poverty and social exclusion, (to combat poverty and social exclusion).

Inclusion of different stakeholders in drafting and implementing the social assistance law

The fight against poverty and social exclusion is a complex process that requires the participation and cooperation of different stakeholders at central, provincial and local level, the public and the private sectors, professionals, volunteers and different political structures. In this regard the new legislation should provide a comprehensive framework for their joint and comprehensive action.

Improve the procedural transparency of social assistance

In an effort to eliminate poverty, the Government will follow the principle of transparency of procedures related to the benefits and provision of services and the effective use of public funds on all levels (vertically and horizontal).

7.2 Specific recommendations

Evidence based drafting

Before starting with the new legislation it would be preferable to gather all possible analyses, researches and examples of best practices in the field of social assistance. The new legislative framework should be built upon the legacy and solid foundations of the “Interim Measures”. Piloting in smaller areas should also be part of the preparatory process.

Improving the new legislation structure and its content

The new legal framework should be comprehensive and it should cover benefits and services for the people who are in need. Special attention should be focused on the social services part since this is still a very underdeveloped area. Appropriate legal solutions should be also adopted at the local level in accordance with the central government’s legal framework.

IT based administrative processes of the social assistance system

Administrative procedures should be clear and user friendly. They should be IT supported as much as possible. Again transparency is very important but on the other side it is also important to leave some room for the discretion of officials at the local level. It is important to also have precise divisions between the administrative and the professional parts of the procedures. Clear appeal procedures should be also part of the administrative processes.

A comprehensive approach to the implementation of the new legislation

The early preparation for the implementation is very important. Implementation should be related to human resources, premises, equipment and IT support (hardware and software). Bearing in mind that the service supply side is not very well developed, it is important to start an awareness campaign which will attract investors from the private sector.

Ensuring appropriate funding for the new social assistance provisions

To successfully implement a new legal framework, additional funds will be needed at central and local levels. It is critical to prepare clear projections in relation to this. It will be useful to develop a simulation model.

Investment in the monitoring and evaluation of the newly implemented law

Regular monitoring should be part of the new legislative framework. However it is also important to monitor the implementation of the new legislation on a yearly basis.

Raising awareness and publicity of the new provisions of the social assistance law

Provision of clear and accurate information to the general public and to the all involved parties will be an important part of the successful implementation of the new legislation. It should start early and should be delivered through the different media.

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