China's Social Welfare: A Demography & Social Policy Analysis

Prof. Xinping Guan (Nankai University, China)
I. The socioeconomic & demographical changes in China since the reform

- Marketization
- Globalization
- Urbanization
Population ageing

Inequality and the change of social structure

Rural-urban migration

More Social Problems
International Economic Competition Caused by the Globalization

Economic Growth

Government’s Flexibility in Social Welfare Policy

Social Stability

Social Problems Caused by Globalization

Government’s social welfare policy under the pressure of globalization
II. The New development in social welfare (since 2000)

1. Background

1) The stronger responses to the negative consequences of the social policy reform in 1990s,
   - Inequality
   - Poverty
2) The changing politic-ideological environment:
   - More emphasis on social equity
   - More “human-centered” policy orientation
   - “Harmonious society”
3) New economic situation:
   - Rapid economic growth and the governments’ growing financial capacity

4) Rapid industrialization & urbanization after entering into WTO
   - Causing more rural-urban migration

The changing pattern of economic development:
   - From the current labour-intensive to the technology-intensive
The new ideology and principles of social welfare policy

- From the economic-centered to the “harmonious society” guided
- More emphasis on social equity and the human centered principle
- To pay more attention to the social protection to the vulnerable groups
The increase of social expenditure in the last decade

Source: China Statistic Yearbook (2007)
III. The specific areas of social welfare

1. Social Assistance

   (1) Minimal Living Security
<table>
<thead>
<tr>
<th>Year</th>
<th>People covered (Millions)</th>
<th>Increase rate to previous year (%)</th>
<th>Total expenditure (billion Yuan)</th>
<th>Increase rate to previous year (%)</th>
<th>From Central Gov. (Billion Yuan)</th>
<th>Increase rate to previous year (%)</th>
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### The Rural Minimal Living Security

<table>
<thead>
<tr>
<th>Year</th>
<th>People covered (millions)</th>
<th>Increase rate to previous year (%)</th>
<th>Total expenditure (billion Yuan)</th>
<th>Increase rate to previous year (%)</th>
<th>From Central Gov. (Bilion Yuan)</th>
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(2) Other social Assistance programs in China

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<th>Programmes</th>
<th>Urban</th>
<th>Rural</th>
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<td>Medical Assistance</td>
<td>National 2005</td>
<td>National 2003</td>
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<tr>
<td>Housing</td>
<td>National 2004, 2007</td>
<td>--</td>
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<tr>
<td>“Five Guarantee”</td>
<td>--</td>
<td>Firstly in 1950s, reformed in 2006</td>
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<td>Disaster relieves</td>
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<td>The new regulations from 2004-2006</td>
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<td>Temporary assistance for the burgers</td>
<td>National 2003, to replace the old “taking-in &amp; sending-back” practice</td>
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<td>Juridical Assistance</td>
<td>National 2003</td>
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<td>Non-governmental</td>
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</table>
2. **Social Insurances**

- **Pension**: the current system was established in 1997, and reformed and improved since 2001;
  - To validate the personal account by the central government’s expenditure.

- The development of the social insurance programs of medical insurance, unemployment, occupational injury and maternity.

- But the rural social insurance is still in no progress.
3. Health care

- The problems caused by the “reform” in 1990s
  - The partial commercialized medical care service caused the rapid increase of the prices of medical care, and the difficulties for many people to access to the medical care
  - The public health reform caused the decline of public health services
  - The improper distribution of medical resources
  - The slow development of community health services
  - The stop of rural public health services
The new development since 2000

- The development of public health services and the disease control system since the **SAAS** in 2003
- The discussion and design of the new medical care system since 2005
- The medical assistance system in cities
- The new health services in rural areas
  - The new rural cooperative medical care system
  - Rural medical assistance
(4) Other Programs

Employment protection:
The new Labor Contract Law

Welfare services
Community services
Welfare institutes reform

Housing benefits:
The New regulation of the cheaper rental housing system in cities
5. Social security and other social services for the rural migrants

1. The pension insurance
2. Medical insurance
3. Children’s education in cities
4. Social assistance and other social welfare
The key issues in social welfare policy since 2000

1. If or not back to the universal model?
2. The general direction of social policy: how to coordinates with the economic development (Neo-liberal? Developmental? or welfarism)
3. The rational institutions and technical design
4. The relations between equity and efficiency
5. Governmental vs. NGO
6. Central Government vs. Local Governments
2. The new trends for the next decade

- Back to the middle way
- Towards a urban-rural integrated social policy system
- Preparing for the future aging society
Thanks