

EU-CHINA SOCIAL PROTECTION REFORM PROJECT

COMPONENT 3

REFORM PROPOSALS ON SOCIAL ASSISTANCE SYSTEM IN CHINA
RESEARCH STUDY



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EU-CHINA SOCIAL PROTECTION REFORM PROJECT
COMPONENT 3

**Research study of reform proposals
on social assistance system in China**

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Executive summary

After the two-decade development, China has established a comprehensive social assistance system that has played a significant role in social protection system in this country. As a young institutional system, however, China's social assistance system is still needs further reform and development. Especially, as a result of the rapid economic development and social changes, China is changing itself from the former poor country to a mid-level income country, and the socioeconomic conditions have changed a lot. In the new economic and social circumstances, the social assistance system has unavoidably got a lot of new challenges, and thus has to make responses by further reforms and development. For many years, Chinese government and researchers have been doing researches and practice in social assistance reform and development, and have made many fruitful progresses.

To help the further reform and development of China's social protection system, the EU-China Social Protection Reform Project was set. The overall scope of this project is to further develop social equity and inclusiveness of economic development throughout Chinese society. In more details, it is to provide concrete proposals and suggestions to support the MoCA in the improvement of the legal framework as well as in policy enforcement for Social Assistance. For these purposes, since 2015, the component 3 of the EU-China social protection project has implemented a lot of researches and site pilot experimentations in different places in China. This report is to summarize the main findings from and policy recommendations proposed in the researches and experimentations, and have a final policy recommendation to the MoCA who are mainly in charge of social assistance affairs for them to be accepted into the governmental actions of further reforms of China's social assistance.

In Part One, the instruction part of this report, the basic framework and general achievement of China's social assistance are introduced, including the overall institutional framework of social assistance system, the general development of social assistance in the last two decades, and the overall achievements of social assistance. Then, the general characteristics of China's social assistance system are analyzed, including its strong targeting mechanism, the gate-keeper role of *Dibao* standard for the whole social assistance system, the household registration based entitlement, and the slow development of legislative system and a fragmented administration system. These characteristics have come into being along with the development of the social assistance system in the last decades, and now become problems, to a different extent, for the further development of the system. Moreover, the development and achievements of, and challenges to the individual projects of social assistance are generally summarized briefly in this part, including all the eight projects in the State Council's Interim Measures of Social Assistance, and the legal aid and judicial assistance that did not included in the State Council's document. Finally, the general

direction and significant fields of China's social assistance reform are indicated briefly as a guideline to the following parts, in which the detailed policy recommendations will be summarized and discussed one by one.

Part Two is to summarize the policy recommendations to accelerate legislation process of social assistance. It is a focus of the EU-China SPRP-C3 researches, and policy recommendations are proposed in several aspects. At first, the general direction and basic principles of social assistance legislation are proposed, including the necessity to accelerate social assistance legislation, and the general direction and the basic principles of social assistance legislation. Then, the basic framework and main contents of the social assistance law are suggested. Moreover, some actions are recommended to accelerate social assistance legislation, including having more actors' participating in the drafting and implementing process, summarizing and inheriting the existed experiences, and encouraging innovations and remedy current defects in the law-making process. Finally, there are some suggestions to have more effective implementations of the coming Law, including preparing the detail regulations for the general law, and strengthening discourse around the Social Assistance Law.

Part three focuses on the policy recommendations to raise the social assistance levels. It is an important, complicated and disputable issue. Generally, researchers tend to suggest to raise the poverty standards, but in this report, it is suggested to reform the poverty standard by having a dual-tier standards for poverty and *Dibao*, and further rationalizing methodology of making poverty standard and *Dibao* standards. Details are discussed in this part. Moreover, it is suggested to enlarge the coverage of social assistance, and to raise social assistance benefits reasonably.

Part four is for the policy recommendations to optimize eligibility identification. At first, it is suggested to optimize standards and procedures of eligibility identification for a more rational and effective targeting purpose. Then, it is suggested to further reinforce and optimize the current household economic information checking system, including reinforcing and improving the system building, and optimizing the application and improving the performance of the system.

The Part Five is to summarize the policy recommendation to improve social assistance services. As many researchers have indicated, social services are very weak in China's social assistance system, comparing with its cash benefits. Therefore some policy recommendation are proposed to improve social assistance services to the poverty households. In more details, it is suggested to provide more long-term care for the poor elderly and disability; more social work services to improve the poor's capacities and motivations, which should be the main directions of social assistance services development; more social assistance services in education, health care, employment, etc, and improve the effectiveness of social assistance in these areas; and more services for the poor people's application for social assistance benefits. What is more, some policy suggestions are focusing on more social actors involvements in social assistance

services, including encouraging more social participation and further optimizing the institutional arrangement of social participation.

Part Six is about the policy recommendations to improve social assistance administration. A rational institutional arrangement and higher efficient performance of the administration system is a key factor for the success of social assistance system, and thus the EU-China SPRP-C3 pay attention to this issue. At first it is suggested improve social assistance administration at macro level, including improving responsibility relationship between central-local governments and having more cooperative endeavors among various governmental departments involved. Secondly, it is suggested to improve the local administration system of social assistance, including bringing down the local administration level and improving the local social assistance agencies' professional level, reinforcing the capacity building for the local administration system, and involving more social workers in local administration. Thirdly, it is recommended improve Monitoring and Evaluation of social assistance, and improve the anti-fraud mechanism of social assistance, including the identification, response and prevention mechanisms.

Part Seven is for the policy suggestion to increase and improve social assistance financing. It is first suggested to further increase social assistance financing. For this purpose, the significance of the increase is discussed from the poor's real needs and from the international comparison. Based on the discussions of the significance, then, some detailed recommendations to improve the amount and structure of social assistance financing are also summarized, including the suggestion of the proper amount of social assistance financing, the suggestion of the proper structure of social assistance financing, and the suggestion to further optimize the central-local governmental financial responsibility system.

As a result of researches for several years, the EU-China SPRP-C3 has proposed a lot of policy recommendations¹, and only the main points are summarized in this report. Many valuable details can be seen in the annual reports of policy recommendations. This report are mainly a summaries of these individual reports, with some further processing and some new extension and amplification.

¹ <https://www.euchinasprp.eu/en/components-en/component-3-en>

I. Introduction

1.1 The basic framework and general achievement of China's social assistance

1. The overall institutional framework of social assistance system

In China, social assistance system is a series institutional actions providing benefits to the poor and other people in need. As defined by the official document of “Interim Measures of Social Assistance” issued by the State Council 2014, the current social project system includes eight projects: the Minimal Living Guarantee (*Dibao*), the Living Supports to the Persons in Extreme Difficulty project (*Tekun*), social assistance for natural disaster affected people (*The natural disaster assistance*), medical assistance, education assistance, housing assistance, employment assistance and temporary assistance, including the assistance for the beggary and homeless. Moreover, the legal aid and judicial assistance are also means-tested benefits to the poor and thus should be in the social assistance system, although they are not included in the State Council's document of “Interim Measures of Social Assistance”. The various projects within the social assistance system play various roles in providing means-tested benefits to the poor people and some other people in need.

2. The general development of social assistance in the last two decades

These projects of current social assistance system were created in different time. The oldest project among the current system is *Tekun*, which come from the old *Wubao*, which was created in 1950s. Other project are all created in the last two decades, among them the first one was *Dibao* project, which was initialed in 1990s in cities, then other projects come step by step. One prominent characteristics in the social assistance project development is their fragmenting development: other than designed in a single action and by a single government body, the social assistance projects were initiated by different ministries of government, in different time and as separate responses to different needs from the ministries' main administrative and service affairs, e.g. education, health service, housing, employment, etc. Nevertheless, as a result of institutional development for two decades, China has actually got a comprehensive social assistance system which include a variety of different projects, although before 2014 when State Council's “Interim Measures of Social Assistance” was issued and they were unified under a name of “social assistance”, these projects were separate practices under different names, and so far they are run by different governmental bodies at every levels.

3. The overall achievements of social assistance

In the early history of social assistance in 1990s, the urban *Dibao* project did play a great role in securing the basic living of the people unemployed and laid off caused by the state enterprise reform. Then, the *Dibao* has developed into a kind of unconditional

bottom-support institution to provide cash benefits to all the families whose income *per capita* below the local *Dibao* standard, and secure all families/persons' basic living condition. In its history of two decades, it continued to play an important role of safety net preventing the vulnerable people from falling into extreme poverty, and as the world biggest unconditional cash benefit for the poor, *Dibao* contributes a lot not only to China's social protection system, but also to the poverty alleviation in the world.

Moreover, as a result of its development of two decades, China has got a comprehensive social assistance system that include most, if not all, necessary benefits for the poor people in needs to support not only their basic living, but also their needs in various aspects that are seen as "basic needs" by governments and the public.

Furthermore, China has got a relatively balanced social assistance system between urban and rural areas. Although rural *Dibao* was created nationwide much later than urban *Dibao*, it has developed faster than urban *Dibao* since it was created nationwide in 2007. Now as far as the coverage and the relative levels of *Dibao* standards and benefits are concerned, rural *Dibao* is higher than urban *Dibao*.

1.2 The general characteristics of China's social assistance system

As a result of the development for two decade, China has got a comprehensive social assistance system with eight or more project covering the poor's various kinds of hardships and risks. As far as the comprehensiveness is concerned, China's current social assistance system can meet the main international standards and indicators to a country's social assistance system on one hand, and is no worse than that in many other countries on the other. However, based on it specific economic, political and social environments, China's social assistance system have some specific characteristics.

1. A strong targeting mechanism

As means-tested projects, social assistance should have a targeting mechanism to guarantee the benefits to the real poor in need. Comparing with many other countries', however, China's social assistance system has a stronger targeting mechanism. At first, there is a strong and unique household income standard, only those whose household per capita income is below the official standard can get *Dibao* benefits, and then most of other benefits. Secondly, beside the household income standard, there are some excluding indicators in measuring applicants' eligibility, including *per capita* cash value of household property, the ownership of some high-valued property, such as a car, second house, etc. Thirdly, there are multiple ways and a complicated procedure in measuring applicants' family income and other economic condition to guarantee only the eligible being included. Especially, an internet-based household economic information checking system is created and applied nationwide, which reinforces the targeting mechanism to a great extent.

The reasons of the stronger targeting mechanism in China's social assistance are some complicated. One of main explanations may be the low level of *Dibao* standard that

causes a small coverage, only a few poorest can get the benefit, and there are still many hidden applicants, the “would-be” qualified, and there consequently are many latent frauds in the applications. Without proper social services, especially the social work services, local governments have to develop a complicated system of targeting mechanism to deal with the frauds.

2. The gate-keeper role of *Dibao* standard

Dibao standard is used not only as a standard to check the applicants’ eligibility for *Dibao* benefit, but also as an entitlement standard for many other social assistance projects, such as medical assistance, education assistance, housing benefits, etc. Therefore, the *Dibao* standard play a role actually as a gate-keeper to most of the social assistance projects. Only with a *Dibao* eligibility can a family apply for many other social assistance benefits. This is because of the necessity to test the means for most of social assistance projects, and the impossibility to have a targeting procedure for each project due to the expensive working costs. As a result, a small group of *Dibao* family can get a lot of benefits, while many others without *Dibao* eligibility can get nothing, a phenomena called by researchers as a “welfare superposition effect”, but it is also a “welfare exclusion effect” as many poor people, whose household *per capita* income is higher a little bit than *Dibao* standard, but still in need of public benefits in some specific aspects, are excluded by the *Dibao* standard.

3. The household registration based entitlement

In principle, all Chinese people are entitled to the social assistance projects when they are in need and have met the standards, but actually anyone who is in need can only apply for the *Dibao* and many other benefits from the local government where their household is being registered. Two significant results come from this institutional arrangement, one is the unequal opportunity and benefit level for the poor in different places, especially the urban/rural gaps. The other, more serious one, is its exclusion feature for the migrants, who cannot apply for *Dibao* and many other social benefits in the place they work and reside because they don’t have household registration there, and are actually very difficult to get benefits at their household registered home because they do not live there. About one-sixth of Chinese people, mainly the rural migrants, are affected by this feature.

4. The slow development of legislative system and a fragmentized administration system

The current various projects in the comprehensive social assistance system were created and developed separately by different governmental bodies in charge of public affairs of civil affairs, employment, education, housing, health, etc. in the past two decades, as their responses to poor people’s difficulties and unmet needs in these areas which are mainly within the duties of the individual ministries. They were not “integrated” into a “social assistance system” until 2014 by the State Council’s Document “The Interim Measurement of Social Assistance”. Nevertheless, so far they are still administrated by

different governmental departments, run by different offices and staff at local level, without an integrated “social assistance” financing budget and official statistics. There is an inter-ministry working cooperation mechanism at each level of governments, but the function is still weak. Usually they have a regular meeting once or twice a year, and some information sharing and other inter-ministry cooperation, but so far there is not an authorized inter-ministry standing body for the social assistance system, and the current inter-ministry mechanism is still very weak in joint actions of policy making and daily administration of social assistance system.

Moreover, as an important institutional system in a country, social assistance should be regulated by a law, or a group of laws. As a result of the separate actions in developing social assistance project, however, there is not an enough integrated top-designing action to promote the development of social assistance system. Therefore, it is more difficult to have a unified law or law system to integrate institutionally a series separate projects. Besides, In China, the legislative process for the administrative laws heavily relies on the related administrative bodies’ strong promotion, a feature that is not good for such the legislative process as that for the social assistance law, which need more cooperation among several administrative bodies. That is why law makers, administrative officials and researchers think it necessary to have a social assistance law, and legislation process has been under way for many years, but so far the legislative process is still not completed.

1.3 The development, achievements and challenges to the individual projects of social assistance

1. The development, achievements and challenges to The Minimal Living Guarantee project (*Dibao*)

(1) The general features of *Dibao* project

The urban and rural *Dibaos* are the social assistance systems for the government to provide cash assistance for the families whose per capita income are below the local minimum living standard to guarantee their basic living. In April 2019, there are totally 9.556 million urban *Dibao* beneficiaries and 34.777 million rural *Dibao* beneficiaries, or 1.1% of the urban residents and 6.2% of the rural residents.²

(2) The main achievement of *Dibao*

As an earliest and basic project among the social assistance system, *Dibao* has play a significant role as a safety net to provide basic living guarantee to the poorest people. At the first stage of the *Dibao* project, it made a significant contribution to secure the basic living of the unemployed and laid-off workers in cities in the process of state enterprises reform in 1990s, and was thought as a key institutional guarantee for the reform. Up to now, it still functions as the last safety-net in the social protection system and takes responsibility to support any person who fails to be supported adequately by

² MOCA, “The monthly report of Civil Affairs April 2019”, MOCA’s website, <http://www.mca.gov.cn/article/sj/tjyb/qgsj/2019/201905271442.html>

other programs in social protection system. As the biggest unconditional means-tested cash transfer program in the world,³ *Dibao* keeps tens of millions of Chinese people from extreme poverty by providing them cash benefits that support their basic food, cloth and other daily necessities.

(3) The challenges the *Dibao* faces currently

Dibao plays the most significant role in the social assistance system, and faces most challenges now among the social assistance system. The most significant challenge is currently the low level feature.

The average benefit level of *Dibao* is seen too low in several dimensions: the standard, the coverage, and the actual cash benefit to the poor. At the first, the *Dibao* standard is very low. In the 4th quarter of 2018, the average urban *Dibao* standard was just RMB579.7/ person-month, and the average rural *Dibao* standard was RMB4833.4/person-year⁴. That is to say, the average urban *Dibao* standard is less than 20% of medium income, and the average rural *Dibao* standard is just about 30% of the medium income. Comparing with many developed countries who use 50%-60% of the medium income as a poverty line, China's *Dibao* standards are very low, especially for the urban *Dibao* standards. Two consequences are come directly from the lower *Dibao* standard. One is the lower cash benefit. In 2017, the average monthly cash benefit for the urban *Dibao* beneficiaries was just about RMB423 *per capita*, and for the rural *Dibao* beneficiaries was even as low as RMB217 *per capita*. Another direct consequence, more significantly, was the small coverage of *Dibao* project. The statistics shows that the number of beneficiaries are small, and reduced very fast in recent years as a result of the low standard and the more strict control of the targeting procedure. In May 2019, the urban and rural *Dibao* beneficiaries are 9.407 million and 34.593 million respectively,⁵ or just 3.2% of Chinese population. In more detailed, the urban *Dibao* beneficiaries are just 1.1% of urban people. That is to say, only a very small of extreme poor can get the cash benefits from *Dibao* projects, especially in urban areas.

Considering the *Dibao* standard's gate-keeping role, moreover, it impacts not only on the number of *Dibao* beneficiaries, but also that of many other social assistance project, and finally downgrades the whole social assistance's social protection function. That is why the lower standard and limited coverage are criticized by researchers for many years.

2. The development, achievements and challenges to The Living Supports to the Persons in Extreme Difficulty project (*Tekun*)

(1) The general features of *Tekun* project

³ World Bank, The state of safety net 2014, *The World Bank Publication*, 2014, p.11. The term "unconditional" means that, unlike other categorical benefits, *Dibao* is open to all people whose family income *per capita* is below the official standard.

⁴ MOCA, "Quarterly Statistic Report of Civil Affairs (the fourth quarter of 2018)", MOCA's website, <http://www.MoCA.gov.cn/article/sj/tjyb/qgsj/2018/20181201301328.html>

⁵ MOCA, "Civil Affairs' Statistic Data of May 2019", MOCA's website, <http://www.MoCA.gov.cn/article/sj/tjyb/qgsj/2019/201906211046.html>

Tekun is a comprehensive social assistance project targeting at the elderly, the disabled and minors under 16 who have no ability to work, no source of income, no legal supporter and guardians, or whose legal supporter and guardians do not have the ability to support them. *Tekun* provide a variety of benefits and services to secure the beneficiaries with food, cloth, health care, housing, long term care and funeral service, etc. There are 4.469 million rural *Tekun* beneficiaries in May 2019,⁶ and only 254 thousands urban *Tekun* beneficiaries in 2017.⁷

(2) Recent development of the *Tekun* project

Tekun is the oldest project in the current social assistance system, coming from the former rural *Wubao* project. After 2014, it was renamed from the former “*Wubao*” to the current “*Tekun*”, and extended to urban areas. In recent years, government issues some documents to further reform the *Tekun* project. In 2016, the State Council issued a document “The State Council’s guidelines to further improve assistance support system for the people with Special difficulties” which actually made a new regulation system for the new *Tekun*, including regulations in the entitlement, standard, benefits, management, etc. In the same year, MOCA issued a document “The identifying methods for the people with special difficulty”, and made the eligibilities and detailed methods for identifying the beneficiaries of this project.

3. The development, achievements and challenges to the Social assistance for natural disaster affected people (*The natural disaster assistance*)

(1) The general features of natural disaster assistance

The basic goal of the natural disaster relief system is to provide emergent living assistance for the people whose basic living is seriously affected by natural disaster, and subsidies for the after disaster housing re-building etc. The main actions include pre-disaster preventive mechanisms, quick responses to natural disaster, and reliefs of various kinds in after-disaster periods.

(2) The challenges to the Social assistance for natural disaster affected people

It is important to have proper standards in providing benefits to the people affected by the natural disasters at first, then it is still necessary to reinforce several aspects of the assistance, including the capacity building for the emergent settlements after the big harmful disaster, and the regulation optimization of the provision for the house re-building and living subsidies for the poor people in winters and springs, etc.

4. The development, achievements and challenges to medical assistance

(1) The general features of medical assistance

The basic goal of the medical assistance system is to help people in need to get access to basic health services. Its objects include the members of the families covered by the *Dibao*, *Tekun*, and other people with special difficulties identified by the people's

⁶ MOCA, “Civil Affair’s Statistic Data of May 2019”, MOCA’s website, <http://www.MoCA.gov.cn/article/sj/tjyb/qgsj/2019/201906211046.html>

⁷ MOCA, The statistical bulletin for social services development (2017), MOCA’s website: <http://www.mca.gov.cn/article/sj/tjgb/2017/201708021607.pdf>

governments above county level. In 2018, the Medical assistance provide subsidies to 49.7 million poor people to pay their contributions to the medical insurances, and directly support 38.2 million poor people for their medical expenses, including in-patient and out-patient.⁸ In addition, the state has established an emergent medical relief system, to provide emergent assistance for those needing emergent treatment, but identities are unclear and cannot afford the emergency treatment fee.

(2) The current challenges to the medical assistance

There are three kinds of challenges to the medical assistance projects in China currently. One is how to complete the project institutionally and provide an effective social protection for the poor's health, especially for those in serious illness that need huge costs. For this challenge, the central and local governments are accelerating the establishment of the medical assistance for serious diseases. Another challenges is how to establish an institutional coordination among the medical assistance, medical care services and medical insurance, in order to have a more efficient social protection for the poor's health care. For this purpose, MOCA and other five ministries/office issued jointly an important document "The notice to further strengthen the link of medical assistance and medical insurance for the serious diseases of urban and rural residents"⁹ in 2017, and made the main policy regulations supporting the poor people's participation in the medical insurance for serious diseases. The third one is further developing the regulations and the management system, including optimizing the medical assistance standard, the benefit level and the ceiling limitation, etc., and further extending the "one-stop" payment service mechanism to all areas.

5. The development, achievements and challenges to education assistance

(1) The general features of education assistance

Education assistance is to provide the students from poor families, including *Dibao* and *Tekun* mainly, with cash benefits to cover their fees and provide living allowance, etc. In 2018, about 45.3 million person-time students, from pre-schooling education up to university students, from poor families got some kinds of education assistance from central or local governments, the educational institutes or NGOs of various kinds.¹⁰

(2) The challenges to the further development of education assistance

At first, the coverage of the education assistance should be further enlarged to cover more students from poor families. Secondly, to cover all the poor students, it is necessary to have an effective information system of poor students, which should link to other information systems of population administration, civil affairs, poverty alleviation, etc. Thirdly, the student support standard and benefit level should be increased along with the economic development and the increase of the average

⁸ National Healthcare Security Administration (NHSA), The annually statistical express of healthcare security (2018), Feb 28, 2019, NHSA's website: http://www.nhsa.gov.cn/art/2019/2/28/art_7_942.html

⁹ MOCA and other five ministries/office, "The notice to further strengthen the link of medical assistance and medical insurance for the serious diseases of urban and rural residents". MOHRSS' website: http://www.mohrss.gov.cn/yiliaobxs/YILIAOBXShengcewenjian/201704/t20170428_270174.html

¹⁰ Center for China student financing support, The report of financing support development for Chinese student (2018), http://www.jyb.cn/rmtzgjyb/201903/t20190311_216647.html

consumption level. Fourthly, education assistance should be more extended to the migrant students, protect the migrant children's education right, and thus local governments should include migrant children into local education plans, secure the children's education rights based on the resident card.

6. The development, achievements and challenges to housing assistance

(1) The general features of housing assistance

Housing assistance targets at the eligible families with housing difficulties, covering mainly the *Dibao* families and at-home-supported *Tekun* people. The benefits mainly include the supply of public rental housing, the issuance of housing rental subsidies, and the renovation of rural dilapidated houses.

(2) The challenges to the further development of housing assistance

At first, it is necessary for housing assistance to enlarge the beneficiaries in both urban and rural areas from the *Dibao* and *Tekun* people to more "low income families" who have also difficulties in housing. For this purpose, relevant regulations should be re-made, and information system should be established for the housing assistance administration. Moreover, the rural migrants in needs should be covered by the rental subsidy project in cities. Some cities have done it, but has so far not a national policy.

7. The development, achievements and challenges to employment assistance

(1) The general features of employment assistance

Employment assistance targets at the unemployed labors among the *Dibao* families, including loan discount, social insurance subsidy, position subsidy, training subsidy, fee waivers, public job placement, etc. In 2018, totally 1.81 million poor people with difficulties in employment got employed,¹¹ and 49,000 zero-employment families got employed.¹²

(2) The challenges to the further development of employment assistance

At first, the employment assistance should cover more poor people, providing assistance not just to the laborers with employment difficulties in *Dibao* families and the zero-employment families, but also to more other poor families with employment difficulties, including the rural migrant families in cities. Secondly, it is necessary to pay more attention to the job quality for the poor, make the jobs offered more attractive to the poor workers, and thus have the employment assistance more effective in an active anti-poverty system.

8. The development, achievements and challenges to temporary assistance

(1) The general features of temporary assistance

Temporary assistance project has two kinds of benefits. One is an emergent cash benefit for the families with a sudden and serious misfortune. In 2017, totally 9.7 million

¹¹ The ministry of human resources and social security (MHRSS), The statistic express data of human resource & social security (2018), http://www.mohrss.gov.cn/SYrlzyhshbzb/zwgk/szrs/tjsj/201901/t20190130_309968.html

¹² The ministry of human resources and social security (MHRSS), The statistical bulletin of human resource & social security development (2018), <http://www.mohrss.gov.cn/SYrlzyhshbzb/zwgk/szrs/tjgb/201906/W020190611539807339450.pdf>

person-time got this kind of benefits. Another is a temporary accommodation and related services for vagrants and beggars. In 2017, totally 35,000 person-time got this kind of services.¹³

(2) The challenges to the temporary assistance

At first, the temporary assistance should be further reinforced and regulated in details of eligibility, determine mechanism of benefit level, the active finding mechanism, etc. for the sudden and serious misfortune assistance. Secondly, it is necessary to improve the management of the services to the vagrants and beggars, with more effective targeting mechanism, better in-house services, etc.

9. The development, achievements and challenges to legal aid and judicial assistance

(1) The general feature of legal aid and judicial assistance

Legal aid and judicial assistance projects are not listed in the "Interim Measures for Social Assistance", but they should be a kind of social assistance because they are means-tested services for the poor people. In China, legal aid project is to provide lawyer services to the poor people in need. In 2018, there were totally 209 thousands cases getting legal aid services.¹⁴ The judicial assistance is to provide cash benefits to the poor people as a victim in judicial cases. In 2018, there were totally 46.2 thousands judicial assistance cases, and 57.5 thousands poor people sharing the cash benefits of RMB 1.075 billion.¹⁵

(2) The challenges to the legal aid and judicial assistance

Since these two projects are not included in the "social assistance system" by the State Council's "Interim Measures of Social Assistance", the administrative bodies, i.e. the Ministry of Justice and the Supreme People's Court are not included in the inter-ministry coordinative mechanism for social assistance. Actually, it would be much helpful for their performance if there were some kinds of institutional links and inter-project coordinative mechanism between these two projects and other social assistance projects, especially the *Dibao* project, because, at least, these two projects tend to target the same groups of the poor, so the current *Dibao*'s targeting mechanism or other broader targeting mechanism in the future should be used by these two projects. Therefore, the most significant challenge to the legal aid and judicial assistance is that these two projects are included into the social assistance system in the coming social assistance law and the administrative bodies are integrated into the inter-ministry coordinative mechanism.

1.4 The general direction and significant fields of China's social assistance reform

As mentioned above, China's social assistance system has got a great development in

¹³ MOCA, "The annual statistic bulletin of social services (2017)", MOCA website:

<http://www.MoCA.gov.cn/article/sj/tjgb/2017/201708021607.pdf>

¹⁴ Ministry of Justice (MOJ), "New statistical data of lawyer, notarization and local legal services", MOJ website, http://www.moj.gov.cn/government_public/content/2018-03/14/634_17049.html

¹⁵ The supreme people's court (SPC), "RMB 1.027 billion judicial assistance benefit is provided", The Chinacourt website: <https://www.chinacourt.org/article/detail/2019/02/id/3738277.shtml>

the last two decades, and made a great contributions to social protection system specifically and to economic and social development in this country more generally. Since there are still some problems and challenges, however, it is necessary to reinforce, improve and optimize it by more reform measures. Here the general directions and significant fields of the reform are briefly listed first, and more details will be followed in the next parts.

1. The general direction of the reform

At first, some general directions of the reform are suggested by the researchers in the component 3

- (1) To enlarge the functions of social assistance in the social protection system
- (2) To reinforce the effectiveness of social assistance by better institution arrangement
- (3) To have a higher efficiency by a better administrative system

2. The significant fields of the reform

- (1) To accelerate the legislation process of the social assistance law
- (2) To raise the social assistance level
- (3) To have a more inclusive social assistance system
- (4) To optimize eligibility identification
- (5) To enlarge services for the poor
- (6) To optimize the administrative system
- (7) To improve social assistance financing level and budget system

II. The policy recommendations to accelerate legislation process of social assistance

As a system of formal action to provide a variety of social benefits to the poor and other people in needs, social assistance should be created and run in a very regulated environment, a law of social assistance is thus very necessary. As a result of the fragmented development, it was almost impossible to make a law for the social assistance system at the beginning. In the last decade, however, a lot of efforts have been made by the lawmakers and administrative bodies, such as MOCA, to promote the legislation process for the social assistance law, and a State Council's administrative legislative document "The interim measures of social assistance" has been made successfully, but the social assistance law is still on the way. To accelerate the legislative process of the Social Assistance Law, the component 3 of the EU-China social protection project has paid attention to this issue, and some policy recommendation have been proposed.

2.1 The general direction and basic principles of social assistance legislation

1. The necessity to accelerate social assistance legislation

As mentioned above, it is very necessary to have a social assistance law. It was stressed

in the Component3's "Topic 3.1.1 Legal framework on Social Assistance" in the "Reform proposals on 2015 research topics" that "continue to promote the social assistance legal system" and "the legal foundation of the Chinese social assistance system should be strengthened".

2. The general direction of social assistance legislation

The law making should have two fundamental functions: one is to strengthen the social assistance system, another is to regulate the system. The social assistance legislation should be towards these two directions.

At first, the legislation of social assistance should be based on a clear judgement that social assistance will be very important in China's social protection system in the future, and thus it should be further strengthened by the legislation process. For this purpose, several key issue should be paid more attention to: the general goal of social assistance in the future, the proper level of social assistance, including the average standard, the coverage and the benefit level, as well as a proper financing level.

Secondly, the legislation of social assistance should be good for an effective social assistance in the future, i.e. a social assistance system that include all benefits to cover effectively the poor's needs in various aspects. The benefits are effective not just for maintaining the poor's current living condition and solving their current difficulties, but also useful for their further development, and helpful for cutting off the links of inter-generational poverty transmission, etc.

3. The basic principles of social assistance legislation

Several general principles proposed by the researchers in Component 3. In the research report, the following principles were suggested for the legislative process.¹⁶

- The social assistance law should be based on an assessment of the existing legal framework
- The social assistance law should be built upon a mature social assistance system
- Strengthen the cooperation between the different levels and departments of government both in the legislative process and literally in writing the Social Assistance law
- The level of Social assistance and the Government's liability should prescribed in the law
- Improve the enforcement ability of the front-line officials
- Coordination within the overall social security system
- Promote the government information and transparency

Some more recommendations are based on the EU's experiences:¹⁷

¹⁶ Eu-China Social Protection Reform Project Component 3, Reform proposals on 2015 research topics: Topic 3.1.1 Legal framework on Social Assistance

¹⁷ Eu-China Social Protection Reform Project Component 3, Reform proposals on 2015 research topics: Topic 3.1.1 Legal framework on Social Assistance

https://www.euchinasprp.eu/images/documents/Component3/DRAFT%20REFORM%20PROPOSALS%20on%202015%20research%20topics/rev04.11.2016.C3_draft%20reform%20%20proposals_2015_research_topics_EN.pdf

- Adopt a long-term approach to the law on social assistance
- Inclusion of different stakeholders in drafting and implementing the social assistance law
- Improve the procedural transparency of social assistance
- Have national unified requirements and local diversities

2.2 The basic framework and main contents of the social assistance law

1. The framework

There are two options as far as the basic framework of the social assistance law are concerned. The first choice is to have a general law just with some general directions and main principles. The second choice is to have an inclusive law with contents as detailed as possible. The second one is more fit to the condition that the social assistance system had been matured enough, and all the institutional arrangements could be included into the law and thus be made legislative authorized and then can be kept stable for a long time. More realistically, however, China's current social assistance system is by no means mature, and thus the first option is more rational for the current condition. Therefore, it is suggested that, at the moment, a general law be made with regulations mainly in general directions, basic principles, responsibilities of main actors involved, etc, and let the administrative body, i.e. the State Council and its ministries involved, make the institutional details according the law.

2. The main contents

According to the researchers, the assistance law should include the following contents

- The regulations of governments' responsibility to provide necessary social benefits as a social safety-net to the poor and other people in needs that they cannot get from other sources and secure their basic living condition that the society recognized as conventional or basic living standards.
- The regulations of the overall structure of the social assistance system, including the basic arrangement of current eight projects plus the projects of legal aid and judicial assistance.
- The regulations of the entitlement, standard and conditions of eligibility, the targeting procedures, etc.
- The regulations of administrative system, the local social services to the poor and other people in needs, the responsibility of other social actors and the measurement to encourage more social involvement, including social work's involvement, in the financing, administration and social services in social assistance.
- Legal duties of all parts involved, and other necessary elements.

2.3 The actions to accelerate social assistance legislation

1. To have more actors' participating in the drafting and implementing process

As suggested by the researchers, in the legislative process of the social assistance law, it is necessary to "strengthen the cooperation between the different levels and

departments of Government both in the legislative process and literally in writing the Social Assistance law”. For more details, the following main actors should play their roles:

- (1) The law makers in the standing committee of the national people’s congress. Considering many of the members are not professional in this areas, some kinds of information provision are necessary.
- (2) The ministries of central government who have some responsibilities in different aspects of social assistance, either those in charge of some projects, such as MOCA, NHC, MOE, MEM, MHURC, MOHURD, MOJ, etc., as well as the Supreme People’s Court (SPC), or having general duties in planning or financing to social assistance, such as NDRC and MOF etc. For the ministries’ participation, the key issue is how to have an effective inter-ministry cooperation in the process of law drafting and revision.
- (3) The local governments, especially the official bodies with some responsibility to social assistance. Since the drafting and revision work is handled by MOCA, it may be easier for them to mobilize local Civil Affairs offices to participate in, and may ignore the ideas and information from other areas, the key issue for the local participation is how to make it more inclusive, not just from the authorities of Civil Affairs, but also from other areas equally.
- (4) The researchers’ participation and contributions. Researchers’ participation can take several forms, including workshops/seminars, research reports. Researches are mainly by the experts in the areas of social assistance, but other scholars in sociology, economics, politic sciences, public administration, law, etc. should be mobilized to participate. Also, the researchers’ contribution can be connected directly with the administrative body in charge of the law drafting and revising, with the law makers in the National People’s Congress, and with mass media or survey of public opinions.
- (5) The public’s participation. The public’s opinions are also very important to the legislative process and for a high quality law of social assistance. There should be some kind measures to collect and analyze the public opinions, not just that from the poor or other people in needs, but also that from other groups.

2. To summarize and inherit the existed experiences

The new law should be made on the bases of the previous social assistance practices and the institutional development in this area up to date.

3. To encourage innovations and remedy current defects in the law-making process

Since China’s social assistance system has not be mature enough institutionally, it is necessary to encourage innovations in the process of drafting and revising the law document. For this purpose, more researches should be made, and more discussions should be take, by which the current defects could be remedied in the law-making process, and finally we can have a better law of social assistance.

2.4 To have an effective implementation of the Law

Implementation is also very important and complicated, which should be prepared with a strong emphasis from the period of the law-making. Various actions should be taken as early as possible, of which the follow aspects are most important.

1. To prepare the detail regulations for the general law

As mentioned above, the law of social assistance can be take a form of general law. For a law of this kind, it is necessary to have a widely inclusive operational regulation system. The operational regulation system should be prepared from the law drafting stage, other than just after the law has been into effective.

2. To strengthen discourse around the Social Assistance Law

For such an inclusive law, there may be a lot of different ideas, opinions and attitudes towards it, to have a good implementation of the law, it is necessary not only to have people's opinion in common during the law-making process, but also to have more discourses around the law afterwards in the stage of implementation. The main purpose of the discourse is to have different people having more understanding and then acceptance of the law, and thus have a more smooth process of implementation. There are usually some kinds of policy discourse actions when a new law or a governmental document is issued, and there are basic statistic data published online by the government offices, but it is suggested to have further more discourses when the new law of social assistance is issued, and with more reports to analyze the effects of and explain the difficulties in the law implementation, and thus let people have more knowledge about the implementation of the law.

III. Policy recommendations to raise the social assistance levels

As mentioned above, it is a widely accepted judgement that China's current social assistance level is lower. The lower feature can be seen in three aspects: the lower standard, the small coverage and lower benefit level, and the actions to raise social assistance level should be from these three aspects.

3.1 To reform the poverty standards

Fundamentally, the overall lower level of social assistance is caused, to a large extent, by the lower *Dibao* standard, which play roles not only as gate-keeper to the *Dibao* project, but also for most other projects of the social assistance system. Therefore, the actions to raise social assistance level should be started from the reform of *Dibao* standard.

1. To have a more accurate standard in *Dibao*'s targeting

Since many poor families have complicated conditions in income, consumption, working capacities and working chances, etc., it is for a long time a problem how to

improve the Dibao's targeting mechanism to include the real poor and exclude the non-poor. In EU-China SPRP-C3's Social Assistance Comprehensive Reform Pilot in Da'an City, Jilin Province, a kind of method has been designed and piloted, which is called "Subsistence Allowance Standard" + "labor force coefficients". To be more detailed, at first, a "Subsistence Allowance Standard" is calculated in terms of the local basic living condition and meeting the central government's requirements in securing the poor's basic needs in food, cloth, medical care, education and housing. Then, the individual families' economic condition will be calculated in details, not just their income per capita, but also the family members' working capacity. By this kind of new method, Dibao will be more accurately targeting to the really poor without working capacity, and thus will avoid the irrational "welfare dependency".

2. To have a dual-tier standards for poverty and *Dibao*

Since the *Dibao* standard play two significant roles of the determinant of the level of *Dibao* cash benefits and the gate-keeper of *Dibao* eligibility and then the eligibility for most other projects of social assistance, the lower *Dibao* standards cause three consequences: the lower benefit level and the small coverage of *Dibao* project, and then the small coverage of the whole social assistance, as a result of the binding relationship of most other social assistance projects to *Dibao* standard. All these three aspects should be increased and enlarged, but should be in different degrees. The ideal model of social assistance should be a larger social assistance system to help more poor people conditionally when they have real difficulties in health care, education, housing, employment, long-term care, etc., and a relatively smaller coverage of *Dibao*'s cash benefits. Therefore, the benefit levels and coverages of all social assistance projects should be increased and enlarged, but those of the other projects should be increased and enlarged much more than those of *Dibao* project. For this reason, the eligibility of other social assistance should no longer be bound to *Dibao* standard.

Moreover, considering the obvious current problem of welfare superposition and welfare exclusion currently caused also by the binding relationship of other social assistance project to *Dibao* standard, it is necessary, suggested by the EU-China social protection project C3 researchers, to break up the binding relationship of other social assistance project to *Dibao* standard by setting a poverty standard outside the *Dibao* standard, as an entitlement standard for the poor who would apply for all the means-tested social assistance projects. In the new system, therefore, there are two levels of standards for the social assistance. One is a general "poverty standard" that is used to identify the poor, and a standard of the entitlement for the whole means-tested social assistance. Only those who meet the general poverty standard can be included into a "poor family" and entitled to apply for a means-tested social assistance benefit when they are in need. Another level is the specific standards of the individual means-tested projects, which should be made mainly by the specific definitions of people's "basic needs" in different aspects.

In more details, all families with an income per capita lower than the local "poverty

standard”, suggested to be about 40% of medium income, can be included into the catalog of “poor families”, and are thus entitled to apply for the benefits of individual social assistance projects when they are in relevant special needs, and eligible to get benefits if they meet the specific standards of the individual projects they apply for, including medical assistance, housing assistance, education assistance, employment assistance, etc. as well as the *Dibao*’s cash benefit.

By the dual-tier poverty standards, two mostly criticized problems in current social assistance system can be solved. One is the lower level of social assistance. The new poverty line can enlarge the coverage of the whole social assistance and thus more poor people can get benefits of various kinds when they are in needs, while the *Dibao*’s unconditional cash benefit may not increase a lot, and thus can avoid the increase of “welfare dependency”. Another is problem of welfare superposition and welfare exclusion. By the use of the dual-tier standards, the *Dibao* beneficiary is no longer a precondition to apply other social assistance benefits, and all the poor people can apply all the benefits just in terms of their actual needs.

2. To further rationalize methodology of making poverty standard and *Dibao* standards

As suggested by researchers, the methodology of making *Dibao* standard should be further optimized. From the beginning of *Dibao* project, it has been a significant and complicate task to design and optimize the methodology of making *Dibao* standard. In its early stage, it was an “absolute standard” to measure the should-be “minimal living standard”. Later, as other social assistance projects have come into being, and the *Dibao* standard take the gate-keeper role not just for *Dibao* itself, but for other projects, the lower level feature and the absolute measurement of *Dibao* standard cannot fit the needs of the whole social assistance system, and MOCA and many local governments began to reform the methodology of making *Dibao* standards by adding some “relative measurement” elements in the making of *Dibao* standard.

Based on the above-suggested dual-tier poverty standard, the binding relationship between *Dibao* and other social assistance project will be broken up, and thus the basic function of *Dibao* standard will return to the *Dibao* project itself. In this circumstance, two tier standards should be made which should have different methodology.

For the general poverty standard, since it is a standard to measure the general poverty and for the entitlement of all means-tested social assistance projects, but not to determine by itself the eligibility and actual benefit level of individual projects, it should reflect the higher goal of social assistance in the future, as recommended earlier in this report, could be higher to include the poor as many as it should be, and should take a simpler methodology. Therefore, it is suggested to have a relative measurement of poverty. Two options of methods here are given. One is the methods of “fixed percentage to the medium income”, i.e. take a certain percentage of medium income as a poverty standard. This methodology is very popular currently in the world, in many developed countries, the poverty standard is 60% of medium standard. In China,

considering the actual condition of a “developing country” and the current lower level of *Dibao* standards, it is suggested a 40% of medium income as the general poverty standard. Another option is called “fixed percentage of poor people”, i.e. to set a certain percentage at the bottom of income continuous spectrum as the poor people that should be entitled to the social assistance, and then calculate the poverty standard, in cash value, easily by using the government’s survey data of resident’s income distribution. Of the two options, this report tend to recommend the second one with priority, because this method will make a clearer responsibility boundary for the government to help certain amount, e.g. 10% or 12%, of the poor at the bottom of income.

For the *Dibao* standard within the dual-tier system, since its function has returned to just determine the coverage and benefit level of the unconditional cash benefit to the poorest, it could be maintain its “absolute measurement” to provide basic living to the poorest, or, more simply, take a lower percentage of medium income, e.g. 25% for the urban and 30% for the rural areas. Besides, some additional standards could be used in the identification of the *Dibao* eligibility, such as household properties, and family members’ working capacities, as piloted in Da An, Jilin Province under the EU-China SPRP C3.

3.2 To raise the social assistance coverage and benefits

Another two significant aspect raise the social assistance level is enlarge the coverage and raising the benefit level for the beneficiaries.

1. To enlarge the coverage of social assistance

It is widely criticized that the current coverage of social assistance is too small, and with discrimination and exclusive features to the poor. By the above-suggested reform of dual-tier poverty standard, the current exclusive regulation to the non-*Dibao* poor will be abolished, and the coverage will be enlarged and more poor people will have chance to apply for the benefits when they are in needs. That will be very helpful for reinforce social assistance’s role and function in the system of social protection.

Moreover, it is further necessary to pay attention to another exclusive feature of the current social assistance, i.e. the exclusion based on the household registration status, which is another most criticized unfair feature of the current social assistance in China. The fundamental solution of this problem will be based on nationwide integrated social assistance system with a unique poverty standard and a nationwide administrative system, like it is in some European countries. It still a long way to go before reaching this pattern of nationwide integrated social assistance system, but before that it is necessary to have some active measures to accept non-household-registered poor, mainly the rural migrants in cities, into social assistance projects and provide them some benefits when they are really in needs. There have been some progresses in this direction, but further steps are still needed in the future. The Comprehensive Reform Pilot of the C3 of EU-China Social Protection Project in Zhang Jiagang, etc show that it is possible to include the “New Residents” into the urban social assistance system

step by step. It is suggested in this report, therefore, at first, it should be made as a basic requirement that all social assistance be open to non-household registered people, and secondly, as a detailed regulation, the permanent or long-term residents, measured by the holding of “resident card” and the years of residence in a city, should be included if it is difficult to include all the non-household registered people. For the inclusion of the non-household-registered residents, a nationwide information system should be create.

2. To raise social assistance benefits reasonably

It is an important issue for the social assistance to have a proper benefit level. It should not be very high, and not be too low. Since the current average level of benefits are lower for many social assistance projects, it is necessary to raise the benefit reasonably. At first, it is necessary to raise the *Dibao*’s cash benefit level. Since in several large scale survey in recent years, it is found that many *Dibao* beneficiaries’ living conditions are still very difficult even after they get *Dibao*’s cash benefit, *Dibao* benefits should be raised reasonably, especially in urban areas, where the percentage of the current *Dibao* standards and actual benefit level are to the average income are much lower than in rural areas.

Moreover, many other social assistance projects should raise their benefit level along with the economic and social development and the increase of governments’ financing capacity, especially in medical assistance and education assistance, and then the housing assistance, etc.

IV. Policy recommendation to optimize eligibility identification

A proper and operable eligibility identification is a key condition for the means-tested social benefits. For that reason, many researchers have paid attention to this issue, and the researchers in the EU-China Social Protection Project C3 have proposed some policy recommendations¹⁸.

4.1 To optimize standards and procedures of eligibility identification

For a proper and operable eligibility identification process, two aspects are of the most important: one is to set the proper indicators of the family/household income measurements, another is to have operable measures of means-testing, i.e. to collect relevant family economic data for the measurement.

1. To optimize the standards of eligibility identification

It is very complicated to determine the standards of eligibility identification, i.e. a group of indicators to measure the applicant’s eligibility. Currently there are two kinds of indicators: household *per capita* income indicators and family property indicators, which are mainly the negative indicators, e.g. a ceiling of the bank saving, the

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https://www.euchinasprp.eu/images/documents/Component3/DRAFT%20REFORM%20PROPOSALS%20on%202015%20research%20topics/rev04.11.2016.C3_draft%20reform%20%20proposals_2015_research_topics_EN.pdf

ownership of a car, and more-than-one house, etc. It is widely discussed in recent years to include the “poverty by expenditure” into the standard and it is suggested that some necessary expenditure items should be included in the measurement of a family’s economic conditions, such as the necessary medical and caring expenditures for serious diseases and the people with disability, and some other extra expenditure for the elderly, children or other people in special difficulty.

In the EU-China Social Protection Project C3’s policy recommendation report of 2017¹⁹, the researchers suggested to “perfect the calculation system on household income and assets”, which include two aspects: “establish the calculation index of household income for rural social assistance applicant” and “perfect the asset standard and reduce the subjective factors in asset checking”. Also, in the Comprehensive Reform Pilot of the C3 of EU-China Social Protection Project, this issue is considered as an element of reform.

2 To optimize the procedure of eligibility identification

The eligibility identification is not just based on a proper group of indicators, but also based on an operable procedure to collect data. The traditional measures of data collection and decision making have some problems, and the researchers in the C3 of EU-China Social Protection Project suggested to include more professional mechanism by the participation of professional agency in urban areas, and more technic mechanisms of household economic information checking system in the eligibility identification.

4.2 To further reinforce and optimize the household economic information checking system (cross-data bank at national level)

1. To reinforce and improve the system building

The household economic information checking system has been established in recent years, and played a more and more significant role in the eligibility identification for the applicants of *Dibao* and other means-tested benefits in many places. So far, however, there is still not a legal document or a high-level, i.e. by the State Council, administrative regulation to regulate it, and there are thus still large varieties in their mature levels in different regions, and for most regions the bank information is still a problem since many local banks hesitate to participate in the system and provide the saver’s bank information without a law regulation. Therefore, the key issue for the further development of the system is to include the relevant regulations in the coming Law of Social Assistance, or in a formal document by the top level administration, and then the current internet-based technic system of “household economic information checking system” should be further improved to include more information check function by more public and commercial bodies’ involvement,

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https://www.euchinasprp.eu/images/documents/Component3/C3_draft%20reform%20proposals_2017_research_topics_EN.pdf

2. To optimize the application and improve the performance of the system

Another key issue for the household economic information checking system is how to use it properly and improve the performance. Three factors should be considered and reinforced: the hardware (technology), management, and the inter-department cooperation. Moreover, since poverty is a complicated issue, the technological system cannot solve all problems. To have a better performance, it should be further cooperated with the professional agency and local community organizations. In addition, it should provide information services to more public administrations for the purpose of social assistance administration, and to further reinforce the private information protection mechanism.

V. The policy recommendation to improve social assistance services

5.1 To improve social assistance services to the poverty households

In recent years, more and more researchers indicate that social assistance should not be just cash benefits, more social services are needed for the poor. This issue was mentioned in the EU-China Social Protection Project C3's policy recommendation report of 2015, 2016, 2018 and 2019. Especially, in the EU-China Social Protection Project C3's policy recommendation report 2018,²⁰ it is suggested to provide services for social assistance beneficiaries, including the actions of top-down policy guidance and financial support; improvement of social assistance service workers; formulation of standards and norm of social assistance services; establishment of integrative family service centers; integration of social assistance resources and promotion of the coordination mechanism; establishment of social assistance service information platform; combination of social assistance services and employment support services; and balanced development of urban and rural social assistance services. Moreover, some suggestions also to the administrative system, including Standardization and simplification of the decision-making process related to *Dibao*; allocating appropriate means to centers for social welfare; anonymisation of procedures in the management of social benefits; collection of data and development of statistics; on-line accessibility to social benefits; strengthening the participation of beneficiaries in the definition of services in order to improve their effectiveness; and reinforcing the legal and financial partnerships with third parties. Also, in report of 2019²¹, it is suggested "Expanding the functional areas of the social assistance policy system planned by the Interim Measures for Social Assistance, and clearly identifying the four major social service assistance schemes, including long-term care assistance, child care assistance, social care assistance for people with disabilities, and social work services targeted at low income people. Actively rationalize the relationship between the social assistance law (and policy) and the social service

²⁰ EU-China Social Protection Project C3's policy recommendation report 2018, https://www.euchinasprp.eu/images/documents/Component3/C3_draft%20reform%20proposals_2018_research_topics_EN.pdf

²¹ EU-China Social Protection Project C3's policy recommendation report 2019, https://www.euchinasprp.eu/images/documents/Component3/29.05.2019.C3_draft%20reform%20%20proposals_2019_research_topics_EN.pdf

law (and policy).” In the “Comprehensive Reform Pilot of the C3 of EU-China Social Protection Project” (2019), it is also emphasized that social assistance should switch from mainly providing traditional material assistance to “material assistance + services”. Actually, the poor people actually have multiple needs, and social assistance system will become more effective if more social services are added. Various kinds of social services should be considered as priorities in the development. According to these researches, several policy recommendations are proposed here.

1. There should be more long-term care for the poor elderly and disability

So far only the *Tekun* People can get free long-term care services. Since many other poor people are also in need of long-term care, this kind of social services should be included into the social assistance system and cover more poor people. Local communities and non-governmental agencies should be supported as service providers, and public budget should be made to this area.

2. The main directions of social assistance services is to improve the poor’s capacities and motivations by more social work services

More social workers should involve in social assistance to provide professional social work for the poor and help them to solve their social and psychological problems, including mental health issues, family relationship, social adaptation, dispute mediating, resource linking, as well as capacity building and motivation stimulating, etc. It is suggested that MOCA make an operational guideline of social work’s services to the poor, including the institutional arrangement, the tasks, working standards, and resource security, etc.

3. More social assistance services in education, health care, employment, etc, and improve the effectiveness of social assistance in these areas

More social services should be provided to the poor people under the social assistance projects of education, medical care and disability assistance, in which mainly cash benefits are given currently, which can solve the financial difficulties of the families, but more social services can have a significant role in increasing education quality and deal with problems of mental health and social adaptation, etc. of the children in poor families, the poor people with diseases and disability, and thus improve the effectiveness of social assistance in these areas.

4. More services for the poor people’s application for social assistance benefits

Social assistance is a complicated institutional system with a lot of projects and many regulations that often puzzle or confuse the poor. Therefore, it is necessary to provide more services helping the poor in need apply effectively for the relevant benefits. Of the social services of this kind, the “active identification mechanism” is very important as suggested by the report of “Comprehensive Reform Pilot of the C3 of EU-China Social Protection Project” (2019).

For more services provided to the poor, more staff and more working costs are needed. The social service budget should be added into the total social assistance budget.

5.2 To promote more social actors involving in social assistance services

More social actors' participation in social assistance is another key issue discussed frequently in recent years. As required by the "Interim Measures of Social Assistance", more social actors should mobilized to participate in social assistance, but so far the development in this aspect has been slow, and some problems should be solved. The C3 of EU-China Social Protection Project had paid attention to this issue, and has proposed a series of policy recommendations to support social organization's participation in social assistance in specific, and social protection more generally. In the Comprehensive Reform Pilot of the C3 of EU-China Social Protection Project social organizations' participation²² is also a key topic and some fruitful pilot reforms have been implemented. Based on the previous researches and policy suggestions, some main points of the policy recommendations are summarized here.

1. To encourage more social participation

Social participation should come from different kinds of organizations and individuals. At first, local community organizations should be mobilized to provide more services to the poor within the territory of local communities. As a local comprehensive platform of social services and administration, community organizations should channel various kinds of resources and organize various kinds of services, while provide services directly to the poor and other people in needs. Secondly, more charity participation should be encouraged. Charity at various levels, not just big social welfare foundations, but also local community-based charitable activities, should be encouraged to participate more in social assistance. Especially, charities should be guided to provide services to the special vulnerable groups who are in special need that governmental public projects cannot solve effectively at the moment. Thirdly, more non-profitable services should be guided to provide services to the poor. Fourthly, more voluntary organizations and individuals' participation should be mobilized and organized to provide voluntary services, especially some professional services to the poor, both in communities and in various kinds of social services, such as school, hospital, etc.

2. To further optimize the institutional arrangement of social participation

At first, it is necessary to integrate charitable and voluntary contribution with public social assistance. To have charity and voluntary activities more effective in social protection process, it is suggested to integrate these resources and activities into the whole local scheme of social assistance. For this reason, more institutional coordination and activity cooperation are needed between government and charity and voluntary organizations, and among various government offices in charge of different affairs. Secondly, it is suggested to improve the institutions of "government's purchasing service (the service outsourcing). Now the government's purchasing services have become a popular practices, which is helpful to mobilize more social participation in social assistance. However, this kind of practices should be further improved

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https://www.euchinasprp.eu/images/documents/Component3/29.05.2019.C3_draft%20reform%20%20proposals_2019_research_topics_EN.pdf

institutionally in order to increase its effectiveness, quality, stability and sustainability of services to the poor in need. For this reason, the services should be designed, planned and budgeted formally, regularly and stably in terms of the poor people's actual needs. Moreover, the government's purchase should include not only current direct services to the poor, but also the costs of the long-term capacity building of the social organizations that provide the services.

VI. Policy recommendations to improve social assistance administration

As a complicated public action system, social assistance needs an effective and efficient administration system. Unfortunately, the administration system building was neglected to a large extent at the early stage of social assistance development, and it is so far still a "short-slab" that hinder social assistance system development. The C3 of EU-China Social Protection Project, including its Comprehensive Reform Pilot in 2019, paid a lot of attention to the improvement of the administration system. Some policy recommendation have been proposed in the Policy Recommendation Reports of 2016 and 2017, and in the Report of Comprehensive Reform Pilot 2019. The main policy recommendation are summarized as the following.

6.1 To improve social assistance administration at macro level

At the macro level there are two administrative issues to be improved. One is to improve central-local responsible relationship, another is to develop an effective inter-ministry cooperative administrative system.

1. To improve responsibility relationship between central-local governments

It is a complicated and important issue to distribute responsibilities in the social services and administrations among different levels of governments in such a huge country as China that has a five-tier governmental system. It is suggested that the central government reinforce its institutional provision, and make stronger and clearer institutional framework, including the general guidelines and, especially, nationwide bottom lines of social assistance system. Local governments should, in line with the central government's general direction and basic principles, have their own actions to develop social assistance.

2 To improve the cooperation among various governmental departments involved

At the governmental level, a more integrated administrative system should be created. It is necessary that the inter-governmental-office cooperation be reinforced at all levels of public administration related to social assistance. The current inter-ministry working cooperation mechanism should extend its function to have joint designing, planning, budgeting, statistics data collecting and publishing, and daily administration, etc. The EU-China SPRP C3's Social Assistance Comprehensive Reform Pilot in Da'an City, Jilin Province, shows an example in this development. By creating a more comprehensive mechanism of *the Joint Conference System of Basic Living Security for the Poverty-stricken Population*, Da An has reinforce the inter-department

collaborations and joint actions not only in social assistance, but also in a more comprehensive anti-poverty system, and they convened 17 joint sessions which were frequently attended by main leaders of the municipal committee and the municipal government, and 102 liaison meetings which involved a total of 37 towns (subdistricts or stations) and departments on an annual basis, during which 62 policies were used. Besides, an average of 310 issues relating to social assistance were handled annually, 87 of which involved helping people in urgent needs.²³ Da An's experiences in this development could be extended to other regions, and, for have some stronger functions, a standing body is necessary to be created to run the joint affairs.

6.2 To improve the local administration system of social assistance

The local administrative system takes duties to run the daily affairs of social assistance projects. The performance of local administrative system is a key link to have a high effective and high efficient social assistance system.

1. To lower the local administration level and improve the local social assistance agencies' professional level

According to the current regulation, the local administration of social assistance should be the local governments' responsibility. The application acceptance, reviewing and information checking are on the township-level offices, and approval procedure is on the county-level Civil Affair authorities. In practices, the local township-level offices usually delegate the administrative work to the local community which are unprofessional, while the county-level still keep the duty of the final approval. By the EU-China SPRP C3's pilot practice in Xingcheng, Inner Mongolia, that transform the past two-level examination and approval of basic living allowance and temporary assistance to one-level examination and approval (at the township (subdistrict) level),²⁴ it is suggested to downward the duty of final approval of social assistance to township level, and then delegate the work of application acceptance, reviewing and checking etc. to a certain of professional organizations, in steady of the un-professional community organization.

2. To reinforce the capacity building for the local administration system

The administration at bottom level should be strengthened with proper institutes and enough staff, and a more professional administration and service system should be created either in formal public bodies or in social organizations under the governmental purchasing service schemes.

3. To further innovate social assistance administrations at root level

The administrative performance at root level is very key for the whole effectiveness and efficiency of social assistance system. It is especially true when social assistance, as well as other social

²³ EU-China Social Protection Reform Project, C3 "Summary Report on the Social Assistance Comprehensive Reform Pilot in Da'an City", 2019

²⁴ EU-China Social Protection Reform Project, C3 "Summary Report on the Social Assistance Comprehensive Reform Pilot in Xingcheng District, Hohhot City", 2019

protection systems, become more and more comprehensive and complicated. Therefore, it is necessary to improve effectiveness and efficiency by further reform and innovate the administrative system and methods. EU-China SPRP C3's social assistance reform pilots in Sichuan and Inner Mongolia have tried to do reform and innovation in this aspect. Two kinds of experiences are important to be mentioned here. One is to take advantage of informatization advantages to fully improve service quality and civil affairs management level based on the improvement on-line paperless examination and approval regulations in Xingcheng, Hohhot, and the similar practices in Da Chuan District, Dazhou City, to innovate an internet-based administrative system. Another is to integrate the administrative procedures as well as the related information of various governmental offices into one single process and have an "one-stop" administration and services in the application, checking and approval, so that the applicants can complete all the procedure by just one time.²⁵

4. To promote social work's involvement in local administration

It is important to involve social workers in social services as mentioned above. Here it should be emphasized that social workers' involvement should be not only in services, but also in administrative work.

6.3 To improve Monitoring and Evaluation of social assistance

The supervision and assessment processes are very important to raise the effectiveness and efficiency of social assistance. For many years, it is some weak to develop proper supervision and assessment mechanisms because the professionalization of social assistance administration are neglected to a large extent. The C3 of EU-China Social Protection Project has paid attention to this issue and some policy recommendations were proposed in the Policy Recommendation Report of 2016,²⁶ and some practices are put forwarded in the Comprehensive Reform Pilot 2019. Here are a brief summary of the policy recommendations.

1. To improve the monitoring and evaluation mechanism

At first, it is suggested to promote the institutional transition of monitoring and evaluating social assistance, including to further expand the scope for monitoring and evaluating social assistance, promote the transition of monitoring and evaluating social assistance from internal evaluation to external third-party evaluation, and promote institutionalized arrangements for monitoring and evaluating social assistance.

Secondly, it is suggested to further improve the system for monitoring and evaluating social assistance, including to reinforce top-level design of monitoring and evaluating

²⁵ EU-China Social Protection Reform Project, C3 "Summary Report on the Social Assistance Comprehensive Reform Pilot in Xingcheng District, Hohhot City", 2019; and "Summary Report on the Social Assistance Comprehensive Reform Pilot in Dachuan District, Dazhou City", 2019

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https://www.euchinasprp.eu/images/documents/Component3/2016%20Draft%20Reform%20Proposals/13.03.2017.C3_draft%20reform%20%20%20proposals_2016_research_topics_EN.pdf

social assistance, improve the level of information system in monitoring and evaluating social assistance. Moreover, the actions should be integrated to establish a unified, open monitoring and evaluation of the social assistance system sharing information and resources.

Thirdly, it is suggested that monitoring and evaluation of social assistance should be more scientific and effective by further improving the scientific and technologic level of monitoring and evaluating social assistance, further improving the indicators based system of monitoring and evaluation of social assistance, establishing local reporting station to collect information on the implementation of social assistance, and improving the utilization of the results of monitoring and evaluating social assistance.

2. To improve the anti-fraud mechanism of social assistance: identification, response and prevention mechanisms

Fraud is an often-happened and harmful problem for social assistance, and some anti-fraud policy recommendation were proposed in the C3 of EU-China Social Protection Project's Policy Recommendation Report of 2017²⁷.

At first, it is suggested that to prevent fraud in social assistance, it is necessary to improve the legal system of social assistance.

Secondly, it is necessary to have a more precise targeting mechanism in social assistance, including to improve social assistance identification mechanism, establish a demand associated identification mechanism of social assistance, and establish a social assistance information and comprehensive service platform.

Thirdly, it is necessary to improve supervision mechanism of social assistance beneficiary, including improving work promotion and benefit withdraw mechanism for beneficiaries, and establishing a beneficiary supervision system,

Fourthly, it is suggested to improve social assistance punishment system.

Fifthly, it is necessary to reinforce the local social assistance administrative capacity and service quality, with the tasks to make clear the responsibility of social assistance among related authorities, to prevent the moral hazard related to social assistance management staff, to improve the ability of social assistance management staffs, and to improve the information management of social assistance.

Finally, it is suggested to encourage social organization take part in the prevention of social assistance fraud. For that reason, there should be more opportunities and better environment for social organization to take part in social assistance service, and

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https://www.euchinasprp.eu/images/documents/Component3/C3_draft%20reform%20proposals_2017_research_topics_EN.pdf

encourage social organization participate in social assistance service by government purchase.

VII. To increase and improve social assistance financing

Public financing is the main and significant resources to support social assistance's development. In a sense, the development of social assistance depends heavily on the governmental public expenditure on the projects. In the two decades since the establish of social assistance, Chinese governments at various levels, especially the central government, have been playing significant roles in paying for social assistance, and the actual public expenditures in this area have been increased for many years. There are still some problems in the public financing in social assistance, however, and should be further reinforced and reformed.

7.1 The significance to further increase social assistance financing

At first, the government financing should be further reinforced for several reasons.

1. The significance from the poor's real needs

Although the average level of social assistance has been increased in the last two decades, it is still in a low level comparing with the economic development and the people's income per capita. Especially, when the general goal of social assistance being raised from securing basic living to narrowing inequality, the public financing in this area should be reinforced further.

2. The significance from the international comparison

There has not been a unique official statistic of the annual total public expenditure in social assistance in China, but calculated briefly, it should be no higher than 1% of GDP. Comparing with that of many developed countries, which usually about 3% on average, China's public expenditure on social assistance has a large shortage. Even lower comparing with the developing countries that, according to the World Bank's statistics, have an average public expenditure on social assistance of 1.6% of GDP.²⁸ Therefore, there is still large space to increase public expenditure on social assistance.

7.2 The detailed recommendations to improve the amount and structure of social assistance financing

1 A suggestion of the proper amount of social assistance financing

Considering the current low level of public expenditure on social assistance and China's economic status as a developing country, it is difficult for Chinese government to reach the developed countries' average in the public expenditure on social assistance in a short period. Therefore, it is suggested to increase the public expenditure on social assistance step by step. In next decade, it is suggested to crease it to the current developing countries' average of 1.6%, or probably 2.0% in a decade.

²⁸ The World Bank, The state of safety net 2014, *The World Ban Publication*, 2014, p.15.

2 An suggestion of the proper structure of social assistance financing

The financing structure also needs to be further optimized. More public expenditure should be on the capacity building for the poor, including various services for the poor. The expenditure on cash benefits in *Dibao* should also be increased, but should be in a lower rate.

3. To further optimize the central-local governmental financial responsibility system

It is an old question how to share the financing responsibility rationally and properly between central government and local governments of various levels. According to the regulation made in 1990s, the local social welfare should be paid for by local governments, but actually the central government has shared the most part of financing responsibility in social assistance. However, the central government's actual large share of the financing responsibility is not based on a law or a clear authorized administrative regulation, but mainly in a form of individual discussion between central and local governments case by case. Therefore, several policy recommendations are proposed here: at first it is suggested that the financing responsibility should still be shared by central government and local governments. Secondly, the central government should take larger share in the total public expenditure on social assistance. Thirdly, central government's public expenditure on social assistance could be provided as a central public transfer to all local governments while focus more on the regions with lower public financing capacities. Fourthly, a law or State Council's administrative regulation should be made to further regulate the inter-governmental shares of financing responsibility on social assistance.

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Appendixes

Appendix 1 DRAFT REFORM PROPOSALS on 2015 research topics**Topic 3.1.1 Legal framework for Social Assistance¹**

- Continue to promote the social assistance legal system
 - The social assistance law should be based on an assessment of the existing legal framework
 - The social assistance law should be built upon a mature social assistance system.
 - Strengthen the cooperation between the different levels and departments of Government both in the legislative process and literally in writing the Social Assistance law
 - The level of Social assistance and the Government's liability should be prescribed in the law
 - Improve the enforcement ability of the front-line officials
 - Coordination within the overall social security system
 - Promote the government information and transparency
- *
- Adopt a long-term approach to the law on social assistance
 - Inclusion of different stakeholders in drafting and implementing the social assistance law
 - Improve the procedural transparency of social assistance

Specific recommendations:

- Evidence based drafting
- Improving the new legislation structure and its content
- IT based administrative processes of the social assistance system
- A comprehensive approach to the implementation of the new legislation
- Ensuring appropriate funding for the new social assistance provisions
- Investment in the monitoring and evaluation of the newly implemented law
- Raising awareness and publicity of the new provisions of the social assistance law

Topic 3.2.1 Experiences on unified standards for calculation of Social Assistance benefits

- To formulate a unified methodology of calculating and adjusting the Dibao standard.
- To implement the active policy of Dibao standard
- To adjust the Dibao standard gradually
- To enhance the coordination and cooperation among the relevant branches of government
- To enhance the categorized management of social assistance.
- To coordinate the liability of the social assistance fund between central government and local government

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- Standardised methodology for setting the Dibao standard
- A benchmark for Dibao
- Indexation
- Targeting of Dibao
- Impact on poverty
- Assessment of means
- Data sharing

Topic 3.3.1 Social Assistance for Specific Vulnerable Groups (SASVG) - Services for Children, the Elderly, People with Disabilities, with Special Focus on Poor Rural People

- Service Provision Centered Policy Improvement
- Improve Cross Sector Institutional Coordination including Articulation in Different Programs
- Based on the new “Guidance” to Conduct Policy Pilot Experimentation
- To Enhance the Financial Input from the Government’s Regular Budget for Sound Services
- To Strengthen the Organizational and Staff Capacity for Rural Super-Township Support Organizations for Better Services
- To Recognise More Roles for Rural Communities and Village Committees in Individual Support
- To Encourage Local Innovation in SVG Support System

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- Introduce a new model of assistance in relation to the results of an assessment
- Develop the co-operation of partners at the local level
- Introduce the responsibility for providing services at the lowest level
- Provide a pilot to implement the new solution
- Provide a range of support and services.
- Enhance the financial support for local level institutions
- Introduce standards both for the management and the organization of social care institutions

Appendix 2 DRAFT REFORM PROPOSALS on 2016 research topics

Topic 3.1.2 Governance framework for Social Assistance administration and management process

- The Inter-Authority Joint Conference on SA should be institutionalized and be functional
- Standardizing the establishment of grassroots SA administration and services organization
- Optimization and Integration of Local and Grassroots SA service agencies

- Capacity building for grassroots level agencies and staff
- Improving the household economic information checking platform
- Encouraging and Supporting local governance innovation and experiences exchange
- Strengthening Research and Pilot on Innovation on SA Governance and Policies
- Enhancing and Improving the Financial Input into SA sectors Legitimizing Social Assistance

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- Increasing Participation
- Participation of the civil society
- Introducing new forms of participation at local level
- Setting up mechanisms of co-operation and improvement at the county and province level
- Increasing the participation of the individuals
- Increasing the participation of the private sector
- Reforming the Organizational Structure of the Social Assistance
- Creating one face of SA countrywide
- Developing inter-departmental co-operation
- Addressing the residence rules issues from a SA perspective
- Investing in Social Assistance
- Investing in people
- Investing in new technologies
- Investing in infrastructure through a holistic approach
- Investing in education and research
- Adapting to change and improving the quality of the SA services
- Using quasi-markets
- Introducing Quality Registers and Quality Awards
- Implementing innovative policies that make use of the existing institutions
- Using clever communication campaigns
- Developing sound monitoring mechanisms

3.1.3 Processes and Activities of Policy Transmission and Implementation Carried Out at Central and Local Levels of Social Assistance

- A Holistic Governance Framework Should be Built to Improve the Policy Making Process
- Simplify Multi-level Government Policy Transfer and the Implementation Process
- Improve the Consistency of Policy Objectives Between the Central and Local Governments
- Solve the Challenges Caused by Frequent Policy Changes
- Build a Comprehensive Legal Framework
- Enhance Civil Affairs' Function and Power in the Social Assistance System
- Capacity building: Provide More Funding and Human Resources

- Strengthen Grass-roots Information Construction
- *
- Invest in Knowledge About the Minimum Income System
- Invest in a Bottom-Up Approach
- Invest in Professionalization and Capacity Building at All Levels
- Be Audacious in Innovation but Humble in Planning
- Develop a Common Socle, a Minimal Floor or Minimal Standards
- Look for Opportunities to Value the Instruments and Results of Your Policy Implementation in Collaboration with Other Government Departments

3.1.4 Policy Suggestions for the Monitoring and Evaluation of Social Assistance in China

- Promote the Institutional Transition of Monitoring and Evaluating Social Assistance
- Further Expand the Scope for Monitoring and Evaluating Social assistance
- Promote the Transition of Monitoring and Evaluating Social Assistance from Internal Evaluation to External Third-party Evaluation
- Promote Institutionalized Arrangements for Monitoring and Evaluating Social Assistance
- Further Improve the System for Monitoring and Evaluating Social Assistance
- Reinforce Top-level Design of Monitoring and Evaluating Social Assistance
- Improve the Level of Informatization in Monitoring and Evaluating Social Assistance
- Programs Should be Integrated to Establish a Unified, Open Monitoring and Evaluation of the Social Assistance System Sharing Information and Resources
- Monitoring and Evaluation of Social Assistance should be more Scientific and Effective
- Further Improve the Scientificity of Monitoring and Evaluating Social Assistance
- The Indicators Based System of Monitoring and Evaluation of Social Assistance should be Improved
- Local Reporting Station should be Established to Collect Information on the Implementation of Social Assistance
- Improving Utilization of the Results of Monitoring and Evaluating Social Assistance

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- Implement a monitoring and evaluation system as a part of social policy management
- Develop a national strategy and set of indicators via inter and intra-levels of cooperation
- Introduce a regular updating and an indicators' development process
- Benchmarking as a key element of monitoring and evaluation process
- Developing data sources and cross data platforms

- Skilled evaluation staff
- Increase data availability for academic evaluations
- Develop intra and external evaluation settings

Appendix 3 DRAFT REFORM PROPOSALS on 2017 research topics

Topic 3.2.2 Optimization of social assistance – procedures and eligibility criteria for social assistance benefits

- Reform the Classified Guarantee (Fenlei Shibao) and Separate the Welfare Binding
- Perfect the Calculation System on Household Income and Assets
 - Establish the Calculation Index of Household Income for Rural Social Assistance Applicant
 - Perfect the Asset Standard and Reduce the Subjective Factors in Asset Checking
- Reform the Targeting Method of Social Assistance
 - Accelerate the Construction of Information Checking System for Household Economy Condition
 - Increase the Publicity of Social Assistance Policy to reduce Undercoverage and Welfare Fraud
 - Establish a Tracking Mechanism and an Active Discovery Mechanism for Social Assistance System
- Improve the Administrative Procedure of Social Assistance
 - Standardize the Administrative Procedure of Social Assistance
 - Reform the Democratic Discussion in Means Test
- Strengthen the Construction of Grass-roots Staff
- Explore the Government's Purchase of Social Assistance Services

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- Connect/compare Dibao level with a unique poverty line or minimum age, or minimum pension and compensate accordingly
- Spending a bigger amount from GDP for social assistance, especially for Dibao
- Attract investments from private sector, or/and civil society and introducing CSR policy rules
- Simplifying and developing a more comprehensive DIBAO, including the other related benefits
- Reforming DIBAO as an UNIVERSAL and CATEGORICAL benefit
- Connect/compare DIBAO level to: unique poverty line, or minimum wage, or minimum pension
- Clearly centralize eligibility rules and decentralize the managing of conditionality
- Perfect the asset standard and Reduce the Subjective Factors in Asset Checking
 - a) Using the electricity consumption
 - b) Using the Asset Table for the rural areas

- Apply transparent simple decision-making process and appeal procedures
- Establish a Tracking Mechanism and Active Discovery Mechanism (active Dibao)
- Improve/perfect the Calculation System on Household Income and Assets
- Implement an Information Checking System for Household Economy Condition
- Establish the Calculation Index of Household Income for Rural Social Assistance Applicant
- Connection with active labor market policies
 - Bonuses or variable threshold for working beneficiaries
 - Limits in time for workable beneficiaries: this condition will discourage the dependency of social assistance
 - Strong commitments related to work
 - 'pay back' welfare approach (voluntary work in community)
- Process Management on delivery

Appendix 4 DRAFT REFORM PROPOSALS on 2018 research topics

Topic 3.3.2 Providing services for social assistance beneficiaries1

Top-down Policy Guidance and Financial Support

- Improvement of Social Assistance Service Workers
- Formulation of Standards and Norm of Social Assistance Services
- Establishment of Integrative Family Service Centers, Integration of Social Assistance Resources and Promotion of the Coordination Mechanism
- Establishment of Social Assistance Service Information Platform
- Combination of Social Assistance Services and Employment Support Services
- Balanced Development of Urban and Rural Social Assistance Services

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- Standardization and simplification of the decision-making process related to dibao
- Allocating appropriate means to centers for social welfare
- Anonymisation of procedures in the management of social benefits
- Collection of data and development of statistics
- On-line accessibility to social benefits
- Strengthening the participation of beneficiaries in the definition of services in order to improve their effectiveness
- Reinforcing the legal and financial partnerships with Third Parties

3.3.3 Publicity of social assistance laws and regulations - Techniques and instruments used for dissemination of information

- Promoting comprehensive and balanced development of information dissemination and policy publicity of social assistance

- Standardization of information dissemination and policy publicity of social assistance should be improved
- Strengthen the guidance of Internet public opinion and build the spokesman system for social assistance information network
- Introducing innovation in information dissemination and policy publicity of social assistance
- Improving professionalization of social assistance, and providing better human resources as guarantee for good information dissemination and policy publicity of social assistance
- International and domestic exchanges and cooperation in the field of social assistance should be more for sharing experiences from all over the world
- To further enhance the pertinence and effectiveness of information dissemination for social assistance
- To promote the information dissemination and policy publicity of social assistance in strengthening community governance
- Further strengthen the innovative development for information dissemination and policy publicity of social assistance

Standards in social assistance benefits and services - legal framework, stakeholders, implementation, governance and administration

- Development of the social assistance database
- Reducing the weakness or the inadequacy of the social work and its unclear link with the labor market
- Fulfilment of the need of stable targeted social assistance based on national rules and the too narrow dependence of the social benefits on the wealth of the region
- The involvement of volunteers and NGOs

Appendix 5 DRAFT REFORM PROPOSALS on 2019 research topics

Topic: 3.1.1A A Legal framework for Social Assistance with a Focus on Social Services Provisions

- Governance and collaboration: dealing with departmental relations and central-local relations in law making and policy design
 - Planning social service assistance policies in social service development strategies in a cross-sector joint planning approach.
 - Plan the social service assistance strategy with the vision of a multi-level social service system to play the safety-net role of social service assistance
 - Coordination of planning and action between financing department and service delivery department
 - Encouraging and supporting local governments to develop social service assistance
- Policy design: benefits, targeting, financing and delivery

- Improving the design of benefits to respond to the needs and risks of care dependants and informal family care givers
- Optimize the targeting model and rationally select a social service policy model based on local financial resources and care needs gap
- Fostering the social services market and increasing the efficiency of service outsourcing

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- Establish legally how the various social benefits, whether they are social security benefits or social assistance benefits, relate to each other and guarantee a final safety net for the most unfortunate
- Clearly defining the aim(s), the personal scope, the conditions, the form, the means test, and so on in a law so as to make the law more effective
- Where possible copy the definitions and criteria of the other social provisions
- Cooperation between the different departments
- Constant cooperation between the central and the local level

3.1.1B The legal framework for social assistance focusing on social organizations' participation in social assistance services

- Raising the level of legislation and formulating relevant laws
 - Formulating a Social Assistance Law
 - Formulating a Social Organization Law
 - Formulating supporting regulations and elaborating the legal provisions
 - Revising the relevant laws and making the legislation more coordinated
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- comprehensive social protection systems
 - active inclusion approach for addressing poverty, social exclusion and inequality
 - aim to cover the needs of all age groups in a future oriented way
 - integrated approach to social services policy designed starting from the real needs of different categories of socially disadvantaged people, beneficiary – centered systems
 - the social organizations have the indispensable tools of legitimacy, motivation and resources in view to develop qualitative social services
 - specific legal provisions which ensure the efficient participation of the social organizations in the decision-making process, within the elaboration process of the normative acts
 - quality management systems on social services (sets of minimum quality standards / types of services / types of beneficiaries, quality monitoring systems, social audit systems)
 - specialized human resources in the social assistance field, employment field, health field.

In this regard, the recommendations are:

- elaborate the legal provisions regarding the definition, role, rights and the financing of social organizations
- improve the legislative provisions on public-private partnerships regarding the development of social services and the contracting of social services
- establish a co-decision, co-financing, co-implementation model between local authorities and social organizations
- develop a national map of existing social services, as well as an estimation of the necessary social services
- identify all examples of good practice developed at regional/local level regarding the development of social services and the involvement of social organizations
- establish a network of professionals working in the field of social assistance
- organize conferences at the local / regional level to analyze the social services sector, the community's needs, opportunities, limitations and solutions with the participation of all interested social actors, including the citizens' representatives
- develop legal instruments to enable local authorities to support the work of active social organizations by offering space, tax incentives or grants for specific projects
- create a national database of active social organizations
- improve communication between the local authorities and the social organizations by designating a representative responsible for the dialogue with them and by establishing effective communication channels
- develop social intervention mechanisms at the local level with the participation of the representatives of the local authorities with attributions in the sphere of social assistance, as well as research institutions and university education institutions, with the participation of citizens' representatives of the potential beneficiaries.