

Social Change and Social Policy in China: National Adaptation to Global Challenge

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Abstract: As a part of designed human intervention against social problems, social policy has to respond and adapt to social changes. In this article, the author aims to discuss social changes that occurred in the past decade in China (including economic, demographic, and cultural changes) and relate them to relevant social policies formulated by the Chinese government to address the concerned social issues. To interpret the roles of the state, nongovernmental organizations (NGOs), and the community in tackling social problems in the changing context of the market economy and globalization, the author attempts to provide a theoretical explanation on the emergence of social policy in China in a new era and to further re-assess the concept of the welfare regime in East Asian countries.

Keywords: social change, social policy, China

Introduction

As a sort of designed human intervention action against social problems, social policy has to respond and adapt to social changes. Since the end of World War II, many social policies in Western democracies were mainly mandated and implemented to solve domestic social problems to meet the goals of national welfare states until the 1980s when regionalization and internationalization became a substantial force to shed light on the trend of social policy reform. And the development of globalization after the 1990s not only profoundly influenced the dynamism and vitality of Western welfare

states, but also created enormous restructuring of social welfare institutions and social policy in the transitional countries. As the biggest developing country in the world, China is embarking on the journey of modernizing the market economy and rebuilding its social security system in the era of globalization (Hussain, 2007).

Since the autumn of 2007, China has witnessed a series of remarkable events that yielded chains of consequences. In October of 2007, the 17th National Congress of the Chinese Communist Party (CCP) was held in Beijing, at which the Party leader Hu Jintao declared a central guideline of building socialism with Chinese characteristics and promoting a harmonious society. In the early spring of 2008, the snow storm and frozen weather hit the southern provinces, causing millions of people to be unable to

return their hometowns to celebrate the traditional Chinese New Year with their families. And later, on 12 May, a severe Earthquake heavily struck the Wenchuan area of Sichuan Province and other regions, causing more than 80 000 people to lose their lives. Several millions of people became temporarily homeless. Shortly after the earthquake, the Chinese government swiftly responded and efficiently organized the forces of disaster relief using a top-down model. Meanwhile, hundreds of nongovernmental organizations (NGOs) got involved in rescue and relief services, and millions of volunteers went to the earthquake areas to deliver voluntary services for the earthquake victims and their families in a self-organized way. In August, for the first time in history, China debuted on the stage of the international community as a successful organizer of the 29th Olympic Games, which obviously facilitated further openness and internationalization of the country, and promoted the development of voluntary services in society. In addition, the year of 2008 is unique because the country has opened its door to the outside and launched its economic reform policy for 30 years.

However, it is obvious that from the second half of 2008, the global economy was plunged to a recession when the growth of US economy slowed down rapidly soon after it was swept by a financial crisis that initially surfaced in August 2007. Consequently, US economic decline has definitely moderated China's economic growth in 2008; the annual growth rate decreased from 13% in 2007 to 9% in 2008 after a successive decline over five quarters. As a developing country with an export-driven economy, China could hardly escape from the impact of global economic recession on its labor market and social security system. Under the shadow of economic recession, enormous small-size enterprises in southern China collapsed, causing millions of jobless peasant workers to return their hometowns earlier than they planned. According to a

Chinese top official from the State Council, about 15.3% of rural migrant workers (20 million people) lost their jobs during the financial crisis (Chen, 2009). In addition, based on a sample survey conducted by the Ministry of Agriculture, over one-third of the rural migrant workers returned their hometowns earlier because of losing jobs. Meanwhile, over six million of college students will also flood in the fluctuating job market, which the specter of millions more unemployed certainly has the Chinese government worried. Thus, both the unprecedented number of rural migrants and newly graduated college students entering the job market is absolutely creating a severe employment crisis in the country.

Compared to the situation of the late 1990s, tensions and pressure triggered by rapid social changes in contemporary China are much more challenging. From the recent statistics from the Chinese government, the national economy has gained a nearly 7% annual growth rate in 2008–9, which marked a significant progress of economic recovery after the financial crisis stuck the country. However, social unrest caused by ethnic separatists in Xinjiang in early July definitely was an alarm that reminded the Government to reflect on its socioeconomic policies in the less-developed regions. Despite profound changes that have occurred in the country, China still maintains its rigidity and consistence of political control on social order within the fabric of the party-state. From Mao to Hu, Chinese leadership has never belittled the significance of the polity in implementing government policies. In a long run, social policy as a tool of maintaining social stability and enhancing the party's legitimacy will keep its focus on the requirements of socioeconomic and political circumstances.

The purpose of this article is to provide an updated analysis of social policy development in China, which shows major social changes and their impact on the emergence of social policy in the country in the past

decades of economic reform and social transition, starting from 1979. But the main focus of analysis will be policy-making and the implementation of new social policies in recent years, especially after the 2008 financial crisis. After 20 years of economic reform and social transformation, the restructuring of state-owned enterprises (SOEs) and rapid urbanization created enormous internal problems, including huge numbers of unemployed workers and rural migrants who had no social security entitlements. Meanwhile, as a central tool of social control and a fundamental political institution in the period of planned economy, the household registration (Hukou) system had been criticized as it became a major obstacle to establishing an integrative and unified social security system in China (Chan and Zhang, 1999). In China, it is estimated that more than 100 million peasants have moved to cities to search for working opportunities. Owing to a fragmented social security system in a rural–urban divided society, some of the rural migrants flooding the cities are often plunged to a trap of poverty, unemployment, and unequal treatment particularly in the period of economic down-turn. Moreover, like many nations, impressive economic growth in China has widened social inequality and increased the unbearable pressure felt by the deprived class, for instance, the poor peasants who lost their lands in the process of urbanization and the unemployed workers who could normally return to the labor market to work (Lewis and Xue, 2003). Two forces, namely, the market economy and globalization, have speeded up the progress of social security system reform in China since the late 1990s. And 2003 marked a significant watershed in social policy development in the country. Since then, social policy (or establishing a modern social security system) gained equivalent status to economic policy to achieve the national goal of realizing social betterment and harmony in the new century.

Rapid Social Changes in China in the Context of Globalization and its Impact on Social Policy

Shortly after New China was founded in 1949, China fully adopted the Soviet Model of socialism and created a centralized planned economy. The Government became the sole provider of social welfare provisions, and provided its people with a comprehensive welfare package from cradle to grave. In Mao's era (1949–76), ideologies of proletarian revolution and class struggle dominated in state politics. Economic development was required to serve revolutionary struggles against the capitalist class and imperialism. The launch of economic reform and the open-door policy at the end of 1970s brought about rapid social changes and transitions to the country in each aspect, including economic institutions, social values, and people's life patterns. However, in China, the emergence of social policy as a recognized instrument of solving social problems was very late, when the new leaders just took power and led the country to tackle Severe Acute Respiratory Syndrome (SARS) and deal with the incident of Sun Zhigang¹ in 2003. China is embracing a new era of social policy under the circumstance of building a harmonious society and enhancing its social security system (Wang, 2004).

Rapid Demographic Transition and the Aging Predicament in China

In China, the 20th century was considered a time full of momentous changes for its people, and demographic transition was definitely an indispensable part of social and political transformation (Riley, 2004). In Mao's era, the Chinese government did not implement comprehensive birth control until the end of the 1970s, when family planning initially started in urban areas. After several decades of economic growth, birth control, and social changes, China has wit-

Table 1. Changes in birth, death, and natural growth rates in China (%0)

Year	Birth rate	Death rate	Natural growth rate
1980	18.21	6.34	11.87
1982†	22.28	6.60	15.68
1985	21.04	6.78	14.26
1990†	21.06	6.67	14.39
1995	17.12	6.57	10.55
2000†	14.03	6.45	7.58
2005	12.40	6.51	5.89

Note: †The year of population census.

Source: China Statistical Yearbook (2008).

nessed a drastic demographic change characterized by a low fertility (total fertility rate is below 2.1) and an increasing proportion of the aged population. According to the projection of the United Nations, the percentage of people aged 65 or over in China in 2035 will be nearly 20% and will be 25% in 2045 (UN, 2008). As the Government has kept a tight focus on economic growth in the past decades, demographic transition and its long-term impact did not receive serious attention from policy-makers. Not until very recently did the Chinese government respond to the dreadful future of serious aging by strengthening social services for the elderly; and the Ministry of Civil Affairs is responsible for designing and planning a national social services system for the elderly in the new century (Table 1).

In China, the process of fertility change is quite drastic. From the early 1980s to the end of the 20th century, the population growth rate declined quickly from 15.68% in 1982 to 7.58% in 2000 (State Bureau of Statistics, 2008). Owing to an arguably effective implementation of family planning policy, successively fast economic growth, and the rapid process of urbanization, extensive fertility declines occurred both in urban and rural areas. Thus, population growth in the country has slowed very considerably in the past 30 years. As the digits of Table 2 below

Table 2. Changes in total fertility rate (TFR) in China (1950–2005)

Period	TFR
1950–1955	6.11
1955–1960	5.48
1960–1965	5.61
1965–1970	5.94
1970–1975	4.77
1975–1980	2.93
1980–1985	2.61
1985–1990	2.63
1990–1995	2.01
1995–2000	1.80
2000–2005	1.77

Source: United Nations, World Population Prospects, 2008.

Table 3. Median age of China, Asia, and the world

Year	China	Asia†	World
1950	24	22	24
1980	22	21	23
2005	33	28	28
2015	37	31	30
2050	45	40	38

Note: †Including China.

Source: United Nations Development Programme (UNDP).

indicate, the total fertility rate of 1995–2000 is less than one-third of that of the 1960s, demonstrating a drastic decline of the birth rate in 30 years. While the country is proud of its success in birth control by reducing the number of new births since it adopted the one-child policy comprehensively in 1979, researchers and related policy-makers had been worried about the prospect of national demographic change in 21st century because the speed of population aging in China will be dreadfully faster than in many developed countries in the world.

The numbers in Table 3 below show an obvious difference in the median age of the population between China and the world. From 2005, the median age in China is both higher than that of Asia and the world. And rapid changes in the percentage of people

aged 65 or over among the total population in China is more convincing for a better understanding of the dilemma of this demographic transition: the country is getting old before getting rich. In 2005 the percentage of people aged 65 or over in China was 7.7% (over 100 million in absolute number), meaning that almost one in five of the aged people on the globe live in this biggest developing country (UN, 2008). Looking back on the impressive record of rapid economic growth in the past decades, people have often ignored the factor of population structure. At present, China is undergoing a drastic process of population aging toward a demographic crisis because in the mid-21st century, China will face the daunting challenge of having too many old people and too few young workers paying bills to support the mounting needs of the pensioners.

In some big cities, like in Shanghai, Tianjing, and Beijing, the aging scenario is more pessimistic. In Shanghai where fertility is extremely low, a growing number of old people are kept on waiting lists for entering agencies of institutional care because of a big gap between the number of old people in need and places provided by the institutions. It is estimated that 600 000 old people will need institutional care in 2030, when more beds should be provided; and more than 200 000 nursing staff are expected to serve elderly people (Shanghai Municipal Government, 2009). In Beijing, the number of private homes for old people has increased very quickly in the past years and they partially meet the growing needs of institutional care in the city, while the quality of care and staff in the institutions is still questioned by the public. However, with a long tradition of Confucianism, family care for the elderly has been considered a better option for aged people in Chinese society, while institutional care is the last resort for those who have no family support. Thus, the Chinese government is considering building a system of mixed care in the future, emphasizing various sources of

support to enable elderly people to live in the community, including informal and formal support systems. Many parents with a single child who are growing older may seek institutional care services in the future because the tradition of filial piety is strained and declined in the context of rapid social transition. The current generation of young parents are unwilling to burden their children whose life pressures are anticipated to be much served. More importantly, the government should reconsider its pension reform plan, which requires the whole system to be capable and healthy to sustain the increasing financial needs of hundreds of millions of pensioners in the next 30 or 40 years.

Changing Social Values and Culture

Before economic reform, the majority of Chinese people lived in an atmosphere of frigid political culture and universal existence of material shortage, when the capitalist West was portrayed as a reverse textbook of ideologies and social values against advanced socialist ideals. In the early 1970s, there were several thousands of vehicles in total in Beijing. At night, the whole city became very dark while people usually stayed at home being idle, and went to bed very early. At that time, televisions, phones, and watches were rare and expensive goods. Meanwhile, the values of loyalty toward the country and the party, a strong sense of collectiveness, revolution and class struggle, and a simple life were treasured by the working class, intellectuals, and party members. The Cultural Revolution of 10 years (1966–76) swept over the country and deeply destroyed the moral values of Chinese society, in which the ingredients of Confucianism, including filial piety, benevolence, rituals, trust, and intelligence, had been at the center. However, the major shift initiated by economic reform and the open-door policy under the leadership of Deng Xiaoping led China to enter a new era of economic reform and modernization. Since

then, Chinese people have begun to hungrily absorb new knowledge, values, and any advanced elements of Western culture. But, it is too simplistic to regard modernization in China just as the process of people copying Western ideas and technologies. In reality, the Chinese government and Chinese people never lost their own cultural consciousness when they utilized Western technologies to serve their own purposes. After 30 years of economic reform and open-door policy, not only Beijing but the whole country has changed profoundly in many aspects of social life, including people's social values and lifestyle.

In urban China, the introduction of market reforms in the 1980s not only dismantled the "iron rice bowl" welfare system, but also changed people's perception of education, life chance, work, and equality. During the period of the market economy, the dense culture of consumerism pushed people to work hard and make full use of connections (*Guanxi*) to live a better life by possessing durables and other expensive goods to symbolize their social status (Tang and Parish, 2000, p. 43). Meanwhile, education became a significant factor influencing Chinese people to raise their social status and improve their economic well-being after the reintroduction of the National College Entrance Examination (*Gaokao*) in the winter of 1977. In the job market, people who had education credentials usually had higher economic returns and obtained more opportunities to be mobilized. Therefore, Chinese people perceived of high education as a "must" and cut-short toward the successful careers. Ironically, in Mao's era, knowledge and education was usually regarded as useless stuff wrapped in so-called decadent products of capitalism ideologies.

Meanwhile, the changes in social values and lifestyle were also mirrored in Chinese people's perception of affection and marriage. With the rapid progress of market economy and modernization, Chinese people obviously shifted their attitude

toward dating, marriage arrangements, and birth planning. Economic reform and the open-door policy changed people's shyness with communicating and dating, because the development of the market economy extremely raised women's social status and mobilized men to interact with other people. The impact of social transformation on Chinese marriage is double, as on the one hand, some people found more freedom to choose a spouse, and on the other hand, others felt free to divorce. According to the official statistics of civil affairs, 10.499 million couples in total registered for marriage in 2008, and 1.553 million couples got divorced in the same year. Compared to the previous year, the growth rate of divorced couples increased by 10.6% (Ministry of Civil Affairs, 2008). In addition, Chinese people nowadays cherish their own freedom and happiness more than their parents, and enjoy a lifestyle with more leisure and hedonism. In the past years, there has been an increasing trend towards growing numbers of "single couples" (double-income-no-kids families, *DINK*) in China, especially in the big cities. As a new type of social unit in China, the increasing number of *DINK* families will have a considerate impact on marriage patterns and elderly care in Chinese society (Lin and Shi, 2007).

In the past years, the advancement of high technology and the rapid development of the information industry in China has also transformed Chinese people's patterns of communication, access to information, and understanding of the social world. The wide existence of the Internet and the high possession rate of mobile phones in the country massively changed people's perception of space, time, and reality because it can be easier to find out what is going on within and beyond people's own lives. According to a recently published report, there were 338 million internet users in total in China by the end of June 2009 (China Internet Network Information Center, 2009). In addition, the number of mobile phone users

in China reached to 633.84 million by the end of November 2008, which marked a sharp growth of 17.51% compared to that of 2007 (Ministry of Industry and Information Technology, 2009). Undoubtedly, the impact of the advancement of information technology on Chinese society is profound. Chinese citizens can currently access more domestic and global information on the Internet, which will influence their attitude and judgment of the public incidents of different kinds. For the Chinese government, it is very discouraging to treat citizens as blind and the mute in an information era that sheds much light on the necessity of improving governance within government sectors. Researchers reveal that the Internet and new emerging culture in the context of globalization in urban China has profoundly changed both lifestyles and public opinions of Chinese people in the past decade (Lagerkvist, 2008; Faure, 2008). Equally important to mention, information technology development in the past decade has also changed the political ecology of journalism in China. Although the journalism industries are still dominated by the state sectors, they have become more open and transparent to provide a more accessible record of significant events and diverse opinion than before. Having realized the significance of mass media and Internet technology, the Chinese government has recently called for a vigorous improvement in democratic decision-making to help to tackle the problems of nepotism and corruption.

The Growth of Civil Society and Democratic Participation in the Context of Globalization

After 30 years of the market economy and social transformation, China has undergone a drastic shift with regard to the state-society relationship. And the growing numbers of social organizations (or NGOs) and the increasing degree of citizen participation in the field of voluntary activities in recent years has truly marked the

emergence of civil society in Chinese society (Xiong, 2001; Zhu, 2004). According to the official statistics, there were 230 000 social organizations in total all over the country by the end of 2008, which indicates an annual growth rate of 7% (Ministry of Civil Affairs, 2008). And the number of registered foundations in 2007 reached 1340, of which the majorities are run by the Government. At present, NGOs actively engage in the multiple fields of social services and in other civic activities, including poverty reduction, education, health promotion and environmental protection, and so on. The proliferation of NGOs in contemporary China not only reflects a shifting boundary between the state and the society, but also indicates a genuine feature of growing social needs induced by drastic market reform and social transformation. The social forces driven by the market economy and modernization in the past decades in China has provided more room for civil society, which allowed more NGOs to interact with the Government and enterprises to find appropriate strategies to deal with different social issues even though the party-state still dominates sociopolitical life in the country (Saich, 2000).

With the progress of globalization after China's successful entry to the World Trade Organization (WTO) in 2001, the development of NGOs in the country has also been influenced by international NGOs. Although foreign NGOs still confront certain difficulties and predicaments in China, they have become widely visible in promoting public education, raising citizen's awareness of environmental problems, and strengthening the social rights of vulnerable groups in Chinese society (Shelley, 2000; Hsia and White, 2002; Tang and Zhan 2008). In modern Chinese history, significant events have usually played important roles in promoting social development and citizen participation in voluntary services and are a vivid example of civil society's renewal. In 2008, the snow storm and Wenchuan earth-

quake in Sichuan province became a watershed for civic engagement and public donation (Teets, 2009). Shortly after the earthquake occurred in the Wenchuan area on May 12, 2008, based on an official estimate, about 200 000 Chinese citizens from all over the country reached the quake zone to help with rescue and relief efforts. Since then, the Chinese government has begun to have a more positive perspective on NGOs and volunteers, while the foreign mass media gave extensive coverage to the emergence of civil society. Despite the limitations faced by NGOs, plenty of NGOs in China have contributed to the promotion of good governance and accountability, which has helped the Government and social organizations to be more capable, reliable, and effective in responding to social needs (Hasmath and Hsu, 2008).

The Emergence of New Social Policies to Adapt to Global Challenge in the Context of the Financial Crisis and Economic Downturn

In the recent decade, the forces driven by globalization and the market economy have triggered enormous changes both within the party and the bureaucratic sectors of the Chinese government. These changes include increasing awareness of social issues within the party and Government; reforming and restructuring bureaucratic sectors suitable for the market economy; strengthening the role of the National People's Congress (NPC) at each level in the policy-making process; decentralizing policymaking by implementing a series of pilot policy programs; and mixing top-down and bottom-up models of policy implementation. Nevertheless, social policy-making in China can be mainly portrayed as a process of the party's maintaining social control and enhancing

legitimacy as well as a bargaining process for different bureaucratic sectors in dealing with distribution of power and resources within the Government. In the early period of market reform, the Chinese government confronted a series of social problems, for instance unemployment (or lay-offs), poverty, and increasing social inequality (Wong and Mok, 1995). In Deng's era, the rule of pragmatism and gradualism was widely adopted by the Chinese government in social policy-making and implementation in order to minimize the negative effects of restructuring SOEs. After 2002 when Hu Jintao took power as the president and general party secretary, China opened a new chapter of social policy development because the party advocated a new policy orientation towards building a harmonious society (Chan, Ngok and Phillips, 2008). In his speech at the 17th National Congress of the Chinese Communist Party, President Hu Jintao clearly declared the party's determination to adopt a series of policies to improve living standards and deal with the strikingly important problems of rising social inequality and corruption. The successful running of the 29th Olympic Games in Beijing in the summer of 2008 and the occurrence of the global financial crisis did provide China with opportunities to emerge on the international stage, dealing with domestic and global issues.

New Social Problems

The number of laid-off workers and unemployed people increased rapidly in recent years when the export-driven economy was obviously affected by the global economic recession, and cities and towns could not absorb so many surplus laborers from rural areas. Therefore, addressing the problem of unemployment and strengthening the function of the social security system in protecting laborers' rights became a vital policy objective of the Chinese government. Meanwhile, the rising income inequality in China also alerted the Government to take serious

measures to reduce the gap between the rich and the poor by extending social protection and strengthening social security system reform.

Being regarded as the world's factory, China has produced innumerable inexpensive and attractive goods for global consumers. However, China has also paid a high cost for running its export-driven economy in the context of rapid globalization. In urban areas, a growing number of the SOEs' workers were laid off, and the government consciously introduced a re-employment service project at the local level to bring the unemployed back into the labor market (Wong and Ngok, 2006). Although China has accumulated a huge foreign currency reserve in the past decades, the average wage of migrant workers in international enterprises and joint-ventures is quite low. Moreover, the employment status of migrant workers in the Pearl River Delta Zone and Yangtze River Delta Zone had been subject to the fluctuating global market of consumption. According to estimates, the total number of unemployed people in the world has reached 50 million, of which nearly half are from mainland China. In January 2009, the official Xinhua News Agency announced that an estimated 600 000 migrant workers had left southern Guangdong Province due to unemployment in 2008 after the global financial crisis hit the region. In addition, the growing number of university graduates in China in the summer of 2009 will also make the situation of unemployment worse because the expected number of graduates will reach over 6 million. Thus, the Chinese government has to respond to the employment needs of rural migrant workers and university graduates by adopting a positive employment policy.

The second strikingly challenging social problem in China is the growing inequality and poverty among citizens. After excessively rapid growth of the national economy in the past 30 years, China still has a sizable number of poor people and the gap between

the rich and the poor has widened in recent years. Despite the successive accumulation of both national and individual wealth, one cold fact is that China has joined the club of the least egalitarian countries on the globe (Yao et al., 2004). According to the international projection of China's economic growth in future, the country will be very likely to increase its level of GDP per capita, but it still has to face the predicament of a huge number of poor people in the society. In China, the unbalanced development between the costal regions and western inland regions, the growing gap between the rich and the poor, and the increasing income gap between urban and rural areas have had an enormous impact on social stability. From 1980s to 2004, the Gini coefficient in China rose from 30 to 45, which indicates an increase of 50%, and income disparity between rural and urban areas within provinces differs (Huang and Luo, 2008). Income inequality in the process of social development is understandable, but inequality of opportunity should be avoided because it will have a long-term impact on sustainable development in one country (World Bank, 2006). Thus, in future the Chinese government should make further efforts to create equal opportunities for its citizens to access education, health, and employment services that will not only benefit citizens but also national development.

The Emergence of New Social Policies

The past decade of rapid globalization in China has been characterized by impressive economic performance and also enormous challenges. The painful restructuring process of the SOEs, the fluctuating stock market, and bubble housing industry in China to some extent can also reflect the impact of globalization on its domestic economy. Moreover, the rising number of unemployed people and shrinking exporting industries in the costal regions since 2008 made the Chinese government realize that an export-

driven economy could be very fragile in during an economic recession. In order to maintain sustainable national economic growth and help the citizens to improve their standard of living, it is necessary for the Government to reform its social security system and develop new social policy measures to address social problems emerging from the global economic recession. In the spring of 2009 when the Second Plenary Session of the 9th NPC was held in Beijing, Chinese premier Wen Jiabao declared a bold stimulus package of spending 4000 billion Yuan (more than US\$500 billion) for economic recovery. Within this huge stimulus package, the Chinese government will spend an enormous amount of money on basic infrastructure building and social welfare. Meanwhile, the Chinese government pledged that it would implement an even more proactive employment policy in 2009 and allocate 42 billion Yuan to tackle the problem of unemployment caused by the global financial crisis.

For the Government, the second top priority of social policy in China in this specific period is to launch a deep health care reform. In April 2009, the Chinese central government publicized its ambitious plan to reform its heavily criticized and controversial health care system by realizing a universal basic health service system for Chinese citizens during 2011–20. In the past decades, rising medical costs and unfair allocation of medical resources worsened poverty and increased social inequality, and have been considered as a time-bomb in the process of socioeconomic development. Equity, equality, and efficiency will be the core guidelines for health care reform, and the Chinese government should improve its policy-making and implementation from top to bottom.

In the shadow of the global financial crisis, the Chinese economy crumbled out of the trap from the second quarter of 2009. But the situation is still serious. The country's exports are gradually improving, the unemployment problem is severe, the overheating

housing industry creates much pressure on the stock market, and industrial overcapacity is threatening deflation (Pei, 2009). Thus, adopting a more positive labor policy and strengthening the social security system has been considered a constructive approach to reduce the social cost of economic recession. Since the spring of 2009, the Chinese central government requested local governments to provide a series of training programs and a small loan plan to help unemployed people to maximize their income security. In the higher education sector, graduates could receive more assistance both from the local government and universities when they cannot find jobs in the market. For instance, the universities will allow graduates to keep their dossiers and household registration in the cities where they studied for a maximum of 2 years. Local government has provided many opportunities for graduates to work as trainees in government and business sectors before they become poor. Needless to mention, the Minimal Living Standard Scheme has been ready to provide basic financial support for poor graduates if they are in need.

In sum, the Chinese government is extending its social protection from urban areas to rural areas, from a basic income maintenance system to a more comprehensive package of social welfare, including education, health, and pensions by adopting a gradual approach of policy reform. Meanwhile, people should never ignore the emergence of non-state sectors and their roles in the spectrum of social protection, especially those active NGOs working in the field of education, poverty reduction, and environmental protection. In the final stage of the 11th Five-Year Plan, China will move forward to build a bright future of "Common Prosperity" by increasing the level of citizens' income by strengthening income redistribution and reducing the cost of public services, including education and health care. At present, each level of government in China is making efforts towards

practicing the concept of scientific development by positioning social welfare at the topic priority of policy implementation. It is foreseeable that many new experiences with social policy reform will be accumulated in the forthcoming years, but researchers need take a close look at its impact and efficiency of the policy implementation in the context of a special political culture.

Conclusion

In a new era of social policy in China, the Government is making serious efforts towards promoting equality and social justice by emphasizing the core concept of scientific development and building a harmonious society. The 2008 global financial crisis had an obvious impact on both economic growth and social development in China. In order to reduce the negative impact of economic slow-down and the worsening situation of unemployment and income inequality, the Chinese government has adopted a series of social policies to address social problems. Now, building a basic universal welfare system as a new development strategy in the context of the financial crisis has been accepted by the party and the central government as a priority in social policy to improve citizens' living standards and maintain social stability before the country celebrates its 60-year anniversary of founding this October. It is definitely a big challenge for China to continue its rapid economic growth in the context of globalization and rapid social changes in the next decades; however, the efficient government administrative system and specific party-state structure are more likely to help the country to achieve its goals of development in the future. For Chinese social policy researchers, it will take them some time to observe potential changes and the impact of policy implementation in the coming years and beyond.

Note

- 1 Sun Zhigang was a recent college graduate who came from Hubei province and had just found a job at a private clothing company in Guangzhou. On the evening of 17 March, 2003, Sun was caught by police, sent to the local public bureau office, and later transferred to the retention station when he went to an Internet café without carrying his ID card. At that time, local policemen were searching for the "Three Nos", people who were regarded as an unstable force in society. Nobody knew what happened to Sun during his stay in the retention station, and he died after three days. However, neither the family nor the public could accept the official explanation of Sun's death as normal and due to health problems. A keen journalist named Chen Feng finally proved that Sun was beaten to death at the retention station by the staff. The victim's family, mass media, and the public were astonished and furious after the truth was disclosed. In June, the local court vindicated this case; the offenders, who were retention station staff, received a range of sentences from the death penalty to fixed-term imprisonment. After the incident, the Chinese government set up a new social relief and management system to provide a maximum of 10 days' accommodation, food and basic medical care for the homeless, street-children, and beggars.

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