

The unbearable heaviness of welfare and the limits of social policy in China

A historical institutionalism perspective

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“An essential feature of society is tradition – the handing of formed ways of acting, a formed way of living or developing their social membership – and the transmitter of a message cannot do without some image of a message which he has received and of the way in which he received it.” (J.G.A. Pocock (1989), *Politics, Language and Time*, Chicago: University of Chicago Press, pp. 233–234.)

1. Introduction

To interpret the meaning of the heaviness of being, the German philosopher Nietzsche once argued that this heaviness could be either a tremendous burden or great benefit, depending on the individual's perspective. Welfare, as a measure aimed at generating human well-being, can either be regarded as a rational instrument of promoting government responsibility or as a familial obligation of care. Rapid economic growth and drastic social transition has created an enormous impact on the pattern and pace of social welfare expansion in post-socialist China during the past decade. Given the successively increasing size of social expenditure, China is apparently “bringing a strong state back in” in order to maintain a balance between economic growth

and social development (Xiong 2012). In recent years, welfare expansion in China has represented a significant social and political phenomenon driven by popular ideas on justice and the ruling party's belief about the legitimacy of regime-maintenance, suggesting how important it is for us to rethink and re-elaborate the tradition of welfare in Chinese society.

However, the concepts of welfare that lie behind China's social policy-making and implementation in recent years still reflect the Party's sobering considerations on the crisis of the welfare states in Europe and the potential challenges of creating universal generous social welfare provision. From my point of view, in explaining the changes in social policy in recent years in China, one must link the present with the past. In short, history matters.

In contemporary China, the reform of social welfare and progress of social policy have been portrayed as outcomes of social change (Davies 1989; Selden & You 1997). For decades, residual welfare, mainly administered by the Ministry of Civil Affairs and other related government sectors, was designed to provide a social assistance scheme and social services. In terms of policy implementation, the Chinese government has strongly emphasised a top-down model which exhibits a salient power-responsibility structure between central government and local governments. Meanwhile, popular perceptions of welfare and the responsibilities of government in China are different from those of Western societies, because the history, culture and organisational framework of a country create enormous impact on social policy process. In particular, the ideas of welfare (or welfare ideologies) can influence the process in a very profound way (Burstein 1991).

This paper aims to discuss ideas around welfare and its policy practice in Chinese society from a historical institutional perspective by focusing on an analysis of the Dibao System (The Minimal Living Standard Scheme, MLSS) as the core component of the social assistance policy. The research questions in this paper include: First, interpret how the concepts of order, relations and needs are constructed as a set of core norms and meanwhile how key social institutions influence the formation of the Chinese welfare regime; Second, analyse recent progress and constraints of social assistance policy implementation as a tool of value realisation under the Party-state

fabric to maintain social order and strengthen institutional legitimacy; Third, understand the Chinese welfare regime as an East Asian welfare regime from a comparative perspective based on normative discussions.

2. Understanding cultural norms and institutions that shape and reshape the Chinese welfare regime

When explaining the trajectories and patterns of social welfare development in various societies, their history, culture and institutions play a pivotal role (Skocpol 1992; Jones 1993; Chan 1996; Rothstein 1998; Lin 1999; Swank 2001; Pierson 2004; Béland 2005; Pfau-Effinger 2005; Lin & Kangas 2006). In this regard, some researchers in this field tend to emphasise that ideas, norms, values and institutions can determine the paths and patterns of social welfare models or welfare regimes (Hall 1990; Immergut 1992; Crawford & Lijphart 1997; Berman 1998; Campbell 1998; 2002; Cox 2004). As a philosophy of lifestyle or a product of life politics, social welfare has been arguably considered as a problematic modern social phenomenon in the West since the 19th century (Goodin 1988). Since the 1980s, plenty of discourse has surfaced on the theme of the crisis of the welfare states, which has created a sense of the 'heaviness of welfare' as a burden on smooth economic development.

As Walter Korpi argues in his essay (2000), many critics of the welfare state hold misleading impressions and incoherent evidence is used to jump to implausible conclusions. In fact, the relationship between economic growth and welfare spending is more complicated than people might speculate. Compared to the European welfare states, the Asian countries are latecomers to social welfare development. With the rapid progress of industrialisation and urbanisation in the 1960–70s, social welfare gained its marginal status in national development strategies. For a relatively long period, the welfare state was regarded as a Westernised (Europeanised) dream full of illusions and heaviness.

In the past decade, however, there has been a growing interest in comparing different welfare systems or different models in the non-welfare states,

especially in Asian societies. The primary attention to this topic has mainly been paid to the discussions on the 'East Asian Welfare Model', 'East Asian Welfare Regimes', or 'Confucian welfare states'. As a socialist market economy in transition, China did not occupy a significant position in the discourse on East Asian welfare models or regimes until very recently, when scholars have sought to explain the pattern of social welfare or social security development in China from a comparative perspective (Goodman et al. 1998; Walker & Wong 2005; Xiong 2008; Chan et al. 2008; Xiong 2011).

In China, social welfare has been mainly regarded as a residual public provision beyond the remit of the family. Unlike European advanced industrialised democracies, China has not yet built a solid welfare state system to meet social needs, address domestic social problems and realise social justice. Only in recently years have Chinese people felt it to be problematic that the state (or government) does not shoulder more responsibilities when family and informal social networks fail to respond to individual contingencies. To understand the ideas of welfare in Chinese society in general, and the Chinese welfare regime in particular, one has to put the subject of welfare into its historical, cultural and political context.

Historically, neither the discourse nor the practice of welfare was developed in feudal China. In ancient China, the long-standing absence of the state in social protection exactly reflects the government's primary desire to fully control the social system and augment its economic power through its centralised administrative system. Given the depressed growth of the moral economy in feudal China, researchers can hardly ignore the fact that the missions of the state did also aim to do good to the mostly vulnerable groups in society, but for the sole purpose of maintaining social stability and keeping the social order. There was a longstanding tradition of social relief in ancient China, varying from providing disaster relief to establishing local community-based welfare provision. The current Dibao System is actually deeply rooted in Chinese histories of social relief.

In this country, long periods of feudalism did not yielded a constant process of industrialisation and modernisation until the mid-20th century. After 1949, socialist China founded its dual social security system for the

urban and rural areas, in which work units (or Danwei, workplace) played a central role in guaranteeing a basic livelihood for employees and their dependent family members, with the commune acting as a safeguard to ensure a minimum living standard for vulnerable people in rural areas. The civil affairs sector will shoulder its responsibilities to take care of truly disadvantaged people by providing basic social assistance. In a seminal article, Chow (1987) argues that Western social welfare is determined by industrialisation-driven public expenditure and state responsibility towards the well-being of citizens. However, Chinese social welfare is more or less influenced by its own culture and its government's reluctance to institute social programmes.

In Chinese culture, there is a striking difference between individual perception of well-being and government's sense of responsibility, because the individual weights personal relationships more than his own material gain and the state usually regards performing a merciful deed by providing relief to vulnerable people affected by misfortunes as a manner of governmentality. In feudal China, one of the major ethical and political concerns of government-run social relief was to maintain the status quo of the social order by exhibiting the state's mission of doing good deeds through its centralised power structure.

Owing to the long-standing ideological influence of the former Soviet Union and its absence of social policy, China barely gained any international status in terms of human development during the planned economy period. The post-1978 economic reform initially changed the productive mode of the rural household economy and later reconstructed State-Owned Enterprises (SOEs), aiming to emancipate productivity and promote modernisation in China. The rapid industrialisation and economic growth from this point onwards created enormous pressure on urban areas, when the old social security system was unable to address emerging social issues, such as the needs of unemployed people, new migrants and other vulnerable people, as part of the process of unplanned urbanisation (Li & Piachaud 2006).

When interpreting the nature and idiosyncratic pattern of Chinese social welfare or the Chinese welfare regime, researchers are constantly confronted by a series of thorny questions: First, how to appropriately define the concept of social welfare in Chinese context? Second, how to treat culture, values and

history when a comparative approach is employed for theorising Chinese welfare regime in the East Asian context? As an outcome of modern politics, social welfare development has been interpreted as institutionalised by state-building and actors' interests, and as evolutionary, owing to the dynamic changes caused by the interplay between time and circumstances.

Although institutional analysis is widely-used in welfare state research and social policy studies, many faces of institutionalism still remain to be considered. In this paper, the author adopts a historical institutionalism approach to interpret the ideas of welfare and the recent progress of social policy reform in China, because of the significance of 'history' in understanding institutions and their durability. According to historical institutionalism analysts, the past trajectory of social welfare development shapes the present and future of the Chinese welfare regime in the context of social change.

3. The use of historical institutionalism in analysing social assistance policy in China

Historically, social welfare as both a concept and as a practice did not gain a significant position in social or political discourse. The state would only provide social assistance or public relief when people could not rely on their family members or communities under certain circumstances. During the planned economy period, social welfare was marginal, established as an instrument of social control to meet the basic needs of the most vulnerable groups in the society. Either the family or the work-unit played a significant role in taking care of individual needs.

To understand the ideas of welfare, the theme of welfare should be integrated into a consideration of the complex historical, cultural and political context shaping the Chinese welfare regime over its long history. In ancient and modern China, the histories of relief in times famine and other natural disasters (for instance, the frequent flooding) basically reflects a major trajectory of state intervention in the domain of social welfare. However, in normal periods, family and kinship played a dominant role in meeting the

needs of individuals, where the concept of well-being more or less emphasises the harmony and order of interpersonal and ethical relationships as well as the satisfaction of basic material needs. Therefore, the ideas and practice of welfare in Chinese society had been profoundly influenced not only by people's perceptions around the values of life and equity, but also by people's recognition of the extent to which the role of the state in providing support to meet individual needs is desirable.

Institutional theories have been widely utilised for analysis in the field of social sciences, which has a relatively early origin in the work of Karl Polanyi (Polanyi 1944). As one branch of institutionalism theory, historical institutionalism aims to take a historical viewpoint using past event analysis to interpret the causes of social phenomena or social consequences, in which researchers tend to summarise different kinds of elements attributed to change and consequences as institutions by emphasising how institutions shape the behaviours of actors. In the past two decades, historical institutionalism as a theoretical framework has been broadly applied in sociology, political science, economics and comparative studies.

In the field of comparative politics, historical institutionalism emerged as an analytical framework in the early 1990s (Steinmo 2008). There are many facets of institutionalism in the field of social sciences. Contrary to its counterpart of institutionalism driven by rational choice, which stresses coordination as a major function of institutions, historical institutionalism tends to place more emphasis on the concrete short period in which institutions are generated (Thelen 1999). In the work of historical institutionalism analysis, researchers emphasise the formation of 'path dependence' in institutional evolution and continuity (Pierson 1996; 2004; Pierson & Skocpol 2002; Lustick 2011). In theorising the analytical framework of path dependence, scholars also attempt to treat it as a whole system that is associated with consequences (Mahoney 2000; 2001; Pierson 1993; 2000; Thelen 1999; Thelen & Steinmo 1992). Researchers state that equal attention should be paid to both change and resistance, which coexist in the process of institutional analysis, while the critical juncture usually plays a pivotal role in influencing institutional change. In the policy domain, a contingency – either a sudden

event or a human action – may change the trajectory of policy development (Hacker 2009).

In Socialist China, the development trajectory of social welfare has been closely bound up with the reform of the planned economy in past decades. Meanwhile, the collapse of the enterprise-based social protection system caused by economic reform gradually shifted people's ideas about the role of collective social welfare. However, the retreat of the state in the area of social protection in the 1980s was not obvious. On the contrary, some SOEs were strengthened in self-autonomy and control of running their own business because of economic reform. Therefore, compared to the early period of economic reform, the work-unit's function as a welfare umbrella drastically reduced in the context of marketisation after the mid-1990s. In a way, the socialist system based on centralisation and authoritarianism had developed a strong preference for state intervention in political and socio-economic arenas. The dual track of institutional work-unit welfare provision and residual need-based social assistance has profoundly formed an idiosyncratic feature of the Chinese welfare regime.

Thus, researchers in the field of historical institutionalism may have noticed that the past of planned economy and the inertia of political control dominated by the party have been the main drivers of social policy-making and implementation in the process of social transformation. In the new era of building social harmony after 2004, welfare politics driven by social instability and growing social needs has reshaped the ideas and path of social policy implementation in China. In short, the practice of strengthening vulnerable people's basic livelihood has become a vital task involving maintaining social order for the sake of managing social risks.

In the past decade, institutional analysis and theories of institutionalism had been widely adopted in the field of social policy research, both in the advanced welfare states and the transitional economies (Offe 1993; Rothstein 1998; Cerami 2008; Chavance 2008). The approach of institutional analysis in the field of social policy often emphasises the significance of state intervention in maximising social welfare to meet growing social needs (Midgley 2000). It is also equally important to mention that social policy-making and

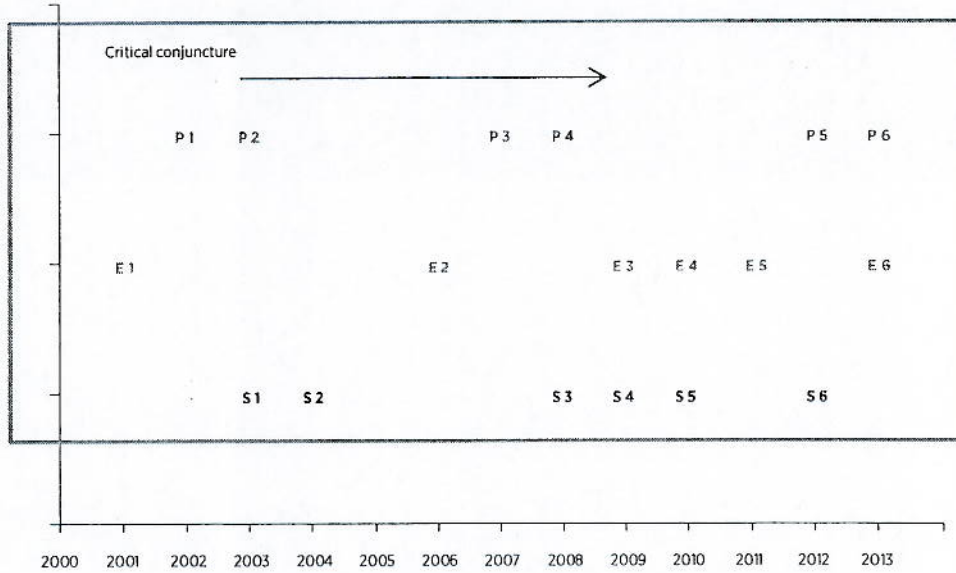
implementation can to a certain extent be regarded as an outcome of value realisation in the context of specific ideologies and socio-economic situations. In the past decade, a variety of studies on social policy analysis relating to historical institutionalism have appeared (Steinmo et al. 1992; Skocpol & Campbell 1995; Campbell 2002; Linder & Rittberger 2003; Pierson 1996; 2004; Béland 2005; 2007; Béland & Cox 2011). In China, only a limited number of researchers have attempted to conduct institutional analyses of social policy in a few different fields (Shi 2006; Xiong 2009; 2011).

But, people may ask: Why does 'historical institutionalism' matter for understanding Chinese social policy and the Chinese welfare regime? As policy is a political practice, time, contexts and configurations are significant in understanding the institutions surrounding the policy arena. Moreover, acknowledging the fact that social policy has undergone a long period of gradual formation in the period of economic reform in China, path dependence as a temporal process has created a self-reinforcement of policy effects that are embedded in a given institutional context. Therefore, as Hacker (2009) argues, the timing and sequence of policy interventions usually plays a crucial role in how specific social policies shape and reshape themselves. Sociologically, path dependence can refer to the actors' habitus of developing coping strategies based on the past experience of doing. According to Pierson's (2004) approach to social analysis as articulated in his seminal book, critical juncture is another crucial component of historical institutionalism. 'Critical juncture' refers to the decisively significant event(s) that occur during the process of socio-economic and political change. In the social policy arena, both significant events and previous experience can profoundly influence the trajectory and pattern of policy development.

In this paper, the author attempts to develop an analytical framework of social policy development in China in the past ten years (2003–2012). Figure 2.1 below indicates that the trajectories of social policy development in China after 2003 highlight certain crucial concrete periods of change in policy formulation and implementation in the Chinese socio-economic and political context. The author uses P, E and S to represent different types of event occurring in China that profoundly shaped social policy after 2001.

P stands for political events, E for economic events and S for social events. During the period 2003–2012, the crucial events occurring at national level are considered to be critical conjunctures of social policy development.

Figure 2.1. The analytical framework of social policy in China (2001–2013).



It is well known that political events tend to influence Chinese policy-making and implementation in a paramount way, especially the Party Congress held every five years. Thus, significant attention has been paid to the impact of the 16th Party Congress, the 17th Party Congress and the recent 18th Party Congress on the onward process of social policy-making and implementation. In this analytical framework, the author also pays particular attention to the impact of economic events on social policy change in China. Over the past decade, one can see how a series of key economic events has brought about a far-reaching impact on social policy formulation and implementation, for instance, China's successful entry into the World Trade Organization (WTO), launching the Five-Year Plan of National Economic and Social Development and the financial crisis that emerged in 2008. It is equally important to note the role of social events in creating an incredible impact on social policy process, particularly the SARS outbreak of spring 2003, the

Olympic Games and the Wenchuan Earthquake in 2008 and social turmoil emerging at a local level.

Lustick (2011) thoroughly discusses the connection between evolutionary theory and historical institutionalism by suggesting that social science researchers should be more meticulous when carrying out theoretical and empirical analysis. Here, the author is looking at historical institutionalism as a theoretical configuration to interpret Chinese welfare regime in the context of history, culture and socio-economic dynamics. It is understandable that the depth, richness and abstractedness of this theoretical tool can sometimes even trap the researcher when they attempt to put the ideas and values of order, relations and needs into the complex mixture of Chinese culture and polity.

In Chinese society, 'historical' has a rich meaning in social policy analysis when adopting the theories of historical institutionalism, which implies that some historical periods have been crucial in the creation of social welfare provisions or social policy making (for example, the period of the mid-1990s to early 21st century, the period of 2003–2010, and the period of 2011–2015 in China). In addition, it also emphasises the fact that the national social welfare systems have evolved through different historical periods. To analyse the process of social policy evolution in Chinese society in the past decade, the researchers anticipate reaching a deep understanding that the major actors of social policy (state, social organisations and individuals) have formulated their own strategies for dealing with the emerging needs, mainly from their previous interactive experiences. Consequently, the past experience of both success and failure generated by government policy-making and implementation has conveyed a message to and influences current government policy-makers. Strikingly, the Communist Party of China (CCP), as a core player in social policy-making, heavily sticks to its ethos of revolution, anti-capitalism and loyalty to the country.

To summarise, historical institutionalism can work to interpret the Chinese welfare regime in many aspects as follows: First, Confucian norms and values, such as filial piety, family loyalty, order, obedience, relations (*Guanxi*) and closeness of social network; Second, beliefs about state intervention, economic planning, regulated market and priority of efficiency; Third, political

preferences for centralised power, social control, social stability and limited citizen participation within the fabric of the Party-state. For a long time, in Chinese society, the connotation of residual social welfare has represented the governmental ethos of social assistance, in which individual self-reliance and mutual-aid within the family have been centred as a thread of social solidarity. The extensively-established and functional network of the social relief system run by government focused on state-building and maintaining social order through a top-down model of policy implementation. During the market economy period, with its split urban-rural social security system and increasing pace of social mobility caused by urbanisation and migration, the old welfare system serving work-unit employees and targeting a fixed vulnerable population failed to maintain social order and achieve the goal of a social justice based welfare system. Particularly, in the process of rapid globalisation, the Chinese welfare regime has been transformed into a combination of cultural traditions, institutional legacies and dynamic social changes. The emergence of social policy as a tool for managing new social risks reflects the Chinese government's mentality of handling domestic social problems in order to adapt itself to meet international demands (Xiong 2009). Meanwhile, the striking difference between the Chinese welfare regime and Western welfare states lies in China's lack of institutional design towards a clear social objective, which exhibits an eternal predicament of an imbalance between economic growth and social development. However, we must note clearly that the built-in mechanism of planned socio-economic development and party politics still have a significant influence on social policy-making and implementation at present.

4. Understanding the recent progress and constraints of the social assistance policy in China: the Minimal Living Standard Scheme (MLSS) as an example

In the initial stage of the market economy, social policy (or social security reform) was used as an instrument to fix the problems caused by the restructuring process of SOEs. With the escalating pace of social transition, the Chinese government chose to react more actively toward social issues generated by economic reform. In addition, in the context of globalisation, the Chinese government has been aware that it is important to strengthen its social security system to maintain stable economic growth and reduce new social risks. According to Esping-Andersen (1999), post-industrial economies shift to a series of welfare reforms in response to increasing new social risks caused by changes in the labour market and households.

In China, we also find a series of newly-emerged social risks related to rapid social transition and globalisation, namely, increasing income disparity, fragile government risk-management mechanisms and depressed forces of social movement. Therefore, new social policies need to be swiftly tailored to growing social needs in order to maintain social stability and enhance social justice. In recent decades, a few new public concepts, for instance, 'scientific approach to development', 'harmonious society' and 'China dream' have been recognised in China, and these take a more balanced approach towards socio-economic development and social welfare. Currently, the government is emphasising its concern about its appropriate role in the use of market principles and in developing a well-off society. More policies and measures have been adopted in order to narrow income inequality and regional disparity in the context of enhancing inclusive growth and building a harmonious society.

In China, besides traditional types of social assistance schemes, the emergence of MLSS for Urban Residents has marked a watershed in social policy development in China in the context of social transition. As a pilot scheme of local policy implementation, the Shanghai municipal government initially invented this social assistance programme in June 1993 with the aim of strengthening its impact on economic progress on poverty reduction

and social stability. Compared to traditional and administrative measures of social assistance in old days, the MLSS highlights some new ideas and values as follows: First, the main responsibility for assistance rests with state and society and a universalist principle of assistance has been adopted in policy implementation all over the country; Second, the emergence and universal implementation of the MLSS indicates a substantial development in citizenship right in reform-era China, with an annual adjustment of benefit and expansion of assistance programmes; Third, a number of political principles, such as a people-centred approach, government for people and power shared by people in the process of social assistance policy implementation; Fourth, the Chinese government stresses a core principle of realising transparency, justice and efficiency in the process of social assistance policy implementation. In order to tailor the programme to local needs, the concrete institutional arrangement and policy implementation structure at local level reflect certain degrees of difference.

From the twenty-year experience of policy implementation, the institutional setting, expansion and universal coverage of the MLSS fully reflect the growing social impact of economic reform and the government's learning about policy intervention on societal problems, especially poverty reduction and improving people's livelihood. As Hammond (2011) observes, the development of the MLSS in urban China is attributed to resources, actors' agency and historical context at local level. In addition, the emergence of the MLSS' universal coverage based on local policy implementation can be characterised by top-down institutional design, local innovative operation mechanism and decentralised resource allocation pattern. In China, the development trajectories of the MLSS can be roughly divided into three phases: Phase One, the period of pilot scheme and initial policy response (1993–1998); Phase Two, the period of policy expansion and broad institutional coverage (1999–2005); Phase Three, the period of universal institutional coverage (after 2006). During Phase One, while the Chinese market economy was still in the initial stages of development, the government's main concern was to absorb the negative consequences caused by process of restructuring the SOEs.

With the increasing progress in economic reform and social transition, the Chinese government has realised that it is too inefficient to passively respond to growing social needs and to deal with the social turbulence caused by the huge number of lay-offs and increase the deprived groups through temporary policy measures. Rather, both central and local government have recognised that it is necessary to establish a safety net based on the MLSS so as to rebuild trust between the government and the people. During Phase One, the main task was to implement the Minimal Living Standard Scheme at local level and modify the system based on the practice of local pilot schemes, causing little radical change. The real institutional change occurred during Phase Two, when the State Council issued the Circular on Establishing the Minimal Living Standard Scheme (MLSS) in Urban China, suggesting that the government was considering comprehensively implementing the MLSS across the entire country at the end of 1997. Almost after two years of policy implementation, the Ministry of Civil Affairs (MOCA) proudly declared in October 1999 that Chinese government had established the MLSS in urban areas covering 668 cities and 1648 townships in the counties. In the same year, the State Council issued the *Regulations of the Minimal Living Standard Scheme for Urban Residents*, which set out this formal social assistance programme as a long-term fundamental policy founded at a national level. In 2000, the State Council made the significant decision to double the fiscal expenditure of the MLSS from 2001 to 2003.

From 2003, the Chinese government shifted its emphasis of social assistance around urban poverty from broadening institutional coverage to supporting measures and categorising assistance programmes based on the different vulnerable groups. The aim of the supporting measures is to help the recipients of the MLSS solve the problems facing them in terms of medical care, children's education, housing and heating in winter. The categorised assistance programmes involve a series of specific assistance measures taken by the government to meet the needs of the vulnerable elderly, children, disabled people and the chronically ill (Zhang 2009). After a breakthrough point of policy expansion in 2003, the number of recipients of the MLSS has remained over 22 million, with a stable fiscal expenditure at national level.

During the period of economic restructuring in the late 1990s, the main purpose of the MLSS for urban residents was to guarantee the basic needs of the laid-off and unemployed in the cities for the sake of social stability. As the safety net had now been set up to present a relatively solid dam preventing this flood, the Chinese government took immediate measures to tackle poverty in rural areas.

During the period of policy expansion of the MLSS, the level of cash benefit for the poor rose from 152 Yuan per head each month in 2004 to 251.20 Yuan per head each month in 2010 in urban areas. In rural areas, however, the level increased from 70 Yuan per head each month in 2004 to 177 Yuan per head each month, meaning that the level of cash benefit doubled over a short period. Thus, as a key area of social policy, the MLSS has experienced a significant institutional change in the past decade, which can be inferred from the expansion of pilot schemes and programme contents, but also the obvious improvement of institutional design from the top down.

To look back over the decade-long development of the MLSS, the most important achievement in the field of social policy in China is the universal coverage of a basic social safety net where all poor people are covered by a social assistance scheme based on the policy objective of guaranteeing it to all eligible residents. However, researchers cannot exaggerate the advantages of the Minimal Living Standard Scheme because this policy is implemented at local level and thus relies on local fiscal expenditure. From a long-term perspective, the implementation of the MLSS still confronts some unavoidable institutional constraints and policy limitations as follows: First, the success of policy implementation of the MLSS is not only influenced by local officials' political will and incentives, but is also confined by local budgetary capacity. When economic growth slows down in a new wave of economic restructuring and cooling-down of the land economy, local government will face difficulties in meeting social goals by limited revenues. Second, the level of cash benefit of the MLSS is too low to raise the poorest out of the poverty trap, which means that local government and related social organisations (for example, charity foundations or organisations) must work together to find other measures and make new institutional changes to help the poor to live better and to build

their capacities to be self-dependent by working or augmenting household assets through a planned asset-building policy. Third, the existence of low efficiency and wrong targeting of policy implementation at local level has been influenced by a flexible culture of human connection (Guanxi) and technical flaws in the means-testing procedure in Chinese society; the low degree of integration between the MLSS and other social policy schemes is obvious for certain type of social assistance in China. For instance, local government still lacks clear guidance and sufficient resources to protect orphans when they become homeless and least supported, which implies that a more efficient policy scheme should be designed to solve the problem.

During the planned economy period, poverty as a social problem was denied by socialist ideology, while the social assistance scheme was mainly designed to help only the mostly vulnerable people without family, income or job. The collectivism-orientated work units in urban areas and communes in rural areas played a fundamental role in providing basic welfare provisions for those in need. The new era of economic reform and particularly the rapid process of the market economy since the mid-1990s has dramatically changed the scenario of social structure and social welfare provision, which created an opportunity for the Chinese government to reshape its social policy to respond to emerging societal problems such as urban poverty, unemployment and the increasing number of migrant workers from rural areas. The launch of the pilot scheme of the MLSS in the early 1990s and its overall establishment as a universal scheme across the country around 2008 should be interpreted as a gradual and persistent policy implementation of social policy intervention amidst the changing socio-economic context in China. Nevertheless, one may not ignore the impact of the astonishing phenomenon of increasing income disparity and rampant corruption on escalating the social expectations of the public, while social policy as a supportive tool of promoting economic development in China will find its own way to proceed in the future.

5. Conclusion and discussion

During the past decade, growing interest in the East Asian welfare systems and East Asian welfare model were initially generated by researchers in the West, followed by scholars in the Asian region. The main discourses on the East Asian welfare systems and welfare model can be summarised as discussions of Confucian welfare states (Jones 1993), East Asian welfare systems (Kwon 1997), the Oriental welfare model (Goodman et al. 1998), productivist welfare states (Holliday 2000), developmental welfare states (Kwon 2005) and the East Asian welfare regimes (Walker & Wong 2005). In conducting cross-national studies on the welfare systems in the East Asian region, especially when China is included, researchers will encounter challenges thanks to the inadequacy of systematic data, differences in basic concepts and unparalleled country size differences between China and other Asian countries.

Like other East Asian countries, the Chinese welfare system or regime was not only inherited from the legacies of Confucianism and the planned economy, but also absorbed experience and lessons from advanced industrialised nations. However, compared to the European welfare states and other East Asian welfare systems, China has a unique welfare regime embedded in its coherence and self-adjustment in a changing context (Xiong 2008; 2009). In recent years, China has moved rapidly toward building a harmonious society by maintaining a balance between economic growth and social development through implementing a wide range of social policy schemes to reduce the side effects of social instability (Xiong 2012). The ongoing reform of social security and social welfare systems in China cannot only be regarded as an outcome of three decades of economic growth, but also a delayed policy response to emerging societal problems. During the rapid process of urbanisation and industrialisation, the Chinese government has focused on strengthening the role of social policy to provide more room for economic development, as a part of which, integrating the social security system between urban and rural areas has become a daunting challenge. Contrary to the divergent forces of party politics and turbulent social movements occurring in Western societies, social policy-making and implementation is more or less bound within the

structure of the Party-State regime and the qualities and incentives of political elites. In the new era of Chinese leadership, will China move towards a welfare state in future or will it develop a new type of social welfare system? Considering the overarching regional income disparity, a persistent urban-rural fragmented social security system and complex social fabric embedded in a long tradition of Confucian culture, it is fairly safe to say that it will take time for China to create an integrative and universal social welfare system based on needs, equality and justice.

In China, dealing with social problems has been a persistent task of the government-led social administration, and political ideologies and principles heavily determine its path of social policy development. The Chinese government has implemented a series of social policies based on the Scientific Concept of Development and the People-centred Approach since 2003, reflecting a top-level concern about social development strategy in the context of a growing social tension between dream-like political ideals and cruelly-naked social realities. As a facet of social engineering, social policy has, in fact, been strongly influenced by political institutions, socio-economic situations and the degree of conflict of interest between different social groups. It can often be identified that policy response may fail to tackle rapid social change and emerging social problems because of bureaucratic inertia and institutional limits (Navarro 2003). In contemporary China, the progress of social policy implementation, however, is closely related to local officials' incentive structures, individual efforts and institutional recognition. Moreover, the big picture linking the international political and economic context, domestic social atmosphere and other strategies of social reform will create a noticeable impact on the agenda of social policy in this transitional economy. With the smooth transition of the Chinese leadership and a gradual approach to surfacing new development strategies in the new era of the Xi-Li administration, China is making a determined effort to deepen its market economy and to reform its political and social institutions in a context of rapid transition and globalisation. As economic growth slows down and more social risks emerge in a turbulent world, social policy in China still confronts a dilemma between persistent old institutions and new problems.

It is anticipated that in the foreseeable future, the Chinese government will reshape its social welfare system and social policy approaches by strengthening the party's leadership role, promoting citizen participation and augmenting non-profit organisations' involvement in the process of realising the Chinese dream and building a modernised socialist county by the mid-21st century.

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