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Manipulating China's "Minimum Livelihood Guarantee"

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Manipulating China's "Minimum Livelihood Guarantee"

Political Shifts in a Program for the Poor in the Period of Xi Jinping

DOROTHY J. SOLINGER

ABSTRACT: In 1999, the State Council set forth an urban social assistance program aimed chiefly at pacifying protesting laid-off workers and compensating for the breakdown of the work-unit-based welfare benefits that had obtained under the planned economy. While an initial goal was to ensure the political stability that would allow enterprise reform to proceed unchallenged, over time the content of the scheme shifted in line with new regime goals. First the program spread to the countryside, as the New Socialist Countryside model was installed. In the past few years, in line with a tightening of financial commitment, leaders have demanded that the able-bodied poor should work, not be succoured, and that the program's allowances target the desperate. Also, beginning in 2014 and continuing into 2016 there has been heavy emphasis on fighting graft and corruption in the program. The paper details five alterations that have emerged – or policy slants for which earlier, less extreme changes in implementation have intensified – since Xi Jinping ascended to power. The big message here is that the regime has repeatedly reshaped this initiative to match the changing political agenda of the Party.

KEYWORDS: poverty, social assistance, minimum livelihood guarantee, *dibao*, corruption, unemployment.

Among the notable achievements of the post-1978 regime in China, a prominent one is its oft-proclaimed victory in facilitating the escape from dire poverty of several hundred million persons. Though not all researchers agree as to the magnitude of the success, certainly major change has taken place. (1) But even as this reduction of destitution has occurred, income inequality in the country has increased substantially since the mid-1990s, with the nationwide Gini coefficient having leapt from about 0.40 at that point up to almost 0.50 by 2015. (2) What has been happening in regard to a state-led effort to cater to the poverty-stricken therefore deserves attention. A point of special concern might be how residual poverty is being addressed in the current regime of Xi Jinping.

Most investigation of Chinese privation has focused on the phenomenon of poverty itself (and often on rural poverty in particular), or else on the efficacy of particular efforts at eliminating or reducing indigence. (3) Not much attention has been given to the details of the one specific policy examined here, the Minimum Livelihood Guarantee (MLG) (*zuidi shenghuo baozhang* 最低生活保障) or, for short, the *dibao* (低保), much less to how it might have been adjusted over time. I argue that this program has been manipulated and reshaped more than once to bring it into sync with larger policy goals – goals quite unrelated to combating impoverishment. The mission of this article is to substantiate this claim. I do this by examining five mutations injected into the program in just the past couple years, tracing back to the autumn of 2012, when Xi was soon to take up his duties.

Indeed, such changes in the scheme have been both subtle and obvious, and those I target are the following: 1) requiring that the labour-capable go to work, *instead of* collecting welfare allowances (as many had been doing); 2) emphasising the destitute and desperate as the "keypoint" (*zhongdian* 重点) recipients of relief; 3) zeroing in on corruption; 4) calculating applicants' total household assets in assessing eligibility for the allowances; and 5) privileging the rural areas in funding. I contrast each of the five new post-Xi initiatives with what the MLG initiative, first promulgated in 1999, initially put forth as its aims and its mechanics. I present shifts in the regime's allocation of allowances – and alterations in the amounts of funding for the allowances – over the years, to chart changes in the policies informing its execution. In conclusion, I highlight how the program has been rewritten repeatedly and utilised politically in line with various, often "stability"-ori-

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1. Nathalie Bouche and Carl Riskin (eds), *The Macroeconomics of Poverty Reduction: The Case of China*, New York, United Nations Development Programme, The Asia-Pacific Regional Programme on Macroeconomics of Poverty Reduction, 2004; Albert Park and Sangui Wang, "China's poverty statistics," *China Economic Review*, Vol. 12, 2001, pp. 384-98; Shenggen Fan, Linxiu Zhang, and Xiaobo Zhang, "Reforms, Investment, and Poverty in Rural China," *Economic Development and Cultural Change*, Vol. 52, No. 2, 2004, pp. 395-421; Bjorn Gustafsson and Wei Zhong, "How and Why Has Poverty in China Changed? A Study Based on Microdata for 1988 and 1995," *The China Quarterly*, No. 164, 2000, pp. 983-1006.
2. Shi Li and Terry Sicular, "The Distribution of Household Income in China: Inequality, Poverty and Policies," *The China Quarterly*, No. 217, 2014, pp. 3, 8.
3. Albert Park, Sangui Wang, and Guobao Wu, "Regional poverty targeting in China," *Journal of Public Economics*, Vol. 86, No. 1, 2002, pp. 123-53; Cheng Fang, Xiaobo Zhang, and Shenggen Fan, "Emergence of urban poverty and inequality in China; evidence from household survey," *China Economic Review*, Vol. 13, 2002, pp. 430-43; Azizur Rahman Khan and Carl Riskin, *Inequality and Poverty in China in the Age of Globalization*, New York, Oxford University Press, 2001; Xin Meng, Robert Gregory, and Youjuan Wang, "Inequality and Growth in Urban China, 1996-2000", *IZA Discussion paper series*, No. 1452, 2005; Qin Gao has written extensively on the topic. A few of her relevant pieces are: Qin Gao, Sui Yang, and Shi Li, "Welfare, targeting, and anti-poverty effectiveness: The case of urban China," *Quarterly Review of Economics and Finance*, Vol. 56, 2015, pp. 30-42; Qin Gao, "Public assistance and poverty reduction: The case of Shanghai," *Global Social Policy*, Vol. 13, No. 2, 2013, pp. 193-215; Qin Gao, "Redistributive nature of the Chinese social benefit system: Progressive or regressive?", *The China Quarterly*, No. 201, 2010, pp. 1-19.

Table 1 – *Dibao* expenditures, GDP, Government expenditures, and *Dibao* expenditures as percentage of GDP and of Government expenditures, 1999-2015

Year	*Dibao* expenditure (billion *yuan*)	Urban	Rural	GDP (billion *yuan*)	*Dibao* expenditure as % of GDP	Total government expenditures (billion *yuan*)	*Dibao* expenditure as % of government expenditures
1999	**1.5**	1.5	n.a.	9,018.70	**0.016**	1,318.8	**0.1**
2000	**2.7**	2.7	n.a.	9,977.60	**0.03**	1,588.6	**0.2**
2001	**5.4**	5.4	n.a.	11,027.00	**0.038**	1,890.3	**0.3**
2002	**10.9**	10.9	n.a.	12,100	**0.0875**	2,205.3	**0.5**
2003	**15.1**	15.1	n.a.	13,656	**0.1106**	2,465	**0.6**
2004	**17.3**	17.3	n.a.	16,071	**0.107**	2,848.7	**0.6**
2005	**21.73**	19.2	2.53	18,590	**0.117**	3,393	**0.6**
2006	**26.7**	22.4	4.3	21,766	**0.123**	4,042.3	**0.7**
2007	**37.9**	27.5	10.41	26,802	**0.141**	4,978.1	**0.8**
2008	**61.5**	39.3	22.23	31,675.20	**0.194**	6,259.3	**1**
2009	**82.7**	48.2	34.5	34,563	**0.239**	7,630	**1.1**
2010	**97**	52.5	44.5	40,890.3	**0.237**	8,987.4	**1.1**
2011	**132.77**	66	66.77	48,412.40	**0.274**	10,924.8	**1.2**
2012	**139.2**	67.4	71.8	53,412	**0.261**	12,595.3	**1.1**
2013	**162.39**	75.7	86.69	58,802.00	**0.277**	14,021.2	**1.2**
2014	**159.2**	72.2	87.03	63,646.30	**0.25**	15,178.6	**1**
2015	**141.47**	n.a	n.a	67,670.08	**0.2**	17,576.8	**0.8**

Source: For government expenditures and GDP: Zhonghua renmin gongheguo guojia tongjiju bian (Chinese People's Republic National Statistical Bureau (ed.)), *Zhongguo tongji nianjian* (China Statistical Yearbook), Beijing, Zhongguo tongji chubanshe (China Statistics Press), China Data Online, Selected years, http://chinadataonline.org/member/yearbooknew/yearbook/Ayblist.aspx (accessed on 8 November 2016). For dibao expenditures: *Ministry of Civil Affairs Yearbook*, China Data Online, selected years, http://chinadataonline.org/member/yearbooknew/yearbook/Ayblist.aspx (accessed on 8 November 2016). For 2015, calculated from "2015 nian Zhongguo guonei shengchan zongzhi (GDP) tongji shuju" (Statistical data on China's 2015 GDP), http://www.360doc.com/content/16/0119/16/502486_529117704.shtml (accessed on 8 November 2016) (for GDP) and "2015 nian 1-11 yue quanguo leiji zhichu chengxiang dibao zijin 1414.7 yi" (From January to November 2015, the accumulated expenditure of urban and rural minimum livelihood guarantee was 141.47 billion yuan); http://www.askci.com/news/finance/2015/12/30/163331xfkf.shtml (accessed on 8 November 2016) (for total national expenditure on the *dibao*).

ented, objectives of the moment. Examining whether other public policy programs have been similarly rewritten to match the larger goals of the Xi regime would be an interesting project, but one beyond the scope of this analysis.

Most of the research in this paper was done with government documents and online articles. I also conducted (or supervised) in-home interviews with recipients of the *dibao* during summer from 2007 through 2013 (nearly 100 households in eight cities – Xi'an, Wuhan, Lanzhou, Shanghai, and Guangzhou, plus three Hubei prefectural cities: Jingzhou, Qianjiang, and Xiantao), with a few city officials (in Wuhan and Lanzhou, both in 2007), with community (*shequ* 社区) leaders in every community I and my assistants visited, and with scholars who work on issues of urban poverty and welfare. I conducted the interviews in all cases except for in 2010 in Guangzhou and in 2007 in some of the Wuhan communities, sometimes with a translator and always (except once in Lanzhou in 2010) with community officials listening. When I was not present at the conversations I obtained transcripts of the talks from the students who assisted me and I then translated these. I made my contacts in various ways, but always from local scholars I knew in each city. The interviews were open-ended, and community leaders always selected the households to be interviewed.

Background of the dibao program

Urban social assistance in PRC cities goes back to the 1950s with the institution of a program entitled the "three withouts" (*sanwu* 三无), which referred to those with no source of livelihood, no legal supporter, and no work ability. That scheme sufficed for an era in which most urban dwellers were employed and serviced by their firms (*danwei* 单位). An embarrassingly tiny pittance was doled out to this set of destitute-in-one-of-three-ways.

As the country's political economy shifted from state planning in the 1980s and 1990s, the plants that made up the industrial portion of that economy were forced to cope with an unaccustomed market. And as that old model of business arrangement began to falter and crumble under the onset of rivalry between state-owned and private, collective and foreign factories that had no welfare responsibilities, the state-funded enterprise social security system cracked apart, completely unable to cope, [4] such that tens of millions of workers were abruptly cast aside, making a new welfare model a necessity. According to Athar Hussain, as many as 68.9 million jobs were "sacrificed" to the economic marketisation project between 1994-2003, if one adds up all those in state- and collectively-owned sectors in enterprises, public institutions, and the government. [5] Besides introducing competition, market economics increased both the price level and the scale of fees that beset the public. [6] Initial efforts to handle the extremities of the people who had been

4. Xiaoyuan Shang and Xiaoming Wu, "Changing Approaches of Social Protection," *Social Policy and Society*, Vol. 3, No. 3, 2014, pp. 260-265.
5. Athar Hussain, "Urban Poverty in China: Measurement, Patterns and Policies," International Labour Office, Geneva, 2003, p. 107.
6. Bjorn A. Gustafsson and Deng Quheng, "Di Bao Receipt and Its Importance for Combating Poverty in Urban China," *Poverty & Public Policy*, Vol. 3, No. 1, 2011, p. 2.

Table 2 – Number of *dibao* participants, urban and rural, 1999-2015 (in millions)

Year	Urban	Rural	Total
1999	2.8	n.a.	**2.8**
2000	3.24	n.a.	**3.24**
2001	11.7	n.a.	**11.7**
July 2002	19.3	n.a.	**19.3**
Dec. 2002	20.6	4.08	**24.68**
2003	22.5	3.7	**26.2**
2004	22.1	4.9	**27**
2005	22.3	8.25	**30.55**
2006	22.4	15.93	**38.33**
2007	22.7	35.66	**58.36**
2008	23.3	42.84	**66.14**
2009	23.5	47.6	**70.6**
2010	22.9	52.28	**75.18**
2011	22.8	53.06	**75.86**
2012	21.4	53.45	**74.85**
2013	20.6	53.82	**73.88**
2014	18.77	52.07	**70.84**
2015	17.22	49.33	**66.55**

Source: *Zhongguo minzheng tongji nianjian* (China Civil Affairs Statistical Yearbook), Beijing, Zhongguo tongji chubanshe, various years; for 2011, 2012: Minzhengbu wangzhan, cws.mca.gov.cn/article/tjbg/2011210/20121000362598.shtml (accessed January 2013); 2013: http://www.mca.gov.cn/article/zwgk/mzyw/201406/20140600654488.shtml; and for 2014: http://www.mca.gov.cn/article/zwgk/mzyw/201506/20150600832371.shtml. (Data for 2013 and 2014 accessed 13 June 2016). For 2015: http://www.askci.com/news/finance/2015/12/30/163331xfkf.shtml.

pushed from their work posts failed to assemble the required resources to meet the need. [7]

By the early 1990s, Shanghai's leaders had become aware of the protest upheaval against job losses already underway in the Northeast. [8] Hoping to forestall such disorder in their own metropolis, Shanghai's politicians developed the *dibao* to tend to their city's discarded labour. [9] By the mid-1990s, many cities nationwide were following suit, and in 1997 the State Council issued a draft document setting up a national urban residents' Minimum Livelihood Guarantee System. [10] Two years later, that draft became the formal set of regulations specifying the program's rules and procedures. [11]

The program [12]

This program's stated aims were to "maintain the basic living standard for urban residents," defined as meeting the "necessary costs of food, clothes, and housing, giv[ing] reasonable consideration to water and power and fuel bills, and [providing for] the educational costs for children." [13] Soon after then-Premier Zhu Rongji had signed the authorising order, a Ministry of Civil Affairs official referred to the project as meant to "perfect the traditional social relief system [a reference to the "three-withouts" program], establish a wholesome modern social welfare system, and guarantee that the economic system reform, especially the state enterprise reform, could progress without incident (*shunli jinbu* 顺利进步)." [14] Besides, at that point China was soon to join the World Trade Organisation, which it did in December 2001. Many Chinese policy analysts expected that this accession would lead to millions more workers being thrown from their plants, as international competition from better-made products overcame their employers' ability to stay afloat. [15]

Dependence on localities let each city work out a "scientific determination" of its own local poverty line or norm (*dibao biaozhun* 低保标准), based on its economic conditions, its residents' basic livelihood needs, its price level, its degree of development, and its financial ability to contribute to the program. [16] In an endeavour to iron out inter-urban disparities, in 1999 the central government stepped in to subsidise the more indigent cities, such that the portion born by localities varied significantly.

Yet, alarmed by ongoing demonstrations by the laid-off even after that boost, in 2001 Premier Zhu called for an enormous on-the-ground survey of the plight of the furloughed throughout the country, involving some 800,000 officials, including himself. [17] The insufficiencies uncovered (both in the size of the allowances and in the miniscule number of recipients) led him to order a massive increase in funding and in the number served, with investment leaping from 1.5 billion *yuan* in 1999 to 10.5 billion by 2002, as beneficiaries ballooned from 2.8 million in 1999 to 19.3 million in the latter year (see tables 1 and 2). By the early 2000s, large-scale central governmental transfers had reversed an initial reliance on often inadequate local bud-

7. Daniel Hammond, *Explaining Policy Making in the People's Republic of China*, Ph.D. dissertation, Department of Politics, Faculty of Law, Business and Social Sciences, University of Glasgow, 2009, pp. 33-48, 71, 76; Chak K. Chan, "Re-thinking the Incrementalist Thesis in China," *Journal of Social Policy*, Vol. 39, No. 4, 2010, p. 633.
8. Daniel Hammond, *Explaining Policy Making, op. cit.*, p. 71; William Hurst, *The Chinese Worker After Socialism*, New York, Cambridge University Press, 2009; Ching Kwan Lee, *Against the Law*, Berkeley, University of California Press, 2007.
9. Linda Wong, *Marginalization and Social Welfare in China*, London, Routledge, 1998, p. 200; Daniel Hammond, *Explaining Policy Making, op. cit.*
10. State Council, *Guowuyuan guanyu zai quanguo jianli chengshi jumin zuidi shenghuo baozhang zhidu de tongzhi - Guofa [1997] 29 hao* (Circular of the State Council on the national establishment of the urban residents' minimum livelihood guarantee system - State Council Document No. 29), 2 September 1997, http://www.mca.gov.cn/article/zwgk/fvfg/zdshbz/200711/20071110003522.shtml (accessed on 13 August 2013).
11. State Council, *Chengshi jumin zuidi shenghuo baozhang tiaoli* (Urban residents minimum livelihood guarantee regulation), 28 September 1999, http://big5.gov.cn/gate/big5/www.gov.cn/banshi/2005-08/04/content_20243.htm (accessed on 13 August 2013).
12. What follows draws upon Dorothy J. Solinger, "Dibaohu in Distress," *in* Jane Duckett and Beatriz Carrillo (eds), *China's Changing Welfare Mix*, London, Routledge, 2011, pp. 36-63; Dorothy J. Solinger, "The Urban Dibao," *in* Fulong Wu and Chris Webster (eds), *Marginalization in Urban China*, Houndmills, Basingstoke, Palgrave/Macmillan, 2010, pp. 253-77; Dorothy J. Solinger, "The minimum livelihood guarantee: Social assistance (just) to stave off starvation," *in* Beatriz Carrillo Garcia, Johanna Hood, and Paul Kadetz (eds), *Handbook of Welfare in China*, Edward Elgar, forthcoming; Dorothy J. Solinger and Ting Jiang, "When Central Orders and Promotion Criteria Conflict: Implementation Decisions on the Destitute in Poor vs. Prosperous Cities," *Modern China*, Vol. 42, No. 6, 2016. See also Xiaoyuan Shang and Xiaoming Wu, "Changing Approaches of Social Protection," *op. cit.*, p. 261; Daniel Hammond, *Explaining Policy Making, op. cit.*, pp. 120-123.
13. Xiaoyuan Shang and Xiaoming Wu, "Changing Approaches of Social Protection," *op. cit.*, p. 261.
14. Z. Wang, "Chengshi jumin zuidi shenghuo baozhang" (Urban residents' minimum livelihood guarantee), *Zhongguo minzheng* (Chinese Civil Affairs) (hereafter *ZGMZ*), Vol. 11, 1999, p. 18.
15. Dorothy J. Solinger, "Urban Jobs and The World Trade Organization," *The China Journal*, No. 49, January 2003, pp. 61-87.
16. Yang Du and Albert Park, "The Effects of Social Assistance on Poverty Reduction," second draft, 7 September 2006, p. 4; S. Zhang S. and J. Tang, "Chengxiang zuidi shenghuo baozhang zhidu jiben xingcheng" (Urban and rural minimum livelihood guarantee system has basically taken form), *in* X. Ru, X. Lu, P. Li, *zhubian* (chief eds), *2008 nian: Zhongguo shehui xingshi fenxi yu yuce* (2008: Analysis and forecast of China's social situation), Beijing, Social Sciences Academic Press, 2008, p. 62.
17. Ge Daoshan and Yang Tuan, "Minimum income schemes for the unemployed," *International Social Science Journal*, Vol. 5, No. 179, 2004, pp. 47-56; Daniel Hammond, *Explaining Policy Making, op. cit.*, pp. 86ff.

Table 3 – *Dibao* norm as % of average disposable income, various cities, July 2002 and September 2005

City Name	July 2002			September 2005		
	Dibao norm (*yuan*/month)	Average disposable income (*yuan*/month)	*Dibao* as % of average disposable income	*Dibao* norm (*yuan*/month)	Average disposable income (*yuan*/month)	*Dibao* as % of average disposable income
Beijing	290	1038.67	28	300	1471.08	20.39
Tianjin	241	778.17	31	265	1053.25	25.16
Shenyang	205	587.5	35	220	841.5	26.14
Dalian	221	683.33	32	240	999.5	24.01
Changchun	169	575	29	169	838.75	20.15
Harbin	200	583.67	34	200	838.75	23.85
Taiyuan	156	614.67	25	183	873	20.96
Jinan	208	748.42	28	230	1131.5	20.33
Qingdao*	205	726.75	28	260	1076.67	24.15
Shanghai	280	1104.17	25	300	1553.75	19.31
Hangzhou*	285	981.5	29	300	1383.42	21.69
Nanjing	220	763.08	29	230	1249.75	18.40
Wuhan	210	651.67	32	220	904.17	24.33
Changsha*	190	751.75	25	200	1036.17	19.30
Chongqing	185	603.17	31	210	853.67	24.60
Chengdu	178	747.67	24	195	946.58	20.60
Xi'an	156	598.67	26	200	802.33	24.93
Lanzhou	172	n.a.	n.a.	190	710.75	26.73
Shenzhen*	317	2078.42	15	344	1791.17 [sic.]	19.21
Xiamen*	290	980.67	30	290	1366.92	21.22
Guangzhou	300	1115	27	330	1523.92	21.65
Average			28			23.3

*Statistic is the average of upper and lower statistics for the *dibao* norm for given city in that year.
Source: For the 2002 *dibao* norm, "Quanguo 36ge chengshi zuidi baozhang biaozhun yilan" (General survey of 36 cities' minimum livelihood guarantee norm), http://china.com.cn/city/txt/2006-11/25/content_7406758_2.htm (accessed on 17 August 2007); For 2002 disposable income, *Chengdu Statistical Yearbook 2003*, China data online, http://chinadataonline.org/member/yearbooknew/yearbook/Aayearbook.aspx?ybcode=E4525D33ACDD03B398C8D9FD6C820120&key=en (accessed on 8 November 2016); For the 2005 *dibao* norm, "Quanguo 36ge chengshi zuidi baozhang biaozhun yilan" (General survey of 36 cities' minimum livelihood guarantee norm), http://china.com.cn/city/txt/2006-11/25/content_740675\hich\af0\dbch\af13\loch\f0 8_2.htm (accessed on 17 August 2007);
For 2005 urban residents' average disposable income, *Chengdu Statistical Yearbook 2005*, China data online
http://chinadataonline.org/member/yearbooknew/yearbook/Aayearbook.asp x?ybcode=E4525D33ACDD03B31C9FB8AB6B7C9295&key=en (accessed on 8 November 2016);
For Lanzhou, Lanzhoushi tongjiju, bian (Lanzhou statistical bureau, ed), *Lanzhou tongji nianjian-2007* (Lanzhou statistical yearbook-2007), Lanzhou, Lanzhou dehui yinshua youxian ziren gongsi, 2007, p. 297.

gets.[18] Notable was an intent to provision even families where there was one person with a job, a feature of the days when disturbances were legion in the city streets and lanes. Later, we will see, this feature was erased.

Character of outlays

That the *dibao* program is ungenerous in comparative terms becomes evident when considering the percentage of GDP devoted to the scheme, a statistic significant because it symbolises the level of largesse a government is willing to shower on its poor. In China that percentage for the urban *dibao* has wavered around 0.12%[19] (reaching a high of 0.14% in 2009, during the financial crisis) after rising from under 0.1%, where it stood before 2003. Relative to average urban incomes (reported as "average disposable income" in state statistical accounts) the amounts have always been pitiable, but ratios declined with time (see tables 3-4). Even with the funds for the rural *dibao* (instituted in 2007) added in, the two allowances together amounted to just 0.20% of GDP in 2015[20] (see table 1). By contrast, the percentage for targeted poverty programs elsewhere ranged from 0.5 to 1% in Latin America in the early 2000s[21] to an average 2.5% of GDP for cash transfer

18. Joe Leung and Yuebin Xu, *China's Social Welfare*, Cambridge, Polity Press, 2015. I have not seen any data specifying the amount of central transfers in the various localities. Also Ya Ping Wang, *Urban Poverty, Housing and Social Change in China*, London and New York, Routledge, 2004, p. 133; N. a., "Jianli zhidi shenghuo baozhang zhidu de jige wenti" (Several issues in establishing the minimum livelihood guarantee system), *ZGMZ*, No. 9, 1996, p. 14; J. Mao, "Liguo limin de ningjuli gongcheng – Fan Baojun fubuzhang jiu chengshi jumin zuidi shenghuo baozhang zhidu jianshe hui benkan jizhe wen" (A cohesive project benefiting the nation and the people – Vice Minister Fan Baojun answers this journal's reporter's questions about the minimum livelihood guarantee system's construction), *ZGMZ*, No. 4, 1997, pp. 4-6.
19. Alfred M. Wu and M. Ramesh, "Poverty Reduction in Urban China: The Impact of Cash Transfers," *Social Policy and Society*, Vol. 13, No. 2, 2014, pp. 285-99, (quotation on p. 291) write that the average spending on the urban allowance from 2000 to 2009 amounted to 0.12% of GDP, "considerably below other countries in East Asia." See table 5.
20. Calculated from *Renmin ribao*, 11 June 2015, http://finance.people.com,cb.b.2015;0611/c (accessed on 10 August 2015).
21. Stephan Haggard and Robert R. Kaufman, *Development, Democracy, and Welfare States*, Princeton, Princeton University Press, 2008, p. 217.

programs. Mexico was investing 0.3% as of 2008, and Indonesia's similar program cost 0.5% of its GDP in 2005. [22]

As a mark of the program's inadequacy – a sign that one should note more than just the numbers pulled up from poverty – by the mid-2000s, as many as 7.7% of the total urban-registered population had a net income below the relevant *dibao* line in their cities of registration. And yet the program was serving only about 22.5 million urban people at the time, or under 4% of the country's city population. Thus, only about half of those eligible for it were receiving the *dibao*. Besides that malfunction, "leakage" had resulted in an absurd situation in which "about 40% of the [program's actual] recipients [were] in fact [people] ineligible to get it." Besides, it was discovered, "29% of all poor urban people [without specifying how a figure for the total poor was derived] were getting the *dibao*." [23]

Things did improve: by 2007, 39% of the eligible poor were receiving the *dibao*, when just 1.2% of the non-poor were. [24] Thereafter, the number of urban recipients climbed to 23.5 million at the program's peak in 2009; within five years, however, at year-end 2015, the number had fallen to just 17.22 million in the cities. Adding up the beneficiaries in urban and rural areas together for that year, the national total amounted to 66.5 million, [25] a significant decline of from 2011's peak of 75.86 million [26] (see table 2).

And yet, this drop did not necessarily signify that indigence was disappearing: the poverty expert Peter Townsend estimated in 2009, at the height of the program's generosity, that, "If the poverty line were drawn 50% higher than the very stringent threshold in fact adopted, the official figure of 4.7% [of the urban population] in poverty becomes 20% of the city population, or nearly 90 million in urban areas." [27] In another analysis, as of late 2012/early 2013, more than 30 million urbanites should have been counted in the category of the poor as a conservative estimate, [28] at a time when just 21.4 million city people were receiving welfare, i.e., only about 70% of those who should have been on the rolls, according to one account. After a rise, the numbers of recipients (*dibaohu* 低保户) gradually dropped off in the countryside, too: just before the program's official extension into the agricultural regions in 2007, beneficiaries stood at just 15.9 million; [29] they increased speedily once the scheme was in place, going from 35.66 million in 2007 up to 53.8 million in 2013, but then falling to 49.3 million in the next year (table 2).

My data suggest that, despite the rural add-on, the program as a whole has been downplayed over time as the out-of-work have quieted down. True, the absolute sums of the *dibao* norms (poverty lines) and the actual subsidies delivered to the poor (or meant to be delivered) have increased in value in the cities: the average urban norm rose from 152 *yuan* per person per month in 2004 to 441 *yuan* in 2014. And the average actual hand-out (that is, the sum households received, the gap between the local poverty line and recipients' own household income) went from 65 *yuan* per person per month on average in 2004 to 286 *yuan* in allowance received 10 years later. Too, local administrations have been finding make-work positions for the unemployed, such as sweeping the lanes of community courtyards, standing "guard" at the gates of these quarters, and peeling shreds of old notices from the common walls.

But a metric of another sort tells a different story. Over the years, the average urban *dibao* norm has come to represent a steadily declining percentage of the average disposable income of ordinary (non-*dibaohu*) city folk nationwide. It has also amounted to a falling percentage of the average state factory wage. Thus, in 2002 and 2005, the mean *dibao* norm (poverty line) across urban China represented 28% and 23% of the average monthly per capita disposable income in large cities, respectively (Table 3). By November 2011, however, the proportion of urban incomes stood at a mere 15.8% (table 4).

As for wages, in 1998, the average *dibao* norm nationally equalled 20.5% of the mean wage in the largest cities. But by 2007 that proportion had sunk by a full 50%, down to 10.3% of the average wage. In 2011, the norm amounted to a tiny 7.8% of the mean wage in state firms. [30]

Another kind of calculation reveals a second way the *dibao* appears to have diminished significance for budget writers: in 2007, urban *dibao* expenditures accounted for 0.113% of GDP, a proportion that rose in 2008, but up to just 0.128% (during the Great Recession). In 2012, however, the percentage dropped down to just 0.108% (table 5). One could argue, of course, that GDP was rising, along with average incomes. But this exercise draws attention not to absolute figures but rather to how relative allocations were figured. Overall, one could conclude that provisioning the poor has dropped in significance.

Thus, it does appear that the scheme (as well as its initial target and objective – to keep the laid-off quiet to avoid wrecking enterprise restructuring) has constituted a lesser concern for central-level decision-makers in recent years than it did more than a decade ago, when raucous discharged workers thronged the roads. This is in line with Lynette Ong's work showing that, whereas protests related to state-owned enterprise labour disputes accounted for over 37% of 18 different grievance types in 2003, in the years 2010 to 2012 these disturbances amounted to just 6.3 to 8.4%. [31] The work of Eli Friedman also charts a drop-off in labour disputes from 2008-2011. [32] But even as the program's import may be diminished, it has not escaped central-level attention. Apparently it is deemed worthy of enough deliberation to have been altered to match Xi's larger objectives, and in five different ways. I proceed to document this claim.

22. Joseph Hanlon, Armando Barrientos, and David Hulme, *Just Give Money to the Poor: The Development Revolution from the Global South*, Sterling, VA, Kumarian Press, 2010, pp. 22, 40, 42. Typically in poverty research the convention is that assistance allocations are calculated as a percentage of GDP, not of government expenditures.
23. Martin Ravallion, Shaohua Chen, and Youjuan Wang, "Does the Di Bao Program Guarantee a Minimum Income in China's Cities?" *in* Jiwei Lou and Shuilin Wang (eds), *Public Finance in China: Reform and Growth for a Harmonious Society*, Washington D.C., World Bank, 2006, p. 18. There is no official urban poverty line.
24. Martin Ravallion, "A Guaranteed Minimum Income: China's Di Bao Program," Ppt., n.d., draws on research with Shaohua Chen and collaborators in China's National Bureau of Statistics (obtained from author).
25. "2015 nan 1-11 yue quanguo leiji zhichu chengxiang di bao zijin 1414.7 yi" (January-November 2015 the country's total expenditure of urban and rural subsistence allowances reaches 1414.7 billion), *Zhong shangqing baowang* (Chinese business intelligence network), 30 December 2015, http://www.askci.com/news/finance/2015/12/30/163331xfkf.shtml (accessed on 13 June 2016)
26. Ministry of Civil Affairs, *2010 nian shehui fuwu fazhan tongji gongbao* (2010 social service development statistics bulletin), 9 February 2011, http://cws.mca.gov.cn/article/tjkb/201102/20110200133593.shtml (accessed on 10 August 2015).
27. Peter Townsend, "Social Security in Developing Countries: A Brief Overview," *in* Peter Townsend (ed.), *Building Decent Societies: Rethinking the Role of Social Security in Development*, Houndmills, Palgrave Macmillan, 2009, pp. 245-52 (quotation from p. 250).
28. Zhang Ruli and Peng Qing, "Zhongguo chengshi gaigezhong pinkun qunti zhengce de zhuanxing ji qi tedian" (In China's urban reform, the transformation of policy for the poor masses and its characteristics), *Shehui kexue jikan* (Social science journal), No. 4, 2014, pp. 44-50.
29. Some ruralites were recipients before 2007, presumably in trial programs. See Huawei Han, Qin Gao, and Yuebin Xu, "Welfare Participation and Family Consumption Choices in Rural China," *Global Social Welfare*, Vol. 3, No. 4, 2016, who note that local experiments with rural *dibao* began in the early 1990s.
30. Calculations are from various editions of the *Zhongguo tongji nianjian* (China statistical yearbook).
31. Lynette H. Ong, "Reports of Social Unrest: basic characteristics, trends and patterns, 2003-2012," *in* David S.G. Goodman (ed.), *Handbook of the Politics of China*, Cheltenham, Edward Elgar, 2016, p. 352.
32. Eli Friedman, *Insurgency Trap: Labor Politics in Postsocialist China*, Ithaca, Cornell University Press, 2014, p. 4.

Change in policy

Beginning near the end of 2012, a slew of new restrictions and regulations, already brewing for several years, became formal policy. The initial sign was a State Council "Opinion" in late September 2012 containing mandates either novel to the program or present but much less accentuated earlier. The first was a change in emphasis, demanding the arrangement of employment – not an offer of allowances – for the able-bodied impecunious. Secondly, it urged localities to take the seriously/chronically diseased and disabled, the totally destitute, and the deserted, in short, those who amounted to the recipients of the former "three-withouts" policy, as the "keypoint" of assistance. The third alteration was that, while appealing not just for stability, the document also beamed a spotlight on local cadre corruption and misappropriation of funds, along with calls for stepped-up auditing and supervision against these misbehaviours. The official press perceived such flaws as rampant in the conduct of the scheme.

Fourth, like the third change displaying suspicion of malfeasance, the September 2012 Opinion for the first time ordered that total household assets (bank savings, securities, and other financial assets, vehicles, and housing) be taken into account in assessing a family's eligibility to receive the *dibao*. The intent was undoubtedly to uncover hidden sources of wealth. The upshot was that now one's local residence registration, his/her family income, and, in addition, the amount of his/her household assets have become the three basic conditions for obtaining the allowance. [33] And lastly, a fifth new emphasis has emerged: poor people resident in the rural areas have now received relative priority over those in the cities.

First change: Those able to work must work

The first alteration amounts to a call to cut off from – and not admit to – the rolls anyone capable of work but merely unemployed. This mandate helps account for the drop in percentage that the unemployed represent among all *dibaohu* in the past few years (see below). This modification can be distinguished from the *dibao*'s inaugurating 1999 Regulations, where meeting just three conditions qualified one for aid: 1) being one of the "three withouts"; 2) being unemployed, with one's term for drawing unemployment relief having ended, but unable to get reemployed, and having a family average income below the local poverty standard; or 3) being at work, laid-off, or retired, but with all sources of income combined still insufficient to bring household average income up to the local poverty line. No mention was made in 1999 about whether a person was capable of working. According to Joe Leung and Yuebin Xu, in practice only two requirements really mattered: having an income below the local poverty line, and possessing household registration in the city where one applied. [34]

Besides, that earlier document made only passing reference to working: it just prescribed "encourage[ing] labour self-support." Government yearbooks show that in 2002, when the numbers of "laid-off" (*xiagang* 下岗) workers peaked, nearly half (48.7%) of all *dibao* recipients were laid-off, retired, or unemployed. [35] Also, in 2002 Athar Hussain recorded that "a large percentage" of the *dibaohu* "are able and willing to work but have no jobs." [36]

But not long thereafter, a decline ensued in the availability of relief for people able to work. Already in 2004, the World Bank wrote that laid-off workers accounted for only around 40% of total recipients. [37] By mid-year, an opinion published in *Chinese Civil Affairs* (*Zhongguo minzheng* 中国民政), the official journal of the Ministry of Civil Affairs (the unit responsible for the *dibao*), suggested that whether a person had labour ability and the will to work, along with the nature of the cause for the loss of labour ability, should be taken into account in deciding whether to offer the *dibao*. [38] In that same year, most cities began implementing "activation measures" encouraging healthy recipients to take jobs (although at that time a "reluctance" was reported from recipients "to [go to work and thus] stop receiving social assistance coverage"). [39] By 2009, the registered and unregistered unemployed (essentially, the once-*xiagang*) together accounted for only 39% of all *dibao* subjects nationwide (a drop of nearly 20 percentage points in just seven years since 2002; this proportion had declined to 38% by the second quarter of 2015 [40]).

Writing about 2009, Li and Sicular quote from the annual report of the Ministry of Civil Affairs, which listed the main *dibao* beneficiaries in urban areas as being the unemployed, the elderly without pensions, and children, who together accounted for over 70% of all recipients. [41] But the unemployed portion no doubt was not composed of people who were simply jobless by that point, but probably included individuals beset by other issues of deprivation. Thus, a 2009 World Bank report commented that as of the time of its preparation, "In practice only those unable to work are likely to be provided with long-term assistance." [42] At that point, however, state reluctance to underwrite the able-bodied was just a tendency, not an order.

Since 2009, the central government has been formalising this modification, ordering that localities arrange for impoverished individuals capable of doing so to turn to the labour market to sustain themselves – irrespective of whether that market has a place for them, which, my interviews have revealed, it often does not. And in fall 2011, county welfare officials told a Sichuan township of a new local disqualification for the *dibao* for anyone living with employable adult children. [43] More and more over time, and now explicitly in a formal directive, being capable of labouring (and in some

33. State Council, *Guowuyuan guanyu jinyibu jiaqiang he gaijin zuidi shenghuo baozhang gongcuo de yijian - Guofa* [2012] (State Council's Opinions on Progressively Strengthening and Improving the Minimum Livelihood Guarantee Work - State Council Document 2012), No. 45, 2012, www.gov.cn/zwgk/2012-09/26/content_2233209.htm (accessed on 15 September 2012). Commentary by the Ministry of Finance: Caizheng bu, minzhengbu tongzhi (Ministry of Finance, Ministry of Civil Affairs Circular), "Guanyu yinfa 'Chengxiang zuidi shenghuo baozhang zijin guanli banfa' de tongzhi" (On issuance of the circular on the management of for urban and rural minimum livelihood funds), *Caishe* (Finance and society), No. 171, 2012, baike.baidu.com/view/9452029.htm (accessed on October 2012).

34. Joe Leung and Yuebin Xu, *China's Social Welfare*, Cambridge, Polity Press, 2015, pp. 90-91.

35. A person was "unemployed" if s/he had no connection to his/her former firm; a "laid-off" worker at least nominally maintained "labour relations" with the firm, so theoretically it remained responsible for contributions to the worker's welfare funds. In truth, neither had a job any longer. The calculation comes from the 2010 *Minzheng nianjian* (Civil affairs yearbook). This percentage differs from the one in n. 8 because it does not include dependents of the unemployed workers.

36. Athar Hussain, "Urban Poverty in China: Measurement, Patterns and Policies," *op. cit.*, p. 1.

37. World Bank, "From Poor Areas to Poor People: China's Evolving Poverty Reduction Agenda: An Assessment of Poverty and Inequality in China," Washington D.C., 2009, p. 145.

38. *Zhongguo minzheng* (Ministry of Civil Affairs), 2004, p. 41.

39. Haomiao Zhang, "China's social assistance policy: experiences and future directions," *Chinese Journal of Social Work*, Vol. 7, No. 3, 2014, pp. 229-30.

40. Ministry of Civil Affairs, *2015 nian 2 jidu quanguo xian yishang chengshi dibao qingkuang* (Situation of dibao in second quarter of 2015 in all Chinese cities above township level), http://files2.mca.gov.cn/www/201508/20150805160145959.htm (accessed on 22 October 2015).

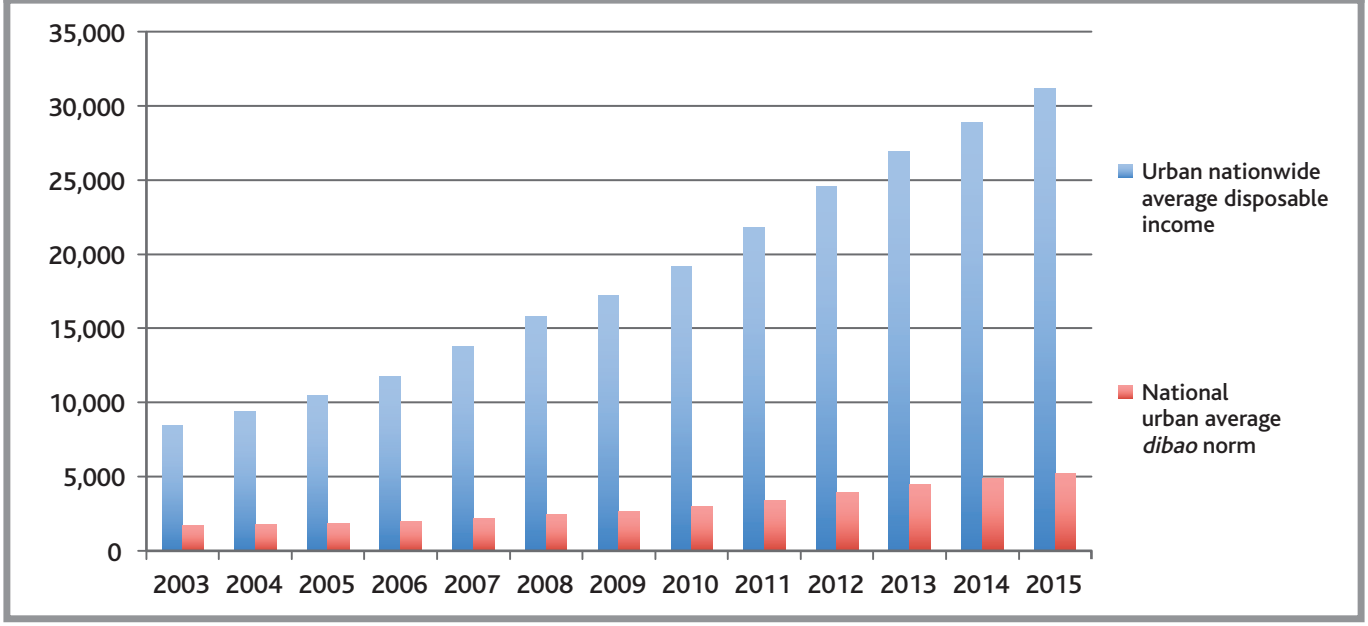
41. Shi Li and Terry Sicular, "The Distribution of Household Income in China," *op. cit.*, p. 28.

42. World Bank, "From Poor Areas to Poor People: China's Evolving Poverty Reduction Agenda: An Assessment of Poverty and Inequality in China," *op. cit.*, p. 145. For a detailed breakdown, see my webpage (www.socsci.uci.edu/~dorjsoli), under Downloadable Publications, publication number 94. This piece shows two graphs, Appendices B and C respectively, that present the percentages represented by 10 categories of *dibao* recipients, first from 2002 to 2006 (Appendix B) and then from 2007 to 2012 (Appendix C).

43. Julia Chuang, "China's Rural Land Politics: Bureaucratic Absorption and the Muting of Rightful Resistance," *The China Quarterly*, Vol. 219, 2014, pp. 649-69 (quotation from p. 662).

Table 4 – Average Urban Disposable Income, Urban *Dibao* Expenditures, Urban *Dibao* as % of Average Disposable Income, 2003-2015

Year	Urban nationwide average disposable income	National urban average *dibao* norm	Average urban *dibao* norm (as % of average disposable income)
2003	8,472	1,788	21
2004	9,422	1,824	19
2005	10,493	1,872	18
2006	11,760	2,035	17
2007	13,786	2,189	16
2008	15,781	2,464	15.6
2009	17,175	2,734	16
2010	19,190	3,014	15.8
2011	21,810	3,451	15.8
2012	24,565	3,961	16
2013	26,955	4,476	16.6
2014	28,844	4,932	17
2015	31,195	5,268	16.88



(unit=*yuan*/year)

Source: For average disposable income, *Zhongguo tongji nianjian*, various years, online from China Data Online, selected years. For *dibao* expenditures, cf. table 2; For 2015: for average *dibao* per person per month, http://news.xinhuanet.com/politics/2016-01/25/c_128666296.htm; (accessed on 8 November 2016); for average disposable income in 2015, see http://www.stats.gov.cn/tjsj/zxfb/201602/t20160229_1323991.html (accessed on 8 November 2016).

cases, even having family members capable of working) disqualifies one from the allowance.

Fieldwork supports this altered slant. In 2012 Wuhan interviews, community officials mentioned a new stringency greeting applications. As one explained:

> A person who is under 50 years of age and has work ability can't get the *dibao* now; the policy has become very strict. If s/he can't find work, that's not a condition for getting the *dibao*. We encourage them to go work. (44)

In another Wuhan community, the *dibao* manager asserted:

> Now it's almost impossible for a healthy laid-off person to get the *dibao*. Only the seriously ill and disabled can get it. Getting the allowance depends on age and ability to work; it's only for the old, weak, those with ill health, and the disabled. If one has working ability, he's unlikely to get it. In the past, the policy was more relaxed and there were lots of laid-off people [receiving it]. (45)

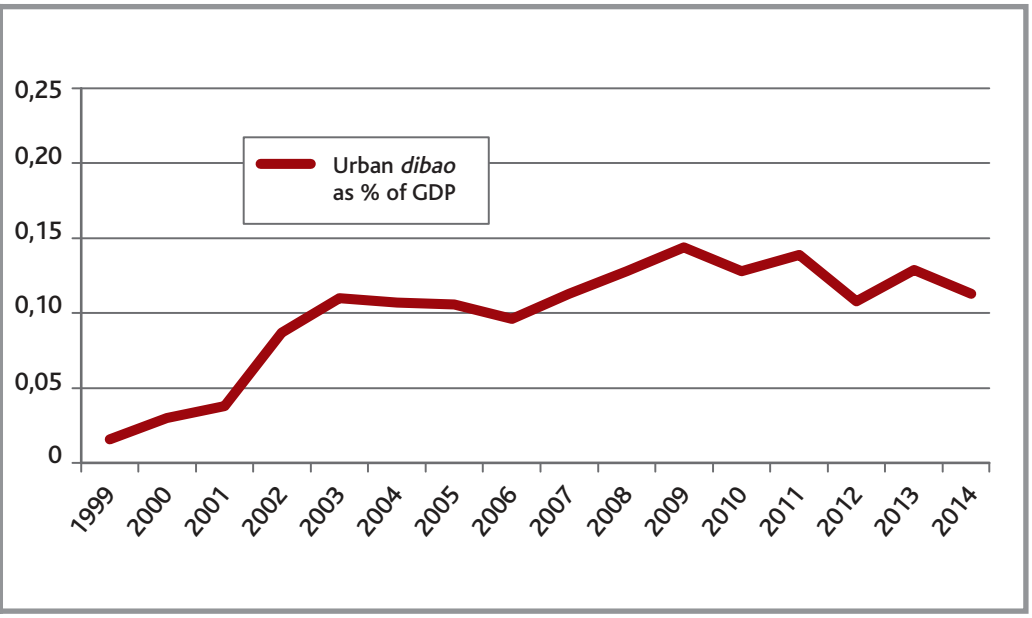
In Shanghai in 2013, a 72-year-old woman with two grown daughters explained, "If you have work ability you have to work, unless you're a veteran, child, or disabled." (46)

By late 2014, informants in various places concurred with this information. In Beijing, Tang Jun, the foremost *dibao* scholar in China, noted, "Around

44. Interview, Huazhong shifan daxue community, 26 June 2012.
45. Interview, Wuhan, Hongshan district, 30 June 2012.
46. Interview, Shanghai, 25 June 2013.

Table 5 – Urban dibao as % of GDP

Year	% of GDP
1999	0.016
2000	0.03
2001	0.038
2002	0.087
2003	0.11
2004	0.107
2005	0.106
2006	0.096
2007	0.113
2008	0.128
2009	0.144
2010	0.128
2011	0.139
2012	0.108
2013	0.129
2014	0.113



Source: Calculated from data in Table 1.

2010, the policy got tighter with regard to the able-bodied." Scholars in Wuhan related, "Recently we especially care about work ability." More confirmation comes from a street committee cadre in Lanzhou, who held, "Policy has gotten stricter…if you have work ability you should work." And an interviewee from Heilongjiang observed, "At first the qualifications for the *dibao* were easier [to meet], but it's gotten harder now." [47] Nailing this trend down even more securely, an early 2014 State Council Document, No. 649, "Interim Measures on Social Assistance," decreed that even for households in which every adult member was without employment, if all had labour ability, the responsible locality was to guarantee that at least one person become employed, not that the family be given an allowance. [48]

Second change: Care for (only) the very neediest

The second modification is closely related to the first. In 2002, *sanwu* people constituted just 4.5% of total *dibao* beneficiaries. [49] There was no separate category for the "disabled" then; perhaps such people were sorted with the *sanwu*. By 2009, the disabled and the *sanwu*, added together, had jumped to 11.7% of the national total of recipients (2.6 times as large a percentage as seven years before). [50] Perhaps illuminating this trend is a 2013 remark by a Shanghai social work scholar: "The government fears that the *sanwu* feel unstable, so it uses the *dibao* to keep them quiet." [51]

These data, combined with the reduced percentage occupied by registered and unregistered unemployed, appear to bolster a claim that the totally pauperised and bereft, plus those physically incompetent to work, began to get a boost, perhaps at the expense of the able-bodied non-working, who, for the most part, have been steadily shunted off to depend on their own devices.

Relatedly, in 2010, a street office staff member in Guangzhou admitted:

> The biggest issues facing the *dibaohu* are illness and employment; since their age is rather old, and their cultural level fairly low, it's hard for them to find appropriate work. [52]

That summer a community leader in Lanzhou reported:

> If they have labour ability, then we introduce them to work and train them. But it's a nuisance (*mafan* 麻烦). Their qualifications don't fit the job, but they want it anyway and then they get angry. [53]

Or, as conveyed by a 50-year-old Guangzhou recipient, half-paralysed and suffering from high blood pressure and diabetes, but still yearning to somehow be gainfully employed: "Because I'm too old and sick, if you were a boss you wouldn't look for a 40-plus-year-old sick person, it's that simple." As a one-time state-owned oil depot employee, later laid off, he summed up the situation of the *xiagang* thusly:

> Everything requires a high educational background. I only have a primary school education, so naturally they won't hire me. Talented people are numerous, so they won't take me. You say, go sell things; that needs start-up money (*benqian*, 本钱). Private businesspeople wouldn't invite us, private bosses have no reason to ask a person who is both sick and old to work, right? I've already tried to find work, but it's no use – no one hired me. I'm too old, and I'm sick (…) being young is much better, that's the way it is. [54]

47. Interviews, Beijing, 10 October 2014, Wuhan, 3 November 2014, Lanzhou, 21 November 2014, and with a resident from Heilongjiang, in Hong Kong, 14 November 2014.
48. State Council, *Shehui jiuzhu zhanxing banfa* (Interim measures for social assistance), 4 March 2014, http://www.legalinfo.gov.cn/zhuanti/content/2014-03/04/content_5815152.htm?node=72572 (accessed 6 October 2016).
49. Through 2006, "disabled" was not a separate accounting category.
50. Ministry of Civil Affairs, *Minzheng tongji jibao* [2009 nian di 1 jidu] (Civil statistics quarterly [first quarter of 2009]), 2010, http://cws.mca.gov.cn/accessory/200904/1240304729111.htm (accessed 8 May 2015).
51. Interview, Shanghai, 24 June 2013.
52. Guangzhou, 12 July 2010.
53. Interview, Lanzhou community, 9 July 2010.
54. Guangzhou, 30 June 2010.

But perhaps the situation has improved more recently? Unfortunately, there are no statistics on the sort of odd jobs with "flexible" hours these people might be able to take (sweeping streets, handing out leaflets), which they often are offered.

The 2014 State Council Document No. 649, however, explicitly mentioned the "especially difficult" (*tekun* 特困) poor. Also, in early 2014, introducing a regulation on social assistance he termed the "first legal document aimed at coordinating and regulating a fragmentary social assistance system," Premier Li Keqiang sustained the priorities of the September 2012 State Council Opinion, ordering "open, fair, and timely aid for the needy." His definition of the needy was strikingly close to the old *sanwu* population: "the disabled, the elderly, and minors unable to work and without legal guardians or income." [55]

The announcements at the National People's Congress in March 2015 displayed similar concerns: the Premier's "Report on the Work of the Government" laid out five major accomplishments achieved in 2014, the fourth being having "worked on developing a tightly woven and sturdy safety net to secure and improve living standards." That securing the people's livelihood and welfare featured there, even if in fourth place, is not insignificant; besides, Li mentioned the importance of "ensur[ing] that a cushion is in place for those most in need." He went on to disclose a newly-installed urgent-aid system, promising to "implement the temporary-assistance scheme nationwide, so that people with critical, immediate or special needs will have somewhere to go for support, and will be able to get that support straight away." [56]

And, like Document No. 649, a July 2015 plan further targeted the especially poor, dividing them into categories, including the seriously ill or disabled, traditional relief targets, and those who had completely lost the ability to work. These groups were to receive subsidies from 15 to 40% higher, respectively, than those for the other *dibaohu*. [57] Overall, the notification amounted to one more indication that the extremely desperate were attracting the central government's special attention.

Third and fourth changes: Supervise and punish the corrupt; suspiciously count assets

Repeating two more new threads from the State Council 2012 Opinion, Document No. 649 targeted corruption and misappropriation of *dibao* monies by local cadres (third change) as well as falsification by recipients (fourth change). [58] In the past, reports of misbehaviour in the *dibao* realm pinpointed the wrongdoing of dishonest recipients – supposed indigents in possession of secret earnings from off-the-books employment or receiving cash from family – who hid their incomes to collect the scant sums the allowance accords while eating in restaurants, driving BMWs, and hiring tutors for their children. [59]

Focusing on such citizens, the Premier underlined that, "people applying for or receiving assistance should declare their income and property status truthfully for verification by local governments." This accords with yet one more new demand (the fourth one) in the 2012 Opinion, which calls for calculating a family's total assets in testing eligibility for the *dibao*, along with its household registration and income. Striking is the parallel these modifications of the program have with the larger movement to wipe out graft and corruption that General Secretary Xi is waging on a national scale.

Added to the effort to track down dishonest *dibaohu,* lurid tales in the media now talk more of the misdeeds of grass-roots-level leaders, the third new issue, and less of the improprieties of the *dibaohu*. An ongoing issue since the September 2012 State Council Opinion is cadre corruption, as the battle against bribery unfolds seemingly unstoppably at higher levels. In his February 2014 document, Premier Li made pointed reference to welfare officials' graft, banning "any group or individual from misappropriating social assistance funds." "Swindlers are to be fined up to three times the worth of the materials and funds" they had wrongly seized, he ordered. [60]

After 2012, the media (official and social) became rife with reports of wrongdoings by local cadres. In one case, officials refrained from reporting recipients' change in financial situation, leading to an issuance of 300 million *yuan* that likely lined the pockets of those in charge. Another report tells of more than three million instances (*renci* 人次) in which *dibaohu* deserving funds never saw them delivered. [61] Even worse, 80% of surveyed households approved for the *dibao* in five provinces went entirely without their subsidy, while 60% of those funded were in fact not at the poverty level, according to a 2014 investigation. [62]

In Henan, nearly 20,000 people in authority flaunted regulations, taking more than 100,000 *yuan* in *dibao* funds for their own purposes. [63] Wuhan officials at various levels attracted the attention of the disciplinary inspection organs: a former street-level vice welfare office chief had used his position to falsely claim *dibao* cash over 500,000 *yuan*, then turned it into wage supplements for his workers, and for renovation and office expenses.

In just a month's time, Qinghai, Hainan, and Inner Mongolia sent out a bulletin stating that they had to take back *dibao* funds from more than 260,000 people who did not qualify for the cash. Meanwhile, nationwide, more than 1.5 million people were said to have been wrongly omitted from the *dibao* rolls between June 2013 and September 2014. Most egregiously, in a township under Henan's Luoyang City, a former civil affairs department chief was found to have 267 bank deposit books in his possession, all collected from the especially poor masses (who mostly did not have bank accounts), which he had used to misappropriate some 500,000 *yuan* of these indigents' money. Elsewhere, records of residents' democratic assessment meetings (which evaluate *dibao* eligibility) were falsified, as villagers' representatives were discouraged from attending the meetings. In yet additional instances, cash was claimed to have been given to people who had

55. "China regulates social assistance," *Xinhua*, 28 February 2014.
56. Li Keqiang, "Report on the Work of the Government," delivered at the Third Session of the 12th National People's Congress on 5 March 2015, 2-6, http://blogs.wsj.com/chinarealtime/2015/03/05/china-npc-2015-the-reports (accessed on 6 March 2015).
57. "Duodi shixian chengxiang dibao biaozhun binggui, Nanjing biaozhun chao 700 yuan" (Many places are implemenyting a merger of their urban and rural *dibao* norms, Nanjing's norm has surpassed 700 *yuan*), *Zhongguo winwen wang* (China news network), 8 July 2015, http://www.chinanews.com/gn/2015/07-08/7390743.shtml (accessed on 10 July 2015).
58. Since both changes deal with corrupt behaviour, I treat them together.
59. Joe Leung and Yuebin Xu, *China's Social Welfare*, *op. cit.* (draft version), p. 149, note that after all it is difficult to verify the incomes of the poor.
60. "China Regulates Social Assistance," *Xinhua*, 28 February 2014.
61. Tang Jun, "2012: '*Zhongguo xinxing shehui jiuzhu tixi jiben jiancheng*'" (The basic construction of China's new-style social assistance system), *in* Xu Xinxin, Li Wei, Lu Xueyi, Zhang Yi, Chen Guangjin, and Li Peilin (eds), *2013 nian: Zhongguo shehui xingshi fenxi yu yuce* (2013: Analysis and forecast of China's social situation), Beijing, shehui kexue wenxuan chubanshe, 2012, p. 218.
62. "Low-income subsidy fraud in China," *Jiancha Daily*, 23 June 2014; "2012: '*Zhongguo xinxing shehui jiuzhu tixi jiben jiancheng*'" (2012: The basic construction of China's new-style social assistance system), *in* Xu Xinxin, Li Wei, Lu Xueyi, Zhang Yi, Chen Guangjin, and Li Peilin (eds), *2013 nian: Zhongguo shehui xingshi fenxi yu yuce* (2013: Analysis and forecast of China's social situation), *op. cit.*, pp. 213-25.
63. www.hi.chinanews.com/hnnew/2015-07.../391673.ht (accessed on 5 August 2015).

already died. [64] Forging the names of intended recipients was also not uncommon. [65]

The remedy proposed was to make public the names, incomes, and allowance amounts of proper subsidy recipients, plus creating a mechanism that "the masses" could employ to inquire about *dibao* affairs, all to fulfil citizens' rights to know and supervise. [66] The Internet and official documents in 2014 and 2015 accentuated the imperative of rigor in combating township and village administrators' venality and fraud. In Xianyang City, for instance, staff allegedly went over every case; in Liuzhou a centre was set up to check the figures on hand-outs in its jurisdiction. [67] In August 2015, *People's Daily* ran a piece demanding that posting beneficiaries' names become a regular practice. [68] Accordingly, localities even posted name lists of their *dibaohu* on the Internet. [69]

Fifth change: Shift to the countryside

The fifth and final switch entails buttressing the benefits of farmers, which could be a move to shore up legitimacy in these localities, as clashes between farmers and authorities have been rife. An attempt to placate the restive rural areas has been official policy for some time, one associated mainly with the tenure of leaders Hu Jintao and Wen Jiabao in the first decade of the century in their "Socialist Countryside" movement, [70] including the 2007 extension of the *dibao* scheme to the villages.

An unequivocal bent to the countryside with respect to the *dibao*, however, began only after 2012. [71] Back in 2008, when the rural *dibao* was just being extended nationally, the urban pot of outlays far, far surpassed that for the countryside (23.34 million urbanites got 38.5 billion *yuan*, an average of 1,650 *yuan* per person per year, while in the countryside, 42.84 million people shared 22.23 billion *yuan*, an average of just 520 *yuan* per person per year, a mere 31.5% of what an urban recipient was given), and that imbalance obtained through 2010. In 2011, the sums for the rural and urban areas were nearly equal, with 66.77 billion *yuan* going to the rural areas and 66 billion *yuan* to the urban poor, despite that the numbers of recipients in the two regions were vastly different, with 22.8 million in the cities and 53.06 in the countryside.

In 2012, however, 67.43 billion *yuan* was split up among 21.43 million urban dwellers, an average of 3,146 *yuan* per person per year, while 53.44 million rural residents got 71.8 billion *yuan*, or 1,340 *yuan* per person per year. [72] This means that the ratio changed substantially, since a rural beneficiary thereby received 43% of what an urban one did. And in both 2013 and 2014, the rural areas got larger amounts of funding than did the urban (86.69 billion *yuan* and 87 billion for 53.82 million rural poor people and 52.07 million farmer recipients in 2013 and 2014, respectively).

Meanwhile in the cities, 75.7 billion *yuan* was allocated in 2013, a figure that dropped to 72.2 billion *yuan* in 2014 for 20.6 million and 18.77 million beneficiaries, respectively. This means that in 2014 an average urban recipient – presuming s/he remained on the allowance the entire year, which may not have been the case – got 3,846 *yuan* per year, while an average rural *dibaohu* got 1,670 *yuan* per year, again about 43% of the urban indigent's take. That is by no means an equalising allocation, but it is a significant relative improvement for rural recipients (Tables 1 and 2).

At the 2015 National People's Congress, Premier Li's speech indicated a rise in importance of the rural *dibao* program: he pledged to "continue to raise subsistence allowances for rural and urban residents," notably naming those in the countryside first. [73] Li also announced projected increases in subsistence allowances [the *dibao*] per person by 9.97% for the urban impoverished but by as much as 14.1% for the rural needy. [74] Even if this shift is aimed purely at narrowing the benefit gap across areas, it embodies a tilt to the rural areas.

In July 2015, another striking sign emerged that (at least some of) the rural areas were to be served in a new way: the Chinese News Network broadcast that many places had equalised the *dibao* norm in their urban and rural areas by raising poverty lines to the same level. Although only a handful of major cities (Beijing, Shanghai, Nanjing, Hangzhou, Changsha, Chengdu, and Hefei) had fulfilled the plan as of mid-year 2015, other cities were considering the move as they carried out trials or set up experimental districts. Beijing raised its urban level from 2011's 480 *yuan* per person per month to 710 *yuan*, an increase of about 50%, while its rural standard rose more than 133%, from 300 to 710 *yuan*. It is likely that the "rural areas" that received this hefty increment were suburban places on the outskirts of large cities. But the reform is still substantial, even if for a limited clientele.

This decision could conceivably be read as addressing concerns beyond pure poverty, if one speculates that it is a move to mollify fractious farmers angered over land dispossessions. Distributing such small sums as the *dibao* delivers is unlikely to do much to compensate for a loss of land. Yet policymakers might see this as a cheap means to signal they have heard the voices of displaced and short-changed villagers. If this reasoning is correct, raising the *dibao* is a far simpler palliative than would be restoring confiscated property.

Conclusion

This review of repeated modifications in the management of the poor can be seen as speaking to the nature of temporal policy adjustment in the People's Republic; it suggests that in the case of this social policy, even as the rhetoric targets helping the very poor, the subtext has been to serve con-

64. http://home.freedommerchants.com/833k36 (accessed on 5 August 2015).
65. "Chongqing dibao tiaoli song shen gao jiri qizhi 8 yue 26 ri gongkai zhegqiu yijian" (Chongqing *didao* system open to public comment until 26 of August), *XinhuaNet*, 1 August 2015, http://www.cq.xinhuanet.com/2015-08/01/c_1116109627.htm (accessed on 5 August 2015).
66. *Chutian jinbao*, 3 August 2015; *Dongfangwang*, 4 August 2015; Hulunbei'er minzheng (Hulunbei'er Civil Affairs), "Yakeshi shi jiada dibao dongtai guanli lidu" (Yakeshi City to increase the minimum security management), 31 July 2015, http://hulunbeier.mca.gov.cn/article/jcxx/201507/20150700857842.shtml (accessed on 5 August 2015).
67. http;//binxian.mca.gov.cn./article/tzgg/20150800859250.shtml (accessed on 5 August 2015); http://liuzhou.mca.gov.cn/article/jcxx/201508/20150800859281.shtml (accessed on 5 August 2015).
68. *Renmin ribao*, 4 August 2015, http://zhashui.mca.gov.cn/article/gzdt/201508/20150800859123.shtml (accessed on 5 August 2015).
69. Two such are http://shigu.mca.gov.cn/article/gzdt/20158/20150800859146.shtml; and http://qianxian.mca.gov.cn/article/tzgg/201508/20150800859095.shtml (accessed on 5 August 5 2015).
70. Jeremy Wallace, *Cities and Stability: Urbanization, Redistribution, & Regime Survival in China*, New York, Oxford University Press, 2014, Chapter Five.
71. Over the past two decades, there has been a significant fall in the size of the rural population, so the rapid increase in the numbers of rural recipients is especially important.
72. "Minzhengbu fabu 2012 nian shehui fuwu fazhan tongji gongbao" (Ministry of Civil Affairs announces 2012's social services development statistical bulletin), *Renminwang*, 19 June 2013. For the year 2011, the sums for the two regions were closer, with the rural pot slightly greater for the first time.
73. *Ibid.*, Li Keqiang, "Report on the Work of the Government," delivered at the Third Session of the 12th National People's Congress on 5 March 2015, 2-6 at http://blogs.wsj.com/chinarealtime/2015/03/05/china-npc-2015-the-reports (accessed on 6 March 2015), p. 29.
74. *Ibid.*

temporaneous political agendas. Whether this is the case for other public policies is something for other researchers to test. But to generalise a bit, as happens not infrequently in China, two or even more sequential – but different – policies go under one and the same label, as the first initiative evolves into a second but without its title being altered. I argue that in this case this was done to match larger switches in governmental priorities over time. It is as if the project is in a sense turned into an available shell into which new objectives could be poured.

Thus, a program originally installed to appease protesting proletarians in the cities – which, it was hoped, could replace the benefits proffered by the defunct *danwei* – has morphed back into a project targeted primarily at the old *sanwu*. This it has achieved as it bars people who in theory could do some labour (despite the market often not having much on offer). It has also been made to echo a larger effort at eliminating graft in the upper echelons of power. And at last the program has swerved its thrust away from the cities where it was born and into the countryside, again, quite possibly, in a plan aimed at pacifying instability. Put another way, this study illustrates how the regime has reshaped one initiative to match the changing political objectives of the Party. It has done so by elaborating upon five substantial shifts in the program's priorities over time: with regard to its principal target (now only the old *sanwu*); in setting up requirements that the labour-able must work; in sniffing out corruption among both local leaders and recipients; and in privileging the countryside over the cities.

Thus, in line with the obsession with corrupt behaviour that characterises the rule of Xi Jinping, the past several years have seen the Minimum Livelihood Guarantee training much of its aim on malfeasance, in this case generally in the form of "flies" at the grassroots who must be swatted, not at the big-time "tigers" at or near the top of the polity who might be put to death. The demand that the physically firm go to work, and the turn toward the countryside of late are also arms of more powerful national priorities. The bottom line is that this social assistance and welfare program, despite its propaganda, is meant to do much more than just target the poor. The larger implication for the poverty-stricken is that their cause has been downgraded in the interest of other goals.

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