

Show Us You are Poor and a Good Citizen: Public Assistance Eligibility in Chinese Main Cities

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Abstract:

This paper examines the eligible criteria of the Minimum Living Standard Scheme (MLSS) in Chinese main cities. The MLSS policy documents of 31 Chinese cities were obtained from relevant local governments' websites and then analysed by NVivo 10 for Windows. It was found that the cities are using several criteria to assess the eligibility of public assistance applicants, including income, expenditures, living space, household electrical appliances, leisure, motivation to work, and acceptable behaviour. It is obvious that the local governments have adopted a life-style assessment approach to decide the eligibility of the applicants. This approach, however, has two main weaknesses. Firstly, the MLSS claimants have to demonstrate that they are in extreme hardship and this has separated them from the rest of society. Their poor quality of life will be a barrier to their social integration to community. Secondly, some terms about the quality of life style are too ambiguous and different cities have different criteria on a poor living standard. As public assistance criteria vary from city to city, this leads to an unequal access to public benefits among Chinese citizens.

Introduction

Although poor people in different countries need basic necessities to survive and maintain good health, different governments have introduced their own eligible criteria for public assistance. The criteria may be shaped by a country's economic development, welfare culture, politics and the public attitudes towards poverty. This paper analyses the public assistance policy papers of 31 Chinese main cities, examining the key criteria adopted by local governments to approve cash benefits. This paper comprises three sections. Section one briefly discusses the main public assistance eligible criteria in some Western welfare states. Section two summarises the main criteria used by 31 local governments to assess the applications for the Minimum Living Standard Scheme (MLSS). The final section examines the implications of the criteria to China's public assistance scheme and the quality of life of poor people.

Public Assistance Eligibility in Western Welfare States

Different countries have their own benefit eligible criteria. In the UK, people who apply for Income Support should not be subject to immigrant control, need to be over 16 years old and have caring duties or are unable to work. The savings of the applicants should be no more than £16,000 (GOV.UK, 2015). In New York, poor families who apply for Temporary Assistance need to be U.S. legal residents and also have children under 19 years old. Moreover, their incomes need to be below the official's threshold. In addition, adult applicants who have work capacities have to comply with the Federal work requirements (Benefit.gov, 2015). In Australia, those who apply for Parenting Payment have to meet resident requirements. A two-parent family also needs to have at least one child younger than 6 years old and its income should be under A\$1,024 per fortnight. Moreover, applicants who meet the Mutual Obligation Requirements are required to develop a 'Job Plan' (Department of Human Services, 2015).

Eligibility for public assistance will be shaped by changing political and economic conditions of a country. By reducing social security expenditures, many Western welfare states in recent decades have introduced welfare-to-work measures by asking social assistant claimants to actively seek for jobs, attend job training programmes and do community services (Lodemel and Trickey, 2000; Handler, 2004). In some countries, local governments are allowed to set up their own assistance criteria. In Spain, social assistance eligibility 'varies between regions' (Bradshaw, et al, 2003: 22). Sometimes, criteria for public assistance will be tightened in order to limit the number of eligible applicants, particularly benefits for immigrants and refugees. In the UK, the government introduced various new measures to restrict immigrants from European Economic Area (EEA) to access benefits since the beginning of 2014. They

no longer can claim income-based Jobseeker's Allowance, children benefit and child tax credit in the first three months of arrival. Also, they need to show that they have a 'genuine prospect of finding work' in order to continue to receive Jobseeker's Allowance after six months (Parliament, 2015).

The above discussions show that Western welfare states have some common benefit criteria, including 'citizenship', 'caring duties', 'work capacity and requirements' and 'income levels'. Most of these criteria are measurable and also can be assessed with the help of medical professionals. Also, the eligible criteria are mainly based on income, caring and work duties, physical conditions instead of applicants' expenditures and welfare officials' judgements on their causes of poverty. Obviously, these criteria aim to those who are in financial hardship and also minimise the use of discretionary power among welfare bureaucrats.

Public Assistance Eligibility in China and Research Methodology

The Minimum Living Standard Scheme is China's main public assistance programme. It was introduced to urban residents in 1997 and then extended to farmers in rural areas in 2007. According to central government's policy papers, poor families with an income below a region's poverty threshold are eligible to receive public assistance (State Council, 1999; State Council, 2007). However, the names of the MLSS applicants, the number of their family members and income levels are required to be posted in public noticeboards during the application assessment and after the release of application results. Also, adult family members are required to performance community services arranged by Street Offices and Residents' Associations (State Council, 1999).

As for the MLSS eligibility, central government policy papers only give some general guidelines on income and local governments are free to work out the details of eligible criteria based on local conditions (Ministry of Civil Affairs, 2012). Some academics in China have pointed out the problems of eligible criteria published by some local authorities (Wu and Shi, 2005; Han, 2006; Wang, Lu and Zhao, 2008). In particular, they argued that some requirements are moral judgements on applicants' behaviour as well as unreasonable restrictions on their household items. As a result, a lot of families have been excluded from receiving public benefits. For example, local governments will not approve benefits for the MLSS applicants who visit expensive restaurants or have socially unacceptable behaviour such as taking drugs, paying for sex and engaging in gamble activities.

Although the existing literature has drawn our attention to the problematic criteria of some local governments, there are two issues need to be further investigated so that we can have a better understanding of the eligibility of the MLSS in China. Firstly, the existing studies only selectively reported some problematic criteria in a few regions. There is no comprehensive study about the extent of the problem nationally. Secondly, the evidence in the existing studies is patchy, which mainly demonstrated some extreme cases and requirements. There is no study that systematically describes the details and patterns of the MLSS eligible requirements in China. In order to have a better understanding of benefit eligibility in China, research studies need to include more regions and also systematically present the details of the eligible criteria.

By addressing the mentioned issues, this study examined the MLSS eligible requirements in 31 Chinese cities. Excluding Hong Kong, Macau and Taiwan, China comprises 31 big regions, including 22 provinces, 5 autonomous regions and 4 municipalities (see the following table). As a capital city is the most important area in a province, this study investigated the capital cities of China's 31 regions in order to reveal the MLSS eligible criteria nationally.

China's 31 provincial units and their capital cities:

Province	Capital	Chinese	Code for Analysis
Beijing	Beijing	北京市	C1
Jilin	Changchun	长春市	C2
Hunan	Changsha	长沙市	C3
Sichuan	Chengdu	成都市	C4
Chongqing	Chongqing	重庆市	C5
Fujian	Fuzhou	福州市	C6
Guangdong	Guangzhou	广州市	C7
Guizhou	Guiyang	贵阳市	C8
Hainan	Haikou	海口市	C9
Zhejiang	Hangzhou	杭州市	C10
Heilongjiang	Harbin	哈尔滨市	C11
Anhui	Hefei	合肥市	C12
Inner Mongolia	Hohhot	呼和浩特市	C13
Shandong	Jinan	济南市	C14
Yunnan	Kunming	昆明市	C15
Gansu	Lanzhou	兰州市	C16

Tibet	Lhasa	拉萨市	C17
Jiangxi	Nanchang	南昌市	C18
Jiangsu	Nanjing	南京市	C19
Guangxi	Nanning	南宁市	C20
Shanghai	Shanghai	上海市	C21
Liaoning	Shenyang	沈阳市	C22
Hebei	Shijiazhuang	石家庄市	C23
Shanxi	Taiyuan	太原市	C24
Tianjin	Tianjin	天津市	C25
Xinjiang	Urumqi	乌鲁木齐市	C26
Hubei	Wuhan	武汉市	C27
Shaanxi	Xian	西安市	C28
Qinghai	Xining	西宁市	C29
Ningxia	Yinchuan	银川市	C30
Henan	Zhengzhou	郑州市	C31

Concerning data collection process, the researcher visited the websites of the Civil Affairs Bureaus of the 31 cities, checking documents that give information on the eligibility of the MLSS. It was found that most cities had published own policy papers on the MLSS application requirements. However, Fuzhou and Shijiazhuang do not have their city-level up-

to-date policy papers. As a result, the eligible criteria issued by Fujian and Hebei provinces were used for analysis. Also, most cities had published the eligible criteria in a single document covering both urban and rural residents. However, Kunming, Nanning, Urumqi had separate documents for urban and rural residents. Therefore, these three cities had two documents each for data analysis. The policy papers of the 31 cities were analysed by NVivo 10 for Windows.

Regarding the coding procedure, the researcher firstly identified some key words from the policy papers. Then, the contents that include the chosen key words were further classified into different categories. For example, the researcher identified a key word 'overseas' in the policy papers. Then, the contents with 'overseas' were examined and classified into different categories, including 'study overseas' and 'work and doing business overseas'. Similar procedures were used to choose other key words and classify relevant contents into different categories and themes.

Key Findings:

The contents of the policy papers show that local governments not only use 'income' but also other assessment criteria such as 'expenditure', 'household items', 'properties and living space', 'community work' and 'acceptable behaviour'.

Income limits

All 31 cities have set limits on the financial resources of applicants. However, different cities have different limitations on income levels and sources. In Shenyang, the saving limit for a family is ¥5000 (C22). In Nanjing, the limit on the per capita saving of a family is no more than the per capita income in a city/rural area (C19). In Nanchang, the saving limit is no more than 12 times of the benefit of the MLSS (C18). In Chongqing, however, the limit is no more than 24 times of the benefit of the MLSS. In Chengdu, the per capita income of a family, including cash, savings, bonds and shares, should be no more than 12 months of the MLSS benefit (C4).

Restrictions on housing

Apart from income and savings, the cities also put restrictions on the number of properties and their size as well as the quality of decoration. Sixteen cities set restrictions on buying housing in the open market (C5; 6; 10; 11; 12; 14; 15; 17; 18; 19; 20; 22; 24; 26; 29; 31). In Xian, the MLSS applicants are not allowed to buy properties in the open market in two years

before submitting their applications (C28). In Anhui and Chongqing, applications will be refused if a family bought houses in three years before applying for the MLSS (C5; C12). In Nanjing, the MLSS applications will be unsuccessful if the applicants bought private housing in five years before applying for the benefit (C19).

It should be noted that fifteen cities have restrictions on the quality of home decoration (C3; 4; 5; 6; 12; 14; 15; 17; 18; 19; 20; 22; 24; 28; 31) as well as the amount of living space. In Chengdu, applicants are not allowed to own two or more houses. Also, the per capital living space of a family should not be more than the limits set by the housing department (C4). In Jinan, the living space limit for the MLSS applicants is no more than 30 per cent of the average living space in the city (C14). In Hohhot, a MLSS applicant is not allowed to have a house with more than 120 m² (C13). Similarly, the MLSS applicants in Fuzhou cannot have two houses or more and their total living space should not be more than twice of the local government economic housing (C6).

Local governments also set restrictions on the time and quality of home decoration. For example, families in Taiyuan and Xian are unable receive the MLSS if they carried out 'luxurious decoration' on their homes in two years before their applications (C24; C28). In Zhengzhou, the MLSS applicants should not have decorated their homes in one year before applying for assistance (C31). In Changsha, families will be illegible to the MLSS if they build or buy houses or have a high standard of home decoration in three years before their applications (C3).

Limitations on household items

Some local governments will reject the MLSS applications if they owe some luxurious household items. Ten cities state that applicants are not allowed to have non-necessities (C3; 12; 14; 17; 18; 19; 22; 23; 26; 31). Some cities have limitations on the time that the MLSS applicants buy 'luxurious goods'. It should be stressed that different cities define 'non-necessities' differently. The governments of Jinan and Lhasa treat a 'computer' as a luxurious household item. In Nanning and Jinan, government officials consider a 'video camera' as an expensive product. Five cities do not allow the MLSS recipients to have an 'air-conditioner' (3; 14; 15; 17; 20). In Jinan, 'piano' is regarded as a non-necessity (C14). In Lhasa, a computer, audio equipment and the residential phone service are considered to be non-necessities (C17). In Zhengzhou, applications for the MLSS will be rejected if the applicants bought an electrical appliance with more than ¥1500 in six-month before submitting their applications (C31). Similarly, the MLSS applicants in Nanchang are not allowed to have a household item which is non-necessity and its value is 10 times more than the benefit of the MLSS (C18).

Restrictions on utilities bills and entertainment activities

Three cities also set limits on the utilities bills of the MLSS applicants (C5; 18; 19). In Nanchang, the utilities bills on electricity, gas and water of the applicants should not be over 25% of the MLSS families. Also, five cities have set limits on phone service costs (C5, 12, 14, 18, 19). For example, the phone cost of the MLSS applicants in Nanchang should be no more than 20% of the MLSS benefit (C18). The same requirement is also applied to the MLSS applicants in Nanjing (C19).

Two cities even do not allow the MLSS applicants to purchase non-daily necessities such as cigarettes and wines (C19; C22). They also do not approve applicants who regularly attend expensive entertainment activities.

Restriction on education choice for children

Many cities will not approve benefits for the MLSS applicants who arrange children to study at fee-paid schools (C9; 14; 15; 16; 17; 18; 20; 22; 26; 31) or overseas (C5; 7; 12; 14; 18; 19; 20; 22; 24; 26; 28). For example, the Shenyang municipal government will not give benefits to people who pay for family members to study self-financed postgraduate programmes or whose family members are working or studying overseas (C28).

Good citizen criteria

Some cities not only take applicants' financial conditions and living standards but also their behaviour into account when assessing the MLSS applications. Ten cities will not offer public assistance to applicants who buy sex (C3; 10; 14; 15; 17; 18; 22; 26; 30; 31), 13 cities engage in gambling (C3; 9; 10; 14; 15; 17; 18; 20; 22; 26; 28; 30; 31), and 13 take illicit drugs (C3; 9; 10; 13; 14; 15; 17; 20; 22; 26; 28; 30; 31). Four cities even will not approve benefits for people who violate the national birth control policy (C2; 5; 9; 15).

Workfare requirements

As many as 26 cities have introduced welfare-to-work measures (C3; C6-9; C11-12; C14-20; C22-24; C16-28; C30-31). These cities will terminate applicants who refuse to take up jobs or do community services. For example, the Kunming municipal government will stop the benefit of the MLSS claimants who refuse job offers twice without acceptable reasons or fail to do community work twice in a month (C15). In Taiyuan, recipients' benefit will be terminated if refusing to take offered jobs three times (C24). Both Nanning and Zhengzhou governments will stop benefit for recipients who do not perform community services (C20; 31).

Discussion:

As illustrated above, the 31 Chinese main cities have developed own indicators to assess public assistance recipients. They use a wide range of eligible criteria, including applicants' resources, expenditure patterns, life styles, engagement with the labour market and community services as well as their behaviour. This section discusses the implications of these criteria to the study of public assistance in China and the well-being of recipients.

Assessing the life style of poor people

The above evidence has shown that public assistance applicants are expected to fulfil the following requirements:

- a. Have not brought properties and carried out luxurious decoration in several years before applying for benefits. The living space should not be more than normal families in a city.
- b. Utilities bills and phone service costs are lower than that of the average households.
- c. Should not have household electrical appliances which are on the list of a local government.
- d. Should not have 'luxurious items' such as jewellery and high value collectibles.
- e. The MLSS recipients should not visit upscale restaurants and entertainment facilities.

Obviously, local governments are assessing both the life style and living standard of applicants. The above requirements imply that applicants who are eligible for public assistance in China actually have been living in very poor living conditions for some years before approaching the government for assistance. This means that rich and middle class people who become unemployed have to sell their properties, high value household electrical appliances and other 'luxurious items' as well as visit cheap restaurants in order to be eligible to receiving benefits. In short, poor people have to demonstrate that they are living in a very low living standard in order to meet the existing eligible criteria.

Poor people's life style and social segregation

The life-style assessment approach not only excludes middle class people who encountered unexpected financial crisis from accessing benefits, it also forms a barrier for poor people to be integrated to society. As illustrated previously, the recipients are expected to be living in a very poor quality of life and their life style will be obviously different from that of normal families. Their life style will be easily noticed by people in their communities. In some cities, poor people are not allowed to have mobile phones, telephone services, go to expensive restaurants, and own some household items (computer, refrigerator, air-conditioner, jewellery). This type of life style not only reduces their contacts with people but also further

stigmatise them in their daily life and communities. Thus, the life style assessment approach likely leads to the social exclusion of poor people from their communities.

Life style assessment and inequality

Different cities have developed their own assessment criteria, leading to regional inequality. For example, some items such as mobile phone, residential phone service, and piano are considered as normal items in most cities but are treated as luxurious items in some cities. The period that an applicant is allowed to buy a property before applying benefits ranges from one year to five years (C6; 12; 15; 17). The restrictions on the size of living space are also different among the 31 cities. Some cities adopt local per capita living space, some use local government's economic housing standard and some are based on the living space of poor families in their regions. Obviously, poor people in different cities have to pass different benefit rules that lead to an unequal access to public assistance among Chinese citizens.

The issue of implementation

Implementation seems to be a major issue with reference to the local governments' life-style assessment approach. This is because some terms about the quality of life are too ambiguous. As a result, the implementation of the MLSS relies heavily on personal judgements of welfare officers. For example, it is not easy to define 'non-necessities' (C17). Similarly, it is difficult to interpret a 'high standard decoration/luxurious decoration'. In some cities, the MLSS applicants are not allowed to regularly visit expensive restaurants and entertainment venues (C15; C22). However, it is very hard to monitor the behaviour of the MLSS recipients. Welfare officers also cannot easily find out whether applicants have jewellery or antiques through home visits. It should be noted that most welfare officers in China are not social work or social services professionals but low ranking officials or even volunteers with low educational qualifications. Some of them even do not fully understand the objectives of public assistance and the needs of welfare recipients (Chan and Ngok, 2015). Therefore, the existing ambiguous eligible criteria likely lead to the abuse of power by local welfare bureaucrats.

Conclusion

The MLSS policy papers in the 31 Chinese main cities have revealed that local governments are using various criteria to assess public assistance applications. Unlike many Western welfare states that mainly assess applicants' income, savings and resident status, the 31 cities examine applicants' life-style and behaviour. Therefore, the applicants need to show welfare officials that they are in poverty, leading a very poor quality of life with little living space,

poor quality of home decoration, few electrical appliances and leisure activities as well as low utilities bills. Also, they need to show that they do not or no longer take drugs, pay for sex, or engage in gambling activities. In short, they have to demonstrate to welfare bureaucrats that they are poor and good citizens in order to obtain public benefits. The eligible criteria mentioned in this study are not only difficult to be implemented but also have created a welfare class who are living in extreme hardship. These benefit criteria have stigmatised poor people and become a major barrier to their integration to society.

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