

INTRODUCTION

Social Assistance in China: Impact Evaluation and Policy Implications

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China currently has one of the world's largest social assistance programmes—*dibao*, or the minimum livelihood guarantee—in terms of both government expenditures and population coverage. Since its inception in 1993 in Shanghai, *dibao* has been expanded rapidly in both urban and rural China, covering 14.8 million urban beneficiaries and 45.8 million rural beneficiaries in 2016. Centring on *dibao*, China has built a comprehensive social assistance system that includes education, medical, housing, employment and temporary forms of assistance. Despite the growing body of literature that examines the effects of these programmes, rigorous impact evaluation studies remain scarce and are urgently needed in order to provide sound policy implications for the ongoing reforms and expansion of social assistance in China. This is particularly important as China works towards eliminating poverty by 2020 through combining social assistance with a series of targeted anti-poverty programmes (*jingzhun fupin*).

In the international context, there has been extensive impact evaluation of both conditional cash transfer (CCT) and unconditional cash transfer (UCT) social assistance programmes, with richer and more robust evaluation evidence for CCT programmes due to the extensive use of experimental designs. UCT programmes such as *dibao*, however, lag behind in both the number of studies conducted and the rigour of evidence. Impact evaluation of China's social assistance programmes can contribute to the growing international literature and provide cross-national comparative evidence that can inform policy in a broader context.

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In this special issue, the authors present a set of empirical studies that offer rigorous evaluations of dibao, China's primary social assistance programme, and provide useful policy considerations for its future development. Special emphasis is placed on evaluating previously ignored aspects (e.g. stigma and family consumption) and recent developments in rural areas as well as the urban-rural unification of dibao. Drawing from some of the most recent and best data sources available, these studies provide up-to-date empirical evidence on the effectiveness of dibao in multiple dimensions. This introduction highlights the unique contributions of each study and of this special issue as a whole.

The first section comprises two articles that offer conceptual and empirical assessments of two fundamental elements of dibao policy design—the adequacy of dibao assistance standards and the stigma associated with the application process and receipt status.¹ The second section has two articles that examine the association between dibao participation and two outcome aspects, namely family consumption and citizens' view of government performance.² The third section has two articles that focus on the coordination between and unification of urban and rural dibao,³ a recent development that has been promoted by the central government and implemented in many localities. The article in the final section draws from the evidence presented in the preceding three sections and offers a framework and roadmap for the impact evaluation and performance monitoring of dibao.⁴

POLICY DESIGN AND IMPLEMENTATION OF DIBAO: ASSISTANCE STANDARDS AND STIGMA

A social policy's design fundamentally reflects the philosophies and intended goals of the policy. It also has both explicit and implicit implications for the policy implementation. By drawing from administrative data, and by using both historic and comparative analyses, Guan Xinping conducts a thorough evaluation of the goals, principles and adequacy of the dibao standard, which serves as an eligibility criterion and a benchmark for benefit amounts. He first explains the functions, basic features and the unique

¹ Guan Xinping, "Goals, Principles and Adequacy: An Analysis of China's Dibao Standard", *China: An International Journal* 17, no. 1 (February 2019): 10–28; Huo Xuan and Lin Mingang, "Understanding Welfare Stigma in China: An Empirical Study of the Implementation of Urban Dibao", *China: An International Journal* 17, no. 1 (February 2019): 29–47.

² Wang Yi, Gao Qin and Yang Sui, "Prioritising Health and Food: Social Assistance and Family Consumption in Rural China", *China: An International Journal* 17, no. 1 (February 2019): 48–75; Huang Xian and Gao Qin, "Alleviating Poverty or Discontent: Impact of Social Assistance on Chinese Citizens' Views of Government", *China: An International Journal* 17, no. 1 (February 2019): 76–95.

³ Zhai Fuhua and Gao Qin, "Strengthening Coordination between Rural and Urban Dibao: Evidence and Implications", *China: An International Journal* 17, no. 1 (February 2019): 96–108; Xu Yuebin and Yu Lu, "Unification of Rural and Urban Dibao in China: A Case Study", *China: An International Journal* 17, no. 1 (February 2019): 109–129.

⁴ Gao Qin and Zhai Fuhua, "Improving Dibao Monitoring and Evaluation: Methodologies and Roadmap", *China: An International Journal* 17, no. 1 (February 2019): 130–148.

significance of the dibao standard in the Chinese context versus similar social assistance programmes in other countries. Specifically, the dibao standard, by design and definition, is based on income only and largely ignores family assets, consumption needs and other sociodemographic characteristics. In its implementation, however, local officials often consider these multifaceted factors in their screening and determination of dibao beneficiaries. This discrepancy allows room for autonomy but also leads to inconsistency and possible mistargeting.

One unique feature of dibao, compared to other social assistance programmes, is its role as a strong “gatekeeper” to determine not only applicants’ eligibility for dibao but also a series of other benefits. Gao⁵ calls this “tied eligibility”. It is efficient for administration but deters dibao beneficiaries from leaving the welfare roll, often out of the fear of losing the various benefits altogether and falling back into poverty. Guan also discusses the recent trend of merging the rural dibao standard and the official rural poverty line—an effort to achieve accurate targeting of poverty alleviation in rural areas.

Guan evaluates the adequacy of the dibao standards through two approaches: an assessment of its contribution to overall anti-poverty effectiveness and an international comparative analysis. Drawing from both administrative and survey data as well as fieldwork evidence, he concludes that the dibao’s role in narrowing the income gap between poor families and their non-poor peers is limited due to inadequate dibao standards. Dibao recipients also faced other difficulties in daily life and low psychological well-being. An international comparison reveals that the dibao standard reaches only the minimal international standard and lags far behind the main programmes found in developed countries, which have typically adopted relative poverty lines as their social assistance standards. Guan attributes the roots of such inadequacy to dibao’s historical background at inception, as well as the rising neo-liberal social welfare ideology in China in recent years.

Huo Xuan and Lin Mingang offer much-needed empirical evidence on the stigma associated with the dibao application process and receipt status, an important yet understudied aspect of this large social assistance programme. Using survey data collected from 7,322 respondents in 29 provinces in 2015 and ordered logistic regressions, the authors investigate the various factors that contribute to welfare stigma among urban low-income families. They especially focus on dibao benefit generosity, the means-testing procedures as well as poverty severity and other difficulties faced by poor families.

Huo and Lin find that dibao benefits are concentrated among the very poor, hence the stigma, to dibao recipients, is a concern secondary to survival. The bundling of the dibao with other social assistance benefits (e.g. medical and housing subsidies) somewhat alleviated the stigma among the recipients. However, the stringent and

⁵ Gao Qin, *Welfare, Work, and Poverty: Social Assistance in China* (Oxford and New York: Oxford University Press, 2017).

complex means-testing procedures to which dibao subjects its applicants often expose their personal information, and lead to stigmatisation and isolation. Dibao beneficiaries who are able-bodied are more likely to be stigmatised, compared to their older or frail peers.

These findings point to the long-standing debate over deserving versus non-deserving poor in the international social assistance literature. In the Chinese context, the debate extends to the definition and boundaries of private and public matters, as dibao's application and screening procedures involve more privacy exposure and greater public scrutiny than in most other countries. As one of the first studies to investigate the stigma associated with dibao explicitly,⁶ this article highlights several specific contributing factors to welfare stigma that can be considered in future policy reforms for dibao and other social assistance programmes.

DIBAO PARTICIPATION AND OUTCOMES: CONSUMPTION AND VIEWS OF GOVERNMENT PERFORMANCE

Using rigorous quantitative methods, the two articles in this section offer new evidence on the possible influence of dibao participation on family consumption and citizens' opinions of government performance. The first article focuses on rural dibao and family economic well-being as reflected by consumption, while the second article examines both urban and rural dibao but focuses on political attitudes as impacted by dibao receipt.

Using the recently released China Household Income Project (CHIP) 2013 rural data and a propensity score matching method, Wang Yi, Gao Qin and Yang Sui investigate how participation in rural dibao affects family consumption patterns. The authors were particularly interested in exploring how dibao recipient families make hard choices among meeting multiple consumption needs, a topic previously largely examined in the urban setting.⁷

Utilising the detailed consumption data from CHIP, Wang, Gao and Yang find that rural dibao recipients prioritise spending on health care and food, and that this behaviour is more obvious for those in deeper poverty (i.e. at or below 1.5 times the national rural poverty line) as compared to their peers with relatively higher incomes (i.e. at or below twice the national rural poverty line). Rural dibao participation, however, does not appear to affect total family consumption; neither does it influence spending on tobacco and alcohol, housing, transportation and communication, education, fixed assets for agricultural production or other goods and services. Rural dibao recipients also tend to spend less on clothing than their matched non-recipient peers.

⁶ See also a recent study by Li Mianguan and Robert Walker, "Shame, Stigma and the Take-up of Social Assistance: Insights from Rural China", *International Journal of Social Welfare* 26 (2017): 230–8.

⁷ For another recent study in rural areas, see Han Huawei, Gao Qin and Xu Yuebin, "Welfare Participation and Family Consumption Choices in Rural China", *Global Social Welfare* 3, no. 4 (2016): 223–41.

Unlike the increase in education spending associated with urban dibao participation, this article reveals a new intriguing finding that there is a lack of ardour to increase education spending associated with rural dibao receipt. This highlights the continuing barriers to education for rural children despite tuition and fee waivers for compulsory education. The disproportionately higher education cost as a share of family income, the lower-quality and fewer education facilities and personnel and the lower returns on education in rural areas compared to urban areas pose challenges to education investment in rural children, especially those belonging to low-income families.

Using the China Family Panel Study 2010 data and also a propensity score matching method, Huang Xian and Gao Qin conduct one of the first empirical tests on the political impact of dibao receipt in both urban and rural areas. The authors examine, in particular, whether and how much dibao participation impacts recipients' assessment of local government performance. In other words, does dispensing public assistance improve people's views of government performance and thus earn their support for the government? Is there a different effect observed across urban and rural areas?

Results from this study show that dibao receipt was only positively related to citizens' assessment of local government performance in rural areas, but not in urban areas. The authors discuss this finding against the backdrop of a shift in dibao's focus from urban to rural areas, as reflected by the shrinking population coverage and funding for urban dibao and an expanding coverage for rural dibao instead. This suggests that the focus of social assistance in China has moved from urban to rural areas during the 2009–2011 period, and as a consequence, rural dibao recipients have more positive evaluations of local government performance. Such a trend aligns with the Chinese government's shift in agenda towards rural poverty elimination by 2020. Curiously, urban poverty is not mentioned in this broad policy agenda.

URBAN–RURAL DIBAO COORDINATION AND UNIFICATION

One of China's current policy priorities is to deepen the urban–rural integration of Chinese society from multiple aspects, particularly in terms of enhancing the economic conditions and social policies in rural areas. One specific goal stated in the 13th Five-year Plan is to strengthen the coordination and unification of urban and rural dibao. Two articles in this section, drawing from administrative data and fieldwork evidence, appraise the progress made towards achieving this goal, highlight the challenges at both the policy design and implementation levels and propose future directions for continued efforts.

Zhai Fuhua and Gao Qin review recent policy developments in urban–rural dibao coordination, analyse the different strategies and discuss the future directions of better integration of urban and rural dibao in order to maximise policy impact. The authors specifically highlight two recent policy directives—the 2012 “Opinion about Further Strengthening and Enhancing Dibao Implementation” and the 2014

“Provisional Regulations on Social Assistance”—both issued by the State Council and emphasising coordination between and unification of urban and rural dibao. They then analyse local strategies for integrating urban–rural dibao assistance lines (or dibao standards) and categorise them into several types: fully unified; partially unified; narrowing the gap; focusing on selected population subgroups; rural dibao line combined with official rural poverty line; and raised rural and urban dibao lines in accordance with external criteria.

Citing local examples to illustrate these different strategies, Zhai and Gao also discuss the local socio-economic conditions that led to various choices. There are, however, several common challenges across the different strategies. These include but are not limited to: (i) the unequal development, fiscal capacities and living standards between urban and rural areas and across regions; (ii) the different administrative capacities between urban and rural areas; (iii) the different social, cultural contexts and expectations of the two areas; and (iv) greater coordination and integration efforts required from different government departments and their subordinates to facilitate the urban–rural integration of dibao. The authors discuss these challenges and propose solutions to address them.

Through fieldwork in four localities, Xu Yuebin and Yu Lu conduct a case study of unifying urban and rural dibao. Based on individual and focus group interviews as well as a document review, they identify the factors that contribute to and hinder the unification of urban and rural dibao. Localities with good economic conditions, a smaller rural population size and smaller dibao caseloads are more likely to integrate their urban and rural dibao, or at least achieve greater progress towards urban–rural dibao unification. Conversely, poor local economic conditions, limited fiscal capacity, large rural population size and a wide divide in rural–urban living standards are the main barriers to integrating urban and rural dibao.

Xu and Yu draw several implications for enhancing urban–rural unification and improving efficiency in dibao delivery and financing. The authors propose that localities with fiscal capacity should be given priority in integrating urban and rural dibao because of their capability and willingness to advance the unifying process. They advocate broadening the scope to include equalising supplementary benefits (e.g. education and medical assistance) across rural and urban areas, as these benefits are more useful to rural low-income families but are currently less accessible to them compared to their urban peers. Considering the difference in living costs across rural and urban areas, Xu and Yu also suggest that unification of the eligibility rules and application procedures be achieved first before attempting to unify the rural and urban dibao standards.

MOVING FORWARD: EVALUATION FRAMEWORK AND ROADMAP

In the concluding section, Gao Qin and Zhai Fuhua propose methodologies and a roadmap for improving dibao monitoring and evaluation by drawing evidence from

this set of articles and the international literature. The authors outline the key components of performance monitoring and impact evaluation that are widely accepted internationally but are still not well applied to dibao. Internationally, the key components of management performance monitoring of social assistance programmes typically include budget and financing, benefit adequacy and service delivery, population coverage and targeting, vertical and horizontal coordination, and internal and external audits. The key outcomes for impact evaluation of social assistance programmes include income and poverty, wealth and assets, family consumption and investment in health and education; welfare to work transition, and behavioural and subjective outcomes such as social activities, time use, happiness and overall life quality. The studies in this special issue address some of these components but in no way offer a comprehensive evaluation of dibao's management performance and impacts.

Gao and Zhai propose several solutions to improve the monitoring and evaluation of dibao, including a set of rigorous methodologies and a roadmap. Building on the articles in this special issue, the authors propose to design and conduct more rigorous, better coordinated longitudinal research studies focusing on dibao's target population and covering multidimensional outcomes, specifically for children and welfare-to-work programmes. As dibao is one of the world's largest social assistance programmes and China has committed to eliminate poverty by 2020, the emphasis of the studies is to generate updated evidence on dibao and to analyse it in an international context.

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