

Audience of the Project results

Macro-activity 0.1 – Component 3



Social Protection Reform Project
中国-欧盟社会保护改革项目

v.1, April 16th, 2015

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1. Document Scope

Macro-activity 0.1 of the Grant application form establishes that “After the setting up of the Office in Beijing, the Resident Experts, in collaboration with the three Component Coordinators and the Project Leader, will (...) carry out an in-depth analysis regarding the Audience of the Project’s Results”. This document responds to the above requirement, as far as Component 3 is concerned.

For the purpose of the analysis to follow, the “*Audience of the Project Results*” is to be understood as representing mainly the conjunction of the project beneficiaries and target groups. For each of these clusters, the relevance of the project expected results would be assessed in the light of the Problems and Needs – including horizontal issues – to which activities to be conducted are expected to provide an answer. Project results will also be of interest to a broader audience, composed of international stakeholders, partners of China in implementing social protection reforms and of the general public in country and abroad, contacted through the project’s visibility strategy (macro-activity 0.2).

Table 1 below summarizes the identified Problems and Needs, and the Results to be achieved through project activities as far as Component 3¹ is concerned.

Table 1 – Component 3: Problems, Needs and Results

I	P	R	
1			Gender Equality
2			Disability
3			Good governance
4			Human rights/equal treatment
	1		Weak and partial legal framework in social assistance system
	2		Major disparities between rural & urban regions
	3		Steady growth of ageing population
	4		Inappropriate supervision and management of the social assistance funds
	5		Unbalanced, multilayer social protection system
	6		Difficulty and complexity to the service delivery
		1	Coordination of policy making among agencies
		2	National policy evaluation technique
		3	National policy framework for full coverage of social assistance system needs and challenges
		4	Harmonization & integration of various basic social assistance mechanism

I: Cross cutting issues; P: Problems and Needs; R: Expected results

The three results pertaining to Component 3 are to be pursued through 11 topics. The main issues within a social assistance reform may be conceptualized, developed and implemented. Those issues refer to legal provisions on social assistance, standards for social assistance benefits and poverty in rural areas.

Table 2 hereafter relates the topical contents of each “theme” to identified problems, needs and horizontal issues and to the results, they are to contribute to.

Table 2 – Component 3: Topics to be covered through project activities

¹ Component 3 overall objective is “Strengthening institutional capacity for social protection policy development and reforms”

Main issues	Result	#	Topic	Start date
Legal provisions on social assistance	R9	3.1.1	Legal framework on Social Assistance	April 2015
		3.1.2	Governance framework for Social Assistance administration and management process	Jan 2016
		3.1.3	Processes and activities of policy transmission and implementation carried out at central and local level of Social Assistance	Jul 2016
		3.1.4	Monitoring and evaluation of Social Assistance schemes	2017
Standards for social assistance benefits	R10	3.2.1	Experiences on unified standards for calculation of Social Assistance benefits	Jul 2015
		3.2.2	Identification of Social Assistance target groups	May 2016
		3.2.3	Overlapping and “cliff” effect management and policy framework	Sep 2016
		3.2.4	Procedures and methods for requirement verification within Social Assistance system at central, local, urban and rural level	2017
Poverty in rural areas	R11	3.3.1	Social Assistance specific groups - services for children, elderly, people with disabilities, with a special focus on poor rural people	Jul 2015
		3.3.2	Social Assistance services for poor people and families – service delivery approach	Sep 2016
		3.3.3	Communication techniques and channels of public information on Social Assistance policy	2017

The Chinese **Ministry of Civil Affairs (MoCA)** – and more specifically its Department of Social Assistance - is the main Government stakeholder for Component 3. Other Government or quasi-Governmental stakeholders identified in the Grant Application form are the **National Development Reform Commission (NDRC)**; **Ministry of Finance (MoF)**, **Ministry of Human Resources and Social Security (MoHRSS)**; the **Ministry of Agriculture (MoA)**; the **National Health and Family Planning Commission (NHFPC)**; the **Legislative Affairs Office of the State Council (LAO)**; the **Chinese Insurance Regulatory Commission (CIRC)**; and the **All-China Women's Federation (ACWF)**.

The list of stakeholders as established in the Grant application form might usefully be complemented, by adding the **China Social Assistance Foundation (CSAF)**, **China Foundation for Poverty Alleviation (CFPA)**, **China Foundation For Disabled Persons (CFDP)**, **China Aging Association (CAA)**, **China Care Foundation (CCF)**, **National Charity Federation (NCF)**, **China Women Development Foundation (CWDF)**, **Shenzhen Charity Federation (SCF)**, **China Charities Aid Foundation For Children (CCAFC)**, **China Social Welfare Foundation (CSWF)** and the **Red Cross Society of China All-China (RCSC)** as representatives of the main authorities contributing to the social assistance system. Table 3 summarizes the list of target groups for project activities as far as Component 3 is concerned.

Table 3 – Component 3: Target groups

Target Groups, Component 3
High level officials of NDRC
High level officials, managers and staff of MoF
High level official of managers and staff MoCA
High level officials of MoHRSS
High level officials of MoA
High level officials, managers and staff of NHFPC
High level officials, managers and staff of LAO
Members of CIRC
Representatives of ACWF
Representatives of CSAF, CFPA, CFDP, CAA, CCF, NCF, CWDF, SCF, CCAFC, CSWF, RCSC representatives
Members of CSAF, CFPA, CFDP, CAA, CCF, NCF, CWDF, SCF, CCAFC, CSWF, RCSC

Local administrators, officials and staff *

** If requested due to involvement of local units*

Beyond the target groups the most significant audience for project's results will be that of the many individuals and groups whose social protection (including social assistance) level should be improved through project activities. The Grant application forms lists those beneficiaries as described in table 4 hereafter.

Table 4 – Component 3: Final beneficiaries *

Final beneficiaries, Component 3
Rural people / farmers
Rural landless households
Elderly / People in retirement age
Children (aged less 16)
People with disabilities (physically or mentally)
Patients
Migrant workers
Indigent people
Unemployed people

** As per Grant application form*

Categories such as informal employees, foreign workers, women, person afflicted by occupational accidents are not listed as final beneficiaries under Component 3 in the Grant application form. Project results may well however contribute to improving their level of social assistance and affect their daily and prospective operations and turnover. Those categories will therefore equally be considered as deemed relevant under the considerations to follow.

Over several decades now, China has established solid international, multilateral and bilateral partnerships with international organizations interested in its social protection system including social assistance. In addition to members of the Consortium, a number of national agencies from and outside EU member States have conducted technical assistance projects in the area of social security or social protection reform in China. As noted in the China UNDAF 2011-2015 (outcome 2.2), a variety of UN Agencies and the World Bank are committed towards programs and projects targeting improved social protection and reduction in socio-economic and regional disparities. As such, the international community will indeed be part of the overall audience interested in project results. In that regard, it is worth recalling that, the EU-CHINA SPRP was designed as the continuation of the EU-China social security reform cooperation project – 2006-2011 –, a major component in China's on-going improvements in its social protection system. The EU-CHINA SPRP therefore attracts a high level of attention and raises significant expectations for all foreign partners of China involved in such a sensitive field of action.

2. Relevance of project's results

2.1 Audience: Target groups

Among the target groups, five are expected to be concerned with project's results at all levels of their respective structure, namely high level officials, managers and staff.

Ministry of Civil Affairs - **MoCA** is the main stakeholder for Component 3 of the project. Therefore higher levels, managers and staff will be interested in closely following upon project results, notably by supporting the legal framework for social assistance, mainly a holistic one which will include the specificity of the urban and rural areas, definition of the social assistance target groups and the standards of calculating the minimum income scheme. MoCA will also benefit by the upgrading the skills of civil servants mainly by improving the policy instruments transition from central, provincial, county, local and community level. But also by development of the transparency of the social assistance policy in front of the beneficiaries.

NDRC is the main stakeholder for Component 1 of the project, and the overall leader on behalf of Chinese agencies for the three components of the project. As a matter of fact, NDRC is the body responsible for the strategic overview of the national social and economic development, including for social protection reform through its Department for Employment and Income distribution. As a strategic body, the Commission is called upon to intervene at all levels where social protection reforms may be discussed and decided upon, i.e. national, provincial and local.

NDRC is not however in charge of implementing policy decisions – a task which, in the area of social security, is incumbent upon **Ministry of Human resources and Social security** and specialized Agencies, such as the National Social insurance administration Center, the National social security fund (under close monitoring by Ministry of Finance) and the various local social security bureau and commissions – 8400 Agencies functioning in 2013 throughout the country.

Ministry of Finance (MoF) plays a key role in financing social protection, notably for old-age benefits since all schemes – workers, urban and rural residents, public employees – require subsidization on top of contributions paid if any².

Three Ministries (MoCA, NDRC and MoF) are a priori interested in all of the project results, topics and sub-topics.

Improvements in social protection and social assistance is a key to retain on farming activities younger generations of rural workers which otherwise would join the cohorts of migrant workers in ever-growing numbers. It is also a key for agricultural efficiency and sustainability that, for those workers choosing to alternate urban and rural employment, bridging social protection operations, including vesting of pension rights and access to comprehensive medical care function as smoothly and efficiently as possible. **Ministry of Agriculture** is therefore expected to monitor relevant project results – with interest primarily focusing on result 11 - *improved care for poor rural people and disabled people are strengthened, and public information and transparency of social assistance policies are raised at provincial level.*

The **National Health and Family Planning Commission (NHFP)** is basically interested in project activities having an impact on access to medical care – which will mobilize its staff at all level of responsibilities. In that respect, activities contributing towards achieving results 9 - *The capacity of the MoCA for promulgating and enforcing the Social Assistance Law and the regulations on rural and urban*

² The decision to collect contributions from public employees for financing their pension scheme was enacted in January 2015.

minimum standards of living are strengthened; the skills of local officials in policy transmission and implementation are upgrade – and 11 are expected to be of highest interest for NHFPC staff at all levels of responsibilities.

The **Legislative Affairs Office of the State Council (LAO)** is instrumental in the design and finalization of all legal instruments of national significance, including those related to social protection and social assistance. Its staff at all levels will have a direct interest in following upon instruments that might emerge from project activities, notably those pursuant to the implementation of the 2011 Social insurance law and the 2015 state council decision concerning Pension reform for staff in public institution. It is to be expected that, without prejudice to the legal contents to be possibly emerging from the pursuance of other results, that results 9 and 10 - *promulgating and enforcing the Social Assistance Law and the regulations on rural and urban minimum standards of living are strengthened; the skills of local officials in policy transmission and implementation are upgrade; The legal frameworks on a) formulation of unified standards for the estimation and calculation of social assistance benefits, b) recognition of social assistance target groups c) identification of low-income families are consolidated* – will mostly attract the attention of LAO staff involved in Component 3 project activities.

The **All China Women's Federation ACWF** was founded in 1949, and acquired the NGO status in 1995. Its mission is to promote the cause of women and to mobilize women to uphold progress in the country social and economic development. It counts several dozen thousands branches and cadres throughout the country. The main action of the All-China Women's Federation is *funu gongzuo* (women's work). The federation currently has seven functional departments to carry out this work: the Department for Children, the International Liaison Department, the Department for Women's Development, the Publicity Department, the Department for Women's Rights and Interests, the Human Resources Development Department and the General Office.

Others:

China Social Assistance Foundation (CSAF), China Foundation for Poverty Alleviation (CFPA), China Foundation For Disabled Persons (CFDP), China Aging Association (CAA), China Care Foundation (CCF), National Charity Federation (NCF), China Women Development Foundation (CWDF), Shenzhen Charity Federation (SCF), China Charities Aid Foundation For Children (CCAFC), China Social Welfare Foundation (CSWF) and the Red Cross Society of China All-China (RCSC) as they are responsible for a support for vulnerable groups (women, children, elderly, people with disabilities and rural people) including care and medical services.

2.2 Audience: Beneficiaries

Chinese social assistance system covers the basic living, basic medical treatment, basic housing and basic education, etc., and includes emergency temporary relief system to the temporary and sudden life difficulties as well. As a whole, China's social assistance program provides the poor population with basic living protection, and becomes a real social safety net in recent years.

The subsistence allowance program (Dibao). This Minimum Livelihood Guarantee Scheme (MLGS, Dibao, or subsistence allowance) is the core content in Chinese social assistance policy, as well as the most important assistance program. The MLGS is an income supplementary assistance system, which makes sure that the income of the population in poverty can be kept in a certain level (Dibao line), so that they have the capacity to purchase basic living consumables.

The program of five-guarantee scheme in rural areas. The government established the *five-guarantee scheme* to support those people (mainly the elderly, disabled, and minor below 16 years old) who have no ability to work, no source of income and no statutory caregivers to look after them, or whose statutory caregivers have no ability to look after them. "Five guarantees" refer to the basic needs of the poorest residents which should be guaranteed in a collective form.

Medical assistance program. To ensure the poor being guaranteed with the timely medical service, Chinese government established medical assistance program, in which the government provides funds to offer special assistance and economic support to the sufferers without economic ability for medical treatment in the population with difficulties, and the population with difficulties for paying the huge amount of medical expenses, so as to maintain their basic survival ability, and gradually improve the health condition..

Low-rent housing program. To solve the housing problem for the poor, the Chinese government implements low-rent housing program in urban areas. There are mainly two methods, first, the government invests to build some housing with complete facilities, the families with difficulties can live in after paying limited amount of rents; second, the families with difficulties that fail to get access to the low-rent housing can apply for housing-rent subsidy from the government.

Chinese government attaches great importance to the basic living security of people with difficulties. Being a residual and means-tested social assistance program, MLGS has emerged in China as an integral part of its social protection system, filling the gaps created by the reforms in the social insurance programs. Financed out of government revenues, this program provides cash benefit to households with per capita incomes falling below local poverty lines (or Dibao lines), which were determined mostly through the budget standards methods with adjustments to the local contexts and often availability of funds. In practice, covered items include mainly food, clothing and a few daily necessities such as fuel, electricity, and water. MLGS

benefits are subject to means test and are delivered by the community-based agencies under their discretion. According to the official data from MOCA, in 2013, the average urban Dibao line is 373 RMB per person/month and the average rural Dibao line is 2434 RMB per person/year. In urban areas, each Dibao recipient could get 264 RMB per month averagely and in rural areas, the average allowance is 116 RMB³.

Faced with rapid demographic, social and economic transformation, China has taken steps to extend and strengthen the urban MLGS. The extension of the MLGS led to a rise in the number of beneficiaries from 2.6 million in 1999 to 20.6 million in 2002 (although long-term poor rural migrants remain excluded). From 2002, rural MLGS started local pilot programs and since 2007 it became a national program, which denotes that the state was eventually able to expand the program to rural areas as a further step towards integrating the development of social assistance in urban and rural areas. Figure 1 shows the increasing of number of MLGS recipients over past 15 years. In 2013 the number of Urban and Rural MLGS recipients is a. 70 million people.

MLGS is one of the few social programs in China financed alone by government. Owing to the vast territory and diversified social-economic conditions among different regions, MLGS is regulated, administered and partly funded by local authorities, under the guidance, support and supervision from central government. The total expenditure in 2013 was 162.360 million RMB.

The report on Baseline data produced by Component 3 main Chinese expert – Research – provides more detailed information on the current situation and challenges.

³ The data is drawn from *Annual China Social Service Development Report (2013)* issued by Ministry of Civil Affairs on 17-June, 2014. Retrieved from <http://www.mca.gov.cn/article/zwgk/mzyw/201406/20140600654488.shtml> on 13 April, 2015.

2.3 Audience: International partners

With the launching of the Social Protection Reform Project, the European Union confirms its status of major partner of China in the field of social reforms, following the successful implementation over five years – 2006-2011 – of the EU-China Social security reform project (Component 1, Policy; Component 2, Provincial reform plans) of which the current project is viewed as a successor.

Other major international actors in the field of social security / social protection reform are the International Labour Organization – ILO – which first involvement in social security reform in China dates back to 1987, and the World Bank, which has been monitoring the evolution of the situation in this area for a couple of decades while financing and conducting a number of studies and projects. China has marked its interest for a possible ratification of ILO Convention 102 on Social security (minimum standards).

Among the other actors in the area of social reforms in China, aside from the UN and Bretton Woods institutions, it has to be mentioned that the Asian development Bank always showed a keen interest on pension and health care reforms. OECD has conducted a few studies on social security reform and took part in a number of international initiatives in that area. Bilateral partners such as France, Germany, the UK or USA also developed a variety of limited projects of interest for social security reform over the last few decades.

The international community being actively involved for a number of years in social reforms in China will therefore follow with great attention and interest developments occurring under the framework of the current project – and its participation in major project events is to be commanded (such as that of the WB and OECD in the meeting on pension reform organized in Brussels in February 2015 under the auspices of the EU-CHINA SPRP).

2.4 Audience: Media, and the general public

With the growing importance of social security protection and social assistance across the Chinese society, and the uncertainties concerning the social and economic future linked to the emergence of the “new normal” situation, it is likely that project activities will attract attention from the media, and through them from the general public, provided they may be presented in a simple, understandable and pragmatic manner.

While some topics to be considered under the project may appear as far too technical to retain broad public attention, other issues, such as the contribution to the design of a holistic social assistance law, the integration of civil servants of social assistance system and upgrading their skills and the distribution of the central, provincial, country, town and community level, have a potential to generate public discussion.

The project has to develop its own public relations and visibility strategy. There is no doubt that the a priori attention of the media for certain topics will contribute to shaping future visibility plans to be elaborated by the competent EU-CHINA SPRP authorities.

Marzena Breza, April 16th, 2015.