

DCI-ASIE/2014/350-601
EU-China Social Protection Reform Project

Component 3 macro-activities

Research study on most relevant EU countries experiences for social assistance structures of China

(Annual Work Plan 2016 – Macro-Activity 3.6)

TERMS OF REFERENCE (ToR)

1. Background

1.1 General

The purpose of the EU-China Social protection reform project (“the Project”) is to contribute to the improvement and inclusiveness of China’s social protection system through strengthening the institutional capability for developing policies, for implementing legal and regulatory frameworks and for supervising systems of social insurances, social assistance and financial management in the area of social security. In particular, the Project’s purpose will be pursued through the following three components in relation to which specific Chinese government entities playing the role of partner of the consortium have been identified:

- i. Component 1: Consolidation of institutional capacity for social protection policy development and reforms in collaboration with the National Development and Reform Commission (“NDRC”);
- ii. Component 2: Enhancing of institutional capacity for financial management and supervision concerning social security funds in collaboration with the Ministry of Finance (“MoF”); and
- iii. Component 3: Improving of legal framework and policy for social assistance in collaboration with the Ministry of Civil Affairs (“MoCA”).

Works under each component will address a number of selected topics. They will include an *Identification phase* where will be conducted a situational analysis (macro-activity 1), the Identification and review of possible relevant EU experience (macro-activity 2) and a Discussion panel with stakeholders on the Identification phase (macro-activity 3). Other subsequent phases of the project are an *Analysis phase* (macro-activities 4 to 7) and a *Follow-up phase* (macro-activities 8 to 12)

These ToR fall under Component 3 of the project, macro-activity 3.6, which corresponds to the organisation of workshops with stakeholders (analysis phase)

2. Description of the Assignment

2.1. Overall and Specific Objectives

2.1.1 Overall Project Objectives

The overall scope of the SPRP project is to further develop social equity and inclusiveness of economic development throughout Chinese society.

2.1.2 Specific Objectives

The project Grant application form notably specifies that “International workshops could be carried out (approximately one for each Component) in order to deepen the most relevant **topics that the MoCA and the Chinese Stakeholders will select as priority** (...).

As part of Component 3 Plan of activities for 2016. It was decided that a policy dialogue based on the *research study on social assistance structures of China - main achievements and challenges in relation to the specific examples of the EU countries experience*¹ would be held in Beijing by November 2016. The Grant application form also indicates that “Comparative studies of EU Member states, specific insights and detailed studies (... will be conducted) to investigate on issues related to the options selected (...).

These Terms of Reference provide for the completion of an in-depth *research study on most relevant EU countries experiences for social assistance structures of China* to be submitted as background paper for the above mentioned policy dialog and to the main Chinese counterpart - MoCA.

2.3 Requested Services

¹ A separate TOR has been proposed for the senior CN expert. The study will consist from 2 parts – one contribution from the CN senior experts and the other one from EU senior expert.

The incumbent will take all necessary action so that a study be produced to the satisfaction of the Project represented by the Component 3 Coordinator (Ministry of Family, Labour and Social Policy of the Republic of Poland) on the research study of social assistance of the European Union member states in term of P.R. China achievements of and challenges in the field, in the form of a research paper of 20.000 to 25.000 words. The study will cover the main aspects referred to in the attached methodological note, and made whenever possible reference to the relevance of the European examples for the Chinese reality based on Chinese report on achievement and challenges of social assistance in China.

The incubement will entertain constant dialogue with MoCA and the Project C3 component experts (including EU expert selected for the EU part of this research study) throughout his/her assignment. In particular, he/she will share with the project C3 advanced draft version of his/her draft, and will take part in peer reviews organized by the project C3. He/She will finalize his draft report to take into account remarks and suggestions made by the project C3 and/or MoCA as part of the present terms of reference. The incumbent will possibly participate to the policy dialog meeting² (in November 2016) on the topics of his/her research.

2.4. Expected Results

The result of the assignment will be a background paper relating social assistance of the European Union member states in term of P.R. China achievements of and challenges in the field (based on the report received from the Chinese expert report), with special reference to the Chinese economic and social contexts.

The output of the assignment will be a research report in English language.

3. Procedure and Selection criteria

This call for interest is primarily intended at research and other institutions located within one of the Consortium member countries.

Criteria for selection are summarized in the table below.

Requirements incumbent institution	Requirement/Asset
Proven experience in conducting comparative research at European level in social assistance and social protection fields	R
Publication/research record in English language	R
Previous participation in international research projects	R
Knowledge of Chinese social assistance and social protection context	A
International network of social protection correspondents	A
Based in one of the Consortium members' countries	A

Entities from the Consortium are as follows: from **Italy** INPS – National Social Security Institute, Italy; Societ  Italiana di Servizi per la Previdenza Integrativa (SISPI SPA) as a Project Partner; Italy; from **Belgium**, Federal Public Service Social Security; from **Poland**, Ministry of Family, Labour and Social Policy (MRPiPS); from **Romania**, Ministry of Labor, Family, Social Protection and Elderly (MoLFSPE); from **Spain**, Ministry of Employment and Social Security (MEySS) and International and Ibero-American Foundation for Administration and Public Policies (FIIAPP); from **France**, EXPERTISE FRANCE. Associates of the Applicant also participating in the action are Scuola Nazionale dell'Amministrazione (National School of Administration) from Italy and the Ministry of Labour and Social Affairs of the **Czech Republic**.

Requirements of the expert/s of the research and other institutions dedicated to the task are presented in the table below.

Requirements short term expert	Requirement/Asset
Qualifications and skills	
Graduate degree in Economy, Law, Statistics, Political Science, ICT, Social Sciences or related relevant field	A

² The cost should be covered separately by the project.

Fluent in English	R
Strong Analytical and drafting skills	R
Ability to develop and maintain good professional relations with stakeholders, particularly counterparts and staff members in an international setting	R
Ability to work in team and share knowledge relating to social security to the counterpart	R
Previous experience in execution tasks in other international projects	A
Strong training skills	R

How to apply

Candidatures (including the cv of the expert/s and motivation letter) should be submitted via e-mail to the Coordinator of Component 3, Ministry of Family, Labour and Social Policy of the Republic of Poland, with the following addresses: Ms Agata Tomasiak Agata.Tomasiak@mrpips.gov.pl BY OR BEFORE 10th of June 2016. Copy of the candidature to be sent to the EU C3 Resident expert in China Ms Marzena Breza marzena.breza@eucsprp.org

4. Location, Duration and Budget

Location:	At place of location of the incumbent. If visits to other places are required, cost to be covered by the honorarium
Timing:	The first draft of the report to be delivered by September 15 th , 2016, finalized version by October 30 th , 2016
Working days:	--
Budget	Honorarium lump sum, 4.000 euros. Advance payment up to 20% could be made, the rest paid upon presentation of an invoice after submission of the finalized report to the satisfaction of the Project C3 Component Coordinator

METHODOLOGICAL NOTE - common for Chinese and EU research parts

Object: research study on social assistance of the European Union member states in term of P.R. China achievements of and challenges in the field (case studies)

Social Assistance in China – main achievements

Social assistance is the oldest and most basic institutional arrangement in social protection system in China. It facilitates the development of the whole society by preventing people from living crisis and guaranteeing social justice.

The transforming China has a relatively young and immature social assistance system, which may probably have some limited influence on China's social equity and inclusive development. Nevertheless, the accomplishment in this new social assistance system throughout last 20 years cannot be ignored. The authority is now improving its social assistance system and allocating increasing fiscal revenue in this field. As demonstrated in the 13th Five-year Plan Proposal, China is going to enhance people's welfare and insist shared development, which requires the protection of people's basic livelihood.

The legal framework of China's social assistance system is not well established until 2014, when the State Council of China promulgated the Interim Measures for Social Assistance (IMSA), which is the fundamental of the whole system. From then on, China started to integrate the fragmented social assistance practice into a legal frame. A social assistance system

based on subsistence assistance and supplemented by special assistance is being built for the first time.

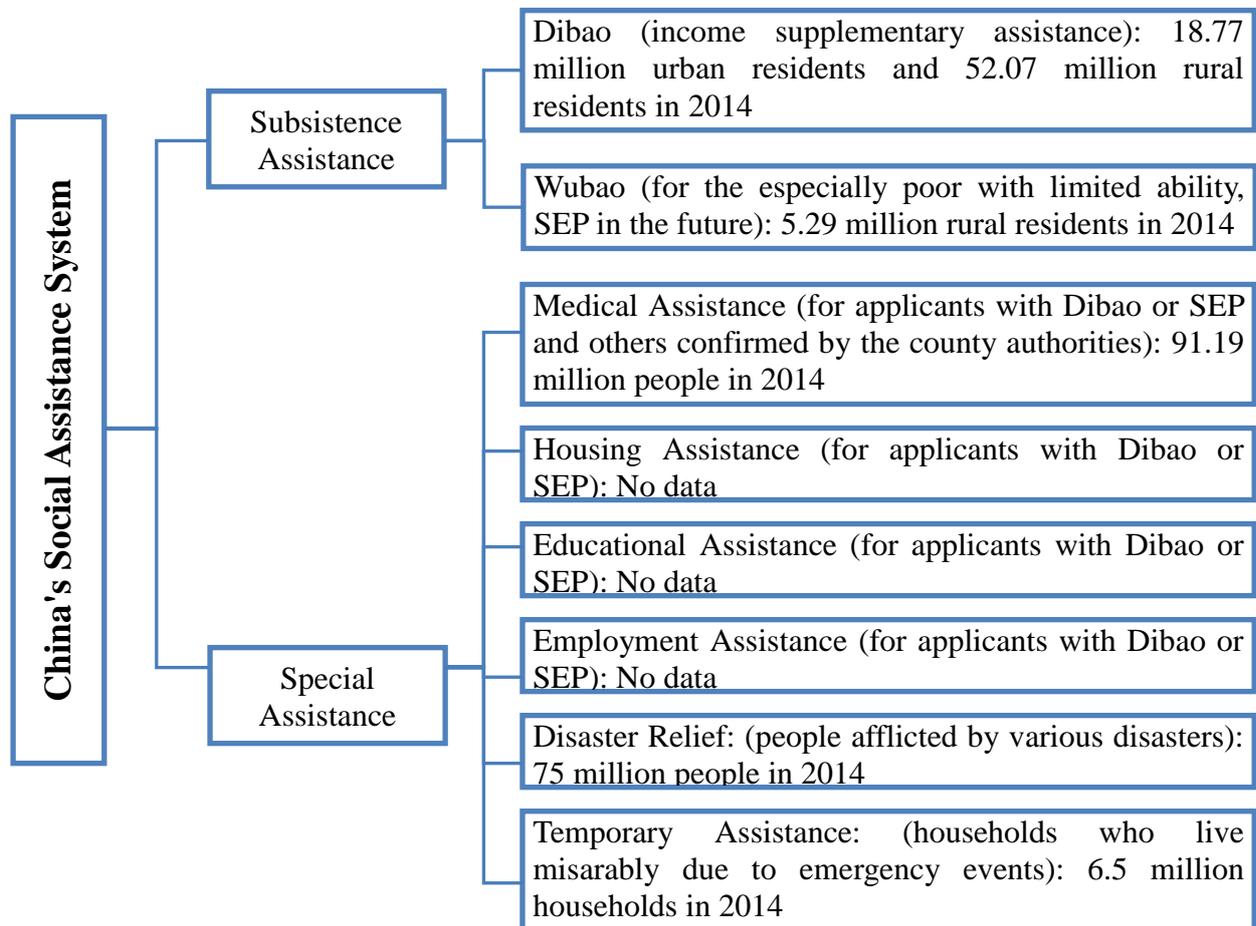
Subsistence Assistance System in China

Generally Social Assistance in China is based on a basket of benefits and services from which Dibao play a major role and allow taking out from poverty 70 mln people³. Dibao is a kind of minimum guaranteed income for people living in poverty to ensure the minimum living standards. Beside that Dibao determines access to other benefits is within Social Assistance system in China.

Dibao, or the Minimum Livelihood Guarantee Scheme, is the core of China's subsistence assistance system (or even the core of China's social assistance system). It is an income supplementary assistance, which prevents individuals from poverty and keeps their income at a certain level (the local Dibao line). The aim of this arrangement is to ensure individuals' capacity to purchase basic living consumables. The local government is responsible to subsidise to households the difference between local Dibao line and their per capita income. By transferring to all registered households with income below a Dibao line, a minimum income is guaranteed. Dibao, therefore, is the last safety net in social protection system and a critical tool for poverty alleviation.

However, like many other institutions in China, Dibao is a hukou-based system (residence registration system), which indicates an urban-rural disparity. Dibao is more mature in urban area, as this system was introduced to cities in late 1990s, and to rural areas in 2007. At the end of 2014, 18.77 million urban residents receive Dibao subsidy at an average amount of 286 yuan per month, while 52.07 million rural residents receive averagely 129 yuan a month. The Dibao line, though different from region to region, is on average 411 yuan/month and 231 yuan/month in urban and rural area respectively. Besides, rural Dibao's subsidy grows faster than urban Dibao's, and a more balanced Dibao system is possibly to be expected.

³ For the government policy in China the main driving act for policy makers is the XIIIth Five-Years Plan. The Project activity related to social assistance system refers to: Poverty alleviation – Chinese government wants to eliminate poverty by 2020 (10 mln every year);



One of the main issues is that Dibao has no nationwide standards same as other social assistance support measures. Most of the services are based on the provincial/city level decisions. It leads to continuous maintenance of regional disparities across the country. Some provinces with less budget burden can afford relatively substantial support for their citizens whereas the poor regions are facing some significant challenges in providing social assistance support.

In practice, there is another safety net in rural area that has a relatively long history: Wubao, or Five Guarantees. This system is the oldest rural social assistance scheme in communist China. In 1950s, the government required the village collectives in rural area to establish Wubao scheme to support the especially poor (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. At that time, Wubao was funded by village collectives, which means a lower level of protection.

Five guarantees refer to the basic needs of the poorest residents who live miserable lives and should be guaranteed by the village collective. 'Five' is not an exact number. Generally speaking, the contents of the 'five guarantees' consist of food, clothing, shelter, health and burial. In reality, its contents vary in different times and different areas. This scheme continues to function as one important part of the current social assistance system. The government took over this scheme in 2006, and started to provide funding to this system. Chinese government spent 18.98 billion yuan in this field in 2014; and more than 5.29 million people received wubao service that year.

Special assistance involves medical assistance, housing assistance, education assistance, employment assistance, temporary assistance, and disaster relief, and it concentrates on individuals' special needs. Medical assistance is a medical security system in which government grants special aids and fiscal supports to poor people who cannot afford disease treatment. The purpose of this assistant is to offer them necessary health services, maintain their survival ability and improve their health. Medical assistance helps poor people alleviate difficulties in no access to basic medical services due to economic capability, prevents them from impoverishment caused by disease and enhances ability of poor people in health security, survival and development. In 2014, 91.19 million people received medical assistance, while the expenditure of medical assistance reached 25.26 billion.

Chinese government provides housing assistance, educational assistance and employment assistance for Dibao households and the especially poor. Housing assistance is implemented through public housing, rental subsidy and rural dangerous housing reconstruction. Educational assistance includes expense deduction, student subsidies, living subsidies and work-study programmes. Employment assistance is done by arranging work for unemployed Dibao household members and subsidising their social insurance, training, expenditure etc.

Disaster relief is a social assistance system in which the state or society provides rescue and assistance to people afflicted by various disasters for the purposes of getting disaster-afflicted people out of survival crisis through assistance and resuming production and life in disaster areas as soon as possible. Temporary assistance means emergency and transitional assistance provided by the state to households or individuals who live in straitened circumstances due to emergency events, accidental injuries, serious diseases or other special reasons and are not covered by other social assistance systems for the time being or still have serious difficulties in basic living after receiving other social assistances. In 2014, Chinese government allocated 5.76 billion yuan into 6.5 million households through temporary assistance.

EU context

Improvement of social assistance system becomes crucial to comprehensively establishment of a well-off society, which leaves vast potential for Chinese government to learn from European experience.

Chinese government would like a more diversified social assistance system that meets the requirement of future China. Service provision is another part of social assistance that Chinese government has long ignored. China's social assistance emphasises cash support and material assistance, and service provision has long been deemed as a high-level social welfare. As a consequence, China's social assistance cannot meet the requirements of different people, e.g. the elders or the disabled. Moreover, since China is becoming an aging society, the needs of medical service, nursing, and life service become more and more important. Therefore, a more diversified social assistance system is required.

For policy making in a very much changing country as China from the socio-economic point of view a solid evidence of the past before defining and setting new targets is a key aspect. This kind of exercise in social policy is a subject of many EU countries. This could be shared within proposed research study.

The main current challenges for social assistance in China could be defined as:

- Setting a mechanism for basic standards of minimum living on the national level (including the administration and assessment process of the key benefit Dibao)
- Designing of social assistance scheme with sharing institutional and financial responsibilities for limiting disparities between the regions (provinces) and between rural and urban

- levels
- Developing public-social partnership for rising involvement social organisations in social assistance services
 - Targeting Social assistance recipients⁴ by empowering these in working age and required conditions to labour market activity

There are several horizontal questions to be answered: How to prevent beneficiaries from assistance dependence? How to balance regional disparity without leading to massive welfare migration? How to determine the criteria of service provision, how to satisfy the needs of an aging China, etc.?

The overall social protection system is interlinked which allowed to allocate the social spending in an effective way. These include such issues as investing in social insurance, reasonable replacement rates, etc. to limit the risk of poverty. There are existing examples of years' long practice with the EU countries for each of the specified issues relevant for China.

Drafted March 22nd, 2016 by Marzena Breza, C3EU RE and contribution received directly from EUD Beijing/China

⁴ According to the Statistical Year Book of MoCA among Dibao recipients are 50%-60% - unemployed (inclusive both registered and unregistered), part time employees. Recipients' age has not been specified.