Social Assistance in China, 1993–2002

Citation for published version:

Digital Object Identifier (DOI):
10.1111/j.1943-0787.2010.01239.x

Link:
Link to publication record in Edinburgh Research Explorer

Document Version:
Peer reviewed version

Published In:
Asian Politics and Policy

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Social Assistance in China 1993-2002: Institutions, feedback and policy actors in the Chinese policy process

Daniel R Hammond

Abstract:
From 1993 to 2002 the emergence of the urban resident Minimum Livelihood Guarantee (MLG) system saw a major reconfiguration and expansion of social assistance in the People's Republic of China.

The development of the MLG has been a complex process. The initial emergence and design of the MLG reflects space in the Chinese state for innovations and feedback in the social assistance agenda. The expansion and development of the MLG can be explained by the interventions of key policy actors. These actors pushed the MLG for a variety of different reasons. The resources available to these actors and the outcomes of their interventions were a reflection of their institutional position in the bureaucracy.

Contributing to existing studies of Chinese social policy reform this article argues that the emergence, design, and development of the policy reflects institutional space, constraints, and feedback in the Chinese policy process.

Keywords:
China, social assistance, policy, institution, Minimum Livelihood Guarantee

Introduction
The twin processes of reform and opening up have brought unprecedented wealth to the People's Republic of China (PRC) and improved the lives of millions of people. However, China's economic growth has not been without consequence and increasing urban poverty has been one outcome of reforming China's state-owned enterprises (SOEs) and planned economy. In the last twenty years the Chinese government has begun to develop policy responses to increasing urban poverty. The urban resident Minimum Livelihood Guarantee system (zuidi shenghuo baozhang, MLG or dibao hereafter) was one policy response which the Chinese government introduced in an effort to provide for and placate the part of the urban population which has not benefited from the reform process. Between 1993 and 2002 the MLG grew

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from a policy innovation introduced in the city of Shanghai affecting a few thousand individuals to a national policy providing benefits to over twenty million people. The MLG is a means tested benefit which tops up household income to a locally set level. The policy, as set out in the 1999 MLG regulations (State-Council, 1999), is funded, administered and adjusted by the local level of government. When compared to the preceding social assistance framework, the Three Nos (sanwu), which paid benefits to those who fell into three specific categories (no career, no parent, no work ability) the MLG can be seen as a radical departure from the preceding policy.

Despite the rapid development from local innovation to national implementation of a radically new method of delivering social assistance to urban residents, little policy analysis has been done on the MLG which has sought to explain the emergence and development of the policy. This is understandable given that the majority of the studies on the MLG come from an economic, sociological or social work background. The concern of the authors is not to discuss theories of policy making or the origins of the MLG in particular. Descriptive studies of the MLG set out the policy and sometimes give an historical review (Leung, 2003, 2006; Leung & Wong, 1999; Saunders & Shang, 2001; Wong & Flynn, 2001; Wong, 1998, 2001). These studies have a tendency, because they focus on the efficacy of the MLG, to skirt round explanations of the program’s development. For example Leung (2003: 83) writes:

“To establish a last-resort welfare safety net in the cities, the government restructured the traditional social assistance program in 1993, with the aim of extending their coverage, raising the level of benefits and securing financial commitments from the local governments.”

The implicit suggestion is that the MLG followed a straightforward development from local initiative to national implementation. This does, however, present the MLG’s development as being a simple process which it was not. Rather than focusing on the scope and effectiveness of the MLG this article seeks to explore and offer an explanation for the emergence and development of the program.

There is also work which uses the MLG as a tool that helps measure the difficult question of what constitutes poverty in the People’s Republic (ADB, 2004; Saunders & Sun, 2006). Other studies discuss the MLG as part of the overall social policy provisions of the Chinese state. Hussain discusses the MLG in terms of its design and potential effectiveness in alleviating poverty (Hussain, 2003). Solinger discusses the policy as part of an emerging hierarchy of the unemployed in China (Solinger, 2001). The work of Liu and Wu, Qian and Wong, Wong and Ngok also discuss the MLG within the context of various measures introduced by the state to cope with increasing urban poverty and unemployment (Liu & Wu, 2006; Qian & Wong,
Although studies of the MLG have focused almost exclusively on the operation and effectiveness of the policy there have been exhaustive policy studies focusing on other areas of China’s social security and welfare system. Studies of China’s efforts to reform its pension, health and emerging unemployment provisions provide a number of themes which help explain policy developments in the PRC. Reviewing reform of China’s social provisions, Gu notes the importance of institutions as an explanatory tool. Gu argues that the problem of providing social goods in 1990s China was a result of previous efforts at reforming the state-owned sector. These reforms undermined the basis of social provisions whilst failing to provide working alternatives (Gu, 2001). On pensions both Béland and Yu (2004) and Frazier (2004) note the impact that different interests can have on policy outcomes. They note in particular that decisions on policy can feed back in the formation of new interests which can impede future policy development and implementation. Duckett (2001, 2003) also highlights the significant role that can be played by established interests in the reform of healthcare provision in the PRC. Béland and Yu, Frazier and Duckett also address the significant impact which the fragmented Chinese state has on social policy in the PRC, providing space for innovations, competing bureaucratic interests, and the challenge of overcoming local government intransigence and misinterpretation of policy (Béland & Yu, 2004; Duckett, 2001, 2003; Frazier, 2004a, 2004b). Finally, Solinger (2005) uses feedback in explaining challenges facing China’s efforts at dealing with unemployment. Solinger argues that local government actors reverted to previous patterns of administration and prioritizing who to provide for when implementing new measures for newly unemployed workers which does include a brief discussion of the MLG (Solinger, 2005). The explanation of the MLG presented here contributes to this existing body of policy analysis.

This article will complement these studies of social provision in China by arguing that the MLG can be explained through combining concepts regarding the influence of state institutions and policy feedback with our existing understanding of the influence of bureaucratic policy actors in the PRC. The structure of the Chinese state and the complex relationships between different branches of government and different levels of government affected the MLG in two ways. First, state institutions created the space for local level innovation to occur and were therefore a positive influence. Second, conversely, this space also presented challenges to the spread and effective implementation of the MLG. This reflects known features of the Chinese policy process as developed in the work of Lampton,
The role of policy actors is explained through the lens of the rational bureaucrat. This is best developed in Lieberthal and Oksenberg’s fragmented authoritarianism model in which they argue that policy development and outcomes reflect the decisions made by these bureaucratic actors who are motivated by rational policy concerns and the desire to build their own organizations up (Lieberthal & Oksenberg, 1988). The position occupied by particular actors is an important factor implicit in Lieberthal and Oksenberg’s ideas. In the case of the MLG, there have been three policy actors, Minister Duoji Cairang and Premiers Li Peng and Zhu Rongji, who at different stages from 1993 to 2002 brought their influence to bear on the policy and profoundly affected its development. In each case the institutional position occupied by the policy actor influenced the outcomes.

The findings presented in this article are based on analysis of Chinese-language government and academic documents and interviews conducted in the PRC during 2006 and 2007. Four questions will be raised which address the MLG: why did the MLG emerge in Shanghai? What explains the design of the MLG? What explains the reason and pattern of the local to national transition between 1994 and 1997? Finally, what explains the significant expansion and changes of funding for the MLG after 2000? A final section addresses the role played by local government. Instead of focusing on the effectiveness of the MLG this article will provide explanations to these questions by using a combination of the institutional position of policy actors, decentralized state institutions and policy feedback.

When addressing the emergence of the MLG in Shanghai, the space provided by the Chinese state’s decentralization of authority was the main factor. Decentralization had both benefitted the city as it pushed ahead with reform and it also created the problem of growing urban poverty. In dealing with increasing poverty Shanghai took advantage of the space decentralization decision making authority and its own fiscal strength to implement the MLG. There are two conflicting elements as the Shanghai model, as it came to be known, was both a radical policy change but included continuities from the previous system. The changes reflect the pragmatic approach to policy making idealized by the Deng regime at work coupled with
the intervention of then Mayor Huang Ju. However, continuities persisted demonstrating the influence of feedback from the traditional Three Nos system. National implementation in 1997 and the subsequent expansion of the MLG are both due to the intervention of particular policy actors in the policy process. The institutional position matters a great deal because the political, fiscal and personnel resources available to an actor have a profound impact not only on the decisions made but also the outcomes.

**The MLG from 1993 to 2002**

The MLG is a means tested social assistance policy which provides impoverished urban residents with a supplement to their income. The provisions are based on the MLG line (dibao xian), which is calculated locally, with residents applying to their local sub-district (shequ) for the benefit. Residents need to demonstrate that their total household income falls below the MLG line. In order to do this during the application process their intention to receive the MLG is made public and their household as well as income is investigated. Provided the applicants demonstrate their income is below the MLG line they are then paid a benefit which brings their income up to the MLG line (State-Council, 1997, 1999). For example, if the MLG line is set at 150 RMB per person per month and a household of 4 applies for the benefit then the total household income needs to fall below 600 RMB per month. If successful, the benefit provided will bring the household income up to this level.

The intention of the MLG is to provide a minimum subsistence provision to the most impoverished in China's cities and is set intentionally low at around a third of the minimum wage and two thirds the level of unemployment insurance payouts (Saich, 2008). In order to adequately cope with local variations in economic development, the setting of a city's initial MLG line and any subsequent adjustments to it are decided by the local government. This means that the MLG varies in level substantially across China, in theory reflecting the varying cost of living that varied economic development across the PRC has brought.

The MLG first emerged in the city of Shanghai in June 1993 following a year of internal deliberation between the Bureau of Civil Affairs, Labor, Finance, the Trade Unions and a number of other government organizations under the guidance of Mayor Huang Ju. The policy was launched in tandem with a minimum wage system, ensuring social stability by providing for those excluded from traditional social assistance (referred to as san bu guan or

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3 There is a rural version of the MLG which has been operating in some regions since the mid 1990s and subsequently been implemented nationally. Because of the distinctions between urban and rural social assistance provisions in China and their separate developmental history the rural version of the MLG will not be discussed in this article.
literally three non-managed by Shanghai officials). The initial MLG in Shanghai was based on a mixed system of local government and enterprise funding and administration. The policy was initially small in scale affecting 7680 recipients in 1993 and providing an MLG line of 120 RMB (Shanghai-BCA, 1997). This early version of the MLG was funded locally through the levying of welfare fees (juli fei), which were to be paid by enterprises using their own funds (ziyou zijin) (Shanghai-RenminZhengfu, 1996). The MLG marked a significant change in the provision of social assistance in China at this time because it moved away from the centrally funded, inflexible, category based system of the traditional Three Nos (sanwu) system which provided limited subsidies for those with no caregiver, no income and no ability to work (Linda Wong, 1998).

In 1994 the Ministry of Civil Affairs (MCA) held its national congress in Beijing; two pronouncements on the MLG at this meeting marked the beginning of the move from local innovation to national policy. In his work report to the congress, then Minister of Civil Affairs Duoji Cairang (Duoji, 1995a) stated that the MCA should “…target urban social assistance through the progressive introduction of local minimum livelihood guarantee relief.” This was the first indication by a central level government official that the MLG should be implemented in any cities beyond Shanghai. Minister Duoji’s statement was supported later in the congress during then Premier Li Peng's speech which emphasized the need for reform in the social assistance system (P. Li, 1995). After the congress, the MLG began to spread to other cities but the spread, as can be seen in Figure 1, was not significant. Where it has been possible to discern the geographical spread of the MLG it appears to have initially been implemented in the more developed and larger cities. Most of these were in the east of the country such as Guangdong, Beijing, Dalian, Wuhan, Qingdao, or Xiamen (Duoji, 1998a). Throughout 1995 and into early 1996, the MLG spread slowly supported during the period by Minister Duoji in speeches and work meetings. It should be noted that during this period the MLG was a policy being pushed by the MCA rather than by the State Council. The central government, except for the MCA, did not show any interest in the spread of the MLG. Rather Minister Duoji and the MCA pushed for the policy to be carried out encouraging its spread through routine work meetings and special meetings on the policy.

Figure 1 – Total Number of Cities Implementing the MLG 1993 – 1997.
As intimated in Figure 1 1996 and 1997 saw an upswing in the number of cities carrying out the MLG. This corresponded with three important legislative events and Li Peng becoming a more active supporter of the MLG. In 1996 the MLG was written into the Ninth Five Year Plan for 1996 – 2000 and also into the 2010 Long Term Development Goals (NPC, 1998). Planning by the Chinese state is an important indicator of future policy goals and the MLG's inclusion here meant that it had moved from being an objective of just the MCA to an objective of the State Council and elite leadership of the PRC. In 1997 the MLG had its first official document released in the “State Council circular regarding establishing a national urban resident MLG system,” hereafter 1997 Circular (State-Council, 1997). This document complemented the previous year’s intention to implement the MLG by providing reasons for the policy being implemented, technical details on the design and function of the policy as well as a timetable for implementation. It is worth noting here that the 1997 Circular did not mention enterprises as a source of funding and instead the MLG was to be funded fully by the local government budget. The 1997 Circular was released with publicity from State Council members and elevated activity from the MCA including a press conference on the policy and meetings within the MCA (Duoji, 1998b; Fan, 1998; B. Li, 1998; G. Li, 1998a, 1998b; Zou, 1998).

The MLG did not achieve full implementation until 1999 and the publication of the Urban Resident Minimum Livelihood Guarantee Regulations, hereafter MLG Regulations (State-Council, 1999). The MLG Regulations essentially repeated the core concepts of the MLG and
included an explicit clause indicating that full implementation of the MLG should be achieved by the end of the year. In November 1999 MCA Vice-Minister Fan Baojun was able to announce that the MLG had successfully been implemented in all cities in the People's Republic (Fan, 2000). At this point the MLG was operating in 2310 cities across China six years after the policy had initially appeared in Shanghai (Duoji, 2001b).

By 1999 the MLG had a clear objective in the provision of a subsistence standard of living for urban residents, and a standard administrative and financial basis – following what become known as the Dalian model of sub-district (shequ) administration supported by local government financing (Duoji, 1998a). The policy saw a number of significant developments. As can be seen in Figures 2 and 3 the MLG expanded in terms of the numbers receiving the MLG and also the amount being spent on the policy. At this point the locally managed MLG was becoming increasingly subject to central government interventions. In late 1999 the MLG had, under orders from the State Council, been increased by 30% nationwide as part of the People's Republic 50th anniversary celebrations (MoF, 2000). From 2000 to 2002 the MCA, under the guidance of then Premier Zhu Rongji, ran the “Ought to protect, fully protect” (yingbao, jinbao) campaign, which saw some 10 million new MLG recipients gaining the benefit supported by corresponding increases in finance for the policy. By 2002 the central government had become the main source of funds, as illustrated in Figure 4 in spite of the policy ostensibly remaining local in administrative and financial terms. The proportion of funding up until 2007 is included to demonstrate that this is indeed a trend and not just an aberration brought on by the “Ought to protect, fully protect” campaign.

Figure 2 – Total Number of MLG Recipients 1999 – 2003.

Source: MCA (2009, 2009a)
<table>
<thead>
<tr>
<th>Year</th>
<th>Number People (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>2.871</td>
</tr>
<tr>
<td>2000</td>
<td>3.818</td>
</tr>
<tr>
<td>2001</td>
<td>4.58</td>
</tr>
<tr>
<td>2002</td>
<td>20.64</td>
</tr>
<tr>
<td>2003</td>
<td>22.47</td>
</tr>
</tbody>
</table>
Figure 3 – Total Spent on MLG 1999 – 2003.

Source: MCA (2009, 2009a)

Figure 4 – Proportion of MLG Financing 1998 – 2007. Source: (MoF, 2005 p 308)
By 2002 the MLG had transformed from the local innovation that had appeared in Shanghai ten years earlier. The idea that reforming and then expanding social assistance provisions was related to dealing with urban poverty for political reasons is not something this article will challenge. Rather this article will address the explanatory gap in existing studies of the MLG which focus on the effectiveness of the policy. This is a gap worth addressing because the MLG is one of the many important social policy developments of the 1990s and deserves to be examined in as much detail as pension reform, for example. The emergence and development of the MLG is interesting in terms of its origins, its design and how it transferred from a local initiative to national implementation. I make four arguments. First, the MLG emerged in Shanghai because of the decentralized nature of the state. Second, the design of the MLG came about through feedback from the traditional social assistance system. Third, policy actors occupying certain institutional positions explain the reason and pattern of the transition of the MLG from local innovation to national policy. Finally, policy actors occupying certain institutional positions also explains why the MLG saw such significant expansion and change in source of funding after 2000

Why Shanghai? Space in the Decentralized State

The MLG emerged initially as a local policy innovation which aimed to deal with particular concerns within the government of Shanghai. The introduction of the program in Shanghai was part of a wider planned revision of social assistance policy. Conventionally, if the central government decides that an experimental policy should be implemented in a city it will announce that this is the case. In the case of the MLG there is no documentation on the policy at central level until 1994. Interviews with Chinese researchers and government officials support the idea that the MLG was a local initiative (Interviews BJ06-2, BJ07-3, GrpBJ06-1, TJ06-1 and TJ06-4). Understanding the origins of the MLG will better help understand not only the development of the MLG but also why local innovations emerge in China.

Reforming the existing social assistance system became part of the Shanghai government agenda in the second half of 1992 (Shi, 2002). Concerns coalesced around the combination of forthcoming reforms to the textile and steel industries which expected to produce a significant surge in unemployed and laid-off workers (Interviews TJ06-1, BJ07-1); rising costs for everyday goods in particular foodstuffs (Yang, 2003); the perception that the current social assistance system could not cope with China’s developing economy or the growing number of poor outside the system (Tang, 1998, 2003); and the fear that enterprise reforms might produce social instability similar to that experienced in the north east of China (Interview
Led by Mayor Huang Ju and a committee chaired by the Shanghai Bureau of Civil Affairs (BCA) various policy measures were proposed in reports which focused on three groups under no jurisdiction (the *san bu guan*) which included elderly with caregivers but no support, workers with no work unit, and families of workers who had died or injured (Shi, 2002). In early 1993 agreement was reached, with Mayor Huang Ju apparently playing a significant role (Interviews TJ06-1, BJ07-1), on a two-branch approach to potential problems. The MLG was to be implemented in combination with a minimum wage system across the city which, together, would address problems faced by workers and the retired who fell into each of the three problem groups identified (Shi, 2002; Tang, 2003; Yang, 2003).

Shanghai’s position in the state hierarchy was a significant factor in contributing to the agenda on social assistance and creating the space for innovations in policy to occur. The structure of the Chinese state is hierarchical and dominated by rankings. Higher ranking units can countermand and issue orders to subordinate units. The highest ranked unit is the State Council. Equally ranked units can effectively cancel each other out if disagreements emerge because neither outranks the other; in these scenarios a higher-ranked unit might be called in to act as arbiter (Lieberthal & Oksenberg, 1988). Shanghai is classified as a *zhixiashi* rank city which literally translates as municipality but has been referred to as a “named city” amongst other titles (Lieberthal, 1995), here referred to as municipalities. Currently the cities enjoying this rank are Beijing, Tianjin, Shanghai and Chongqing, all of which are large cities in terms of administrative area, population, economic output and political influence. The important point is that this ranking places the municipalities on an equal level with the provinces and central government ministries when it comes to policy making and implementation as well as control over their own budget. The only bodies ranked higher are commissions, the Ministry of Finance (in practice if not formally) and finally the State Council. This position in the structure of the state means that cities like Shanghai enjoy a degree of flexibility when it comes to policy making.

Shanghai’s position in the state structure manifested itself in the development of the MLG. First, Shanghai was one of the more advanced cities in China and was facing the benefits and pressures of reform before other areas (Interview BJ06-3). Pressures manifested in increasing cost of living for residents, especially in food prices (Yang, 2003), and increasing numbers of people falling outside of the traditional social and economic system because reforms of SOEs (Interviews TJ06-1 and BJ07-1). Shanghai, however, was also in an advantageous position...
because it was benefitting from reform. When the MLG was being developed in Shanghai, the city was extremely wealthy in comparison to other Chinese cities. The city was averaging GDP growth of 12% per year in the early 1990s and generating significant revenues. In 1993 Shanghai’s annual revenue was 43.9 billion Yuan, roughly double the revenue of 1984. In 1993, according to the city’s statistics record, Shanghai spent 12.9 billion yuan which is substantially less than its revenue but still a significant amount (Shanghai Statistics Bureau, 2009, November 6). The Chinese Academy of Sciences shows Shanghai spending 14.19 billion Yuan in 1993 with Beijing and Tianjin, two cities of comparable size and administrative rank, spending 863.5 and 536.1 million Yuan respectively in the same year which is a significant difference in fiscal strength (CAS, 2010, September 19). According to the national statistics office of the Chinese government in 1995 the city continued to generate greater revenue and spent more than either Beijing or Tianjin (China Statistics Bureau Online, 2009). Second, the proactive nature of policy makers in Shanghai suggests that they were able to operate in response to perceived problems. One senior Chinese researcher (Interview BJ07-1) indicated that there was fear in Shanghai of social instability similar to that experienced in the northeast China. Liu’s study of protest in China supports this, showing that in 1992 Shanghai was relatively incident-free whilst the dongbei region suffered a spate of protests (Liu, 1996). Third, Shanghai could act with a degree of independence because of its status and fiscal strength as a municipality (Interview TJ06-3). Finally, Shanghai could act because it had the political status to do as it pleased due to connections between the national and Shanghai’s ruling elites, notably Jiang Zemin (Interview HK06-2).

The emergence of the MLG in Shanghai can only in part be explained by the actions of a few key policy actors. Whilst the reason for the policy being seen as necessary was ultimately due to growing concerns over the political impact urban residents who fell outside of the traditional social assistance might have this does not fully explain why the policy emerged in Shanghai. Rather, the motivations of these policy actors combined with the favorable institutional and fiscal position enjoyed by Shanghai at the time. The position of Shanghai as a municipality is an important part of the reason. Shanghai was pressing ahead with reforms rapidly; a result of their relative independence in decision-making, and this was raising concerns over possible future social unrest due to increasing poverty. This concern combined with the relative independence, both in political and fiscal terms, of Shanghai’s policy makers to set the agenda for policy change. Finally the position that Shanghai occupied meant that policy innovations were possible because very few government bodies could countermand decisions made in the city. Whilst this might explain why, first, concerns over social assistance and, then, the MLG emerged in Shanghai it does not explain why the MLG took
the form it did.

The Design of the MLG: Continuity and change in policy

The MLG marked a significant departure in the management and delivery of urban social assistance. Its early form in Shanghai mixed new ideas for social assistance such as the means test, local setting of benefit levels and an adjustment mechanism with more traditional concepts such as a role remaining for the work unit and enterprises in funding and administering the policy. This version of the MLG became known as the Shanghai model.

Breaking from the traditional path of social assistance can be explained by the role of Mayor Huang Ju and the policy process, in part, effectively addressing the problems raised by the traditional social assistance system, with elements of both dramatic changes and continuity in the Shanghai model, each of which needs to be explained. The traditional Three Nos policy set the agenda, ruled out certain policy possibilities as well as set certain requirements for any new policy which would replace it, allowing significant change to occur. The traditional system of social welfare provision continued to influence the means of delivering policy in spite of it being part of the problem.

The Three Nos policy was perceived as the source of a problem for policy actors who needed to seek a practical response. At a design level the Three Nos sought to provide for a limited group of people who would have fallen out of the work-based provisions established through the work unit (danwei). However, as identified in the Shanghai work report presented in early 1993 (Shi, 2002), the policy was totally inflexible. If a household or individual was outside the work unit system and impoverished, but not one of the Three Nos, then they were not entitled to relief. Until the late 1980s this was a problem in theory only as the system acted in concert with the work-based provisions of the work unit. Only when the reforms of enterprises and employment began to deepen in the post-Southern Tour climate of 1992 did the issue manifest. At this point there were impoverished groups that the system did not cater to; such as the san bu guan identified in Shanghai. The Three Nos was failing to accommodate the changing welfare structure at the same time that funding limitations meant that it was failing to offer adequate provisions to the groups it did target (Tang, 1998, 2001).

The Three Nos was a failing policy in the early 1990s because of a combination of changing circumstances and a very rigid design.
In terms of continuities the MLG does reflect some of the design of the Three Nos. One of the features of the MLG is that it includes three categories that are eligible to apply in spite of being a means-tested policy: those who fill the traditional Three Nos categories; those who are unemployed or receiving pensions with an income below the MLG line; and those households with an income below the MLG line (State-Council, 1997, 1999). The targets fit with the previous Three Nos categories, which was explained as a necessary requirement because the MLG had to account for both the new poor and what could be referred to as the old poor as well (Interview BJ07-1). Categories that map on to the Three Nos would not have been necessary for the targets to have been included because the means test would have captured people covered by the Three Nos. This design choice suggests long standing practices in the administration of social assistance working its way, via policy actors making design choices, into the design of the new policy.

The legacy of the work unit in local government structure also shows feedback in that it is a continuation of older problematic systems, in spite of some significant policy changes. Unlike the later iterations of the MLG, the Shanghai model had a role for the work units and their enterprises in helping to administer the policy and finance the MLG(Shanghai-RenminZhengfu, 1996); in the iteration of the MLG which was rolled out nationwide in 1997 work units were not involved in the policy at all. The decision to use work units was explained by a Chinese researcher as being an efficient choice at the time (Interview TJ06-1), as the work units were a powerful administrative tool in the early 1990s. At this time work units would have been a familiar option for policy makers seeking mechanisms capable of providing administrative and financial assistance. The shequ (community or sub-districts) which would be used later to administer the MLG were still being established as an informal administrative unit. The street and residents committees were also used as part of the overall administrative structure for the MLG in concert with the work units. A local initiative would have to be funded locally, and the enterprises in Shanghai provided an obvious means to raise that revenue.

The interesting, and contradictory, point is that although category-based targets do exist in the MLG they are not the means by which benefit entitlement is decided, which is a means test based on the total household income. The means test in theory remedies the major problems of inflexibility due to the exclusive focus on categories that the Three Nos presented. By having a means tested mechanism the MLG would be open to everyone who fell within its definition of poor. In Pierson’s concept of feedback in policy choice the means test constitutes
This change in policy path highlights the alternatives which were considered. In its work report to Mayor Huang Ju in early 1993 the BCA suggested a continuation of category-based provisions. The BCA program would have catered to, for example, the elderly with family, and therefore potential caregivers, but with low incomes and no active caregiver by creating a special fund to distribute benefits. The policy suggested in the report, “View regarding resolving elderly residents in our city facing livelihood difficulties” (Guanyu jiejue benshi shiqu bufen laonianren shenghuo kunnande yijian) (Shi, 2002), would have resulted in a continuation of the Three Nos system in terms of administration and basic principles. This suggests two points; first, as seen in the local Civil Affairs policy proposal feedback from previous practice in the policy process was very strong. Second, once the decision to break from previous practice was made, the options opened up meant that a means-tested choice became viable.

This pragmatic response to the problems created by the previous system extended into other areas of the design of the MLG. Responding to the problem of the Three Nos stagnation and inflexibility the MLG had some specific design features. The inclusion in the MLG of local funding and adjustment mechanisms which would respond to price changes reflected problems with the Three Nos subsidy. Actual subsidies available to Three Nos recipients stagnated due to the lack of funding increases and the lack of adjustment for subsidies during the reform period (Duoji, 2001a; Tang, 1998). The rejection of the preceding system influenced the choices available to policy makers in Shanghai. The same process which led to means testing also encouraged the introduction of local funding provisions and price related adjustment mechanisms. This meant that the MLG could be more responsive to economic development and price changes than its predecessor.

This attempt to decisively break with the traditional Three Nos social assistance system can be explained by two factors. First, as noted the policy agenda and decision to reform social assistance was based on perceived failings in the traditional system. By choosing to introduce a locally based means tested program, the policy process arguably operated as it was intended to. Both Chinese officials and researchers commented on how the MLG carried design elements which responded to specific problems in the traditional system (Interviews TJ06-1, BJ07-1 and BJ07-3). Second, in interviews with Chinese researchers close to the Shanghai policy process, Mayor Huang Ju was highlighted as having a significant role in guiding design decisions. His comments at meetings and in reports were noted as a key part of the
MLG’s development and help explain the radical departure from the traditional system or a similar system as envisaged by the local Civil Affairs Bureau (Interviews TJ06-1 and BJ07-1). In the following two sections we will see further evidence of the dramatic impact actor interventions can have on policy outcomes on a much wider scale.

Interestingly, the later version of the MLG which was implemented nationwide in 1997 did not include a financial or administrative role for enterprises. Changes during the expansion of the MLG reflected China’s efforts to reform and extricate the social welfare system from the enterprises. The central government in the late 1990s did not want enterprises to continue providing social goods, and the move away from the work units in the 1997 Circular reflects this. MLG management became the responsibility of local government through newly established sub-districts, which are not officially part of the government but typically carry out work on behalf of the state (Derleth & Koldyk, 2004). In other areas such as pensions and health, pooling of resources and insurance were introduced in an effort to break reliance on enterprises (Duckett, 2001; Duckett, 2003; Frazier, 2004a, 2004b). Wong also highlights this process in social welfare provisions, although in this case the basic level of administration was seen as a means to replace services rather than just administer new state measures (Wong, 1998). This move away from reliance on enterprises in the MLG was therefore not an isolated move but reflects a new policy path by the Chinese state.

In addition the emergence of the sub-districts as a new form of delivering local government neatly paralleled the corresponding move away from the work unit as the main unit of social control and policy provision in urban Chinese society. The process surrounding a particular policy is not a simple process and nor is it independent of changes in the wider political, social and economic environment. The changes to the MLG during nationwide expansion appear to be reflections of wider policy changes in China.

**National Implementation and actor intervention**

The structure of the state and policy feedback explains the initial emergence and design of the MLG but explaining the transition to national policy requires an understanding of the role played by policy actors. Although institutional features, especially the structure of the state, were significant in the transition of the MLG, it was the role of two policy actors that explains why the policy transitioned as it did. The change in the transition of the MLG from a stilted small-scale implementation to a national policy with the backing of China's legislative and
executive institutions reflects the different actors interested in the policy. Duoji Cairang was Minister of Civil Affairs from 1993 to 2003 overseeing the transition of the MLG from local to national policy. Duoji's support of the MLG was particularly influential from 1994 to 1996 and saw the policy spread to a small number of cities throughout China. The interest taken by Li Peng, China's premier from 1993 to 1998, had a dramatic affect on the MLG and saw the policy move from the limited spread of Duoji Cairang's sponsorship to a call for national implementation and incorporation of the MLG into the state's long term policy plans.

What characterizes Minister Duoji as a significant actor rather than a low profile policy actor? From 1994 to 1996 the MLG spread slowly to a small number of cities concentrated in the more developed areas of China and this is also the time period that Duoji Cairang was most visible and active as a supporter of the MLG in the documentary sources. Duoji was consistently cited in interviews with policy makers in China as being important to the spread of the MLG during this period supporting the idea he played a significant role as a support of the policy. During this period the MLG progressed through problem, agenda and implementation stages and Duoji was active throughout.

Duoji was particularly active in meetings within the MCA giving speeches which justified the need for the MLG and exhorting cities to implement the MLG. This had the dual effect of keeping the MLG on the agenda whilst also pushing the implementation of the policy forward. The main challenge facing efforts to spread the MLG was the resistance of local governments who were being asked to adopt a policy with no financial help from the centre. There were four specific problems highlighted by Duoji facing the MLG between 1994 and 1996. The first problem was that the MLG was perceived by some in the local Bureau of Civil Affairs (BCA) as not being the responsibility of the MCA. Second, the MLG was too much work and too troublesome to be a worthwhile investment of resources for local government and the BCA. Third, it was a new policy that had no guidelines, regulations and was unfamiliar. This is an interesting issue because typically policy, when announced, would come with a corresponding set of objectives and methods. In the case of the MLG this material was conspicuous by its absence until 1997. Finally, the policy was viewed as being inappropriate to certain areas in terms of their development (Duoji, 1998d).

As a minister in a relatively resource-poor ministry Duoji was without the ability to find or allocate resources to support the implementation of the MLG. Instead Duoji had to rely on his personal political clout and ability to negotiate obstruction to the policy. Duoji's support of the
MLG was therefore characterized by justifications for implementing the MLG and countering objections to the policy. The arguments used by Duoji had three strands and appeared in many of his speeches on the subject. First, Duoji tied the MLG to three core aspects of the Party-State’s policy aims at the time. The MLG was connected to the objective of ensuring continued social stability as it would counter unhappiness with the state that might emerge from impoverished households (Duoji, 1995b, 1998d). It was also presented as a policy which tied into the Party-State’s responsibilities to the urban poor and would therefore benefit all involved as it would encourage positive perceptions of the government (Duoji, 1998a, 1998d). Finally, the policy was tied to the continuation of the reform project by providing social stability and, therefore, was linked to arguably the core policy concept of the post-Mao era. The MLG was indicated as a policy that both guaranteed the continuation of the reform process and also an indication of China’s development. Using other countries social assistance policies as the basis, Duoji made the point that MLG-type policies were a global standard amongst developed nations and something that China should aspire to (Duoji, 1995b, 1998d).

By configuring the debate surrounding the MLG in such a way Duoji ensured that resisting the MLG for whatever reason would be unlikely as it would be the equivalent of questioning core Party-State doctrine.

Second, the arguments that the MLG was outside the responsibility of the MCA, the argument that the policy would create additional work and was too troublesome were countered together. This counter-argument was based around the previous MCA commitment to urban social assistance through the “Three Nos” policy. Essentially the MCA already had responsibility for the poorest and most vulnerable in China’s cities and the MLG was, therefore, not a extension of responsibility but a continuity. In addition, the MLG was presented as a reform of the Three Nos policy rather than a new policy in its own right (Duoji, 1995b, 1998d).

Third and finally, dealing with the developmental suitability of different localities a more practical compromise was established. Implementation was staggered nationally in order to allow under developed areas time to adapt to implementing the MLG. Focus was put on those cities seen as developed – predominantly on the Eastern Seaboard and the larger cities equal to provincial rank of Beijing, Tianjin, Shanghai and Chongqing (the zhixiashi level cities). Those cities labeled as under developed, mainly in the Central-West of the country, were permitted to follow later when circumstances would allow it (Duoji, 1995b, 1998c; Xi, 1998).
There was no specific articulation of what motivated Minister Duoji to support the MLG out forward in either the documentary sources or during interviews. There are three possibilities which can be inferred from speeches given and the political situation in the PRC at the time. First, there is what has become one of the core justifications for the MLG, providing a means to ensure social stability by providing a minimum standard of life for the urban poor. This is a strong theme running through Duoji’s speeches and politically it would have been a motivator for Chinese leaders in the years after Tiananmen. Second, a rational self interested approach would suggest that Duoji was seeking to strengthen the MCA through adopting a new policy. In retrospect drawing such a conclusion is tempting but I would caution against it. Although the MLG has gone on to become a prestige policy which attracts central budget allocations this was not the case in the early to mid 1990s. It could be viewed as having been the reverse given the policy relied on local compliance and financing. What Duoji was pushing for, implementation of a policy with no resources to support it, would have made compliance extremely problematic. As Frazier notes when discussing pension reform by the central government, even when it has significant political authority, cannot expect compliance when it announces “unfunded mandates” (Frazier, 2004b). Finally, there is a strong ideological theme in the speeches of Duoji where justification for the MLG is tied to the Communist system. The MLG was put forward as a means to demonstrate the state’s care for the people (Duoji, 1998d) and establish a policy that would reflect well on the Chinese reform project in an international setting (Duoji, 1995b). The MLG presented here is a tool which strengthens the legitimacy of the status quo and supports the people. Politically Duoji presents the MLG as an almost perfect policy for the Communist Party.

Duoji was acting from a constrained position and this had a significant impact on the development of the MLG. The position of Minister confers significant political power over policy in a particular area but is also limited by the resources available to that particular ministry. In the case of Duoji this meant his options for supporting the MLG were limited because of the relatively poor resources available to the MCA (Linda Wong, 1998). As a minister, Duoji was unable to order local government to implement the MLG and could not divert resources to offer an incentive to carry out the program. This meant that when trying to promote the MLG Duoji had to rely on tailoring the policy to suit local government and persuade them to adopt the policy; this led to a relatively small scale level of implementation toward the end of 1995. The other major outcome of this sponsorship was an uneven national implementation and some local variations in financing and coverage within the core concept of the MLG policy. Variations were allowed, provided the core concept of a means-tested, locally administered and funded measure to provide subsistence subsidies to the urban poor.
was followed. This can be put down to the fairly relaxed response to concerns over a lack of regulations. This in combination with the specifics of local circumstances led to variations emerging in the MLG in different parts of the PRC. Duoji’s institutional position therefore meant his support of the MLG had a number of unintended outcomes.

The support of Li Peng becomes apparent in documentary sources from 1996 and in interviews with Chinese policymakers where Li was identified as being fundamentally important to the development of the MLG. Premier Li backed the MLG as early as 1994 at the same conference that Duoji suggested the policy should be implemented nationally, but it was in 1996 that his influence became significant. At this point the MLG had spread to a small number of cities but was still significantly short of national implementation. During 1996 the MLG was made part of the 9th Five Year Plan (1996-2000) and the 2010 Long Term Development Goals (NPC, 1998). In addition there was a noticeable increase in the number of cities implementing the policy. In 1997 the national implementation of the MLG was announced and specific details of how the policy was to be implemented were detailed in the “State Council Circular Regarding Establishing a National Urban Resident MLG System” (State-Council, 1997). It was during these developments that Premier Li sponsored the MLG and pushed the policy beyond the difficult position it had been in up until this point.

The tools used by Premier Li to support the MLG were much the same as those used by Duoji Cairang. Speeches given on the MLG (Duoji, 1998c; P. Li, 1995, 1998a, 1998b, 1998c) and comments recorded in meetings (Duoji, 1998c; P. Li, 1998a) promoted the MLG to central and local government. In addition the use of legislative institutions as noted above (P. Li, 1998a, 1998b; MCA, 1998; NPC, 1998) and the agreement and publication of the 1997 Circular regarding the MLG (State Council, 1997) pushed a change in focus regarding the MLG. The decision to implement the MLG nationally was made during a routine meeting of the State Council before August 1997 cited by Minister Duoji in an editorial for the People’s Daily (Duoji, 1998e). Premier Li was associated with the MLG and took action on the policy before this meeting took place, whereas in the case of other elite leaders such as General Secretary Jiang Zemin the only documented speech on the policy was after the meeting (Jiang, 1998).

As with the case of Duoji Cairang Li’s motives are very difficult to determine beyond making inferences. There are four possible reasons why the elite leadership might have swung behind the MLG at this particular time. First, Li Peng had expressed his support for reform of the
social assistance system and the MLG from as early as 1994 (P. Li, 1995). Premier Li received reports on the policy (Interview BJ06-2) and at certain points did take an active hand demanding further implementation (Duoji, 1998c). Second, the policy success was being reported up the bureaucracy through research reports and work meetings held by the MCA. In addition the MCA was actively reporting on the MLG as part of its routine responsibilities to the State Council. Premier Li was specifically mentioned by MCA officials as having responded favorably to these reports (Interviews BJ06-2; TJ06-1 and BJ07-1). This meant that the elites would have been aware of a successful policy and receiving regular information on it. Third, a departmental head in the MCA reported that the State Council was encouraged by the Ministry already working towards some means to ensure national implementation (Interview BJ07-3). This would suggest that it was not only on the agenda being put to elite leaders but that in terms of implementation there was already a ministry fully supporting the policy and a certain amount of the required work already done.

Finally, 1996 saw the proposal of further reforms to the state-owned enterprise sector and increased concerns over the possible impact on social stability that further reform might have. Concerns were especially focused on laid-off workers, as well as those affected by losing welfare benefits and pensions because their former work unit was struggling with market conditions (Interviews Grp1BJ06; BJ07-1; and BJ07-3). The threat of an unstable society brought about by the reforms would have resonated with the leadership of 1997 as it echoed those of 1989 in many ways. This concern with the social welfare impacts of reforms was reflected in the reform and experimentation in other areas of the social security system, for example, in pensions, health insurance, and unemployment. Without this concern to contain current problems and pre-empt future instability the MLG would likely not have made it onto the national agenda. Once it was there, however, the additional factors noted would have come into play to further support its case for a rapid, State Council supported national implementation.

The support of the MLG between 1994 and 1997 by Duoji and Li highlights a number of issues that need to be considered when explaining the development of a policy. Of particular note is that the institutional position a policy actor occupies will have a significant impact on

4 “Laid-off” workers refers to those former employees of state-owned enterprises who were not formally unemployed but at the same time no longer worked for their enterprises. Instead they continued to have some formal ties to their enterprise, for example through welfare provisions and received a special benefit from the government called the Laid-off Worker Basic Living Guarantee. The decision to lay off workers was seen as a means to cushion the blow of rationalizing China’s large state owned sector in the late 1990s. The alternative would have been to make this large number of workers unemployed which would have been a significant political risk. For more on laid-off workers (Cai, 2006).
the development of a policy. This is because the actor’s position influences what resources and institutions they will have access to. This is hinted at in the fragmented authoritarianism model, although Lieberthal and Oksenberg’s argument, focused on US bureaucrats, implies that there are always resources to be bargained over when deciding and implementing policy (Lieberthal and Oksenberg, 1988). This case highlights the impact that a lack of resources can have as well as the opposite. Although Minister Duoji actively sought the national adoption of the MLG, his politically and financially limited position meant that he was only able to make limited progress towards this goal. In comparison, Premier Li was able to use his access and influence over China's legislative and executive institutions to ensure that the MLG was adopted and this ultimately produced the 1997 State Council circular and the support of the country’s top leaders. This section also highlights the unintended outcomes that sponsorship can have. In the case of Duoji’s sponsorship of the MLG the compromised position he occupied meant that the policy spread sporadically and was not implemented in a consistent manner. When seeking to explain the development of a policy we should not focus entirely on motivations because these can only partly explain what the actual outcomes might be. In the case of Duoji and Li Peng the institutional position occupied by these individual policy actors profoundly influenced how they were able to support the MLG but also the outcome of this support.

**Explaining national expansion of the MLG through actor intervention**

The final point in the development of the MLG that this article will discuss is the significant expansion of the MLG between 2000 and 2002. The expansion of the MLG is in large part due to the influence of Zhu Rongji, China's Premier from 1998 to 2003. Following a visit to the city of Dalian in Liaoning Province in April 2000, Zhu announced that the MLG was an example of how China's social welfare should be delivered through the community rather than tied to enterprises (Tang, 2003). This comment was the result of problems in delivering welfare to workers who had been laid off by their enterprises. Payments destined for these workers, a temporary measure designed to absorb any protest that might result from the shock of becoming effectively unemployed, had instead been absorbed by cash-strapped enterprises to pay for other commitments. This problem was labeled “debt conflict”; the lack of such a conflict in the MLG which made it attractive to Zhu as a means to resolve the problem of delivering some form of subsidy to laid-off workers (Interviews BJ07-1; BJ07-2; and BJ07-3). In the case of Zhu and the expansion of the MLG the motivations for why action was taken are very clear.
This focus on laid-off workers saw the release and guarantee of funds from the central budget from 2000 onward; this required a considerable amount of political authority given that agreement would be required from the State Council as well as compliance from the Ministry of Finance. In addition the money would need to be found from somewhere, which implies a degree of oversight and authority.

Premier Zhu was responsible for pushing the idea of using the MLG to resolve the laid-off worker problem and releasing the required funding, although exactly how he went about doing this is not particularly clear. The information available from interviews implies that Zhu's support of the MLG occurred very much from above. Funds were released with specific orders attached leaving others with administrative roles, the MCA in this case, to get on with implementation. Zhu did continue to show an interest in the development of the Yingbao Jinbao throughout the period with communication and meetings between Zhu and the Minister of Civil Affairs and the MCA Department for Natural Disaster Relief and Social Assistance (Jiuzai Jiujii) (Interview BJ07-3). Apart from the initial visit to Dalian which kick-started the campaign, Zhu did not take a particularly visible public role, only appearing to deliver speeches being given at large scale Civil Affairs events (X. Li, 2002) or at meetings of involved participants (Li & Zhu, 2000).

Zhu’s support of the MLG shares similarities with that of Duoji and Li. His motivation was a mixture of the political and personal, leading to a sustained interest in a policy over a period of time. Zhu’s interest also highlights the significant impact that a policy actor from the elite tiers of government can have in China. The direction of massive financial resources and guarantee of continued support mean that the expansion of the MLG by 10 million recipients was accomplished within a few years. Zhu also highlights the role a sponsor plays, straddling multiple stages of a policy development as he set the agenda, was the decision-maker, and was subsequently active throughout the implementation of the campaign to expand the MLG.

**Addressing Local Government as an Actor**

Local government has a significant role to play in both the development and also in the implementation of a new policy. Studies of pension and healthcare reform have highlighted the importance of local government (Duckett, 2001; Duckett, 2003; Frazier, 2004a, 2004b); so it is in the case of the MLG.
Although it is difficult to generalize about as broad a collection of different actors as “local government”, there are a two points that can be made. Typically local government can be seen to have a dual role when it comes to the development and implementation of new policy measures. By taking advantage of space in China’s fragmented political system, local government can introduce new policy and support the wider adoption of particular programs. This positive role was clearly played by the Shanghai government when it developed and implemented the MLG in the early 1990s. In addition, the early spread of the MLG, although supported and pushed by Duoji Cairang, can be seen as a limited success only because of local government adopting the measure in the period before 1997. In contrast, this space also provides local government the opportunity to obstruct and misinterpret policy. The MLG was particularly susceptible to this negative role during the early period of its development when Duoji struggled to overcome local government intransigence to adopting a policy with no resource support. Only the intervention of the elite with significant political authority and access to resources, in this case Li Peng and Zhu Rongji, was this problem resolved although this ultimately came at the cost of the local character of the MLG.

There are two observations which can be made based on the experience of the MLG and local government. First, local government has its own agenda, which needs to be viewed as separate from both individual elite leaders and the needs of particular bureaucratic organizations. Second, the problem of “unfunded mandates” in the implementation of social policy in China is significant (Frazier, 2004b). These observations support the conclusions drawn by other studies of social policy reform in China (Béland & Yu, 2004; Duckett, 2001; Duckett, 2003; Frazier, 2004a, 2004b). In the case of the MLG the problem of local implementation was only satisfactorily resolved when the laid-off worker problem was reaching a critical point for local government and Premier Zhu’s intervention saw a significant commitment to immediate and future funding.

**Conclusion**

The emergence and eventual implementation of the MLG marked a significant change in the objectives and delivery of urban social assistance in the PRC. Whilst this has been reflected in a large number of studies on China’s social assistance, actual explanation for the MLG’s emergence and subsequent development has been lacking. The current literature, with the exception of Solinger (2005), focuses on the efficacy of the program. This article has sought to provide an explanation for the emergence and development of the MLG during the period 1993 to 2002. In this article four particular aspects of the emergence and implementation of
the MLG were identified and discussed in order to help explain the development of China's urban social assistance reform. These were why the policy emerged in Shanghai; why the MLG was designed in the way it was; why the transition from local to national policy had the character it did; and finally why the policy expanded after 2000.

The early emergence and development of the MLG highlights in particular the importance of understanding institutional elements when explaining policy in the PRC. The emergence of the MLG in Shanghai highlights the important role that the structure of the state can play in creating the space and setting for new policy to emerge. Decentralization in China allows local government the space to innovate on policy problems and this can lead to the emergence of policy innovations. In the early 1990s Shanghai was facing the dual challenge of reforms: the city was benefitting in terms of revenue from a growing economy but the local government also realized that pending enterprise reforms and increases in the cost of living meant that social instability was a real possibility. Taking advantage of the space and fiscal strength decentralization provided, Shanghai was able to introduce the MLG. The traditional social assistance system was also significant during this period influencing the agenda and choices for policymakers. The failings of the traditional social assistance system helped set the agenda because the existing system could not cope with the rapid changes reform was bringing. In the design of the MLG there was a dual influence. On the one hand the MLG reflected feedback in highlighting the traditional targets of social assistance even though this was not a necessary design requirement. In addition the use of traditional but problematic administrative units, in this case the work units, also reflected the influence of previous long standing practice. On the other hand the introduction of means testing, local financing, and locally set and adjusted benefits reflected the choice by policy makers to follow a different path than that of the traditional system.

The final factor highlighted in explaining the MLG is the role of actors who took an active interest in promoting and supporting the policy. The important point to note here is not just that particular actors decide to support a policy but what position in the political system they occupy. This was hinted at when highlighting the role of Mayor Huang Ju in the emergence of the Shanghai model of the MLG. Duoji Cairang’s support from the early 1990s and beyond helps explain the gradual transition of the MLG from local to national policy. The compromised position Duoji occupied as minister of a resource-poor ministry helps us understand why the initial transition of the MLG was slow, geographically uneven, and subject to policy variation, as he was unable to use binding orders or resources to support his
Similar to Frazier’s observations in pension reform, making unfunded demands of local government does not result in successful implementation (Frazier, 2004b). In contrast, the support of Li Peng had a significant impact on the MLG from 1996 onwards, in overseeing the establishing of central support of the policy, the incorporation of the MLG into national policy planning, and ultimately the national implementation of the policy. Finally, the influence of Zhu Rongji as a supporter of the MLG from 2000 to 2002 helps explain the sudden and significant expansion of the MLG in both number of recipients and the amount spent on the policy. In both the latter cases of Li and Zhu the elite position occupied by these sponsors helps explain the significant legislative, executive and financial support directed at the policy.

These contributions support the findings of policy studies which have addressed other social policy reforms in China (Béland & Yu, 2004; Duckett, 2001; Duckett, 2003; Frazier, 2004a, 2004b; Solinger, 2005). There are two final points to make; first, the case of the MLG suggests that the use of institutions is a useful conceptual tool to use in conjunction with our current understanding of the bureaucracy in the PRC building on the work of Lieberthal and Oksenberg (1988). Who makes decisions is important but it is also important to consider where they make those decisions from. Second, it supports the synthesis approach highlighted in a number of policy studies publications. As Béland and Yu (2004) suggest we should not discuss policy developments with institutions and actors separately because they are tied together as part of a single, messy, process.


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