

**EU-CHINA SOCIAL PROTECTION REFORM PROJECT  
COMPONENT 3**

**DRAFT REFORM PROPOSALS**

**on  
2015 research topics**

Social Assistance:

Legal framework

Standards of benefits calculation

Specific vulnerable groups – social services



***EU-CHINA***

Social Protection Reform Project  
中国-欧盟社会保障改革项目

Beijing August, 2016

*This report is based on the EU-China SPRP Component 3 Volume on 2015 reseach topics, Beijing, August, 2016.*

*All rights reserved. No part of this publication may be reproduced or utilized in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without prior written permission from the publisher.*

*This report has been produced by the EU-China Social Protection Reform Project is co-funded jointly by the European Union and the Government of the People's Republic of China. The content is the sole responsibility of the authors and can in no way be taken to reflect the views of the European Union or Ministry of Civil Affairs, P.R. China.*

## **FOREWORD**

Component 3 of EU-China SPRP based on the cooperation with Chinese partners mainly MoCA and EU authorities and experts is intended to provide policy reform proposals for the social assistance in China. This report covers issues related to legal framework of social assistance, standards for calculation minimum income and support for specific vulnerable groups.

The policy recommendations are a final output of the research done by Component 3 and discussion from the C3 1<sup>st</sup> Workshop held in Beijing in March 2016.

This report provides a complex policy recommendations for MoCA based on the Chinese and EU expertise after several knowledge and practices exchanges at technical level performed mainly in China.

The full output of the Component 3 research has been published in the C3 Volume on 2015 research topics:

[http://www.euchinasprp.eu/images/documents/Component3/C3\\_Volume\\_on\\_2015\\_English/C3\\_Volume\\_on\\_2015\\_research\\_topics\\_EN.pdf](http://www.euchinasprp.eu/images/documents/Component3/C3_Volume_on_2015_English/C3_Volume_on_2015_research_topics_EN.pdf)

All other outputs of Component 3 are available from the Project website:

<http://www.euchinasprp.eu/index.php/en/components-en/component-3-en>

*Marzena Breza, PhD*

*EU Resident Expert for Component 3*

*EU-China Social Protection Reform Project*

---

**Table of Contents**

**RESULT 9 OF THE C3 EU-CHINA SPRP**

**Topic 3.1.1 Legal framework on Social Assistance ..... 6**

**RESULT 10 OF THE C3 EU-CHINA SPRP**

**Topic 3.2.1 Experiences on unified standards for calculation of Social Assistance benefits..... 11**

**RESULT 11 OF THE C3 EU-CHINA SPRP**

**Topic 3.3.1 Social Assistance for Specific Vulnerable Groups (SASVG) - services for children, elderly, people with disabilities, with a special focus on poor rural people ..... 17**

*Draft*

**RESULT 9: The capacity of the MoCA for 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 upgraded.**

Draft

---

**Topic 3.1.1 Legal framework for Social Assistance<sup>1</sup>**

- Continue to promote the social assistance legal system
- The social assistance law should be based on an assessment of the existing legal framework
- The social assistance law should be built upon a mature social assistance system.
- Strengthen the cooperation between the different levels and departments of Government both in the legislative process and literally in writing the Social Assistance law
- The level of Social assistance and the Government's liability should prescribed in the law
- Improve the enforcement ability of the front-line officials
- Coordination within the overall social security system
- Promote the government information and transparency

\*

- Adopt a long-term approach to the law on social assistance
- Inclusion of different stakeholders in drafting and implementing the social assistance law
- Improve the procedural transparency of social assistance

*Specific recommendations:*

- Evidence based drafting
- Improving the new legislation structure and its content
- IT based administrative processes of the social assistance system
- A comprehensive approach to the implementation of the new legislation
- Ensuring appropriate funding for the new social assistance provisions
- Investment in the monitoring and evaluation of the newly implemented law
- Raising awareness and publicity of the new provisions of the social assistance law

---

<sup>1</sup> Excerpt from Guo Yu, PhD, Assistant Professor, report, March 2016 & Davor Dominkus, EU-China SPRP expert, report March 2016.

According to the assessments report the policy recommendations for Chinese social assistance legal framework have been defined as follows:

■ **Continue to promote the social assistance legal system**

The legal foundation of the Chinese social assistance system should be strengthened. The Chinese legislative body is formulating a comprehensive Social Assistance Law, which covers specific regulations on Subsistence Allowance for Residents, Measures for Urban and Rural Medical Assistance, Law on Housing Security, etc. Through the construction of laws and regulations, the scope, content, standards, management, fiscal investment etc. of the social assistance system with the core of the subsistence allowance will be fixed, institutionalised and normative. This will further reduce the randomness of social assistance.

A Social Assistance Law has been included in the legislative plan of the People's Congress. In line with the actual needs and the development of social assistance, the Social Assistance Law should be passed as early as possible, and then the relative regulations and rules should be issued accordingly. The ideal legal framework of social assistance will come into force would include four parts: the law to arrange all the different kinds of assistance (National People's Congress); regulations about each kind of assistance (the State Council), and measures about the enforcement matters (MoCA and provincial governments).

■ **The social assistance law should be based on an assessment of the existing legal framework**

Before integrating the current legal framework, to draft the social assistance law it is necessary to evaluate the existing regulations, measures and notices etc. MOCA should carry out an all-round evaluation of the "Interim Measures" in the near future. The law should be drafted afterwards.

■ **The social assistance law should be built upon a mature social assistance system.**

The legal framework of social assistance should rely on a mature and reasonable social assistance system. In macro terms, Social Security is a holistic system and social assistance is the bottom line of this overall system. It should be coordinated with other social security programs. Meanwhile, social assistance should be combined with the Anti-poverty Programs, which will be developing very rapidly in the next five years.

In micro terms, there are several special social assistance systems as mentioned above. They have different names and different functions. They can not display overall superiority. In the near future, we could foresee several reforms in social assistance. For example, the Five Guarantees will be upgraded and replaced by the "Support for Persons in Extreme Difficult" program.

The state is trying to improve the social insurance system and to ensure that the people can obtain basic medical and health services and medical assistance is provided to poor people. Employment assistance should be implemented to help the recipients to jump out of the poverty trap. Moreover, social assistance should not limit itself to cash transfers, it should also include intangible social services such as counselling.

■ **Strengthen the cooperation between the different levels and departments of Government both in the legislative process and literally in writing the Social Assistance law**

According to the State Council's arrangement, a joint inter-ministerial conference led by the Ministry of Civil Affairs should be established to co-ordinate the different social assistances at the central level. Local governments at different level should establish social assistance coordination mechanisms accordingly. The Civil Affairs department will play the leading role. Such mechanisms prove to be inefficient because the civil affairs departments don't have the power to order other

departments. It is recommended that the State Council should take the lead. In addition there should be more information sharing and co-operation. Family economic checks are the key step of social assistance. If there is no information sharing, it might make the family economic check impossible.

■ **The level of Social assistance and the Government's liability should prescribed in the law**

The law should indicate how much liability the government should undertake and this closely relates with the levels of social assistance benefits. Therefore the law should contain the uniform methodology for social assistance benefits calculations and the extent to which the Government would secure people's basic needs.

In particular, China is faced with an economic downturn. Social expenditures may be restricted by the potential long-term fiscal stress. The legislative body should take a long-term view, and the social assistance law should not be affected by current concerns.

■ **Improve the enforcement ability of the front-line officials**

The social assistance law should insist "Rights being equal to liabilities". The "Interim Measures" stipulate that "Whoever violates the provisions of these Measures and falls under any of the following circumstances shall be ordered by the administrative authority at the higher level or the supervisory organ to make corrections; and a disciplinary action shall be taken against the persons directly in charge and other directly responsible persons in accordance with law". However, it was observed from the local visit that administrative and front-line staff (Local Bureaux of Civil Affairs) were performing heavy workloads with limited capacity and resources. The officials at the lower levels of government deal with social assistance affairs and have contact with the applicants directly. Too much work pressure will affect their mood and work efficiency. On one hand, the law should forbid the abuse of powers, neglect of duties, or practicing favoritism for personal gains in performing the functions of social assistance but on the other, the law should also indicate the capacity and resources that are needed in executing the law. The law should protect the staff and guarantee their work place and conditions through legislation. Besides, they should be trained regularly.

■ **Coordination within the overall social security system**

Social assistance is one part of the overall social security system. The law should cover the methodology for calculating benefits, the interaction between different benefit schemes and social services, such as the coordination between social assistance regulations and the Social Insurance Law; social assistance schemes and other anti-poverty schemes.

■ **-Promote the government information and transparency**

The transparency of government information is so far not as good as expected in the social assistance sphere, mainly at local level government. This problem exists not only in social assistance but also in other fields. Although there is the "Regulation of the People's Republic of China on the Disclosure of Government Information", it can not be carried out precisely. Currently many of the departments of the local governments could not publish the relevant government information in time. So it is not easy for the public to access the information. To solve this problem, the agencies should obey the above regulation.

Considering the EU experiences following recommendations have been proposed for remorming the legal framework of social assistance in China:

■ **Adopt a long-term approach to the law on social assistance**

With the new law/legal framework, the Government should clearly show its long term intention to support people at the risk of poverty and social exclusion, (to combat poverty and social exclusion).

- **Inclusion of different stakeholders in drafting and implementing the social assistance law**  
The fight against poverty and social exclusion is a complex process that requires the participation and cooperation of different stakeholders at central, provincial and local level, the public and the private sectors, professionals, volunteers and different political structures. In this regard the new legislation should provide a comprehensive framework for their joint and comprehensive action.
- **Improve the procedural transparency of social assistance**  
In an effort to eliminate poverty, the Government will follow the principle of transparency of procedures related to the benefits and provision of services and the effective use of public funds on all levels (vertically and horizontal).

*Specific recommendations*

- **Evidence based drafting**  
Before starting with the new legislation it would be preferable to gather all possible analyses, researches and examples of best practices in the field of social assistance. The new legislative framework should be built upon the legacy and solid foundations of the “Interim Measures”. Piloting in smaller areas should also be part of the preparatory process.
- **Improving the new legislation structure and its content**  
The new legal framework should be comprehensive and it should cover benefits and services for the people who are in need. Special attention should be focused on the social services part since this is still a very underdeveloped area. Appropriate legal solutions should be also adopted at the local level in accordance with the central government’s legal framework.
- **IT based administrative processes of the social assistance system**  
Administrative procedures should be clear and user friendly. They should be IT supported as much as possible. Again transparency is very important but on the other side it is also important to leave some room for the discretion of officials at the local level. It is important to also have precise divisions between the administrative and the professional parts of the procedures. Clear appeal procedures should be also part of the administrative processes.
- **A comprehensive approach to the implementation of the new legislation**  
The early preparation for the implementation is very important. Implementation should be related to human resources, premises, equipment and IT support (hardware and software). Bearing in mind that the service supply side is not very well developed, it is important to start an awareness campaign which will attract investors from the private sector.
- **Ensuring appropriate funding for the new social assistance provisions**  
To successfully implement a new legal framework, additional funds will be needed at central and local levels. It is critical to prepare clear projections in relation to this. It will be useful to develop a simulation model.
- **Investment in the monitoring and evaluation of the newly implemented law**  
Regular monitoring should be part of the new legislative framework. However it is also important to monitor the implementation of the new legislation on a yearly basis.
- **Raising awareness and publicity of the new provisions of the social assistance law**  
Provision of clear and accurate information to the general public and to the all involved parties will be an important part of the successful implementation of the new legislation. It should start early and should be delivered through the different media.

**RESULT 10: 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**

Draft

### Topic 3.2.1 Experiences on unified standards for calculation of Social Assistance benefits<sup>2</sup>

- To formulate a unified methodology of calculating and adjusting the Dibao standard.
- To implement the active policy of Dibao standard
- To adjust the Dibao standard gradually
- To enhance the coordination and cooperation among the relevant branches of government
- To enhance the categorized management of social assistance.
- To coordinate the liability of the social assistance fund between central government and local government

\*

- Standardised methodology for setting the Dibao standard
- A benchmark for Dibao
- Indexation
- Targeting of Dibao
- Impact on poverty
- Assessment of means
- Data sharing

<sup>2</sup> Excerpt from Gang Shuge report, Professor, March 2016 & Mel Cousins, EU-China SPRP expert report, March 2016.

According to the assessments report the policy recommendations for Chinese Dibao scheme have been defined as follows:

■ **To formulate a unified methodology of calculating and adjusting the Dibao standard.**

We need to see regulating and improving the methodology for calculating and adjusting the Dibao standard, and adopting the formulation of an unified method of adjusting the Dibao standard as a policy orientation. At present, the formulation and management of the Dibao standard at local levels are diverse. Aiming at the goal of establishing a regulated, evidence-based and standardized social assistance system, using the local lessons on the calculation and the adjustment of the Dibao standard, it is necessary to push further forward on formulating an unified methodology for calculating and adjusting the Dibao standard as the guidance for the policy implementation at local level in order to regulate the management of social assistance. Meanwhile, it is also necessary to further enhance the coordination of the management of social assistance between the central government and local governments.

■ **To implement the active policy of Dibao standard**

The Dibao standard policy needs to achieve the policy equilibrium between guaranteeing the basic living of Dibao recipients and promoting employment. To guarantee the living of the Dibao recipients and to promote the mobility of the social assistance system are important goals of social assistance policy. First, aiming at guaranteeing the livelihood of the urban Dibao recipients it is necessary to link the urban Dibao standard with the average living standard of the residents. Second, as for policy improvements, it is also necessary to link the urban Dibao standard with the minimum wage and set a suitable replacement rate of the Dibao standard to the minimum wage to coordinate the relationship between the increasing of the urban Dibao benefit and the encouragement of employment. Taking heed of the international experience of social assistance, social assistance policy should embrace an active market policy, promote the mobility of the Dibao system and realize the sustainable development of the social assistance system.

■ **To adjust the Dibao standard gradually**

In this regard, gradualism should be the basic principle to be adhered to. Since the 21st century, along with economic development and the increasing expenditure on social protection, including social assistance, the urban-rural Dibao standard has been increased with varying degrees. This plays a significant role in guaranteeing of the poor residents in the rural-urban areas of China. However, with a view to the comparison between the increase of the average income of urban residents and the increase in the urban Dibao standard under the backdrop of economic development, there is no consistency between the urban Dibao standard and the average disposable income of urban residents. The ratio of the Dibao standard to the average disposable income of urban residents tends to decrease. From the 2002 to 2014, the average of the disposable income of Chinese urban residents increased from 7,702.8 CNY to 29,381CNY, but in the same period the ratio of urban Dibao standard to the average disposable income of urban residents went down from 23.06% to 16.76%. With the view of the idea of shared development and the principle of shared development, it is necessary to gradually improve and conduct an evidence-based adjustment of the Dibao standard.

■ **To enhance the coordination and cooperation among the relevant branches of government**

According to the “Interim Measures on Social Assistance”, the Ministry of Civil Affairs, National Health and Family Planning Commission, Ministry of Education, Ministry of Housing

and Urban-Rural Development and the Ministry of Human Resources and Social Security are responsible for the corresponding work of managing Dibao according to their respective duties. At present, the “System of Joint Conference for Social Assistance” has been established in some areas in order to coordinate the social assistance policy including the policy for the social assistance standard in a comprehensive and coordinated way. However cooperation and coordination among the governments and social organizations are not enough. It is essential to enhance cooperation among the governmental departments responsible for civil affairs, statistics, prices, agriculture, social security and trade unions so that the scientificity of the setting and adjusting the Dibao standard fixing can be improved.

■ **To enhance the categorized management of social assistance.**

By comparison, the composition of the Dibao recipients has changed a lot since the new type of social assistance was established in China in the late 1990s. Social assistance recipients now consist of the disabled, the unemployed, children, adolescents and the poor with chronic diseases. Aiming to establish a social assistance program with social justice, mobility, sustainability and humanistic development, the classified management of social assistance should be reinforced. For those Dibao recipients with the ability to work, the social assistance standard should be decreased. For those Dibao recipients who have their own houses (apartments), the social assistance standard should be greatly lowered, For those children of Dibao recipients living in a poor Dibao family, the Dibao standard should be increased in an appropriate way. A subsidy system or development account for poor children needs to be established with the goal of breaking the poverty trap and breaking down the vicious cycle of inter-generational poverty.

■ **To coordinate the liability of the social assistance fund between central government and local government**

In the implementation of a social assistance policy, financial support from the central government plays an important role in the sustainability of the social assistance system. The relationship between central government and the local government on the allocation of social assistance funding has undergone some changes in recent years. Some policies should be taken to further scientization and rationalization. One is that the ratio between the central governance and local government on the Dibao funding allocation should be adjusted yearly in a suitable way to be consistent with local economic development and local economic performance. The other is that when fixing the ratio of social assistance funding between the central government and local government, three factors including rural-urban Dibao coverage rate, Dibao standard and per capita GDP should be taken into considerations. There should be a division of the whole country into four areas –those which are totally funded by the central government, those mostly funded by the central government, those mostly funded by local government and those totally funded by local government.

Considering the EU experiences following recommendations have been proposed for reforming the Dibao scheme:

■ **Standardised methodology for setting the Dibao standard**

There would appear to be strong arguments for MoCA to provide national guidelines to local governments as to the methodology to be used in setting the Dibao standard. Based on a review of the possible approaches, it would seem to be most appropriate to base the Dibao standard on local consumption expenditure (possibly the data for the low income group). Further studies would be

necessary to establish the availability and reliability of data at a local level and to establish a more detailed methodology.

Recommendation: MoCA should develop and adopt a methodology for setting the Dibao standard which should be included in the legislative provisions.

#### ■ A benchmark for Dibao

In addition to establishing a standard methodology, there is also an argument for setting a specific benchmark for the Dibao standard. This might be a set figure or might provide a range within which local authorities would set their local Dibao standard. Having such a benchmark would further ensure a greater level of consistency across China and would also allow MoCA to vary the level of Dibao over time in response to social and economic developments.

There are, of course, a wide range of possibilities in terms of how binding the benchmark might be. It could, for example, be allowed that the local governments could vary to some extent from the benchmark based on (exceptional) local factors such as the state of the labour market or financial capacity.

In order to set the precise level of the benchmark (or range), further studies will be required as to the impact on poverty, the financial costs, and (insofar as it is relevant) the possible impacts on the labour market. Ideally this should involve the use of some form of microsimulation model.

Recommendation: MoCA should develop and adopt a benchmark for the Dibao standard which should be included in the legislative provisions. This study should utilise micro-simulation modelling.

#### ■ Indexation

Where a benchmark is set as a percentage of, for example, consumption expenditure, it is not strictly necessary to have a separate means of indexation, as the benchmark will be updated automatically. Where, however, the benchmark is not such a percentage or where there is a gap before data may be available to update the benchmark (as in Germany), it is necessary to have some form of indexation. In most European Union countries which set a specific mechanism, indexation is related to changes in the consumer price index. In most countries in recent years, wages have tended to rise more rapidly than prices and indexation to prices alone gives rise to a widening gap between the Dibao standard and average earnings. In order to counteract this trend, some countries (e.g. Germany) also take into account changes in earnings in indexing the Dibao standard.

#### ■ Targeting of Dibao

In terms of the Dibao standard, the correct targeting of Dibao is clearly very important. The impact of improving and standardizing the standard may be lost if targeting of Dibao is not effective.

Existing studies of the urban Dibao system would suggest that while most people who get Dibao are poor, many poor people do not receive Dibao. In addition, a World Bank study of the rural Dibao scheme would suggest that targeting is quite weak. Therefore, this is an area where ongoing research would be necessary to monitor targeting with perhaps specific targets being set by MoCA and monitored in annual assessment reports of Dibao administration at a local level.

Recommendation: MoCA should carry out research on targeting of Dibao and, on the basis of that research, should set targets for local governments which would be monitored in annual assessment reports.

#### ■ Impact on poverty

The XIIIth Five-Year Plan (2016-2020) has set the objective of poverty reduction. Dibao should play an important role in achieving this objective. Therefore, it will be important to monitor the

impact which the urban and rural Dibao systems are having on poverty in order to inform the future development of poverty.

Recommendation: MoCA should carry out research on the impact on poverty of Dibao in different areas to inform future policy development.

#### ■ Assessment of means

Assessment of income and assets is a key issue in the successful implementation of a minimum income payment. Unless the implementing agencies are able to assess means in a credible manner, it will be difficult to target the payment successfully and to target those below the Dibao standard. In European Union countries, the following income is, in general, taken into account:

Rights/actions concerning property including personal property (moveable assets, capital that can be withdrawn, etc.);

Income and (other) benefits (earnings from work, legal support from spouse; other social protection benefits, etc.);

In general, the approach to means testing should be set out in Laws and Regulations and detailed guidelines should be provided for implementing agencies on the approach which they should take in order to improve both effectiveness and transparency. European Union experience shows that it is important that there be clear rules and standardised procedures as to *what* income and assets are taken into account. There also need to be clear rules for the implementing agencies as to *how* these bodies should assess income to ensure that this is done in a standardised and thorough format.

Recommendation: MoCA should develop clear definitions of the income and assets to be included in the Dibao means test and these should be included in the legislative provisions

Recommendation: MoCA should develop standardised guidelines for the implementation of these rules at a local level.

#### ■ Data sharing

In particular, social security agencies in European Union countries (and indeed in a wide range of developed and developing countries) increasingly recognise the need to share data with other data holders with information on income and assets, e.g. property data, car registration, pensions and social insurance database, tax, life events (death), etc. This allows the authorities implementing the minimum income payment to co-ordinate with the information on income and assets in other official databases and to ensure that the information provided is accurate. It also allows the authorities to co-ordinate with databases of life events (e.g. births, deaths and marriages) to ensure, for example, that once a person is registered as dead, payments in respect of that person are terminated.

This is an area where China could improve the effectiveness and efficiency of its Dibao system by drawing on EU best practice. Indeed, there are also good examples in China which should be rolled out to all areas, e.g. Family Economic Situation Assessment Centre (e.g. Shanghai).

Recommendation: MoCA should develop data sharing protocols drawing on EU experience and on best practice in cities such as Shanghai

Recommendation: MoCA and the EU SPRP should consider establishing a pilot project to improve assessment of means at a local level in line with the above recommendations.

**RESULT 11: Efforts of the MoCA in 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;**

Draft

**Topic 3.3.1 Social Assistance for Specific Vulnerable Groups (SASVG) - Services for Children, the Elderly, People with Disabilities, with Special Focus on Poor Rural People<sup>3</sup>**

- **Service Provision Centered Policy Improvement**
- **Improve Cross Sector Institutional Coordination including Articulation in Different Programs**
- **Based on the new “Guidance” to Conduct Policy Pilot Experimentation**
- **To Enhance the Financial Input from the Government’s Regular Budget for Sound Services**
- **To Strengthen the Organizational and Staff Capacity for Rural Super-Township Support Organizations for Better Services**
- **To Recognise More Roles for Rural Communities and Village Committees in Individual Support**
- **To Encourage Local Innovation in SVG Support System**

\*

- **Introduce a new model of assistance in relation to the results of an assessment**
- **Develop the co-operation of partners at the local level**
- **Introduce the responsibility for providing services at the lowest level**
- **Provide a pilot to implement the new solution**
- **Provide a range of support and services.**
- **Enhance the financial support for local level institutions**
- **Introduce standards both for the management and the organization of social care institutions**

<sup>3</sup> Excerpt from Zuo Ting report, Professor, March 2016 & Jadwiga Pauli, EU-China SPRP expert report, March 2016.

According to the assessments report the policy recommendations for special vulnerable groups have been defined as follows:

#### ■ **Service Provision Centered Policy Improvement**

Support to the rural SVG, in particular to the FG scheme has almost 60 years of history. It was the oldest but most dynamic social assistance scheme. The experiences of the SASVG scheme are worthy of evaluation. Although the number of recipients under the FG scheme is only around one per cent of the total rural population, those recipients are economically poor, socially incomplete and physically vulnerable. They are most needy group and should be always the focus of the social assistance system. The situation of SVGs will reflect the moral values of society. Governments at all levels should consider it as a work priority. Unlike Dibao in which the transfer payment is the main issue, sound care service provision should be the main task of the SASVG program. This includes questions of what kinds of care services should be provided, by what means can sound care services be provided, who will provide daily care services, who will pay for the service provision. There is still much hard work to be done to realize a sound service provision.

#### ■ **Improve Cross Sector Institutional Coordination including Articulation in Different Programs**

By now, the vulnerable people support institution framework has been formed. But there are two concepts: specific vulnerable and FG, where responsible bodies for the three groups are quite different. This may lead to mistakes and omissions. The policy of the civil affairs department and the Disabled Persons' Federation should be unified and assistance should be linked with welfare in the civil affairs department. In addition, the institutional coordination mechanism between departments should be built and communication among education, housing, medical treatment and public utilities should be strengthened. The new "Guidance on Further Improvement of Social Assistance and Support for SVG" includes a special paragraph on coordination between the different programs and a standard platform for the establishment and management of vulnerable persons' archives should be built up to realize trans-sector coordination.

#### ■ **Based on the new "Guidance" to Conduct Policy Pilot Experimentation**

The new "Guidance on the Further Improvement of Social Assistance and Support for SVGs" has been made recently. There are many contents in this guidance that need to be made in detail. In relation to but not limited to this EU-China SPRP, it is suggested that participatory action policy research and pilot experimentation be conducted to specify the Guidance. The contents should include the definition of clients under the SASVG scheme, the standards of services (in particular caring and nursing services), the standards of operation and staffing of nursing homes, management systems, monitoring and management for individual support, third-party support, integration between nursing and medical caring and involving social forces. Such action research and pilot testing will help improve the policy process.

#### ■ **To Enhance the Financial Input from the Government's Regular Budget for Sound Services**

For some historical reasons, the fund for vulnerable people support mainly comes from local government (especially middle areas). There are poor areas in the middle of China and some local governments cannot maintain the standard "not lower than local residents' average living standard"

stated in the “*Regulations on Rural Five-Guarantee Scheme*”. Limited budget will also affect the identification of qualified target groups. The central government should make the regulations for and contribute to financing to take the 5 million vulnerable citizens out of poverty. So far, the financial responsibility between different level of governments on the maintenance and operation of nursing homes is not very clear. Financial support to village committees is also necessary for their duties relating to individually supported SVGs. In the “Guidance on the Further Improvement of Social Assistance and Support for SVG”, both basic living standards and caring and nursing standard are proposed but these need to be further studied, so that sound services can be delivered based on the needs of SVGs.

#### ■ **To Strengthen the Organizational and Staff Capacity for Rural Super-Township Support Organizations for Better Services**

Some provinces partially stress the responsibility of township governments and run a home for the elderly in every town. It is difficult to get economies of scale and raise the service level. The principle should be that “the village is responsible for individual support and the town is responsible for collective support” and more cross-town support organizations should be encouraged. The Government should encourage organizations to employ local people and include their salary in the budget. The staff of support organizations should be registered as civil institution personnel to ensure responsibility and incentives. The standards for nursing homes should be developed to provide detailed guidance for practice, including legal entity registration, amount and structure of staff, contents of services, infrastructure and physical conditions, etc.

#### ■ **To Recognise More Roles for Rural Communities and Village Committees in Individual Support**

In the future, there will be many people who will choose individual support. The government should respect their choice and strengthen the responsibility of village and fund them. At the same time, the government should encourage social work organizations and volunteers to serve in rural support organizations. Service criteria for individually supported FG clients should be formulated and strengthened.

Currently, about two-thirds of FG clients are individually home-stay supported. Home-stay support is an option when the clients still have the basic ability for daily life. However, risks are still around these SVGs. Therefore, some kind of necessary service should be available and accessible for those people. The local community (including neighbors and relatives) should be supported for the provision of necessary daily services and health care, monitoring, etc.

#### ■ **To Encourage Local Innovation in SVG Support System**

In case studies it was found that many support organization practices were well suited to the local situation, such as developing the economy in the organizations and the combination of assistance and welfare in aged affairs. Nursing homes for SVGs can be the leverage for rural general caring facilities for the elderly. In organizations’ staff, some of them are listed in the budget, some are set public service jobs and some are recruited by the village leader. Innovation should be encouraged and the communication of experiences should be strengthened.

The main areas for innovation include: involvement of social organization/social workers in SASVGs, service procurement of Government from business (or PPP styled). Nursing homes, subcontracting to the village community for individual’s home -stay support. It is also worth developing the integration of medical care into the SASVG system.

Considering the EU experiences following recommendation have been proposed for remorning support for special vulnerable groups:

■ **Introduce a new model of assistance in relation to the results of an assessment**

The proposal for services should be built upon an assessment of the needs of the vulnerable group in their local environment, according to local requirements for the type, range and quality of services required. It should reflect what is best for the vulnerable group in each province. An assessment always helps to ensure that the real needs and challenges are addressed and that resources are used efficiently.

■ Significant attention should be paid to **improving the co-operation and co-ordination among the different institutions which are involved in the process of providing services and benefits** by establishing platforms and rules for inter-communication on the exchange of appropriate information in the field of health care and of medical, functional treatment and financial benefits. Good co-operation is needed to:

- gather and exchange information and data concerning the Specific Vulnerable Groups
- give the picture of all the possible and available care systems, i.e. pension insurance for urban and rural residents, basic medical insurance, minimum subsistence guarantee, and basic living guarantee for children deprived of parental care.
- encourage Local Innovation in the FG Support System by sharing experiences and ideas

■ **Develop the co-operation of partners at the local level**

The input of stake holders to the local model setting public private and non-governmental partners, needy persons themselves and community organisations, and other social, health and housing institutions must be encouraged throughout the design and planning process.

■ Introduce the responsibility for providing services at the lowest level. The execution of services for individuals should be delegated to stakeholders as the most efficient method is the community-based and family-based model over the institution-based model. There is a need for developing self-help initiatives and voluntary movements on local level. Involve local partners as they can better respond to individual needs.

■ Provide a pilot to implement the new solution with strong attention to the evaluation and monitoring of the whole process. It should be done by using approved, prepared methods and techniques. The evaluation and monitoring process should engage people at different levels – central government, local government, service providers as well as the people using the services or their representative organisations.

■ Provide a range of support and services. A continuum of care for needy people should meet the objectives of maximising independence and providing different types of services to meet the needs and demands of the vulnerable groups according to their health and social conditions.

■ Enhance the financial support for local level institutions from the government regular budgets so as to ensure the possibility of providing services according to settled recommendations and ensuring the sustainability of the system.

- Introduce standards both for the management and the organization of social care institutions and services as well as provide scope for the tasks and responsibilities of different local governments (including training and professional staff formation) as there is a strong link between qualification of the personnel and the quality services both in institution-based and community-based systems. The more professional is the staff that is employed then the better the quality of services that can be performed in the community and in the institutions and the better the public image of social workers and social services as a whole will be.

Draft