

Management of Social Changes and Crisis in China's Reform Era

- Socialization of Welfare System -

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Abstract

This study basically defines the direction of welfare changes in China after the reform as socialization of welfare system, and argues that this is a way of social management in which the Chinese government responds to changes of socioeconomic structure and the accompanying sort of welfare crisis after the reform, and that in general the socialization of welfare in China's reform era has characteristics eventually result in commercialization and commodification of welfare services which have significantly increased individual welfare burden with the recession of the state role under the developmental welfare regime based on growth priority strategy, and that, as a result, a very differentiated welfare environment was formed in urban and rural areas even if the government did not intend to. This fundamental social welfare system transition can be summarized as the changes from an enterprise-statist model to a socialization model, from a pure welfare service system to a marketization service model and from a universal welfare to a selective welfare model.

Key words: China, social change, welfare crisis, socialization of welfare system

1. Introduction

The academic interest in the welfare system of each country has long been focused on the Western welfare state centering on Europe. As East Asian countries and areas such as Japan, Korea, Taiwan, Singapore and Hongkong that achieved economic growth and political democratization has established welfare systems different from that of the West, studies on East Asian welfare are increasing (Goodman, *et. al.*, 1998; Holliday &

Wilding, 2003; Kwon, 2005; Lee & Chan, 2007; Hwang, 2011). This interest in the East Asian welfare system is expanding to the interest in China's welfare system, which has undergone a fundamental change after the reform. As is well known, in China prior to the reform and opening up, the state were responsible for providing all welfare benefits through the 'danwei(单位)' receiving loss protection from the state. As the danwei welfare system is no longer maintained under a wholly new production system and the

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economic structure after the reform and opening, the Chinese government started to reconstruct the welfare system. How to address social changes and conflicts that could lead to social crisis in a proper manner and maintain the harmonious development of society has become a major concern of Chinese new welfare system. Since the late 1990s, reform of the welfare system has picked up the pace, in order to meet the needs of a market economy. Its outstanding feature was that it transferred responsibility for welfare from the state and enterprise to society at large. That is, the state is playing a shrinking role in welfare service provision. The state's shrinking role is partly from a result of a deliberate decision by the state to reduce its participation, but is also a reflection of growing needs and demands for social welfare services that are a result of China's rapid reforms and the accompanying social changes. Furthermore, demand for social services in contemporary Chinese society has exceeded the state's capacity and willingness to provide them.

In this context, this study basically defines the direction of welfare changes in China after the reform as socialization of welfare system. Socialization of welfare system is that in the changed socioeconomic environment the Chinese government shares with the society (private institutions, social organizations, communities, individuals) welfare services that the state fully provided in the previous period, it means therefore that welfare providers are expanded to supply some of the welfare services in the non-state sector from the state being the only welfare provider, and that sharing the welfare resources that some corporations and individuals bear in part from the

total burden of the state. In short, it can be said that the burden of the welfare that the country had carried on its own is now to be shared with the society. This study argues that this is a way of social management in which the Chinese government responds to changes of socioeconomic structure and the accompanying sort of welfare crisis after the reform, that in general the socialization of welfare in China's reform era has characteristics eventually result in commercialization and commodification of welfare services which have significantly increased individual welfare burden with the recession of the state role under the developmental welfare regime based on growth priority strategy, and that, as a result, a very differentiated welfare environment was formed in urban and rural areas even if the government did not intend to. These arguments will be explored in more detail in the following chapters especially on those key fields in China's welfare system such as old-age insurance, medical security, and the minimum living allowance.

II. Reconstruction of a welfare system in China's reform era

1. Old-age insurance system

Throughout its industrialization process, but especially in the 30 years following the introduction of reform and opening up policies, China has established various types of old-age social security systems. A basic pension insurance system for workers and a pension system for employees of public institutions are in place in urban areas. Their rural counterparts include the pension insurance system introduced in 1992 by the Ministry of Civil Affairs, as well as another system introduced in

certain areas in the current decade. In addition, pension insurance system have been established independently in almost areas for workers coming from other areas, i.e. namely migrant workers.

Before market-oriented economic reforms were introduced in China in the 1980s, its urban residents were well organized in their workplaces(danwei), which provided lifetime employment, medical benefits and retirement pensions. Employees of state-owned enterprises, in particular, were in an "iron rice bowl" system and enjoyed guaranteed employment and cost-free pensions and medical benefits(Walder, 1986; Lü & Perry, 1997). From the perspective of state-owned enterprises adapting to market-oriented economic reforms, the old social welfare and insurance system was considered a burden that blunted their competitive edge. Government responded to these concerns by releasing state-owned enterprises from the obligation to provide social welfare, such as housing and child care, and social insurance, such as medical benefits pensions(Leung, 1994).

Since the mid-1980s, the Chinese government has introduced a series of reforms to replace the urban social security system established under the planned economy with a new social insurance system corresponding to the market economy. The basic old-age insurance system for workers in urban areas is the primary social security system for elderly. Throughout the planned economy period, urban retirees generally received pensions from the organizations for which they had worked. To facilitate reform of state-owned enterprises, from 1984 onwards, experiments with the socially pooled fund for workers' pensions were conducted in certain areas. In 1993 the Third Plenary Session

of the 14th CPC Central Committee passed the *Decision on Several Issues regarding the Establishment of the Socialist Market Economy*. In July of 1997 the State Council promulgated the *Decision to Establish a Unified Basic Old-age Insurance System for Enterprises Workers*, which was to be applied to enterprise workers across the nation. Coverage of basic old-age insurance for urban workers has been increasing over the course of more than 20 years of reforms. Initially, old-age insurance was reserved for employees of state-owned enterprises and collectively owned enterprises in urban areas. In 1999, this coverage was expanded to include foreign enterprises, domestic private enterprises, and all other types of businesses in urban areas. Provinces, autonomous regions, and municipalities decided whether to include self-employed persons in accordance with the specific conditions in their localities. In 2002, the basic old-age insurance coverage was expanded to those with flexible employment.

Having the family provide for the elderly has long been the primary form of old-age security in rural China. Although this still holds true today, supporting the elderly through extended family relationship is facing increasing challenges given rapid industrialization and urbanization and the dramatic changes in socioeconomic structure. The massive transfer of labor forces and numbers of people moving away from their original homes make it difficult for the old to live with children. The earnings derived from land and the financial security it used to signify are constantly diminishing and rural social networks are losing their former function.

In the mid-1980s, in order to address the growing

inadequacy of the traditional means of providing for the elderly, the Chinese government carried out experiments in building a formal old-age security system for rural areas. In 1986 the Ministry of Civil Affairs carried out pilot projects in certain rich townships including those in Shanghai's suburbs and in southern Jiangsu. In 1992 the ministry developed the *Guidelines on Public Pension for Rural Areas*, which, as an important framework, guided and accelerated the establishment of an old-age insurance system in rural areas. However, the system's inherent defects and management problems, coupled with such factors as the 1997 Asian financial crisis and the shift of responsibilities for the system from the Ministry of Civil Affairs to the Ministry of Labor and Social Security in 1998, put the system at a standstill for the next few years.

With the old-age insurance system at a standstill some local governments, starting from their own conditions, experimented with a new alternative for rural areas. Countrywide, however, the number of farmers enrolled in old-age insurance remains low and family-based support for the elderly is primary, so still a very large number of China's elderly in rural areas are left unsupported by the new old-age security system. In other words, there are more than two-thirds of the elderly, nationwide, receive no pension, while the percentage approaches 90 percent in rural areas, so the elderly with no other means or options in rural areas still depend mainly on their families. Facing this situation, how to devise a basic old-age insurance system for those rural residents has become the most outstanding issue for China's old-age security system. A rapidly aging population has made this issue the number-one priority on the agenda.

2. Medical security system

Under the planned-economy system the Chinese government tried to provide the entire population with the most essential health services. At that time the government placed the emphasis of its medical and health work on the prevention and elimination of infectious diseases. In particular, it strengthened health work in rural areas, and established medical service teams for the most essential healthcare, and a unique 'cooperative medical system' that allowed urban and rural residents, especially farmers, to receive basic healthcare services without paying costs. In the 1980s, as reform of the economic system proceeded, new problems arose in the provision of medical and health services. The main one was the contradiction between the amount of medical resources available and the sharply increasing need for medical treatment, a need that soared in a very short period of time. To relieve the contradiction, relevant government departments introduced a series of policies to encourage 'social forces' to enter the field of medical services. Subsequently, private clinics, privately-run hospitals, joint-stock hospitals, joint-stock cooperative hospitals, joint-venture hospitals, hospital groups, etc appeared one after another. Driven by the supply-expanding policies, a pattern began taking shape nationwide, especially in cities in which health resources were gathered through multiple channels and at multiple levels and hospitals were established through multiple channels and in various forms(Song, *et al.*, 1999: 32).

From the late 1980s many cities carried out a succession of reforms and pilot projects relating to free medical care system and labor protection medical care. In 1993 the Third Plenary Session of

the 14th CPC Central Committee decided to establish a 'basic medical insurance system for workers that integrated socially pooled funds and personal accounts.' After gathering together the experience and lessons of trial reforms in medical insurance across the country, in 1998, the State Council issued the *Decision to Establish a Basic Medical Insurance System for Urban Workers*. It called for the integration of socially pooled funds and personal accounts for the basic medical insurance for workers, and required all urban workers to participate in the basic medical insurance of the community in which they were located. To incorporate diverse forms of employment, in 2003–2004 the coverage of the basic medical insurance for workers was expanded to include all urban workers.

Meanwhile, after the 1980s, as reform of economic system advanced, the cooperative medical care in rural areas that had relied on the collective economy and people's communes went into decline. Throughout the 1980s rural cooperative medical care had been at a standstill, and the cooperative medical care system had already collapsed in most places. Entering the twenty-first century, the vulnerable condition of the rural public health service system and increasing medical and healthcare expenses led to heightened awareness of such problems as 'hard to get medical care and too expensive to get medical care'. Many farmers were forced to reduce or even cut out all medical

services due to their inability to pay. The situation was seriously constraining China's stated goal of 'building a society of moderate prosperity on an all-round and harmonious way'(Wang & Feng, 2007: 25). Farmers were falling back into poverty or simply succumbing to disease as a result of the inequalities in the way medical and health expenses were being financed in the country, with rural health services growing ever weaker. In 2003 the General Office of the State Council approved and passed on the *Opinions on Establishing a New Rural Cooperative Medical System* as devised by the Ministry of Health and other relevant departments. This document determined that trials should be launched in two or three counties in each provinces from 2003 onward. Successful experience was to be collated and acted upon, and by 2010 the country was to establish a 'new rural cooperative medical system covering rural residents nationwide'(The State Council, 2008).

3. Minimum living allowance system¹⁾

As early as the 1950s, enterprises and institutions in China were already providing a relief system for urban workers living in poverty. Not until the 1990s, however, was there a minimum living allowance system that had the unique feature of being backed by Central government spending. In the early 1990s the system was implemented as a trial program in various cities in tandem with reform of state-owned enterprises. Towards the

1) In China, the term that is usually used for 'providing a basic standard of living' is the 'minimum living allowance'. The term 'minimum living allowance' can be used in a broader and a more narrowly defined sense. In its broader sense, it implies various anti-poverty policies and measures that the country adopts on a discrete period of time, including poverty relief, temporary subsidies to people in need, disaster relief and certain development programs. In a more narrow sense it refers mainly to a system that provides income compensation to both urban and rural residents who are below the poverty line.

end of the 1990s the program was expanded throughout China's urban areas. During this time the system was also adopted in some rural areas. In 2007 the Chinese government specified a policy objective of implementing the system in all of China's rural areas. It also specified the plan for building the framework for a low-level 'minimum living allowance' system in both urban and rural areas.

Urban poverty was not a conspicuous problem during the planned-economy period. After the start of the country's reform and opening up policies, the ever deepened enterprises and labor-system reforms resulted in an increasing number of laid-off workers, and these became the newly poverty-stricken in cities. These people are now urgently in need of expanded coverage from China's security system, to assure their own basic living conditions and also to maintain overall social stability. In June 1993, Shanghai proposed a minimum cost-of-living guarantee plan, the earliest minimum living allowance program for urban residents in China. This was later ratified and disseminated by the Ministry of Civil Affairs. In September 1997, the State Council issued the 'Notice on Establishing a Minimum Living Allowance System for Urban Residents Nationwide'. On October 1999, the State Council promulgated the *Regulations on Minimum Living Allowances for Urban Residents*, heralding the implementation of the system throughout all urban areas. The system was aimed at local governments nationwide, but the result was that they failed to spend the necessary amounts to ensure full coverage in most places. As a result, in 2001, the General Office of the State Council issued a more stringent *Notice on Further Strengthening the*

Work of Minimum Living Allowances for Urban Residents. This required local governments to increase their investment in the program to a sufficient degree to cover all eligible people in the system. Overall, more poor people have benefited from the urban minimum living allowance system with the increases in funding.

While setting up the minimum living allowance system for urban residents, China has also explored how to establish its rural counterpart. Influenced by the establishment of minimum living allowance systems in cities, from the 1990s onward, some coastal areas such as Shanghai, Guangzhou and Zhejiang began exploring rural minimum security system on the basis of the regular supply of ration-based aid. In 1996 the Ministry of Civil Affairs issued the Options on Accelerating the Establishment of a Rural Security System, it focused on the minimum living allowance system, and specified that the required funding had to come from public finance of the various levels of local government and the village collectives. From 1997 the rural minimum living allowance system was launched in areas where conditions permitted its implementation. By the end of 2002, 10 provinces had introduced local laws or regulations regarding the rural minimum security system. In 2007 the State Council promulgated the 'Notice on Establishing a Rural Minimum Living Allowance System throughout the Country', which gave notice that the system was going to be implemented nationwide.

The minimum living allowance system is a core programme in China's social assistance system. It provides poor families with basic cash benefits so that their income reaches a locally defined minimal

level. Unlike the enterprises-based social welfare provisions, the minimum living allowance system is not delivered or financed by enterprises, but is a direct responsibility of the government. The minimum living allowance system programme has been one of the most successful in China's social policy system since the 1990s, and now plays a very important role in providing social security in both urban and rural areas.

III. Socialization of welfare system as management of socioeconomic changes and welfare crisis in China: features, causes and consequences

Since the mid-1980s, the Chinese government has introduced a series of reforms to replace the old welfare system established under the planned economy with a new one based on social insurance corresponding to the changed socioeconomic environment and confusion in the welfare order after the reform and opening up. The main feature of the reforms was the introduction of cost-sharing in order to finance the social insurance system, funds are contributed jointly by enterprises, individuals, and the state. Where the state had once been the sole provider of virtually cost-free medical and pension benefits, the new enterprises-based, i.e., socialized in many aspects, welfare and

insurance system shifted the obligation to individuals, who were required to contribute to their own medical benefits and future retirement funds. Costs are now distributed among workers, employers, and the state (Frazier, 2006; Maitra, *et. al.*, 2007). Although the reforms have led to the expansion of social insurance coverage from state-owned enterprises to all urban enterprises, regardless of ownership type and employees' *hukou* (household registration) status, there are still great disparities in accessing social welfare benefits arising from differences in workers' *hukou* and types of workplace ownership (Nielsen, *et. al.*, 2005). The social welfare system reforms were initiated at the national level, but the implementation of these regulations was delegated to localities, which led to the 'segmentation' of social welfare provision across regions,²⁾ it is argued that regional disparities in economic development are the underlying cause of disparities in social welfare development, and that the rankings of the old-age insurance development index are consistent with the level of economic development across localities. In general, the east coast has the highest levels of social welfare services, followed by the middle inland region. The western inland area has the lowest level (Zheng & Sun, 2008).

In case of the Minimum Living Allowance system, a milestone plays a fundamental role in building

2) China's welfare mix will vary between localities, there are two well-established reasons for this. First, since 1978 there has been decentralization within the state of many of the public resources and responsibilities for delivering welfare (Lin, 2004; Hussain, 2007; Zhang & Shih, 2008). While the central government still defines the national public policy framework, local government now have more space to adjust policies during implementation and encourage or discourage non-state provision. Second, local economies have diverged in terms of wealth, development and private-sector development, as well as amounts of foreign trade and investment. This in turn has increased the differences between localities in terms of public and private resources for welfare, social problems and the likelihood of the private sector filling gaps in state provision. While there was sub-national variation under state planning, it has increased, and continues to increase, in the era of market-oriented reform.

China's new social security system in reform era, it is budgeted for and implemented by local governments who will have a say in the income criteria. The Minimum Living Allowance criteria may vary greatly at different places due to their economic status and availability of financial resources. Therefore in rural areas with a much lower income and living standard, residents may receive only a few dozen RMB on average as the monthly benefit. The great difference has led to obvious inequity in the Minimum Living Allowance system between urban and rural areas and among regions, and has affected the unity and fairness of the system. It is important to point that it is mainly because governmental spending in urban social welfare is much higher than governmental expenditures in rural social welfare demonstrating the great gap between the rural and the urban. In other words, in the development of the minimum living allowance system, in both urban and rural areas, the different attitudes towards urban and rural minimum living allowance system can be explained to some extent by differences between central and local governments in their views of the programmes' political and economic significance. For the central government, social and political stability was more important than for the local governments and thus the minimum living allowance system was seen as more necessary by the centre. But the centre saw it as more important in cities than in rural areas. That was why the urban minimum living allowance system got greater support from central government in late 1990s and early 2000s than did its rural counterpart(Guan &

Xu, 2011: 34).

Encouraged by the Minimum Living Allowance success in the cities, the Civil Affairs Ministry attempted to promote rural Minimum Living Allowance system further in 2003, top policy makers and central, provincial and local governments still hesitate to take financial responsibility however, so the Minimum Living Allowance system in rural areas cannot be extended to a larger areas rapidly as in the cities, nor cover more rural poor in the villages sufficiently that operate programmes. The rural minimum living allowance system's this long-term slow development can be attributed to inconsistency and disagreement in the allocation of responsibility between central and local governments, especially in financial agreements(Guan & Xu, 2011: 34).

Besides it is mainly because social policy reform in China's reform era generally has two overarching concerns—reorganizing the welfare system in order to facilitate marketization of economy and preserving the stability of the prevailing political order. To achieve economic development, the universal welfare expense should ne contained, but for political stability social welfare decline cannot go too far, and needs to be strengthened in some specific fields. In other words, social policy reform in China since 1980s has hardly been a one-way process but was rather carried out under the twin pressures of economic development and political stability(Guan, 2005). This clearly follows the logic of the selective strand of the developmental welfare state.³⁾ In this context, instead of maintaining a high-level social welfare provision in all areas, the

3) The 'developmental welfare state' is defined as where elite policy makers set economic growth as the fundamental goal, pursue a coherent strategy to achieve it and use social policy as an instrument for attaining that goal(Gough, 2001).

Table 1. Chinese governments spending on the minimum living allowance system for urban and rural areas

	Urban			Rural		
	Population (10,000)	Governments spending (a hundred million yuan)	Per capita spending (yuan)	Population (10,000)	Governments spending (a hundred million yuan)	Per capita spending (yuan)
2012	2143,5	674,3	3145	5344,5	718	1343
2013	2064,2	756,7	3665	5388	866,9	1608
2014	1877	721,7	3844	5207,2	870,3	1671
2015	1701,1	719,3	4228	4903,6	931,5	1899
2016	1480,2	687,9	4647	4586,5	1014,5	2211

* Source : Ministry of Civil Affairs, Social services development statistical bulletin

government used welfare programmes that target a particular section of the population in order to tackle social problems. In light of this, the strategy adopted by China is close to that of the selective strand of the developmental welfare state.⁴⁾ Such policy orientation has resulted in a dual system of social policy—urban and rural welfare systems, and this dual system seems to be unable to reduce the growing inequality, even if it does not worsen it (Kwon, 2005).

〈Table 1〉 shows the Chinese governments' spending on the Minimum Living Allowance for both urban and rural areas over the past five years. According to this table, the number of rural residents who are covered by this system is more than 2.5 times that of urban residents in 2012, and this gap widened to 3.1 times in 2016. In case of the governments' spending in the same period, however, the total expenditure on the rural area is 1.1 times more than the expenditure on the urban area in 2012, and this gap widened only to 1.5 times in 2016. Chinese governments' per capita spending on the Minimum Living Allowance system for both areas, more significant figures that make it

possible to estimate the government's policy preferences, in the same period, spending for rural residents is at most only half that of urban residents, and this gap did not change much in past five years. Based on these figures, it can be said that the Chinese government has a city-oriented policy orientation in managing the new welfare system, and China's this inclination in the reform era can be explained by the adoption of the developmental welfare state model that focuses more on economic growth as described above.

IV. Conclusion

China's embrace of market mechanisms inevitably disrupted the welfare arrangements of the pre-reform period, many of which depended heavily on guarantees of lifetime employment and access to social services provided by state-owned employers, so it was concerned that it could lead to a welfare crisis. In the early days of transitioning from a planned-economy to a market-oriented economy, the primary task for China's social security was to establish a new 'socialized' welfare

4) Based on this background, it is said that 'employment first' must be one of the basic principles of China's social welfare policies, and that if the level of security is too high, and the rate of corporate contributions is too high, the unintended consequence will be that overly heavy burdens will force enterprises to cut jobs (China Development Research Foundation, 2012: 25).

system that enabled reform of state-owned enterprises which had wholly provided all the welfare services as an agent of the state before the reform and opening up. So now, rather than an 'iron rice bowl' provided by the workplace, there is a new social welfare system in which costs and responsibilities are shared among the major agents of Chinese society—individuals, enterprises, and the governments. This fundamental social welfare system transition can be summarized as the changes from an enterprise-statist model to a socialization model, a transition from the traditional state enterprises model to a socialized model, from a pure welfare service system to a marketization service model and from a universal welfare to a selective welfare model(Guan, 2005: 252).

Before the reform, the government took most of the responsibility for providing social welfare, or even the whole responsibility, via the state enterprises in the state sector. After the reform, the government took only a limited responsibility, the recipients, enterprises, and community organizations are asked to share the responsibility and NGOs of various kinds are encouraged to participate. Similarly, in planned-economy period, enterprises played an important role in providing social security and a wide range of welfare services. After the reform, enterprises no longer played an such important role, except for taking financial responsibility for occupational insurance programmes including pensions, medical insurance and unemployment insurance. Contrarily, before the reform, beneficiaries enjoyed free welfare, they were not directly responsible for financing social benefits in most welfare fields. After the reform, however, they had to share financial responsibility

by insurance contribution for most cash benefits (e.g. co-contribution for pension, medical benefits, and unemployment benefits), and by fees-for-service in most services(e.g. housing, higher education, health care and personal services), except in a few fields such as social assistance for the poor and occupational insurance.

In short, the new socialized welfare system as management of profound socioeconomic changes and welfare crisis after the reform and opening up in China has several main characteristics. First, socialization and commercialization of welfare services. In some fields government reduced or even ceased its financial responsibility altogether and in the process of welfare socialization converted traditional government welfare services into commercial or quasi-commercial services. Second, beneficiaries responsibility. In those services in which the basic welfare principle still remains, beneficiaries are required to pay a part of the costs for services, and there is stronger personal responsibility for their benefits. Such changes can be seen in social insurance, higher education and many personal services. In that fields, the government is still treating the services as welfare by nature, but has nonetheless reduced expenditure and required beneficiaries to share the expense. The basic philosophy here is that, instead of relying on the government, individuals should take responsibility, at least in part, according to their ability. Third, in many welfare areas, some market mechanisms have been introduced into service providers. Some kind of social service market has been formed, in which there are more service providers who are in some sense competitive, and beneficiaries who are becoming customers. Through

these market mechanisms, service providers are expected to perform with higher efficiency, and service recipients thus have more freedom to choose a service provider and enjoy better services. China's rapid growth over more than three decades of reform and opening up has ensured the underling conditions for the country to improve its social security system. China currently faces an extremely opportune moment for setting up a new welfare system managing the social changes and crisis caused by that reform and opening up that has made China a remarkable economic growth.

And about the future outlook in China, we may get some implications from the experiences of East Asian countries. In East Asian societies, the role of government is unique in tackling the challenges of an aging population as a result of rapid economic, political, and social demographic changes. With globalization and the fluidity of international capital and freer population movements across national borders, social welfare in East Asia is definitely facing unprecedented challenges needing new institutional solutions. East Asian countries need to explore new institutional arrangement capable of maximizing state-society synergy in the realm of social welfare. In addition, it is also observed that there is a tendency for East Asian governments to measure from time to time their developmental objectives and its state capacity with changing social conditions. Korea and Taiwan are two outstanding examples to indicate the determination of their governments to further develop their welfare system along the universalistic line after the 1997 economic crisis, reflecting two interesting features of East Asian welfare systems: resilience and adaptation to international and domestic changes. In Korean

society, in particular, aging issues in the form of income maintenance, diseases, and premature retirement began to emerge as a key social policy concern only around the 1970s. Government response was initially fragmented. The Government confirmed the traditional role of familial values. However, since the early 1990s, the development of long-term care became a significant policy challenge and its definition was extended to home, community, and institutional-based health and social care. China's new welfare system after the reform is to conform to those features of rapid economic growth and fundamental social change too, as mentioned in the previous chapter, so can be regarded following a developmental welfare state model of East Asian countries, therefore, China is expected to refer to the experiences of East Asian countries. On the one hand, government seeks to provide investment-friendly environments to attract enterprises to provide employment and increase investment. On the other hand, social legislation requiring enterprises to implement pension schemes would somehow result in undermining investment incentives. To achieve a balance of such conflicting interests thus becomes one of the major public policy challenges for the Chinese government.

But, finally, one thing is worth pointing out here. Since the reforms have turned China's social welfare system into a cost-sharing one, although the Chinese government has given up its traditional role of being the one and only financial provider in the social welfare field, Chinese workers are still inclined to believe that the government should assume full responsibility for social security, and moreover, because of rapid economic development in the past almost 40 years, Chinese people also

believe that the state now has the financial resources to cover social security.

감사의 글

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개혁기 중국의 사회 변화와 위기관리

– 복지체계의 사회화 –

국문초록 개혁개방 이후 중국 경제체제가 계획 중심에서 시장 중심으로 전환되면서 계획경제 시기에 종신고용과 무상복지를 근간으로 하였던 국가복지 체계는 더 이상 정상적으로 작동할 수 없게 되었고, 이는 기업 개혁과 이에 동반된 심대한 사회 변화와 맞물려 복지시스템의 위기를 초래하게 되었다. 중국 정부는 이러한 복지위기에 대한 대응과 변화된 사회 관리를 위해 복지 체계를 전면적으로 재구조화 하였던바 그 주요 방향은 국가와 함께 사회 부문 즉 기업과 개인도 복지비용을 분담하도록 하는 이른바 복지의 사회화라고 할 수 있다. 그런데, 개혁기 중국의 이러한 복지의 사회화는 분배와 형평보다는 경제성장과 효율을 우선시하는 국가정책의 틀에서 이루어졌기 때문에 발전주의 복지국가로 규정되는 소위 동아시아 복지모델의 속성을 보이고 있다. 그리고 이는 일정 정도 복지서비스의 시장화 및 상품화로 귀결되게 되어 기업 간 및 지역 간에 차등적인 복지 환경이 조성되게 되었는데, 국유기업과 도시 근로자 위주의 복지서비스가 제공되면서 특히 도시지역과 농촌지역간의 복지공급이 큰 격차를 보이고 있다.

주제어 : 중국, 사회변화, 복지위기, 복지의 사회화

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