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The Emerging New Social Policy Paradigm in China: Reframing State-Society Relations

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Abstract

Social management has arisen as an essential political agenda during the Hu-Wen era, and received particular attention in the 12th Five-Year Plan launched in 2011. At its core lies the idea of public administration by involving a variety of societal sectors and organizations in various policy realms while maintaining the legitimate rule of the Communist Party. In the realm of social protection this managerialist approach is particularly pronounced. The state-led pluralization of welfare provision during the 2000s envisions a new governance mode toward a public-private mix, with the state establishing a regulatory framework that allows economic and social actors to provide social service. This new policy approach differs significantly from the 'socialization' approach taken during the 1990s that merely shifted social welfare responsibilities from the state to markets and families. Based on an analysis of recent developments in social security and social service for migrant workers, this article discusses the characteristics of the new welfare mix promoted by the idea of social management, and analyzes the strengths and weaknesses inherent in the new policy framework. While the state recognizes the importance of societal sectors in welfare provision, its (still) predominant role as a provider and a regulator has inevitably crowded out the space it initially intended to leave for non-state agencies. Moreover, the strong technocratic nature of social management focuses primarily on the political goal of crafting social order and maintaining social stability, and thereby is prone to neglect the real need of participating social actors and welfare beneficiaries. The collaboration of public-private welfare provision by social management may end up merely co-opting social actors into taking responsibility for meeting welfare targets over which they have scant influence, while providing little support for them to thrive and prosper that could really foster public-private collaboration in social security.

Keywords: China; social management; social policy; social security; civic organization; welfare mix

1. Introduction

In the transition to a market economy, social policy plays an important part in the Chinese government's efforts to balance the quest for economic prosperity and social justice. The state's reduced role in social provision in the initial phase (from the 1980s to mid-1990s) has shifted welfare responsibilities onto the shoulder of enterprises and individuals. With a plethora of social problems resulting from the pro-market approach mounting, however, the central government began to rethink its development strategies and expanded the social safety net after the mid-1990s. Particularly since 2003 when the Hu-Wen era began, China has been crafting a more comprehensive social safety net ranging from urban social insurance systems to rural pensions and healthcare. Measures of poverty alleviation that utilize social assistance (e.g. Minimum Livelihood Guarantee) are equally underway to ensure a basic living standard for all. Noteworthy is the increasing usage of new terminologies in official documents that spell out grandiose political goals. Notions such as 'take humanity as basis' (*yiren weiben*) or 'inclusive growth' (*baorongxing zengzhang*) manifest the growing awareness of the Party-state about the preeminence of social protection for the market economy. The 12th Five-Year Plan further outlines the ambitious plan to establish a social welfare system covering both rural and urban areas and promoting social equality by 2015, substantiated by a report of the State Council entitled *'Constructing a Social Welfare System for All in China'* (CDRF, 2012). In many well-off regions, local governments followed the pledge of the central government by launching the initiative of 'urban-rural harmonization' (*chengxiang yitihua*) aimed to eliminate the division of social rights resulting from the *hukou* household registration system. Successive emergence of policy ideas and programs suggests the emergence of a new social policy approach.

Much scholarly work has attended to the 'marketization' or 'socialization' approaches prevalent in social policy well into the mid-1990s. This scholarship documented the discontents of disgruntled urban workers and rural peasants resulting from the state's retreat from welfare responsibilities (e.g. Wong, 1998; Gallagher 2005; Lee, 2007, Frazier, 2010a, 2010b). Recent studies regarded the active state involvement in social provision as a functional response to social woes, pointing to the imperative for the regime to act in order to maintain its one-party rule in a pluralizing market society (Chan, 2010; Frazier, 2010a, 2010b). While the scholarly emphasis on the legitimacy behind the Party-state's vigor catches an important aspect of Chinese social policy, the ways in which it responds to these challenges requires constant research because the state vigilantly adjusts its approaches in adaptation to the growing social vicissitude.

Meanwhile, the active engagement of civic organizations in recent decades has

altered state-society relations to such a degree that some researchers have argued for the declining authoritarian rule and the rise of civil society (e.g. Saich, 2000; Mertha, 2009; Shieh and Deng, 2011). Implicit in these studies is the potential these changes hold for promoting democratization. Conversely, other voices raised skeptical concerns about the predominance of the state over the society, indicating the underlying state corporatist approach in regulating the activities of civic organizations (Pieke, 2012; cf. Unger and Chan, 1995; Spires, 2011). Both views have their points because even though the state's capacity to circumvent the range of civic organization activities is waning, it is still present. Much depends on how the government perceives the contributions (or threats) of civic organizations to maintaining social stability. The interaction remains contingent on the arbitration of government officials and the strategic maneuver of civic organizations to evade political control.

Social policy is a prime example. Its recent institutional expansion is clearly a signal of the state to utilize this as a social stabilizer that helps lubricate the abrasive state-society relations. In its blueprint to construct a more universal social security system, the government envisages a more pluralized welfare landscape by allowing non-state organizations to take (partial) charge of the responsibilities for social provision and service. The policy idea of social management stands out as a conspicuous approach aimed to demarcate a new boundary by pre-emptively regulating the activity radius of civic organizations. Particularly under the Hu-Wen leadership, social management has become an overarching concept encompassing various aspects of administrative tasks ranging from economic regulation, social security to public service (Deng, 2008; He, 2009; Lu, 2011; IUD, 2012). The rising significance of social management raises important implications for the development of social security. The key themes concern the changing interaction patterns between public-private welfare provision and their effects on the developments of participating non-state organizations as well as the prospect of overall welfare provision.

This article explores these issues by analyzing official discourses and policy principles, and assessing the implications of social management for social policy and service provision. Social security and service for migrant workers are used as case studies here to illustrate the potentials and limits of this emerging policy approach in its attempt to customize the growing civil society. The following analysis is based on data collected from available official documents, official media news articles, and semi-structured interviews this author conducted in Beijing and Guangzhou between 2008 and 2012 with 15 scholars of local universities and social science academies who were involved as consultants in the policymaking processes, as well as with 8 officials in central and local governments responsible for social security affairs and staffs of 6 non-governmental organizations (NGO). These sites were selected as cases

to take account of regional diversity in migrant policy design and implementation. Expert interviews were conducted in an issue-related manner that motivated the respondents to express their viewpoints, with queries revolving around the policy processes at the central level and the variety of local experiences (Flick, 2009). This approach made it possible to collect detailed policy information from insider perspectives. Various sources of materials (research reports and media news, etc.) also served to verify the information collected from the interviews. These written materials were evaluated using thematic coding techniques and content analysis to interpret the data in the context of how local social security institutions changed in the course of several reform attempts.

The next section begins with the origins and developments of social management discourses, followed by further discussion of its application in social welfare domains. The penultimate two sections analyze recent developments in social policy and service for migrant workers with reference to social management. In these sections, the possibilities for and constraints on civil society development are explored. The final section summarizes the findings and reflects on their implications for welfare provision in contemporary China.

2. Social Management: Policy Ideas and Principles

The idea of social management originated in 1998 from a proposal of the central government that recognized social management as a central administrative function.[1] Since then, the term has risen to significance in official documents and academic discussions. Initially posed in the government report to the 16th Congress of the Chinese Communist Party (CCP) as a tool to maintain public order, social management was gradually interpreted as a new governance mode in adaptation to the diversifying social developments in the course of economic reforms that challenged the legitimacy of the Party's rule. The meaning of social management was successively extended to denote the mission of the government to adhere to social justice and public security in its economic reforms. 'Social management innovation' (*chuangxin shehui guanli*) became a core concept in the 4th plenum of the 16th CCP Congress in 2004, which proposed the phrase 'party leadership, government responsibility, societal cooperation, public participation' as key policy principles. The term 'social management' soon rose to prominence in the 11th Five-Year plan for 2006-2010, followed by the 12th Five-Year plan for 2011-2015 that devoted one chapter to elevating it as one of the key government targets.

The former General Secretary Hu Jintao took several opportunities to elaborate

[1] Yu Keping, A shift toward social governance in China. *East Asia Forum*, September 9, 2011, accessed at http://www.eastasiaforum.org/2011/09/09/a-shift-toward-social-governance-in-china/.

on the significance of social management for the CCP.[2] According to him, social management stood for a new role of the government in coordinating societal relationships, mitigating social contradictions, promoting social justice, and averting social risks. The reorientation aimed to redress the lopsided obsession with economic growth and marketization that has destabilized the social order. In Hu's opinion, empowering the government to direct the society toward social engineering and self autonomy is the key to maintaining a harmonious society in a scientific fashion.[3] Other top leaders reiterated this point. In his government task report to the first meeting of the 12th National People's Congress in March, 2013, the outgoing Premier Wen Jiabao pointed out that the main goals of the government lay in the sophistication of social management especially in public administration of social order and further improvement of social service.[4] In short, social management is supposed to strengthen the role of the government in guiding each component of the society to find its place and thereby generate the common good for the whole society.

Once this plan was endorsed by the top leaders, the Party apparatus launched its active campaign for new political ideas – a common practice to combat bureaucratic resistance and mobilize administrative resources in the reform era (cf. Heilmann and Perry, 2011). Communist Party schools have launched programs and colloquia to familiarize the Party members and government officials with this new thought. The then minister of public security, Zhou Yongkang, took charge of the 'central committee for comprehensive social management' that played a key role in expounding the idea in subsequent years. On various occasions, Zhou emphasized the importance of innovating social management in terms of harmonizing urban and rural developments, readjusting public administration and service, mediating social discontent, and integrating construction of infrastructure.[5] He remarked that the government faced formidable challenges arising from new social disorder and that adequate solutions lay in strengthening the government by the rule of law. Social management has become an overarching concept ever since with manifold implications for different, if not conflicting, political agendas, all of which should contribute to sustaining social harmony.

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[2] Hu Jintao gave several speeches on various occasions about social management, one of the earliest dated back to a speech at the 27th collective study session of the CCP Politburo.

[3] Hu Jintao's speech on 'uplifting firmly the scientific level of social management' in 2011, accessed at http://www.chinadaily.com.cn/dfpd/2011ldytb/2011-02/23/content_12063920.htm. Noteworthy is that the then member of the standing committee of the CCP Politburo and now the General Secretary after the 18th congress of CCP, Xi Jinping, also delivered a talk on the essence of mass work (*qunzhong gongzuo*) for social management.

[4] See http://big5.china.com.cn/news/2013lianghui/2013-03/07/content_28158429.htm.

[5] Talk at the national pilot workshop for social management innovation in Beijing, February 2012. Information accessed at: http://www.gov.cn/1dhd/2012-02/07/content_2060777.htm. Compare also an article Zhou published in the *People's Daily* in 2006. Accessed at: http://theory.people.com.cn/GB/49169/49171/4955500.html.

Meanwhile, the Chinese academia followed this political mainstream closely and thrashed out various aspects related to social management, though not all concurred with the Party's view on social management as an essential bridge between the state and civil society. A few scholars were (implicitly) skeptical about the potentials of this idea in achieving the goals dictated by the government (e.g. Feng, 2010; Yu, 2002, Wang, 2012). At the core of the raging debates lies the dissent over the role of the state in regulating its interaction with other societal sectors. Contrary to social management, which they fear would overshadow the presence of non-state sectors, advocates of social governance prefer looser control by the Leviathan that would allow both market and civil society more leeway to unfold their potential contributions to welfare production and social stability.

In the context of the post-Mao era, ideational controversies in academia may well demonstrate its political significance, as the central government often mobilizes discursive campaigns to rally support for new reform measures (Perry, 2011). The articulation of the social management idea is no exception: even after the new generation of Xi-Li leadership assumed power, the same terminology soon resurfaced. In the third plenum of the 18th CCP congress in November 2013, for instance, the central committee issued the widely-anticipated document 'CCP Central Committee Resolution Concerning Some Major Issues in Comprehensively Deepening Reform', emphasizing the regulatory role of the government in market reforms and social issues. Here it rebranded the rhetoric, though the essence of social management in terms of steering civil society remained intact. Among all the policy areas addressed in this new policy approach, social security stood high on the political agenda of the social engineering. This document also accentuated the need to improve social justice by weaving a universal safety net covering basic protection in old-age security, healthcare, social assistance, education and housing. While societal cooperation and public participation should serve as a guiding principle of social management, pluralization of welfare production and service provision would gain in importance in the new governance mode.

3. Promoting Partnership in the Welfare Mix: From Deregulated Residualism to Regulatory Managerialism

The diversification of welfare provision first appeared during the 1980s and 1990s when the state shifted financial responsibilities to enterprises and individuals (Wong, 1998; Wong and Flynn, 2001). Residualism in terms of the state's withdrawal from all spheres of social protection characterized the reform path. In the attempts to overhaul the moribund state-owned enterprises ridden by mismanagement and low productivity, one of the targets was to dismantle the enterprise-based worker

insurance programs by making a shift from 'enterprise protection' to 'social protection' (Chow and Xu 2001; Whiteford 2003). Health reform figured prominently, as the state retreated from the responsibilities of financing health services and providing protection for the risks of illness. Marketization and privatization of health risks took over the position of collective healthcare both in urban and rural sectors, resulting in soaring medical treatment costs that a large portion of Chinese people could not afford (Gu and Zhang, 2006; Wong et al., 2006; Duckett, 2011). Endeavors to introduce new basic healthcare insurance for all residents during the 2000s have partly reversed the degenerating trend, though impoverishment due to chronic illness or disability remains a grave social problem. Particularly in rural welfare, the state's retreat from collective healthcare and other parts of social security (such as pensions) is even more pronounced (cf. Pang et al., 2004; Shi, 2006). The failure to rein in the negative consequences of marketization in social protection exposes the blatant insufficiency of the residualist welfare-mix approach.

After its retreat from welfare responsibilities in the transition to a market economy in the 1980s and early-mid 1990s, the Chinese state rediscovered the importance of social policy to compensate for the harm done to marginalized population groups. Welfare reforms in the late 1990s thus steered a turnaround toward comprehensive institutional expansion. The ensuing welfare reforms dismantled the existing social security (such as urban pension insurances) and established new programs (such as new social assistance and rural cooperative healthcare) to cover more population groups. In many domains, the central government aimed to erect a basic pillar of social security with universal coverage and need-based entitlements (*guangfugai, dishuiping*), to which supplementary programs can be established according to local circumstances (*duocengci*), while equally securing their long-term financial sustainability (*kechixu*). The constitution of a multi-pillar social security system that accommodates regional diversity is now emerging as a dominant social policy doctrine.

In its bid to enhance public benefits, the state came to realize its limits in meeting needs unless other non-state sectors were taken on board. Engaging the latter's involvement in social affairs is in the interest of the government as long as the government can retain control. The preference for mixed welfare provision has become particularly salient in social security areas where enormous social adversity resulted from welfare retrenchment during the 1990s. Contrary to the earlier approach of deregulated residualism, the idea of social management signals a turn to a new approach of regulatory managerialism. The latter notion advances a new understanding of mixed welfare economy significantly different from its predecessor. In addition to the return of the state to construct a more comprehensive basic safety

net, social management entails a clear orientation to allow the participation of non-state organizations under the guidance (and auspices) of the CCP. The state-led pluralization of welfare provision in the new millennium envisions a fresh governance mode toward public-private mix, with the state establishing a regulatory framework that allows economic and social actors to provide social service. Above all, the new approach of social management emphasizes sophisticated public administration by involving a variety of societal sectors and organizations in various policy realms while maintaining the legitimate rule of the Communist Party. Benefit and service provision by non-state organizations can duly fill the institutional vacuum that the state is no longer able to plug alone. Promoting civic organization participation in welfare domains thus takes priority in the agenda of social management. Table 1 compares the two distinctly different approaches to social policy reforms from the 1980s to the present.

Table 1: Transition of welfare mix principles

	Deregulated Residualism	**Regulatory Managerialism**
Timing	Mid 1980s to 1990s	Late 1990s to present
Core ideas	State retreat	State regulation
Policy principles	Marketization and 'socialization'; self-reliance	Comprehensive basic safety net + guided participation of civic organizations
Main policy areas	Dismantling social insurance of the state-owned enterprises	Resuming or invigorating social service for various social groups
Main bearers	Markets & individuals (family)	State, Markets, individuals, civic organizations under state's surveillance
Welfare Implications	Social marginalization	Coordination problems; Overregulation by the state
Examples	Urban pension reforms; urban healthcare reforms	Social service reforms (e.g. for migrant workers)

Source: Compiled by author

The state's attempt to incorporate non-state providers in social protection not only reflects its perception of the emerging civil society in recent decades, but also its response to the growing awareness of vulnerable groups (lay-off workers, rural-to-urban migrants) who learn to organize associations to demand more social protection (*weichuan*). Since the late 1990s, therefore, the central government has

endeavored to establish new social security schemes to address the needs of these groups.[6] While legitimate claims undoubtedly play a vital role behind all these efforts, the way in which the government simultaneously allows civic organizations to take partial responsibility exhibits a unique governance mode of welfare mix. This is particularly the case with social services for migrant workers where virtually no public provision has ever existed. With the issue of social security for the 'floating population' (*liudong renkou*) gaining wide recognition, the role of civic organizations in this field is equally catching extensive attention – an ideal field for investigating the characteristics of the welfare mix advocated by the new managerialist mode of governance.

The following section will analyze this aspect in two cities, Beijing and Guangzhou. While space constraints preclude a detailed discussion of the overall situation of migrant workers in the two cities, this section explores the relevant social policy developments for migrant workers and their implications for the governance of welfare mix

4. Managing a New Welfare-Mix for the 'Floating Population'

Rural residents began to move to cities for low-skilled employment after the economic reforms began in 1978; a trend that accelerated after the 1990s when China opened its market to foreign investments and gradually loosened rural-to-urban migration control. While in 1990 the officially estimated number of migrant workers reached 15 million, the number of the 'floating population' was estimated at 221 million in 2010 according to the 6th nationwide population census; 86.7% of migrants moved from rural to urban areas (NPFPC, 2011). Successive waves of migration were unleashed by the growing imbalance in regional development in China. During the 1990s, the World Bank (1997: 16) reported that rural incomes were equal to only 40 percent of urban incomes in 1995, down from 59 percent in 1983.[7] The acute issues of labor and social protection for migrants have been haunting China ever since.

Social Inclusion with Conditionality

Rising rural-to-urban migration posed a challenge to both the existing institutional structures of social benefit and to service provision: The incursion of markets since the reform era has commodified the labor force, exposing the latter to potential risks of unemployment or low wages. While the receiving regions took

[6] The other part of the story has been the dramatic increase in budgets for the police force to maintain public order at the same time.

[7] Rural residents did profit from the reforms as their incomes rose rapidly initially, but soon they began to lag behind the increases of urban incomes in 1985 and the following years. This trend reversed only once in 1995.

advantage of surplus rural laborers without due consideration of decent wages and labor protection, the rigid household registration system (*hukou*) bluntly treated them as guest workers and denied their access to local welfare programs and their children's access to local education. Many studies have documented the unjust treatment of migrant workers and their inferior rights compared to their urban fellow residents (e.g. Chan, 1994; Solinger, 1999: Wu, 2010). Fiscal decentralization during the reform era further reinforced the local practice of differential citizenship: The tight link between welfare entitlements and local resident status bred instinctive protectionism to exclude outsiders (urban and rural alike) from claiming local social benefits because they are almost solely financed by local budgets. Despite periodic pledges by the central government to reduce discrimination against outsiders, local governments still insisted on imposing differential status categories for inter-regional migrants for fear of capacity overload in local finance (cf. Chan and Buckingham, 2008; Wu, 2010). Throughout the 1980s and 1990s, migrant workers received little support for labor protection or social security from the receiving regions.

The recent decade has witnessed progress in this area, though. With successive loosening of the *hukou* system, coastal regions abolished internal migration restrictions for targeted groups such as talented and employable workers, followed by simplification of the rural-to-urban migration quota (Fan, 2007; Wang, 2010). In the wake of the failed experiments of Guangzhou and Zhengzhou in 2002 and 2004 that opened the gate for immigration before ending up with prompt policy reversal, major cities have set up various evaluation criteria allowing qualified migrants to acquire local resident status. Given the large flow of migration attracted by the better infrastructure and more generous benefits of the receiving coastal regions, the latter sought to select those with career prospects and contribution potential. Low-skilled manual workers from other regions still faced a huge barrier for access to local resident status and the associated welfare benefits.

Various local governments have also taken pains to improve labor and social protections for rural-to-urban migrant workers. The incipient local policies during the late 1990s generally introduced a separate insurance scheme tailored for this specific group, offering basic insurance for pensions, healthcare, and work injury with inferior protection compared to schemes for local residents. However, these pilot programs have met with lukewarm resonance among the targeted migrant workers since the latter preferred to keep the wage incomes in their own pockets rather than contributing to the insurance schemes of the residing localities with little prospect of benefit portability (NPFPC, 2011). Recent initiatives around the 2010s began to grant the employed migrants access to urban worker social insurance. The policy measures of coastal cities such as Beijing and Guangzhou resemble this strategy, which is likely

to find favor with other regions soon.

The inclusion of migrant workers in social insurance for urban workers has remedied the shortcomings of previous policy experimentation which provided little incentive to attract the targeted floating population. In this way, local governments of coastal regions not only fulfilled the requirements of the central government to offer adequate labor and social protection for migrant workers, but also placed the financial burden on local enterprises and migrant workers to make insurance contributions. Table 2 compares the insurance schemes for migrant workers provided by local governments in Beijing and Guangzhou. While the contribution rates and benefit levels of the two localities differ from each other, the general organizational designs resemble the policy principles analyzed above. Both cities include migrant workers with formal employment in the urban worker social insurance schemes.

Table 2: Social (Pension) Insurance for Migrant Workers in Beijing and Guangzhou

Localities	**Beijing**	**Guangzhou**
Insurance Categories	Urban Worker Pension Insurance	Urban Worker Pension Insurance
Features	Social pooling + individual account	Social pooling + individual account
Targeted groups	Migrant workers (full-time workers only; starting from April 2012)	All workers incl. migrants
Contribution Rates	All enterprises: Enterprises: 19% & migrant workers: 7%	State-owned enterprises: 20% for enterprises & 8% for individual workers Private enterprises: 12% for enterprises & 8% for individual workers
Portability of Entitlements	Portable	Portable

Sources: Data provided by interviews with local officials and supplemented with updated information collected from local government documents and websites.

However, membership in urban worker social insurance is clearly conditional on labor market participation of migrant workers and not their resident status. While urban social insurance is now accessible to newcomers, numerous benefits such as poverty alleviation (social assistance) and paid maternal leave remain confined to

local residents; even migrants' children are often unable to attend local schools. Recent developments suggest that local governments have turned their attention beyond social insurance premised on labor market participation to the issue of social services that address broader welfare benefits for the 'floating population'. Guangdong province announced new policy reforms in 2012 granting migrant workers access to local public services and even allowing them to obtain local resident status after a certain period of residence.[8] Other regions that receive a large inflow of migrant workers have also set up pilot programs encouraging migrant workers to register with local authorities for more benefits (Liu and Jacob, 2013).

Meanwhile, the current Xi-Li leadership is keen to promote large-scale urbanization especially among medium- or small-sized cities.[9] While migration to major metropolitan regions such as Beijing and Shanghai remains under strict control, urbanization policy is likely to encourage other cities to absorb rural migration. Policy directives to offer support catering to the needs of migrant workers also imply a potential increase in demand for more social service provision. This is precisely the domain where civic organizations find their niche, and both central and local governments share common interests in boosting civic participation under the Party state's supervision.

Service for Migrant Workers: Civic Participation under Hierarchy

Social service is an important pillar underpinning the idea of social management, as the policymakers realize the need to expand this conventionally underdeveloped area especially for those vulnerable people such as migrant workers. Both central and local governments are loosening existing regulations to make more room for civic organizations. For instance, Shenzhen launched pilot programs in 2004 granting more autonomy to certain occupational associations, followed by a further initiative in 2008 that permitted direct registration of nonprofit organizations engaged in charity, social welfare and service with the responsible authority. Similar measures came into force in Beijing in 2011 (He, 2010). The Ministry of Civil Affairs announced similar measures to simplify nationwide registration procedures for certain categories of civic organizations. Guangdong province even opened the gate in 2012 for migrant workers to set up registered organizations acting for their own interest. Partial registration easing is accompanied by stricter supervision of these organizations' finances (Circular 124 of the State Department in 2012). Especially in fundraising activities, civic foundations are required to disclose information and account for the funds

[8] Guangdong's migrant worker settlement regulation is a crucial innovation. *Southern Daily* March 12, 2012. Accessed at: http://epaper.nfdaily.cn/html/2012-03/12/content_7065388.htm.

[9] 'Li Keqiang expounds on urbanization', accessed on May 26, 2013 at: http://www.china.org.cn/china/2013-05/26/content_28934485.htm.

dispensed. Equally prohibited is the usage of foundation names or images for non-charity purposes.[10] These policies should encourage more civic engagement while ensuring more transparency of the related organization's administration.

These measures appear to be having the intended effect: According to an annual report on Chinese civil organizations, they numbered 271,000 in 2012, while private non-enterprise units reached 225,000 and foundations 3,029 (CASS, 2013). However, these numbers are widely believed to underestimate the existence of actual NGOs owing to the rigid registration system that has forced many either to remain unregistered or to register as for-profit entities (Yu, 2002; Wang, 2009). Of the registered organizations, the majority are non-governmental organizations with strong ties to government (known as GONGO), such as the Red Cross or the All-China Federation of Trade Unions (ACFTU). Unlike these well-established organizations, many other NGOs have to seek out opportunities for interaction with government branches to make a living, and social service for migrant workers is no exception. It originated from the initiatives of domestic and international NGOs and academics who were concerned with the social problems and institutional deprivation of this vulnerable population during the mid-1990s. Even the migrant workers themselves have actively joined forces to found organizations that fight for their own interest.

A nationwide picture of NGOs for migrant workers is hard to outline, however, partly because many of them are engaged in service provision for other vulnerable population groups as well. In major cities such as Beijing and Guangzhou where migrant workers stream in, social service provided by various organizations for migrant workers has sprouted. Meanwhile, both central and local governments have set out blueprints to foster development of service organizations. The kick-off of government procurement of public services by designated civic organizations since 1996 is one such policy. The earliest attempt began in Shanghai when one of its districts, Pudong New Area, entrusted Shanghai Young Men's Christian Association with the task of maintaining Luoshan Citizen's Club in 1995.[11] Many other cities soon followed suit, culminating in the central government's declaration of relevant policy guidelines years later. After issuing the '12th Five-Year Plan of Civil Affairs Development' in 2011, the Ministry of Civil Affairs disclosed its intention to divert funds from the central government in support of public service procurement.[12] Its policy implementation remains, as usual, subject to local discretion. Beijing has been conducting pilot programs for procurement of over 1,029 service items by civic

[10] Regulations set to correct civic organization operations. *Xinhua News*, October 10, 2012, accessed at: http://news.xinhuanet.com/english/china/2012-10/10/c_131897690.htm.
[11] See the official website of China Non-profit Organization: http://www.chinanpo.gov.cn/1800/72347/index.html.
[12] See http://www.chinanpo.gov.cn/2351/59052/index.html.

organizations since 2010, most of which are concentrated on elderly care, poverty alleviation, and community work.[13] Guangzhou started the experiment in 2008 appropriating government funds for purchasing social service. Among various local practices, some common procedures are emerging, as illustrated in Table 3.

While local experimentation with public procurement of private service provision is still proceeding, the application of the listed procedures is far from sophisticated: lack of unequivocal statutory regulation and insufficient funds are widely-perceived deficits (ADB, 2009). As is common in Chinese policymaking, both central and local governments are likely to remedy these technical shortfalls in the coming years through trial and error. Much more problematic for the non-state organizations is, among other things, the overwhelming role of the government in the selection of civic organizations for mandated service items and the dispensation of public funding for them. With the power to select the agents and resources for public service procurement, government officials are by nature biased towards favoring those organizations affiliated with or close to the Party state, while leaving the rest struggling for sustainable funding support. When the government cannot find enough organizations to meet existing service needs, it turns to a second strategy (to be discussed below), using so-called 'hub' organizations to foster the growth of additional civic organizations. Both in Beijing and Guangzhou (and other cities), local governments purchased service provision primarily from 'hub' organizations.

Table 3: Current Procurement Procedures of Public Service in China

Procurement	Procedures		Features
Direct	Authorization or Delegation		Government mandates certain civic organizations to provide necessary public goods and services paid by public funding.
	Contract Outsourcing	Competitive Procurement	Open (or limited) invitation for vendors to supply the designated public goods or service.
		Bargaining Procurement	Service procurement by negotiating with several supplier organizations to get reasonable terms and conditions.
		Designated Procurement	Direct service purchase from the designated supplier organizations
Indirect	Subsidies		Government subsidizes private service

[13] http://big5.gov.cn/gate/big5/www.gov.cn/gzdt/2013-02/07/content_2328822.htm

Indirect	Subsidies	Government subsidizes private service providers by means of favorable tax exemption, funding or guaranteed loans.
	Vouchers	Government issues vouchers to potential consumers who have the freedom to choose certain public goods or service provided by relevant

Source: National Development and Reform Commission; accessed at http://www.china-reform.org/?content_501.html

In areas where the desired service provision by NGOs remains patchy, the government 'manufactures' organizational providers. The underlying idea is to establish 'hub' organizations (*shuniu zuzhi*) that could assist in 'incubating' new organizations or 'aligning' the existing ones to satisfy government regulations. Above all, organizations affiliated with the Party (e.g. the aforementioned ACFTU, Communist Youth League of China, All China Women's Federation) are preferred. As the largest statutory corporations, these 'hub' organizations are supposed to take on the role of acting as an intermediate layer between the government and other civic organizations. In addition, large occupational organizations serving to conciliate labor disputes are also the focus of the government's efforts to install organizations conducive to maintaining peaceful industrial relations. These umbrella organizations are encouraged to engage in collective wage bargaining with the designated trade unions. Last but not least, the government welcomes community service centers and the like that can satisfy local demand for on-site social services.

At first glance, the top-down managerialist approach appears to be yielding fruit: the Beijing government has engaged 'hub' organizations for tasks mandated by the government. Policy initiatives began in 2008 with several official documents outlining the Party-led delegation down to selected key organizations for specific social work.[14] Procurement of public service is explicitly linked with these hub organizations as preferential financial support to enhance their influence. From 2009 to 2012, 173 municipal or lower level 'hub' organizations received official recognition to undertake over 85% of the metropolitan's social service tasks (Li, 2012). Meanwhile, Guangzhou city followed the Guangdong provincial guideline set out in 2008 that envisioned the inclusion of 'hub' organizations to take charge of 17 mandated service provisions. Thanks to its relatively liberal tradition, Guangdong province has been home to a flourishing NGO (and GONGO) landscape, which

[14] See the government website: http://www.gov.cn/gzdt/2008-09/27/content_1107627.htm.

enabled places like Guangzhou city to take this opportunity to grant official recognition to existing versatile civic organizations. Party-affiliated organizations have gained political impetus to play the pivotal role of 'hub' organizations. 'Incubation centers' were also launched under the auspices of the government to give birth to new organizations or incorporate existing ones in social service areas including those that serve migrant workers. The first pilot program of this kind started with the introduction of the 'Youth Civic Organization Incubation Center' in March 2012 under the supervision of the Communist Youth League. Guangdong province has witnessed 25 such incubation centers that 'successfully' founded over 147 civic organizations and trained 2,500 staff for youth service since then.[15]

Upon closer examination, however, some caveats are warranted when evaluating the overall policy development. To start with, outsourcing public service may not solicit as many civil providers as the government presumes. In fields where the state used to dominate as the sole provider, or in nascent fields such as social service for migrant workers and other marginalized population groups where few non-state organizations are present, outsourcing often faces difficulties in finding suitable consignees even though public funding is available. This problem is particularly pronounced for lower-level government echelons such as counties or townships. Even in big cities like Beijing or Guangzhou, municipal governments have to delegate responsibilities to the aforementioned intermediate GONGOs affiliated with the Party, or they must further train social workers of the existing civic organizations to meet the service needs. Once again, GONGOs play a key role in incubating unregistered civic organizations and potential peers that can fulfill the goals set by the government. For example, the social work committee of the Guangdong provincial government issued a document 'Opinion on Constructing a System of Hinge Organizations' in 2012 proclaiming to strengthen the role of 'hinge organizations' (chief 'hub' organizations) to better coordinate the activities of civil society organizations.[16] Meanwhile, in Guangzhou and Beijing, all major Party-associated GONGOs set up training centers under the brand of 'incubation base' (*fuhua jidi*), with the aim to cultivate civic organizations for different sorts of social service.

For the designated Party-affiliated 'hub' organizations, some fundamental difficulties persist despite support from the government. The ACFTU is a case in point: In the last decade, this Party subsidiary organization has made efforts to recast itself as a genuine agency representative of the workers' interest, as documented by studies of the labor movement in China (Chen, 2010). This often led to role conflicts

[15] See the newspaper website: http://zqb.cyol.com/html/2012-12/24/nw.D110000zgqnb_20121224_2-01.htm.

[16] See the report of the People Net at http://gd.people.com.cn/n/2012/1212/c123932-17849425.html.

between Party loyalty and worker representation for the ACFTU. In most cases, the ACFTU chose to side with the government to the chagrin of workers, which further resulted in their deep distrust in the ability of the ACFTU to arbitrate in labor disputes. Despite the controversial position in matters of labor disputes, ACFTU still plays an important catalyst function for assisting the government in coordinating the activities of numerous NGOs in service provision. Equally actively involved in helping female migrant workers is the All China Women's Federation. In Beijing and Guangzhou, municipal governments rely on these GONGOs to offer various services for migrant workers such as skill-training courses or legal counseling. In addition, public funding is granted to these GONGOs for service projects that also involve the participation of other non-state organizations. In essence, these GONGOs constitute a crucial interface between the state and civil society organizations, and act as agents for implementation of policy missions delegated by the principal government. The principle of 'hinge management' (*shuniushi guanli*) has risen to prevalence in current local practice of social management.[17]

Moreover, the road is now hardly less thorny for those NGOs willing to offer assistance to migrant workers, since cooperation with the government or GONGOs still entails the risk of being controlled at bureaucratic discretion. Given this lurking state surveillance, the best alternative for the NGOs would seem to be independently operating in their own interests. Yet, here they encounter the challenge of funding. While official policies under social management are attuned to easing the government's grip on the range of civil participation, access to available financial resources remains difficult for many civil NGOs. Under current circumstances, most of them must rely on financial resources either from the government or from foreign sponsorship. For the latter income, the NGOs in question are often susceptible to the suspicion of the government about lingering foreign 'plots' to subvert the Party's rule. Government funding would thus proffer a safe channel should the fund granting proceed impartially. In an authoritarian state this is almost an inconceivable scenario. In their discretion over fund granting, government officials tend to request the organizational beneficiaries to accomplish additional administrative tasks or assist in governmental affairs. Not only has this conduct placed a cumbersome burden on the NGOs, most of which have little personnel capacity, but it has also posed a constraint on the range of service provision. With the concentration of financial resources in the hands of the government, officials wield considerable leverage on their allocation in favor of those organizations in well-woven liaisons – the GONGOs or Party affiliates clearly enjoy a competitive edge over the majority of embryonic NGOs.

[17] Beijing, Shanghai, and Guangzhou were first to introduce the idea of outsourcing service provision to these 'hub' organizations in 2008, which caught the attention of other regions and experienced widespread experimentation to date. For detailed information, see http://xuehui.bast.net.cn/.

In other words, the promotion of partnership by social management is at best conceived as a governance mode of civic participation under hierarchy, with the goals/instruments of welfare provision and the radius of civic organization engagements circumscribed by the Party state. Although the latter explicitly refrains from direct service provision, its 'invisible hand' still vigilantly pulls the strings of civil society. The welfare mix with Chinese characteristics thus differs entirely from the deregulation or privatization trends of the Western welfare states over the last few decades. While the state in the latter case sets up a regulatory framework allowing the market and civil society to unfold in compensation for reduced public responsibilities, the Chinese style of social management features a much narrower spectrum for the non-state sectors blended with a still omnipresent role of the state (cf. Gilbert, 2002; Leisering, 2011). This managerialist, indeed, *dirigiste* approach may suit the post-socialist transition, as the authoritarian state alleges, since the incipient civil society requires administrative and procedural support. Yet, so long as social management lays more emphasis on the interests of state regulation than on those of civil society and welfare recipients, there is reason to wonder whether the latter could really stand on solid ground to enrich the public-private welfare mix.

5. Conclusion: Welfare Pluralism, Chinese Style

Social management has become a catchphrase for the official ideas behind the government's social engineering in recent years. The discourses and policy developments around it illustrate the CCP's intention to infuse technocratic elements in the quest for an adequate governance mode for the changing economic and social circumstances. Although the welfare reforms discussed in this paper took place well before this terminology emerged, its frequent use in official documents and academic works shows the range and scope of past endeavors and the tasks ahead. In the foreseeable future, there will be even more private provision in welfare programs under the Party-state's guidance.

The unique Chinese approach to the public-private welfare mix stands at odds with the Western experiences of the last decades, where welfare pluralism conveyed the belief that the proper response to state failure was to efficiently provide public goods. Privatization and decentralization of social security among the welfare states presumed the advantage of market competition and third sector charity (Johnson, 1987; Gilbert, 2002). To some extent, welfare reforms in China before the mid-1990s came close to this tenet, though the moves afterwards clearly bade farewell to the sheer surrender of public responsibility. The new 'empowering' state in China assumes a much more pre-emptive role in the welfare mix than its Western counterpart: Social management implies a contributory role for civil society in the

shadow of state hierarchy. While this leitmotif may indeed generate some synergetic effects, the peculiar combination of technocracy and democracy is confronted with inherently contradictory ends, namely the hope to encourage civil society involvement without necessarily putting the CCP's monopolistic rule at peril.

Striking a balance may be an intricate task, since civil society participation inevitably invites pluralization of interest groups requesting more social space that may ultimately contradict the state's desire (and ability) to hold sway over them. Meanwhile, current developments of social management suggest the predominance of state bureaucracy in the social service domain that tends to overshadow civil society's creative potential to cover the increasingly heterogeneous needs for welfare provision. The collaboration of public-private welfare provision *à la* social management may end up merely co-opting social actors into taking responsibility for meeting welfare targets over which they have scant influence, thus providing little support for them to thrive and prosper that could really foster public-private collaboration in social security. Compared with the privatization trend of the mid-1990s, the current style of welfare mix earmarks the return of the state with greater readiness to bear the responsibilities of welfare expansion and regulation. Yet, social management is likely to reach an impasse because the managerialist approach of social steering collides with the conditions necessary for a flourishing civil society.

Based on the cases of Beijing and Guangzhou discussed above, the application of social management for steering non-state organizations under the authoritarian state suggests that the new mode of welfare mix may not foster the emerging civil society in its genuine sense. The state appears intent on instrumentalizing rather than liberalizing the sprouting civic organizations. In the post-socialist transition when the CCP is struggling to retain its legitimacy, this is an understandable move though at a considerable price. In resemblance to the 'capitalism with Chinese characteristics' discussed by China scholars who indicate its susceptibility to bureaucratization and inefficiency, the recent state-led welfare mix approach offers a vision biased toward the ideas and interests of the bureaucracy without due attention to the beneficiaries' (organizations and individuals) needs (cf. Huang, 2008; The Economist, 2012). Without this requisite, a mixed welfare economy under social management will very likely achieve only partial progress in encouraging a buoyant civil society that could really co-share the responsibilities for welfare provision.

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