

KEY POINTS

- Integrating employment support and services in social assistance improves the welfare of beneficiaries of *dibao* (minimum living standard guarantee).
- To improve social services, there is a need to develop human resources, provide administrative funds and establish a social assistance management system that links information on beneficiaries and benefits across programs and administrative levels.

SOCIAL PROTECTION BRIEF

Building Equitable Opportunities into Social Assistance in the People's Republic of China

BACKGROUND

The Minimum Living Standard Guarantee Scheme (MLSGS or *dibao*) is a national social assistance program in the People's Republic of China (PRC) which provides cash transfers to poor urban and rural residents. In 2008, it benefited over 23 million urban and 43 million rural residents. As the *dibao* program has grown rapidly up to this point, a concern of the government has emerged as to how to structure social welfare benefits so that more comprehensive assistance can be provided, and in addition, how to ensure that beneficiaries who are able to work eventually enter the workforce and no longer require welfare benefits.

THE PROJECT

In 2011, the Asian Development Bank (ADB) approved policy and advisory technical assistance (TA) project to contribute toward the achievement of the government's social assistance goals in line with the Twelfth Five-Year Plan.¹ The TA aimed to support the Ministry of Civil Affairs (MOCA) to build a nationally integrated social assistance system capable of ensuring equitable provision of benefits, access to services, and creating and developing human resources in delivering services.² The TA sought to explore strategies strengthen the links between social assistance and employment services in order to help recipients find and maintain jobs, and to identify options for increasing the knowledge and skills of local program administrators in delivering employment and related services for recipients and their families.

¹ ADB. 2011. *Technical Assistance to the People's Republic of China for Building Equitable Opportunities in Social Assistance (TA 7702-PRC)*. Manila.

² The TA built on the findings of a past TA project for strengthening the antipoverty effects of social assistance (ADB. 2009. *Technical Assistance to the People's Republic of China for Strengthening the Antipoverty Effects of Social Assistance [TA 7438-PRC]*. Manila) with the Ministry of Civil Affairs (MOCA, the executing agency), which focused on the design (e.g., financing, benefit rates, payment methods, targeting) and functioning of the social assistance system.

KEY RESULTS AND RECOMMENDATIONS

Upon completion in 2013, it was determined that the TA was successful in helping improve access to, and increase the delivery of, social assistance and employment services for minimum-living-standard guarantee beneficiaries. In the February 2014 temporary regulations on social assistance report issued by the State Council, support for unemployed yet able-bodied recipients was emphasized as a major area for social assistance. Unemployed able-bodied recipients are now able to access interest-free bank loans and receive subsidies for social insurance, employment, and training when seeking employment. For beneficiary households with no employed members, the government has taken active measures to ensure that employment and other services are offered to able-bodied members to help them obtain employment.³

Key recommendations of the TA included (i) building employment support and services into social assistance policies and allocating administrative funds for its implementation; (ii) establishing a social assistance management system that links information on beneficiaries and benefits across programs and administrative levels; (iii) expanding and establishing community service centers

which can provide child care or other services that help working households and subsidizing such services for welfare recipients; (iv) providing targeted vocational training in collaboration with selected employers to help address the gaps between short-term training and employment; (v) delinking access to other subsidized benefit programs, such as medical and education assistance, from *dibao* eligibility to address the lack of incentives to graduate from assistance; and (vi) creating a cadre of social workers to better address the needs of *dibao* households, such as linking them to a wider range of services including counseling and employment services.

In March 2014, a new ADB TA project was launched to address one of the major recommendations, which sought to create a group of social workers that focused on addressing the needs of beneficiaries and helping them to access services and assistance, including employment services.⁴

The project also contributed to (i) national policy changes from within the State Council, (ii) institutional policy changes within MOCA, and (iii) MOCA piloting new approaches with social workers.

³ ADB. 2014. *Technical Assistance Completion Report: People's Republic of China—Building Equitable Opportunities in Social Assistance (TA 7702-PRC)*. Manila.

⁴ ADB. 2013. *Technical Assistance to the People's Republic of China for Involving Social Welfare Workers in Social Assistance (TA 8447-PRC)*. Manila.

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