Targeting Social Assistance:

Dibao and Institutional Alienation in Rural China

Li Mianguan and Robert Walker

Abstract

China's Dibao (Minimal Living Security System) is the world's biggest cash social assistance system serving 52 million people. However, Dibao is less effective at alleviating poverty in rural areas than should it be. The analytic concepts of targeting and institutional alienation (the mismatch between stated goals and true functioning) are applied in a village case-study to understand why. It appears that Dibao reaches some people considered self-evidently to be needy but funds are diverted for purposes of rural governance and social control (reward, punishment and deterrence) and personal gain. Though culturally framed, the concepts and findings potentially have relevance to the global South and North.

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Key Words: *Dibao;* social assistance; targeting; institutional alienation; rural China; *chaxugeju*

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Introduction

The Sustainable Development Goals approved by the United Nations in August 2015 apply equally to countries in the global South and global North. Included among the 17 goals are targets by 2030: to eradicate extreme poverty; reduce at least by half the proportion living in poverty according to national definitions; and to implement nationally appropriate social protection systems. These developments put policymakers under pressure to look for assistance in tackling shared policy problems and provide opportunities for academics to aid them but also to test, modify and to develop the universality and applicability of their concepts in ever more diverse economic, political and cultural settings. There is therefore scope for the concepts of social policy and administration to be global in their coverage and relevance (Surender and Walker, 2013). This article represents a modest response to this challenge. Two related concepts with different disciplinary origins, targeting efficiency and institutional alienation, are applied in an in-depth empirical enquiry better to understand the effectiveness of what is newly the world's largest[i] cash-based social assistance system: the Minimal Living Security System (*Dibao*) in China

The pace of China's economic advance has been unprecedented and facilitated China being the first country to exceed the U.N. Millennium Development Goal of reducing the proportion of its population living on $1.25/day by 50 per cent. Indeed, poverty in China declined from 61 per cent of the population in 1990 to a projected four per cent in 2015 (UN 2015) and between 1981 and 2011 China accounted for 80 per cent of the global poverty reduction. Nevertheless, the sheer size of China means that, even in 2011, the latest year for which World Bank figures are available, 8.4 per cent of all people experiencing extreme poverty lived in China. Moreover, while poverty in China has been falling rapidly, income inequality has been rising with the National Statistics Bureau estimates of the Gini coefficient increasing[ii] from 0.40 in the mid-1990s to nearly 0.50 in 2007-8 driven in major part by growing disparities between rural and urban areas (Li and Sicular, 2014). Therefore, the main offensive against extreme poverty is necessarily to be waged in rural areas where according to official estimates of poverty, set at 2,300 yuan (at 2010 constant prices), 82.5 million people lived in poverty in 2013 (NBSC, 2014)

Dibao, consolidated as a national scheme in 2007, seeks to address poverty by providing cash transfers to people in households below an income threshold in order to provide, to paraphrase the legal Notice of Establishment, a secure and sustainable solution to problems of insufficient food and inadequate clothing. Initially introduced in Shanghai in 1993, *Dibao* had been adopted in every city in China by 1999 (Wu, 2009; Li, 2012). Rural *Dibao*, also introduced in the mid-1990s, was a response to the changing nature of rural poverty; declining in incidence, it became increasingly dispersed and more transient in nature (Golan et al, 2014). However, rural *Dibao* spread much more slowly than its urban counterpart due to a reliance on local funding and was not comprehensively implemented until after the 2007 consolidation when central funding was increased. Although national in scope, benefit

thresholds are fixed at county level with decisions on applications nominally taken at town level on the recommendation of Village Committees. *Dibao* was further reformed in 2013 partially to address some of the deficiencies to be discussed below. Official figures indicate that at the end of 2014, over 52 million people were supported by rural *Dibao* (Figure 1).

Figure 1 Dibao recipients in rural China 2000-14 [About here]

While *Dibao* constitutes a major plank of China's antipoverty initiatives, historically it has done little substantially to reduce the overall level of poverty. While the poverty rate impressively fell from 14.8 per cent to 11.2 per cent between 2007 and 2009[iii], *Dibao* decreased the annual poverty rate by less than half a percentage point (Golan et al, 2014, 2015). Moreover, although expenditure on *Dibao* increased markedly from the equivalent of 17 per cent of the ex-ante poverty gap to 62 per cent, *Dibao* reduced the poverty gap by just 2.3 per cent in 2007 and by 6.5 per cent in 2009 (Golan et al., 2014). The limited anti-poverty effectiveness of *Dibao* is not primarily due to the inadequacy of benefit but rather to inefficient targeting, that is the failure of *Dibao* to reach those people who need it. In 2009, less than 11 per cent of total spending benefited people who were officially designated to be poor and just eight per cent percent of the people in poverty received *Dibao*. In the same year, 69 per cent of people receiving *Dibao* were not poor ex ante.

Issues of low take-up and inefficient targeting are not, of course, confined to China but have bedevilled social assistance schemes in both global North and South. For example, take-up of Pension Credit in Britain is about 62 percent, that for Social Solidarity Benefit in Greece is just 37 percent and that for Supplementary Pension in Spain is only 10 per cent (OECD 2013). While the term targeting has become politicized in recent years, being treated synonymously with social policy retrenchment, means-testing and the curtailment of citizenship rights, it is used here in the technical sense of whether social benefits are received by those for whom they are intended and the extent to which expenditure is used as anticipated (Walker, 2005). Conceptually, horizontal targeting efficiency, the proportion of the eligible population receiving benefit ('take-up') is distinguished from vertical targeting efficiency, the proportion of benefit recipients who are in fact eligible (Walker, 2005). The former has attracted most attention in the global North with debates as to the explanation often depending of the relative importance attached to: policy design, notably discretionary versus rights based benefits; policy administration and especially compliance costs; and the behavioural and attitudinal characteristics of potential applicants including their perceptions of need, stigma and agency (Hernanz, et al. 2004; Bruckmeier and Wiemers, 2011). The latter has been more of an issue in the global South linked, in explanatory terms, to governmentality, weak administrative systems, clientelism and corruption (Alatas et al., 2012; Coady et al., 2004). A useful concept, common in Chinese development studies, which embraces this second set of explanatory processes is 'institutional alienation '(Geng, 2012; Cui, Liu & Song, 2009). This describes situations in which there is a mismatch between the stated goals of policy and its actual functioning which can be attributable to a number of reasons including policy being co-opted for personal or sectional gain, for the accomplishment of exogenous administrative goals or for alternative political purposes. In

contrast to institutional alienation which concerns the maladministration of policy and has often been used to explain weak vertical targeting, poor administration and poor policy design have more often been implicated in poor horizontal targeting, that is low take-up of benefits.

The objective in this article is better to understand the limited anti-poverty effectiveness of *Dibao* in rural areas through the combined lenses of targeting efficiency and institutional alienation. A dual approach is adopted: the concept of targeting efficiency is first elucidated with reference to the structural characteristics of *Dibao* and then empirical fieldwork is used to explore how poor targeting can be explained with reference to institutional alienation.

Targeting

In understanding targeting efficiency, it is necessary to consider three sets of processes: technical; political and cultural.

There are many technical reasons why benefits are not targeted efficiently. First, it is often impossible for schemes fully to reflect all the complexities of people's lives such that targeting is based on crude socio-demographic categories or left to the discretionary decisions of street-level staff. In rural China, the number of *Dibao* awards that a village may issue is determined at town or county level with allocation being largely the responsibility of villagers' committees ostensibly based on reported household income. However, initial judgements are typically subject to public validation with applicants' names being publically posted and decisions finalised on the basis of comments received. This process could result in accurate targeting if the initial decision-taking and public consultation referenced the eligibility criteria but, as discussed below, this is often not be the case.

A second technical reason for inefficient targeting is the difficulty of measuring incomes. In much of rural China, the main sources of income are agricultural production and remittances from migrant workers, both hard to measure. Agriculture products are mostly kept for daily needs, not sold at market and hence difficult to monetize, while many remittances based on migrant workers' employment are often intermittent and kept as a "family secret" income (Liu, 2010; Geng, 2012). Although neighbours may be able to guess each other's income, the large margin of error makes it difficult to distinguish between poor and non-poor families (Solinger, 1999; Geng, 2012; Li & Li, 2015).

A related constraint on targeting efficiency is the instability of people's circumstances. People tend to retain benefit after they have ceased to be in need either because they fail to report changes or are not required to do so. Equally, other eligible families may not be receiving benefit due to delays in applying or in the application and processing process (Walker, 1996). *Dibao* is paid for annually irrespective of changes in circumstances meaning that people can retain entitlement for longer than needed. Equally, the prescribed

budget means that eligible applicants may be turned away because of insufficient funds.

The political perspective on targeting operates at different levels emphasising the relationship between power structures and the distribution of social welfare resources. At a strategic level, Korpi and Palme (1998) argue that the more welfare benefits are targeted on people in poverty, the less they attract popular political support resulting in pressures to widen eligibility criteria away from poverty. At local level, pertinent to the Chinese case, Pellissery's (2006, p. ii) study of the administration of the Employment Guarantee Scheme in two villages in India found that 'both eligibility and entitlement to "welfare rights" are contested within the power structure of the local community'. Need and rights to benefit were not bounded solely by regulation and formal policy intent but were socially constructed as 'social facts' that often reflected the social identity of the claimant and their ability to build effective relationships with local leaders who acted as gatekeepers to welfare provision.

The third perspective on targeting is cultural and highlights the fact that policies and administrative structures and procedures are constructions imbued with normative understandings and expectations. This is most evident to observers when the culture in question is different from their own and for most readers Chinese culture will be sufficiently unfamiliar to illuminate this perspective. Fei Xiao-tong (1992), one of the founding figures of Chinese sociology, contrasts Chinese society which is built on personal relationships bound by expectations and obligations with Western society based on membership institutions in which, bound by rules, members perform roles. He likens the former to the ripples caused by a pebble dropped in water and the latter to straw collected in a haystack.

Fei Xiao-tong's core sociological concept, '*chaxugeju*', describes a form of social integration, which sets the individual or their family at the core of egocentric networks that have no explicit boundaries but comprise links ('*gang*') of differentiated strength[iv]. The closest links, originating with the family, are prescribed and imply heavy mutual obligations and responsibilities while more distant links are weaker and more flexible. Fei Xiao-tong saw these relationships and their attendant responsibilities (*guanxi*) being used to solve individual and social problems that arise on an everyday basis, in effect replacing the formal rules, laws and policies that govern western societies. In the context of *Dibao*, some have suggested that local cadres (elected members of village committees) are necessarily compromised because their obligations to family and friends under *chaxujeju* override their responsibilities under an alien bureaucratic system (Geng, 2012; Li &Li, 2015).

The technical, political and cultural impediments to efficient targeting are highly interconnected in the case of rural *Dibao*, at times being one and the same. The unifying element relates to the dynamics of 'rural governance' in China in which *Dibao* becomes an instrument in the interplay of party, personality, social control, collective well-being and personal ambition all orchestrated with reference to *chaxugeju* (Li & Li, 2015). As such, *Dibao* is liable to be used for purposes other than that for which it is intended and thus to be victim of institutional alienation resulting in maladministration and poor targeting. Two elements in this process are crucial to understand: first, the relationships linking village

cadres and elites, local government and villagers; and, secondly, the strategies adopted by village cadres in implementing *Dibao*. Both are considered below when presenting evidence drawn from a case-study village.

Method

The research site is a remote rural village in south-central China named located in a county officially designated as being 'poor'[v]. To maintain confidentiality the village is renamed Stone-bridge and the statistics presented are rounded. While no single village can represent a province let alone the entirety of rural China, Stone-bridge is in many respects typical of its region. The population is around 2,500 with some 700 families organised into about a dozen quasi-administrative villagers' groups. No collective farms or industrial plants remain from the collectivist era and therefore the village is largely dependent on small scale agriculture and remittances from migrant workers which explains why that household per capita annual incomes average (2014) less than 3,500 yuan RMB (about £350). *Dibao* benefits can sometimes account for over a third of household incomes which not only means that they are important to local livelihoods but sizeable enough to be co-opted for alternative purposes. Such administrative alienation might be facilitated by the remoteness of the village that can sometimes weaken administrative surveillance by higher levels of government.

Research in the village took place in between August 2014 and January 2015, that is after the latest policy reform of *Dibao* in 2013, and was made possible through close links established by the first author over many years. This enabled him to conduct semi-structured one-to-one interviews with 35 villagers and six members of the Villagers' Committee. Eighteen people interviewed were receiving *Dibao* or had previously done so. In the village, households tend to cluster spatially by family group not by income. Therefore, the sample was systematically and iteratively acquired through snowballing, choosing first one person at random to interview and then a person that the interviewee identified as being likely to receive *Dibao* and then that person's neighbour. Interviews took place in people's homes and lasted for between one hour and two and a half hours. They were conducted in the local dialect, and translated by the first author into Mandarin Chinese for analysis, analysed initially using open codes that were subsequently grouped thematically with selected verbatims later being translated into English.

Interviews were complemented by information extracted from annual reports made available by the Villagers' Committee. In addition, the first author collected statistical data and information on *Dibao* available via the websites of the Ministry of Civil Affairs and from relevant local government sources.

Table 1 lists the characteristics of the individuals receiving *Dibao* in Stone-bridge taken from official records (approximated to maintain anonymity of the village).

Table 1 Characteristics of Dibao recipients, Stone-bridge [About here]

The evidence: targeting and institutional alienation

While meeting need is the stated objective of *Dibao*, the evidence from Stone-bridge suggests that *Dibao* may serve other functions that transform it from a system of social protection to a mechanism of local governance and social control through the deliberate means of illicitly targeting of benefit. Before discussing these it is necessary to understand how Dibao is implemented locally.

Policy implementation in Stone-bridge

In 2014, the county government set the per capita eligibility threshold for *Dibao* at about 1,600 yuan RMB per year (£168 pound). This means nominally that all adults and children in households with per capita annual income of less than 1600 yuan RMB are entitled to receive sufficient *Dibao* to bring their individual nominal incomes up to the eligibility threshold. But the administrative reality is very different since town governments, without reference to micro-data on incomes, inform every village how many individuals will be permitted to receive *Dibao*. Each villager's committee then passes on a portion of this allocation to villagers' groups to provisionally determine who should receive benefit. The groups advertise the scheme, receive written applications, post a provisional list of names for public scrutiny and receive any objections which are then passed on for consideration by the Village Committee. In 2014, Stone-bridge was allocated around 200 awards (enough for about eight per cent of the total population). Villages often lobby the town for increased numbers as Stone-bridge does but unsuccessfully according to the leader of the Villagers' Committee.

So the policy intent in 2014 was that awards should be made to all 200 or so people living in the poorest households. In reality, an important departure from the formal policy prescription took place when village cadres implemented *Dibao* in Stone-bridge that diverted funding from the neediest. Whereas according to the rules all family members in a household with income below the threshold should receive *Dibao*, in practice, the village cadres changed the recipient unit from the family to an individual within the family while supposedly retaining the family as the unit of assessment. The aim was to maximise the number of families receiving *Dibao* which was achieved by stipulating that only one person per family was to receive *Dibao*. One member of Villagers' Committee explained the strategy thus:

'*We know the policy, and we know that we should take family as the unit. We think that it is more reasonable to implement it at the level of individual. If we implement it at*

the level of family, only a few families can get the benefit, and others may say "Why can they get the benefit but we cannot?" If we distribute the resources to individuals, many families can get the benefit. This is not a trivial matter but a very important thing in the village. If one member of family gets the benefit, all members of the family will support our arrangement [of Dibao]. Less people would show their disagreement. This is a secret strategy. As I know, this is a common arrangement in our town because almost every village adopts the same strategy. The County government knows the situation. In our report we say it was paid to the family. They do not check whether it is paid to every member. ' (Ying S.H: Senior member of Villagers' Committee)

This very candid account of the village committee's strategy and rationale makes clear that *Dibao* was commandeered for the political goal of generating support specifically in relation to *Dibao* itself, given the need to make potentially divisive and destabilising allocations of finance but also, by implication, with respect to village governance generally. It is a clear example of institutional alienation that reduced targeting efficiency, disadvantaging larger families and denying the poorest families resources that would bring them up to the *Dibao* threshold.

Placing political goals aside, the rationale for *Dibao* as a means of tackling poverty through redistribution was widely accepted among village leaders and villagers alike. Nevertheless, income was seldom formally assessed or checked except with respect to public objections in response to the posting of applicants' names, while the size of awards was determined by rule of thumb or serendipity rather than by reference to need. Nevertheless, members of the Villagers' Committee thought means-testing to be unnecessary ostensibly because of their faith in the reliability of public consultation. The following illustrative quotation is typical:

'Do you think it is necessary to make means-test in the village? I don't think so. The village is so small and villagers are so familiar with each other that villagers even know how many chicks their neighbours have. We do not undertake a means-test because we believe that publicity is reliable.' (Li X.: senior member of Villagers' Committee)

Despite the confidence of the village cadre, there was much evidence of people in extreme need who were not receiving *Dibao*. The following villager is just one example:

'*My husband had a car accident in 2011 and became disabled. This made our family fall into poverty, because my husband cannot work and his medical costs are high. My daughter is a high school student and needs much money for her education. I cannot go to the city to work because I have to take care of my husband. Our family's income only comes from land. You know that this income is very low. We have borrowed 80,000 yuan (RMB) to cover my husband's medical expenditure and daughter's education. It is really difficult to maintain our life, but we don't get the (benefit) of Dibao.'*

(Wu M.: Villager)

While, in broad terms, there was consensus as to the kinds of families who warranted support, there was concern that it was being received by people who did not deserve it.

Given that villagers are consulted on the suitability of applicants their views have practical significance in determining the allocation of awards as illustrated by the following quotation:

> '*None of us object to the disabled, they are really poor. Take my neighbour Hu J. as an example. He lost one hand when he was a temporary construction worker in city, and when he came back home his wife left him because he could not earn. t He is really poo, and does not even have enough food. I think it is reasonable to give Dibao to him. But I have to say that some people should not get benefit."* (Xiao H.: Villager)

For people in poverty, *Dibao* proved to be a mixed blessing. On the one hand, it eased their poverty but equally it exposed them to ridicule, stigma and loss of status and control. The concept of a 'social right' is still alien in much of rural China and receipt of benefit is something dishonourable, equating to loss of face:

> *'I really thank government for the benefit of Dibao, but sometimes it makes me uncomfortable. The first thing is publicity. Everyone comes here and discusses whether or not I am poor. The second thing is compulsory work. Village cadres tell me that it is a rule that recipients have to take part in the public compulsory work for the collective… Some people laughed at me when I was doing the work. Other villagers who take part in the collective work can get reward, but I have to do it for free, which made me very uncomfortable. I think I am the person who is a loser and dependent on government and others.'* (Hu J.: Villager)

While reliance on community opinion is one means of coping with the difficulty of measuring income in rural areas that is common in the developing world (Alatas, V. et al., 2012; Domelen, 2007), it can add to the stigma of applying for social assistance and may even act as a deterrent to claiming. Combined with the discretionary decision making as practiced by the Villagers' Committee it also serves to promote and facilitate institutional alienation, the mismatch between stated goals and the actual functions of the system.

Aspects of institutional alienation

The evidence from Stone-bridge is that there may be four mechanisms through which administrative alienation can undermine the efficient targeting of *Dibao* . Three, when *Dibao* is used to reward or deter particular behaviours or to subdue dissent, witness it being co-opted for reasons of village governance. The fourth sees resources being diverted for personal or sectoral gain.

a) Reward and control

The institutional alienation evident in the mis-targeting of rural *Dibao* can only be understood by reference to politics and political change. Until the end of the 1970s, rural

China was organised along collectivist principles with individual freedoms limited by authoritarian government and controlling economic and social policies. Thereafter, these principles were largely abandoned. De-collectivisation shifted the balance from communal interests to self-interest and generally removed the welfare provisions that people shared and which were used by local leaders as political tools of reward and threat. National government withdrew from rural areas offering villages the right of self-autonomy and altered or abolished many of the restrictive economic and social policies. With villagers nominally having more freedom, village governance became more difficult and complex.

Local governments do not govern the villages directly but rely on village cadres that do not themselves have legal powers of compulsion. Instead, they rely on *chaxugeju*, local culture, their relationships within the village and the support of villagers. *Dibao* becomes a tool in this process, part of the reciprocity, obligation and reward inherent in *chaxugeju*. Complicating the process further is the role of the Communist Party and its relationship to Village Committees which is mediated through villagers who are members of both.

In the hands of the village cadres, *Dibao* is an incentive and reward used to engender support for, and compliance with, the policies of the Villagers' Committee; to bolster the position of individuals within the cadres; and to enforce social norms and to promote social cohesion. The village cadres are explicit about the active use of *Dibao* as an incentive or deterrent to foster acceptable behaviour and about disregarding its importance as a measure to combat poverty:

> '*People who don't obey some policies and rules cannot get the benefit of Dibao no matter how poor they are. There is a family in our village who applied for Dibao, and we refused them because they did not pay agricultural tax [now abolished] between 2002 and 2005.*' (Li Q.H.: Leader of Villagers' Committee)

In order to be effective as a social control mechanism, the village cadre need to make villagers aware of the informal allocation criteria and do so. When access to *Dibao* is denied as a retrospective punishment, as in the example below, they are presumably seeking to reinforce normative behaviour and to fix expectations of good behaviour in the collective memory of the village:

> '*I got Dibao from 2008 to 2011, but from 2012 up to now I have not received it. I asked village cadres why, and they told me that it was because my son and his wife had acted against the ['one child'] family planning policy. I felt it is very strange. What is the relationship between Dibao and the policy of family planning? I think there is no relationship between them. Dibao is a policy for the poor while family planning isan entirely different policy.*' (Wu X.F.: Villager)

In this instance, the villager in question did not accept the linking of *Dibao* and population policy (about which she could do little) but, equally, she did not question the legitimacy of being held accountable for the actions of her son and daughter in law; such mutual family responsibilities are inherent in *chaxugeju*.

Villagers' Committees have considerable freedom in how they interpret *Dibao* as a

mechanism of social control. Exhibit 1 reproduces provincial guidance on who should be denied *Dibao* that was issued in 2007 but remains current. Items 1, 2 and 3 are aimed at preventing abuse while Item 4 offers considerable latitude in applying an income threshold. Items 5 and 6 provide almost unlimited scope for debarring applicants on normative grounds irrespective of whether or not they are experiencing poverty.

Exhibit 1: 2007 Provincial Guidance on characteristics debarring people from receipt of Dibao [About here]

The political reality underpinning the use of *Dibao* is generally understood by villagers. This is illustrated by the following quotation which finds a villager disproving of something close to nepotism but seeming to accept the reciprocity inherent in *chaxugeju* which is manifest as a payment of *Dibao* in return for help given.

> '*We all know that Tang [a recipient of Dibao] is not poor. She is one of the richest in our village, because her son is an officer in the town government. But why can she get Dibao? I think the reason is that her son helps village cadres a lot.*' (Li J.: villager)

And while the village cadre use *Dibao* to manage public affairs, the informal system is exploited by individuals to further their own interests vis-à-vis the Villager's Committee:

> '*I find that many recipients of the benefit of Dibao send gifts to cadres, and they can maintain the benefit. I would like to get the benefit too, but I am so poor that I have nothing to send to them, so I provide free help for them when they harvest rice. I did it twice and I got Dibao last year. I said that I would continue to provide help for them if they need, and they were very happy.*' ` (Liu X.Q.: Villager)

It is clear, therefore, that while *Dibao* is ostensibly an anti-poverty programme, its introduction has been used to fuel local politics and strengthen the position of the village cadre. *Dibao* is mis-targeted because it has been co-opted for local political purposes. But *chaxugeju* means that in rural China politics is not in a sphere separate from family and social life.

b) Silencing dissent

Village cadres, while locally powerful, constitute the bottom tier of government and are accountable upwards and to the Communist Party. They are expected above all else to ensure social order, stability and to contain dissent. The village cadre therefore want, wherever possible, to avoid appeals (*Shangfang*) which will draw attention to their village and risk them being thought of as failing in their political duties. Moreover, they are especially vulnerable to complaints from so-called 'trouble-makers' if there are additionally irregularities in village administration including *Dibao*. Equally, if there is no alternative, *Dibao* can be used to 'buy-off' discontent, albeit at the cost of again diverting funds from the ostensible goal of reducing poverty. Two examples illustrate this and the Chinese maxim that 'the child who cries severely gets milk first':

> '*Some families bring big trouble to our village administration. Take Liu as an*

example, part of his land was requisitioned for the construction of village road in 2012, and we paid compensation to him. He thought the compensation was not satisfactory and went to the county government or sent letters to provincial government reporting us. This put us under much duress because upper governments demand that we should ensure the stability of the village; they [officers] don't really care exactly what happened. We got his mother into Dibao in 2014 and he has calmed down for several months. Some neighbours told us that Liu's mother did not get the benefit of Dibao because Liu took it from her but we have no energy to deal with that.'

(Xi X.H, Senior member of Villagers' Committee)

'*I know his family is not poor, but I have no choice. He always goes to the county government to appeal and asks for help. County government and town government say that "problems should be solved within villages". So we give him Dibao and let him calm down. The town government know we do this, but they do not say anything.*'

(Li Q.H. Leader of Villagers' Committee)

While co-opting *Dibao* indiscriminately to deter or buy off trouble-makers could prove expensive, villagers understand that, with inadequate *guanxi*, a complainant is unlikely to succeed especially when, as revealed in the last quotation, higher authorities are complicit in the institutional alienation. In such circumstances, even direct complaints against the misappropriation of *Dibao* have come to nothing:

'*It [an appeal - Shangfang] can't influence anything. They [the village elites] all support them [the village cadres]. No one listens to me. I reported it [corruption of Dibao] once, the town government investigated some residents in the village, and then told me that there were no problems in the distribution of Dibao. It does not work, and I will say nothing now.*' (Wang J.H. villager

c) Personalising public resources

The villager Li, J., in a quotation above, suggested that Tang had received *Dibao* not because of need but because of *guanxi* – connections. This accusation was neither rare nor unsubstantiated. Villager Wu X.J. cited below offers the general proposition that *Dibao* is distributed within families by families; that *Dibao* is, in effect, tantamount to being a public resource that has been privatised or personalised:

'*It is not fair. Our family's income is as the same as their families', but why can they get the benefit and we cannot? The only reason is that they are the relatives of village cadres. I know that most of village cadres' relatives get the benefit, it is not a secret.*'

(Wu X.J.: Villager)

Another villager agrees but suggests a growing sophistication in the way that *Dibao* is allocated as villagers have become more aware of the existence of *Dibao* and its ostensible purpose:

'In the beginning years, village cadres put the resource of Dibao in their own wallets directly because most of the villagers did not know that there is an institution called Dibao.

In recent years, they do not dare to do it directly, because we all know that Dibao is a benefits especially for the poor. Village cadres changed their method. They do not take it directly, but they distribute it to their relatives.' (Li T.M.: Villager)

Yet another villager reports resistance to the mis-targeting of *Dibao* through the very mechanisms of public consultation that are intended to ensure benefit only goes to those who deserve it. However, he concludes that such resistance is futile when applications are sponsored by village cadres.

'Ying Z.P.'s (a senior member of Villagers' Committee) nine relatives all get Dibao, including his aunts, uncles, brother and brother's wife and nephew. We all know that they are not poor because their houses are the best ones in our village. Because of his power, he can decide who will get the benefit. Many people post objections to it, but he has a big family and he also masters the power, so these objections are useless.'

(Wang J.H.: Villager)

If it was only people outside the village cadre who referred to the personalisation of *Dibao*, then there might be doubt as to the importance of g*uanxi*. But it was not. Members of the Village Committee presented with accusations such as those above justified their actions in terms that were at least partially consistent with the principles of *chaxugeju*:

'*Some people said that many of my relatives got the benefit of Dibao. I am very angry about this saying. Which rule says that my relatives cannot get the benefit?! It is unreasonable! It is really difficult to measure that who is poor or not in rural areas. Both you and I don't know who is really poor. In this situation, I think that distributing Dibao to some of my relatives is not wrong. A more important thing is that if I don't support my relatives, who will support me? Even if I distribute the benefit to others, they will not definitely vote for me. But I am not afraid of that because my relatives and expanded families will vote for me. This is the reality of a rural area.*'

(Li J.W.: Senior member of Villagers' Committee)

In this explanation, Li J.W. refers to technical, political and cultural considerations. The technical difficulties of assessing income in a subsistence rural economy have been discussed above. They are real but in this context Li J. W.'s reference to them may smack of expediency. However, it has been established above that *Dibao* is used to establish support for policies and politicians and in a small rural communities there is considerable overlap between the family and electorate. Furthermore, *chaxugeju* indicates that family ties are the closest and impose the greatest demands in terms of reciprocity, thereby making them the most reliable in political terms.

It is reasonable to suggest, therefore, that given Chinese rural culture, the personalisation of *Dibao* through family ties is a natural corollary of embracing *Dibao* as a political resource and a tool of social control. A further corollary might be the perpetuation of the status quo or the strengthening of inequalities if those with power and large family networks divert *Dibao* to promote their own interests. Such a corollary was not lost on villagers without access to great *guanxi*:

'*It is my destiny to be poor. Village cadres have their own relatives and I have no relationship with village cadres, and they don't want to help me. It's normal.*'
(Ying Y.F.: Villager)

Reflections and conclusion

China has led the world's assault on poverty and has recently added social assistance, *Dibao*, to complement its continuing reliance on economic growth. Its actions appear to be broadly consistent with its commitments under ILO Recommendation 202 and with the inclusion of social protection under the new SDGs. It therefore could be a model for other developing countries.

Dibao was ostensibly introduced to tackle poverty but there has been official recognition that it is not as successful as it might be (Xinhuanet, 2013). In 2009, the vast majority of *Dibao* spending did not reach people in poverty, only one in nine of whom received benefit, and so the scheme was reformed in 2013 in part to limit the scope for misappropriation and hence to improve targeting efficiency. However, the experience in Stone-bridge village points to continued ineffective targeting linked with institutional alienation and while it is improbable that what happens in Stone-bridge is repeated uniformly across China, it is equally unlikely to be unique. The reasons for poor targeting and institutional alienation are complex and would appear reflect technical, political and cultural considerations that are place-bound in their particularities but potentially global in their generality

Among the important technical considerations are the difficulty of assessing rural incomes, the challenge of coping with the complex dynamics of people's lives and the limitations of under-resourced administration. In rural China, as illustrated by Stone-bridge and reported elsewhere, (Golan et al., 2014; Tsai, 2007), there is a marked gap between the yuan specific precision of the regulations and fuzziness of implementation which relies less on hard evidence that is difficult to collect and verify, and more on public incredulity as the test of means. This gap is in part the product of cost containment strategies. Rather than assessing need and calculating the cost of meeting it, a budget is set and means determined to allocate it to the neediest. Hard decisions on eligibility and entitlement are pushed to the fingertips of the government where the strength of local knowledge is meant to police abuse but which is itself trumped by the power of village gatekeepers motivated by complex political and personal interests. This is institutional alienation at work. When contextualised with reference to culture, it is a concept that might help to explain the poor targeting, elite-capture and misappropriation of social assistance funds that is widely reported in low and medium income countries (Sim, et al., 2015; Walker 2013).

An important driver of the institutional alienation observed is political. *Dibao* appears to have been captured as a tool of social governance. Village cadres were emphatic that they used *Dibao* to reward, punish and control the behaviour of their fellow citizens with a complex mixture of moral and political intent. They knew that higher authorities did not

have the resources or detailed knowledge to police their 'abuse' of the system (Liu, 2010; Zhu, 2011). More importantly, they believed that the higher authorities knew what was happening and tacitly gave it their approval. Indeed, it would be very surprising if this were not the case since complaints about 'corruption' were frequent, and the system of '*Dundian*' or '*Baocun*' operated under which all government officials are obliged to report on developments in their place of residence. The implication is that *Dibao* is considered to be more important to social governance policy than it is as social protection. The generic point of learning is the importance of distinguishing clearly between the objectives of policies and their functions, what is actually achieved and for whose benefit. Spicker (1993) reminds us, too, that neither the objectives nor functions of social assistance are necessarily positive either for individuals or for the common good. Table 2, which shows schematically who gains from rural *Dibao* at whose expense, illustrates this.

Table 2 Institutional alienation and its effects [About here]

Finally, the nature of institutional alienation and the reasons for poor targeting evident in Stone-bridge have cultural explanations. C*haxugeju* describes a system in which individuals are embedded in overlapping networks with each network bound together by differential obligations. Local governance in China both exploits and is shaped by *chaxugeju* with politicians gaining their positions and achieving their political objectives through using their *guanxi* (Li & Li, 2015). When *Dibao* is part of the currency of *guanxi*, institutional alienation and poor targeting are necessary results.

Fei Xiao-tong may have been correct that *chaxugeju* differentiates China from other societies. Nevertheless, the ambition of the SDGs is to extend social protection to many cultures characterised by allegiance to extended family, clan and tribe rather than by the individualism of the West and consequently similar issues may arise. Furthermore, institutional alienation, the capture of social assistance for objectives other than direct poverty relief using punishments and rewards, is not limited to China. Workfare, conditional cash transfers, microcredit schemes and the turn to social investment all employ analogous techniques and equally demand answers to the question: 'Who benefits most, people in poverty or those groups that are more powerful?'

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Exhibit 1: 2007 Provincial Guidance on characteristics debarring people from receipt of Dibao

(1) People of working-age who do not work. (2) People who have the ability to do farm work but do not. (3) People whose actual living standards of the family are significantly higher than the local rural minimum living standards. (4) People who fail to provide valid verification of the family income. (5) People who fall in poverty because of alcohol abuse, gambling, drug abuse and other reasons. (6) Other situations which are prescribed by county government.

Table 1 Characteristics of Dibao recipients, Stone-bridge

Characteristic	Percentage of recipients
Children (0-14)	4
Adults	76
Elders (Over 60 years)	20
Chronic sickness	11
Disabled	2
In labour force	3

Table 2 Institutional alienation and its effects

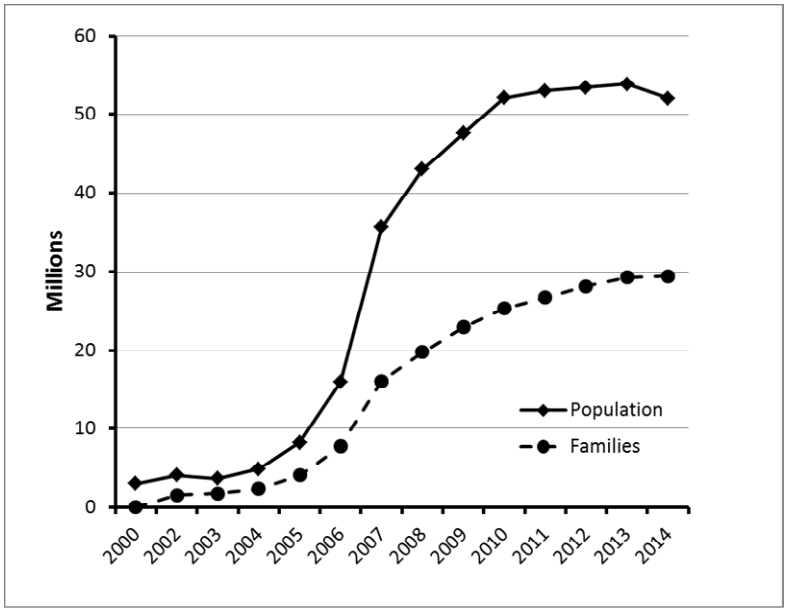
Social groups receiving *Dibao*	Use of *Dibao*	Outcomes for selective social groups		
		People in poverty	**Village cadres (social governance)[1]**	**Village elites**
People in poverty	• Distribute to the extremely poor • Set/enforce conditions	• Poverty relief for some • Loss in agency • Increased stigma of conditions	• Promote image of: - A caring state/party - Social justice • Gaining obedience of people in poverty	• Salve conscience
Relatives and friends of cadres/elites	• Distribute directly	• Funds lost • Stigma from implied corruption • Inequality increased (-ve[2])	• Gaining direct support • Increased inequality – possible unrest	• Adding to *Guanxi* • Inequality increased (+ve[3])
Village elites and common villagers	• Distribute to selectively	• Funds lost	• Sets example for villagers • Regulates villagers	• Added incomes
"Trouble makers"	• Distribute selectively	• Funds lost • Maintain status quo (-ve[2])	• Avoiding conflict • Avoid external investigation and censure • Maintain status quo (+ve[3])	• Maintain status quo (+ve[3])

1 Elected members of village committees

2 Affected negatively or relative disadvantage maintained

3 Affected positively or relative advantage maintained

Figure 1 Dibao recipients in rural China2000-14



[i] Other contenders are the Public Distribution Service and the National Rural Employment Guarantee Act in India. The former provides benefits in kind (food) while the latter links benefits to employment.

[ii] Li and Sicular (2014) note that these estimates understate the true increase in inequality due to mismeasurement at both extremes of income

[iii] These estimates are based on the official definition of poverty; using the World Bank measure of $1.25/day poverty fell from 15.0 per cent to 11.4 per cent between 2007 and 2009.

[iv] Although Fei observed *chaxugeju* underpinning rural life many scholars consider the concept still to have general applicability across China (Bu, 2003; Ma, 2007)

[v] The county in which Stone-bridge is located is one of 592 that are official designated as poor and recognised as a 'key county for poverty alleviation' by the provincial government (Park et al., 2002). Stone-bridge itself lies at the average for the county.