

Need, justice and central-local relations: the case of social assistance in China

Social assistance is increasingly promoted as a means of tackling poverty. However, in established democracies stable delivery has often proved difficult because of tensions between national and local government, the former desiring comprehensiveness and uniformity, the latter requiring flexibility to meet local needs. These issues are explored in the context of China, an authoritarian regime and *Dibao*, the world's largest social assistance system with three questions posed: Do similar tensions exist in an authoritarian regime as in liberal democracies? How are they resolved and what is the nature of the political compromise? How do recipients fare? Policy analysis in a village in south-west China reveals similar tensions. A regime, in which local government employed discretion to prioritise social stability over poverty alleviation, has been replaced by an inherently unstable system based on surveillance of officials and local cadres who now prioritise their personal security over the needs of applicants.

Keywords: central-local relations; justice; discretion; social assistance; rural China; *Dibao*

Introduction

Two longstanding interests in public policy, that of central-local relations and of merits or otherwise of regulation versus discretion, coalesce in discussion of social assistance, society's financial safety net. Social assistance is generally delivered on a large scale, which favours national laws and regulation, but must respond to diverse and perilous individual circumstances which speak to the strengths of discretion implemented locally. It is expensive and universal and thereby a national concern, but it is traditionally delivered locally where needs are better understood. The perhaps irresolvable tensions inherent in this four-fold administrative puzzle help to explain why social assistance systems are politically contested and seldom stable for long (Figure 1).

Academic debates have generally been conducted in the context of western democracies, although many social assistance schemes originated a long time before universal suffrage existed: *Dole* was invented in Ancient Rome and *Zakat* very early in the history of Islam (Walker 2014). However,

This article has been accepted for publication and undergone full peer review but has not been through the copyediting, typesetting, pagination and proofreading process which may lead to differences between this version and the Version of Record. Please cite this article as doi: 10.1111/padm.12689

within the context of the Sustainable Development Goals, notably 1.3 which demands social protection 'with substantial coverage of the poor', social assistance schemes are appearing in jurisdictions lacking fully functioning democratic systems. This raises the question of whether similar tensions arise in regimes that are quite different from western democracies and, if they do, whether they can be resolved more effectively than has hitherto proved possible in long-established welfare states. China, which now boasts the World's largest social assistance scheme, *Dibao*, offers an interesting case study which highlights similar tensions but different ways of addressing them (Yang 2018; Appleton & Song 2010). However, the current resolution between central and local government looks inherently unstable.

Regulation, discretion and central-local government relations

Several literatures on implementation and administration address the tensions inherent in governmental hierarchies. Those dealing with single institutions or policies often contrast top down and bottom up approaches to implementation (Sabatier 1986; deLeon & deLeon 2002). Senior policy makers in top-down systems not only set strategic goals but prescribe the details of policies and how they should be implemented by bureaucrats at street-level. In bottom up systems, problems are resolved close to the ground leading to a range of implementation models, or the development of a composite model combining the best features of the local schemes. There are rich literatures in this vein in, for example, social development (Annamalai, et al. 2016) and environment policy development (Koontz & Newig 2014) that generally conclude that bottom-up approaches are preferable because resultant policies tend to be responsive to local circumstances. As a result, they tend to be more effective and efficient, not least because they are likely to have been developed in a participatory manner.

There are parallel distinctions to be found in literatures dealing with policy systems and which, because of their scale, more often have a spatial as well as a hierarchical dimension: studies on federalism, regional development, national planning and trans-national government are illustrative (Kleinlein & Petkova 2017; Botha 2018; Verspagen 2010). In these contexts, there are similar issues relating to policy design and implementation and to the optimal mix of strategic direction and local expertise, but there are others too. A much debated matter is subsidiarity, the most appropriate level at which to develop and/or deliver policy linking to a generic concern with sovereignty: where power, responsibility and accountability should reside and with respect to which aspects of governance. This is a topic that is especially fraught when lower tiers of government are independently elected as in federal systems (Lopatka 2019). There are further major issues and points of tension in relation to resource generation and allocation that are influenced by whether lower tiers of government have tax raising powers. These, in turn, link to notions of justice, citizenship and territorial equity, the extent to which people should be treated equally or equitably irrespective of where they live (Jones et al. 2019; Zuideau 2007; Walker & Lawton 1988).

Somewhat separate literatures deal with discretion. In Britain, these date back to the 16th century being revisited in the 1820s leading up the New Poor Law act (1832) and in the 1970s with increasing social rights legalisation (Donnison 1977). An analogous debate occurred in the USA in the 1980s ahead of the introduction of Temporary Aid for Needy Families (TANF) and for similar reasons (Handler 1983). Advocates of law-based rights argued that discretion disempowered the client and was open to administrative abuse, while supporters of discretion pointed to its flexibility and officials' ability through negotiation to offer what Titmuss (1971) termed creative justice (Tummers & Bekkers 2014; Beltram 1984). A related literature observes the multiple influences on the decision-taking of street-level bureaucrats with authors reaching different conclusions (Lipsky 2010; Lavee & Strier 2019; Zhang et al. 2020). Some authorities advocate the need for, and merits of, professionalised discretion subject to peer review and underpinned by continuing professional development, while others conclude that the evidence of abuse reinforces the case for prescribed rights and regulatory justice. While these literatures focus on officer discretion, there is scope for discretion at the level of agencies, when managers are allowed to set local and regional priorities, and within subsidiary jurisdictions which connects with literature on federalism and central-local relations (Goodrick & Salancik, 1996; Johnson & Urpelainen 2014; Vogiatzis 2017).

The above tensions are exemplified in the development of social assistance in the global north which is characterised by attempts to reconcile the responsiveness and flexibility of local discretionary decision making with national centralizing tendencies informed by a desire for uniformity and territorial justice (Ditch et al. 2018; Walker 2005). The simplified model presented at Figure 1 illustrates the tensions pertinent to social assistance. (The blank quadrants are more relevant to discussion of other policies. For example, issues relating to public health, consumer rights, equal treatment and discrimination tend to locate in the top right quadrant, while matters to do with the independence of the judiciary or central banks might be located in the bottom left quadrant.)

FIGURE 1 HERE

The provision of social assistance at any point in time represents a variably stable compromise between these competing forces. The Hartz IV reforms in Germany in 2005 replaced *Sozialhilfe* for unemployed persons that had been controlled by the Länder with Federally determined *Arbeitslosengeld II* (Mölle 2015). Likewise, in France, the patchwork of *l'Aide Sociale* administered by local communes was first replaced, in 1988, by nationally administered *Revenu Minimum d'Insertion (RMI)* and then, in 2009, by *Revenu de solidarité active (RSA)*. In contrast, the United States decentralized, in 1997 replacing federally determined Aid for Families with Dependent Children (AFDC) with state-administered Temporary Aid to Needy Families (TANF). In Britain, local social assistance was nationalized in 1948, but geographic

variation in exceptional needs payments continued unabated, becoming attenuated before budget ceilings were imposed on the local offices of national government with the establishment of the Social Fund in 1988 (Huby & Walker 1992). Policy responsibility was returned to local government in 2012/3 with the introduction of local welfare assistance schemes, a system some commentators claim is now close to collapsing (Butler 2018).

The prevailing national compromise determines whether recipients of social assistance are treated equitably or equally and whether they are subject to individualised, 'creative' justice that could be abused, or to regulated justice based on demonstrable rights that can be very inflexible (Beltram 1984). For government institutions, the compromise reflects the balance of power between central and local government.

If such tensions exist in China, observing the implementation of social assistance may similarly provide a hint of the balance of power between national and local levels of government, while the outcomes for recipients and eligible non-recipients should yield some indication of the overall effectiveness of the system.

The Chinese case-study

Recent history confirms that the same tensions have emerged in China with 2014/5 marking a juncture between two social assistance regimes with vastly different outcomes for applicants.

China has been committed to eradicating extreme, rural poverty since 2011 but in 2015 the central government relaunched the target date of 2020, thereby creating an 'anti-poverty movement' in support of what has become a political priority of overwhelming importance (Walker & Yang 2019). China's principal social assistance scheme (*Dibao*) is a central pillar of the resultant multifaceted strategy (Yang 2018; Appleton & Song 2010). However, because central government was dissatisfied with local government's implementation of *Dibao*, increasing emphasis has been placed on developing the Targeted Poverty Alleviation strategy (TPA, *jingzhunfupin* in Chinese), introduced in 2014, which is more under the centre's control.

Paralleling historical developments in the West, social assistance in China was initially developed locally with the national scheme being modelled on Shanghai's *Urban Minimum Living Guarantee System (UMLGS)* introduced in 1993. Shanghai's UMLGS was a response to China's opening-up to foreign investment and the move to a socialist market economy under Deng Xiaoping and his successors that resulted in the closure of many state-owned enterprises, the dismantling of their occupational welfare systems and, hence, to rising unemployment. Rolled out to all cities in 1999, and extended to rural areas in 2007, *Dibao* is considered to have facilitated continuing economic reform, supporting laid-off workers and maintaining social stability (Leung & Xu 2009).

The enabling regulations for *Dibao* share many characteristics with European social assistance systems. They specify that all people in prescribed circumstances with incomes below given thresholds should be eligible for receipt. Thresholds are set at a county level within provincially determined budgets beyond which there is ostensibly no place for local discretion.

Dibao, then, is a top-down national scheme nominally based on law and regulated justice meaning that, unusually for China, ‘people are empowered to obtain social assistance [as of] right’ with the state being required to make provision rather than simply acting out of benevolence (Yang 2018, p.4). However, in the hands of lower tiers of government, interpretation of laxly drafted regulations morphed into substantial institutional discretion creating tension between central and local government.

Central-local tensions have manifested in several ways. To the extent that thresholds reflect the local cost of living, their variation should mean that *Dibao* provides equivalent protection nationwide. In fact, much of the considerable variation in *Dibao* thresholds is thought to be attributable to different methods of establishing the threshold and arguably to varying priorities (Yao 2012). Given that the cost of *Dibao* is shared with central government, there is an incentive for local government to increase thresholds, something that central government has sought to resist. In 2011, it issued further guidance on standardizing the formulation and adjustment of standards although without enforcing adoption of a single method. Even so, the average threshold set by counties rose by over 90 per cent in urban areas between December 2010 and September 2016 and by 150 per cent in rural ones (Yang 2018).

A persistent concern for central government has been the poor targeting of *Dibao*. One reputable estimate for 2009 suggests that exclusion errors, people not receiving benefits for which they were eligible, could then have been as high as 89 per cent, while inclusion errors, receipt by persons ineligible for *Dibao*, may have been running at 86 percent (Golan, Sicular & Umapathi 2014). In 2013, the government responded with stricter regulation over the implementation of *Dibao*, shifting assessment, decision-making and management to villages to eliminate corruption at the township and county levels. While individual financial corruption may have been significant, mistargeting was also frequently the result of strategic policy decisions at county and township levels that prioritized social cohesion and social harmony over poverty relief.

In China, policies promulgated by central government are typically aspirational, framed by the Party’s current thinking and rhetoric, expressed in volume rather than cost terms, and largely devoid of detail. With lower level policymakers held personally accountable for the success of policy, various tournament models have been proposed linking policy outcomes to individual and institutional competition as, for example, when cities compete to attract entrepreneurial labour or seek to achieve better than average health outcomes (Zhang 2019). While *Dibao* is different, nominally driven by regulation with much more prescription with respect to implementation, this fact may not always have been recognized by local policy actors who initially saw it as an additional resource to be used creatively to benefit their communities. Moreover, rural *Dibao* is delivered by village cadres who carry several other responsibilities and have scant appreciation of national policy concerns. In its early implementation, there are reports of unpaid cadres using *Dibao* both to ease social relations and as remuneration for their work as village leaders (Li & Walker 2018a; Yang et al. 2019). More generally, *Dibao* has been co-opted as a tool of social governance used to build political support, encourage community activities, foster social harmony

and to deter political complaints ((Li & Walker 2018a).

A further incentive for lower tiers of governance to apply discretion is that local *Dibao* budgets are insufficient to meet the level of need specified by the eligibility criteria. *Dibao*, therefore, must be rationed rather than allocated. Consequently, local government and field-staff apply discretion to circumvent the regulations (a phenomenon also increasingly evident outside China in jurisdictions reshaped by austerity and neoliberal ideology [Lavee & Strier 2019]). With regulations being imprecisely drafted, cadres have been able to use *Dibao* creatively to benefit individuals in situations that might have been impossible under a more tightly prescribed system. Equally, though, some of the regulated exclusions from eligibility, for example, ‘people who fall into poverty because of alcohol abuse, gambling and other reasons’ or ‘other situations prescribed by the county’, effectively invite decision-makers to substitute creative justice with deterrence, using *Dibao* to deter bad behaviour and to encourage good (Li & Walker 2018a).

Discretion has also been used to accommodate *Dibao* within local culture. Given the difficulty of assessing rural income, needing to account for home production and remittances from migrants, a common local fear has been that receipt of *Dibao* could be divisive. Therefore, mechanisms have been introduced to transform *Dibao* into a community resource benefiting more people in either the short or long term. In villages in Shanxi province, *Dibao* is implemented as a universal old age benefit while, in parts of south west China, the receipt of benefit is time-limited (Yang et al. 2019; Li & Walker 2018a). In both cases, village cadres have effectively followed old Confucian edicts that prioritize inequality and the resultant social unrest above poverty alleviation.

Whatever, the merits or otherwise of the strategies used at local level to allocate *Dibao*, from the perspective of central government, all these departures from regulation constituted mistargeting which led it to introduce the TPA strategy in 2014. This involved the compilation of a national register of people in poverty and the implementation of an all-round supervision system with routine inspections of local poverty alleviation decisions. In addition, a separate ‘most strict assessment system’ was introduced to maximise poverty reduction effectiveness through accurate identification, targeted assistance and the appropriate and efficient the use (Tan 2018). Finally, 775,000 officials were assigned, in addition to their normal duties, to ‘resident task-forces’ in villages and accorded personal responsibility for lifting named families out of poverty by 2020.

The TPA strategy is a clear attempt by the Party and the centre to wrestle back control of a system that always had national macroeconomic goals and which, in the context of the 2020 poverty eradication target, assumes preeminent political importance. With *Dibao* previously often co-opted to fulfil local objectives, officials and local leaders now face severe political punishment should targeting on poverty be found to be lacking (Li, Li & Yuan 2017). The remainder of this article seeks to assess how far the centre has been successful in reducing local discretion and to see how applicants fared when placed under a regime of regulated justice. Given the abruptness of the change, one might anticipate some unanticipated consequences (Tan 2018).

Methods

Stonebridge village, renamed by the authors, is in south-central China and had a population of just over 2500 in 2018. Like most villages in the region, families are mainly reliant on income from agricultural production and salaries from migrant work. Village documents show that the per capita annual household incomes rose from about 3,500-yuan RMB (about £350) in 2014 to 3,900-yuan RMB in 2017, the average for the county, officially designated as 'poor'. Stonebridge is in a county designated to eradicate poverty by the end of 2018, two years ahead of the national target, meaning that the reduction in the *Dibao* caseload occurred relatively early.

Stonebridge has been the first author's research site since 2005 with research focusing on the targeting of social assistance beginning in August 2014. From 2014 to 2019, the first author spent about two months each year in Stonebridge conducting in-depth interviews, focus-group discussions and undertaking participant observation. A total of 94 in-depth interviews were undertaken during six years with (current and former) members of village committee, officials of Civil Affairs Bureaux of the county and town, leaders of villagers' groups, recipients of *Dibao*, non-recipients who unsuccessfully applied for *Dibao* and other villagers. Respondents were selected using a mix of purposive sampling and snowball sampling. Most of the depth interviews were conducted face to face in respondents' homes but a few of those conducted in 2015 were undertaken by telephone when they could not be otherwise contacted.

The focus-group interviews were conducted between June and August in 2017 at which participants were invited to share their opinions on *Dibao*. Three were formal respectively involving villager committee members, *Dibao* recipients and non-recipients and were held in the office of the villagers' committee, while four were informal, comprising a mix of villagers and were conducted in public leisure facilities.

Participant observation took place from July to August in 2017. It involved the first author observing the democratic review of the eligibility of persons proposed for receipt of *Dibao* in Stonebridge. In addition, the first author accompanied a villager who was disallowed *Dibao* in their appeals to the villagers' committee, the town government and finally the county Civil Affairs Bureau.

Two *Dibao* regimes in Stonebridge

Dibao was first implemented in Stonebridge in 2007 when the scheme was rolled out nationally, and thereafter the caseload grew continuously from about 10 recipients in 2007 to more than 210 recipients in 2016. Although the policy of targeted poverty alleviation was introduced at the end of 2014, the county in which Stonebridge is located did not take-up the new system until late 2016 but, within a year, the *Dibao* caseload in Stonebridge had fallen to just 30. With the end

of 2016 as the breakpoint, it is therefore possible to describe two distinct periods in the development of *Dibao* in Stonebridge, that before and that after the introduction of the targeted poverty alleviation strategy. In the first period, the compromise between central and local government placed *Dibao* in the bottom-right quadrant in Figure 1, discretion having been commandeered to shape the scheme from the bottom up. In the second period, power shifted to central government placing *Dibao* in the top-left quadrant with discretion replaced by regulation policed by fear.

Pre-2016: A social control regime

Prior to the introduction of the TPA strategy, Stonebridge's implementation of *Dibao* was very much as characterised above. *Dibao* had been co-opted, in this case as an instrument of social governance to maintain social harmony within the village rather than to reduce poverty per se. Although elected, cadres have few resources and minimal power to direct and therefore *Dibao* was as resource to pursue several social objectives.

Social stability. The *Dibao* quota allocated to Stonebridge by the township was insufficient to meet the needs present, a common phenomenon in central and western rural China where allocations were typically made without an exact means-test (Li & Walker 2018a). Therefore, rather than abiding by *Dibao* regulations which stipulate that benefit is payable to all members of a family unit with income below the threshold, Stonebridge chose to follow the model common in the county which was to pay one person within each eligible family, thereby benefiting more families but to a lesser extent than the regulations intended.

We should set families as recipient units according to the regulations, but we cannot do so. So many families applied for Dibao, but the quota is limited. Some people will make trouble if they cannot get it. The whole family will calm down when one family member gets the benefit. That's why we changed the recipient unit. (Li, X., former member of Villagers' Committee in 2014-2016)

The village committee also saw fit to use *Dibao* to promote stability by disarming specific 'troublemakers' who might otherwise appeal to the township that considered it the responsibility of the village cadres to resolve conflict.

It's the reality that the more you make trouble, the more you will benefit. Wu J. Y. (a recipient in 2016) is not poor, we all know that. But he gets the benefit (Dibao) every year. He goes to the town and county governments to appeal every year before the village review process of Dibao, and then the town and county governments require villagers' committee to solve his problems. The villagers' committee has to give the benefit to him to calm him down. (Wang J. villager)

Political capital. As elsewhere in China before 2016, village cadres in Stonebridge allocated

much of *Dibao* to relatives and close friends (Li & Walker 2018a). The rationale was that, in order to lead the village effectively, the cadres needed the support of villagers and that, in accordance with traditional Chinese culture, the most reliable and strongest support is that provided by relatives and close friends. *Dibao* was therefore used by village cadres in exchange for political support:

Rural affairs are difficult to manage without strong support. If your relatives and friends don't support you, you can't do anything in the village. They select you as a village cadre expecting to get some preferential benefits. If you disappoint them, without the most reliable support in the village you will lose the next election. (Li, J. W., former member of Villagers' Committee in 2014-2016)

Villagers recognised this process and gave it tacit support:

Every cadre in this village has a big extended family. It is difficult for those without a large family to be elected as village cadres. The extended family members elected them and got some special benefits in return, which is mutually beneficial. (Liu Z.S., villager)

Deterrence and punishment. As the lowest tier of Chinese governance, villagers' committees are charged with implementing various government policies in the absence of statutory authority or power. However, they are nevertheless held accountable for successful policy implementation. *Dibao* was sometimes used to encourage compliance with the threat of its withdrawal if compliance was not forthcoming. For example, some families in Stonebridge, eligible for *Dibao*, were denied benefit on account of failing to comply with policies such as family planning, farmland protection or agricultural tax (abolished in 2006) even though the failure to comply may have taken place a decade or more earlier.

Zhou's family was originally awarded Dibao, but was cancelled last year. They built their new house in the farmland, violating the farmland protection policy. If we continue to give him Dibao, it is encouraging others to do the same thing [...]. so that the village cannot be managed. (Li Q.H., former leader of villagers' committee in 2014-2016)

Avoidance of supervisory control. Even before 2016, village committees were subject to supervision. Lists of families proposed for receipt of *Dibao* needed higher level approval, notably from the township, and visits to the village by outside officials were always possible. Therefore, persons who self-evidently fitted the *Dibao* criteria because of their severe poverty would generally be included on the list. Their inclusion, though, was often primarily a ploy to avoid further investigation. Moreover, there is evidence that higher authorities were aware of the diverse ways in which *Dibao* was being used to prevent social discontent and that the strategies had their tacit approval.

It is necessary to include those who are extremely poor in the coverage of Dibao. First, they really need help; Second, the higher governments just check the list of families with Dibao. We can take them to these extremely poor families; the economic conditions of these

families can prove that our work is not wrong. (Li Q.H., former leader of villagers' committee in 2014-2016)

Targeting before 2016

Given these political objectives, there were inevitably substantial targeting errors with respect to the goal of poverty relief. Inclusion errors were generated by paying *Dibao* to people who were neither eligible nor poor, and by benefit being allocated solely because it was politically expedient to do so:

Whether you can get Dibao depends on the relationship between you and the village cadres or the importance of you in the village. The economic conditions of families are not the most important indicator. [...] For example, almost all the relatives of Ying (a former member of villagers' committee in 2014-2016) received Dibao. In fact, their families are the richest ones in our village. (Li J., villager)

The problem of inclusion targeting errors was so serious that some residents questioned the appropriateness of name, *Dibao*, 'the minimum living security system'.

I bet that 70 to 80 percent of the current Dibao recipients in our village are not poor; on the contrary, many are relatively wealthy families in the village. Therefore, it should not be called 'minimum living security system', but 'guarantee for the rich'. (Jiang W.L., villager)

Dibao in Stonebridge was also characterized by significant exclusion errors, not least because village governance was prioritized over poverty relief but also because there was no exact means-test in Stonebridge.

I applied for Dibao. No one came to my family to check the economic conditions, and I only know that my name was not on the list. If there is means-test, it can prove that my family really deserves it. Because both children were sick, my wife could not go out to work. The whole family depends on my income, but I am just a migrant worker with gout problems and can't do heavy work. I can't earn enough money even for my children's medical expenses, let alone pay the arrears. (Li F., villager)

To summarise, before 2016 *Dibao* was employed by local cadres primarily as a discretionary resource to ease village governance with the result that exclusion and inclusion errors, as defined by central government, were commonplace.

Post 2016: A self-protection regime

Stonebridge and other villages in the province were alerted to the implementation of the TPA strategy by the release of written notice in August 2016 which drew explicit attention to *Dibao* in its title. The vigour with which the verification was pursued took all by surprise. Within six months, six of the seven members of villagers' committee in Stonebridge had been dismissed or given a political warning with township and county officials being similarly punished. This 'verification storm' fundamentally altered the implementation logic of frontline workers. The township government stopped the practice of allocating quotas in advance and, as should have

happened before, the family replaced the individual as the recipient unit for *Dibao*.

Literal implementation. Village cadres are required to check applications against the policy criteria prior to drawing up a list of candidates to present for consideration and approval by the meeting of villagers' representatives. However, cadres follow the letter of the regulations permitting themselves little or no scope for interpretation, doing so in order to protect themselves against criticism.

Frankly speaking, we hope more poor people could get a minimum living allowance, but we dare not permit it. Most of the members of villagers' committee were punished for violations of the policy last year. We have to implement the policy more carefully. We can only strictly follow the provisions in the policy. If an approach is not explicitly stated in the policy, even if we identify the real poverty, there is a potential risk that we may be punished in the future. (Li Y. F., member of villagers' committee after 2016)

To take a specific example, even if cadres are aware that someone is living in intense poverty due to illness, they will nevertheless remove the application if the disease is not included on the template provided by the county government. The political environment is so rigid that village cadres feel they need always to be able to justify their practice to the letter by reference to the terminology of the policy text.

We check eligibility through three dimensions, which are clearly written in the text of the policy by county government [...]. We know that pneumoconiosis is also a serious disease, and people who suffered from it in our village basically lost their ability to work. However, this disease is not on the catalogue. (Li Z.R., member of villagers' committee after 2016)

Selective implementation. Village committees now avoid difficult or potentially contentious decisions. They act only with respect to straightforward cases, avoiding or ignoring those which are ambiguous or difficult to implement. The detailed means-test, a defining element in national regulations, is invariably circumvented.

The economic income of rural households is complex, unlike urban households, who have fixed monthly wages. So, instead of carrying out a strict means-test, we just focus on the first three provisions (serious illness, disability and lack of family support). If a family meets the requirements, we will fill in a rough figure of income. (Li Z.S. leader of villagers' committee after 2016)

Poverty, and therefore eligibility, caused by old age and infirmity also presents village cadres with problems that were declared insuperable. Compared with poverty caused by disease (for which, as already noted, there is a definitive official list) or by disability (for which applicants could show a disability certificate), there is nothing secure or defensible to which officials can refer with respect to age-related infirmity. Hence, it is virtually impossible successfully to claim *Dibao* based on infirmity and old age.

We are very reluctant to deal with applicants applying for Dibao due to old age and

infirmity. Age is clear, and 70 years old is a threshold. But the real challenge is how to define 'infirmity'. Every old person has some physical problems. Is it possible to include all people over 70 years old? To meet the requirement of targeting, we only involve the elderly who live alone without any family support. (Liao Z., member of villagers' committee after 2016)

Shifting responsibility. A further protective strategy is to deflect responsibility for decision-taking. This is relatively easy since so many tiers of government are involved. An example was witnessed directly at a village representatives' meeting held in July 2017 with two representatives from the township in attendance as observers. According to policy, the consent of over half of the villagers' representatives must be secured for the names of candidates included on the village list to be passed onto the township for approval. At the meeting, 25 of the 45 villagers' representatives refused to vote and submitted blank votes to express their opposition to the candidate list. However, the village committee still declared the vote valid, passing the candidate list onto the township. Furthermore, the committee sought to implicate the representatives meeting in the decision, as is transparent from the village committee leader's summing up at the meeting in which he asserts that *'everyone here shares the responsibility'*:

The vote is over. Vice director Li has announced that the vote is valid. So, it is a formal resolution of the village review results. Let me emphasize discipline once again. [...]First, since we have made this decision together, we should stop talking about whether it is right or wrong in private, which has a bad effect. Second, if the upper government comes to check Dibao in our village in the future, everyone here shares the responsibility of implementation, not only the villagers' committee, because the villagers' committee only counted the voting results of villagers' representatives.(Li Z.S., leader of villagers' committee after 2016)

So, with decisions that are likely to be challenged by higher authorities, the village committee tends to hide behind the collective responsibility imposed on the representatives' committee. This strategy does not go unnoticed by the representatives who nevertheless feel unable to challenge the process.

I took part in the voting meeting of village review. It was a farce! Because many poor people were not included in the list of candidates, many villagers' representatives refused to vote, but the villagers' committee still declared it passed. The villagers' committee uses voting as a shield to respond to the accountability from the higher government. (Li Y., villager)

So, while discretion has certainly been reduced, it remains difficult to characterise frontline decisions as models of regulatory justice based on interpretive judgment that seeks to accord applicants the benefits due to them as of right. Rather decisions are driven by the desire to avoid political risk with officer protection now trumping social protection and contributing to an 86 per cent fall in the *Dibao* caseload.

Targeting after 2016

The introduction of the TPA strategy fundamentally altered the implementation logic used in Stonebridge from social control towards risk minimization and self-protection which, in turn, had a major impact on targeting effectiveness (Figure 2). Inclusion errors have been minimized with members of the village elite and relatives of village cadres being removed from *Dibao* receipt. However, the problem of exclusion targeting errors remains since village cadres are now more concerned to avoid potential political risks than to respond creatively to financial need.

The county where the village is located was an important mining area in the 1980s and 1990s and consequently pneumoconiosis and related conditions are prevalent in the area. In 2017, 11 pneumoconiosis victims and three disabled former miners lived in the village were self-evidently poor and had previously received *Dibao*, but were now excluded from eligibility because their disease is not included on the official list.

Pneumoconiosis is a very torturous disease. I can't breathe when I talk to you right now. What else can I do?[...]My wife can't go to cities to be a migrant worker because she must take care of me. Even if we convert all the rice and corn into cash, our annual income is less than 5,000 yuan; that's below the Dibao's threshold, isn't it? But even so, our family didn't get Dibao. They said pneumoconiosis was not on the list of serious diseases. (Li T.Y., villager)

There is no evidence that the fall in caseload resulted from recipients of *Dibao* moving onto other schemes provided through the TPA strategy; for the most part, TPA benefits are not targeted on individuals and those few that are, are also available to *Dibao* recipients (Yang 2018).

FIGURE 2 HERE

Discussion and conclusion

To return to the first question posed at the beginning of the article, it is clear that the same tensions between the centre and the local and between regulated justice and discretion presented in the model in Figure 1 that tend to frame social assistance policy in democracies are replicated in China, at least in the locality in which the detailed fieldwork took place. Moreover, for several reasons they are manifest in extreme forms within the administration of *Dibao*. First, *Dibao* is modelled on Western systems of social assistance and introduces the concept of prescribed individual rights into a culture and body politic that places more emphasis on the collective, on families and on what is deserved. It is not clear whether the centre fully appreciated the individualistic values embedded in social assistance, but little attempt was made to educate local government in new ways of thinking. Secondly, national legislation in China is typically drafted in terms of political rhetoric, goals and aspirations with lower tiers of government left to determine how the desired outcomes can best be achieved. Hence, the regulations were insufficiently prescriptive to enable individual rights to be protected. Moreover, counties and townships misread central government's aspirations, either inadvertently or deliberately, prioritising the long-endorsed goal of securing social stability and avoiding social unrest above poverty relief. Thirdly, insufficient resources were allocated to meet the needs covered by the

legislation thereby forcing local government to depart from the regulations and encouraging their reinterpretation. Fourthly, real-time monitoring of the targeting and effectiveness of *Dibao* was not instigated early and built into the administration process allowing marked departures from the programme goals to become well-established locally.

As to the second question, what the current provision tells us about the balance of power between central and local government, it suggests that, while the centre cannot strip local government of its responsibilities, in the context of the 2020 poverty target it has decided to show local government how things should be done. While presented rhetorically as a mobilisation of all sections of government and the Party, the targeted poverty alleviation strategy is staffed by people appointed centrally and supported by 188,000 party officials sent from Beijing. Perhaps intended to add an element of competition into the anti-poverty policies, *à la* new public sector management, in practice it operates to ratchet up the level of threat and has shattered allegiances and working practices within local government creating a sense of anomie.

Prior to the introduction of the TPA strategy, central government sought to encourage the effective administration of *Dibao* rather than to command it. Within the broad framework of delivering benefits, local government was able to determine its own priorities and, providing that local government was seen to be promoting economic growth and maintaining social stability, targeting errors were tolerated. They were certainly not used as criteria against which to judge the competence of local government. This meant that the system was able to accommodate very different strategies for tackling poverty, with local government sometimes actively downplaying the role of social assistance as was the case in the county with oversight of Stonebridge.

The key to poverty alleviation is to lift the poor out of poverty. There are many ways to achieve this goal and I don't think giving money directly to the poor is the best way. We can carry out some regional development projects and social stability projects to benefit all the people, including the poor. (Liu Z. official of county government)

Within this environment of loose central government control, the different levels of local government formed interest communities that implemented *Dibao* through a process of tacit collusion (Zhou 2008). Provided that the policy strategies adopted by one level of government were consistent with, or did not adversely affect, the interests of another, they could be pursued without interference. Investigations in Stonebridge indicate that both town and county governments were aware of what was happening in Stonebridge but turned a blind eye. They recognized that before marketisation and de-collectivisation, village cadres were able to dispense considerable resources in pursuit of village harmony and, while this was no longer possible, *Dibao* could be a partial substitute. Furthermore, they understood that they were largely dependent on village cadres to manage village politics:

The town government certainly knows what we do, because it [Dibao] is implemented in this way in every village. The town government did not say anything about our approach. Maybe the county government also knows how the grass-roots implementers work. County government officials once came to our village to check the work of the Dibao. One said, 'The

situation in the countryside is complex, and it is acceptable to make some changes in the implementation of the policy.' (Li, X., former member of Villagers' Committee in 2014-2016)

Bound, therefore, by a community of interests, government regulations were not so much interpreted as largely replaced by discretionary decision making. This was creative discretion, not so much in terms of a response to individual needs, as Titmuss envisaged, but more institutional, to meet the collective needs of the village as interpreted by local cadres. It meant that the goal of poverty alleviation was often overlooked.

However, almost everything changed in the aftermath of the promulgation of the TPA strategy (Figures 1 and 2). Power shifted to the centre, taking *Dibao* from the bottom-right to the top-left quadrant in Figure 1. Targeting became a goal in its own right, not simply an evaluative criterion (and one that had previously rarely been used). Indeed, in the context of a devolved but authoritative state, the improved targeting efficiency of poverty alleviation was transformed from a social welfare task into political task that had to be accomplished under threat of political punishment. Social welfare, particularly targeting, has become 'politicized' in pursuit of the highly publicized central government goal of poverty eradication.

The current situation is completely different from a few years ago. If people who should not receive Dibao do so, everyone will be punished, not only the villagers' committee and the town government but also county officials including the magistrate. (Zhu K.Z., official of county Civil Affairs Bureau)

Such is the power of the China's central government, instilling a degree of fear through all levels of sub-national government, that the previous collusion has been partially broken with government officials at all levels, each held accountable for the performance of policy, prioritizing their own political safety and job security. In this environment, there is no place for discretion at any level of government and no space in which villages might negotiate with counties over the interpretation of national priorities as mediated with respect to the interests of the province. Instead, the guidance issued by higher levels of government is interpreted as the strictest, most literal and defensible way. The county, therefore, looks only upwards ignoring circumstances at village level that might have previously been taken into account. Moreover, unlike the application of regulated judgement designed to protect the interests of welfare recipients with the prospect of rights-based appeals found in the West, the intention is instead to protect the interests of officials and the various tiers of government. This is clearly apparent from the following two quotations from county and town officials respectively:

Although the provincial documents say that the county government can formulate implementation rules, it is inappropriate to emphasize local characteristics in the current atmosphere. [...] If we add it [pneumoconiosis] into the list of serious illnesses, it is too risky. If the higher governments come to check, they will say that targeting errors come from county policy. The atmosphere is so strict, it is better to emphasize the local characteristics as little as possible. (Liu J., official of county Civil Affairs Bureau)

How could it be possible for the town government to complete the means-test? Rural

incomes are so complex that it would be so easy for us to make mistakes! Once something goes wrong, it's a big problem, and the town government can't take on such a great responsibility. So we let village cadres complete these main tasks. (Wang Z.X., official of town government)

Being the bottom tier of governance where procedural prescription is greatest due to the cumulative effect of repeated interpretation by higher levels of government, village cadres are most exposed to supervisory scrutiny and therefore have the least room for manoeuvre under the post-2016 regime.

In terms of the third question, the impact of the reforms on applicants, as indexed by targeting, is that those who clearly fit the prescribed criteria are more likely to receive benefit. Inclusion errors have largely been eliminated but exclusion errors remain and may well have increased with cadres being unprepared to depart from the written regulation irrespective of how demonstrable the need. Moreover, there is no evidence that applicants either in Stonebridge or elsewhere (Yang 2018) claim *Dibao* confident that it is theirs by right rather than through the benevolence of the state or due to their *guanxi*, social standing or virtuousness.

In the past, social relations were the key factor in determining whether or not you could get the benefit of Dibao. Now the influence of relations is smaller, and these cadres dare not act recklessly...To be honest, people should thank the government. Just think about it, these poor people in the village used to get nothing, but now some of them can get relief fund of about 200-yuan monthly.(Li Q., recipient of *Dibao* in 2017)

Therefore, neither compromise between central and local government worked fully to the benefit of people needing *Dibao*. Before 2016, local government utilized institutional discretion to prioritize social stability above poverty relief while, after 2016, fear of punishment led local cadres to apply loosely drafted regulations rigidly.

Finally, it is not clear that the current central-local compromise is stable. The cost of running two schemes is high and officials doubling up responsibilities are reporting fatigue (Yang et al., 2020). Moreover, history suggests that 'movements' can only but sustained for limited periods and, despite the impact of COVID-19 on China's economy, the poverty eradication target is still in place. Thereafter, the suggestion is that a new social assistance regime will be introduced linked to a new relative definition of poverty. Furthermore, without *Dibao* to lubricate village governance, it is unclear how the goal of social stability will be maintained. Indeed, a well-targeted *Dibao* is itself likely to become divisive for, in the current context in which 'to be rich is glorious', poverty is overwhelmingly perceived to be due to laziness and hence 'poor' recipients of *Dibao* are considered to be undeserving (Li & Walker, 2018b).

To conclude, recent experience in China exemplifies the tensions portrayed in Figure 1 that often occur between central and local government in the implementation of social assistance; the former keen to ensure compliance with national objectives through regulation, the latter aware of diverse particularities that demand discretionary action. The significance is finding these tensions, not in a western democracy, but in an authoritarian regime often characterised by top-down

governance based on command and control instruments (Kostka 2016). Such tensions are, therefore, likely to be equally apparent in other states that seek newly to instigate and develop social assistance provisions under the remit of SDG 1.3 and China's experience reported above offers important points of learning. A congruence of concerns and interests between central and local government should not be assumed; Beijing prioritised poverty reduction, local cadres emphasised social stability. Top-down systems require extensive monitoring and probably policing; pre-2016, the centre commanded but control was relatively lax, now almost a million personnel are deployed to ensure procedures are followed. Models of social assistance are premised on cultural assumptions and policy transfer requires adaptation; *Dibao* is rights-based by design and essentially individualistic but, in a collectivist culture with limited attachment to individual rights, it was re-engineered at local level for collective purposes. Schemes should be adequately funded; expressed need for *Dibao* much exceeds budget allocations meaning that regulation had to be replaced by discretion. Rights-based schemes are demand-led and not subject to cost-containment; *Dibao* budgets are fixed, preventing the scheme from being properly implemented. Institutional discretion and discretion by street-level bureaucrats are different but not necessarily separable; village cadres practised individual level discretion approved by county officials in line with provincial priorities. Regulatory and creative justice are ideal types at the end of a continuum and, because regulations have to be interpreted, actual practice generally lies between them; *Dibao* regulations did not change in 2016 to create a difference social assistance scheme, merely their interpretation.

ACKNOWLEDGEMENTS

The authors would like to thank the anonymous reviewers and editors for their insightful and constructive comments, which are of great help to improve this article.

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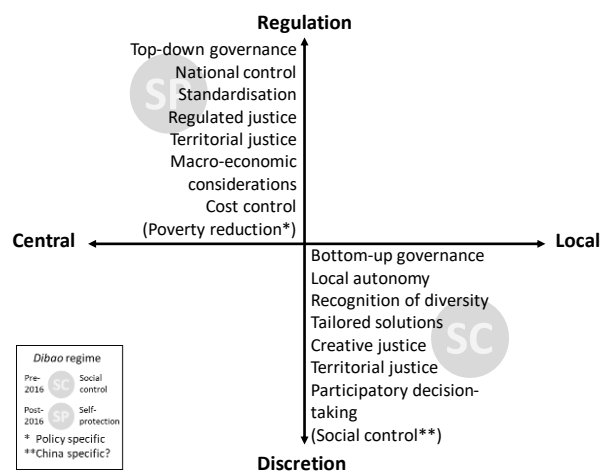


Figure 1 Tensions in central-local relations

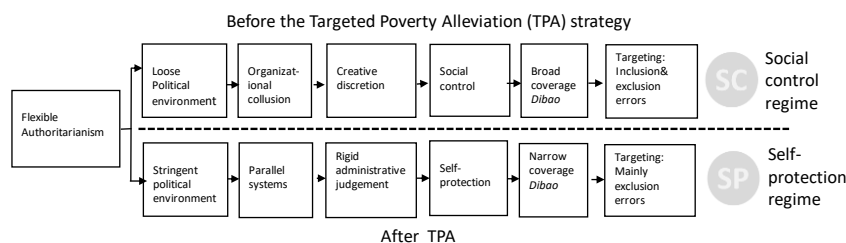


Figure 2. Two kinds of politics and their consequences