A New Mode of Public-Private Welfare Mix? Promoting

Partnership by Social Management in China

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Abstract

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

Keywords: China; social management; social organization; welfare mix

1. Introduction

The emergence of civil society has been a conspicuous phenomenon since the economic reforms began in China. As the party-state's dominance recedes, social organizations have been burgeoning in all societal spheres including social security. Due to the necessity to reduce the state's ubiquitous role in social provision, welfare responsibilities have been shifted onto the shoulders of enterprises and individual workers (or peasants) in the course of the economic reforms. Much scholarly work attended to this 'marketization' or 'socialization' approach prevalent in social policy well into the mid-1990s, and documented the discontents of the disgruntled urban workers and rural peasants (e.g. Wong, 1998; Gallagher 2005; Lee, 2007, Frazier, 2010). A plethora of social problems resulting from this pro-market approach have prompted the central government to rethink its developmental strategies and expand its social policies at a tearing pace since the late 1990s. Particularly since 2003 when the Hu-Wen era began, China has been engaged in establishing a more comprehensive social safety net covering urban social insurance systems as well as rural pensions and healthcare. Measures of poverty alleviation via social assistance (Minimum Livelihood Guarantee), education and housing are equally under way to ensure a basic living standard for all.

Alongside the rapid welfare expansion is the increasing adoption of new slogans that spell out grand goals at the official discourse level. Beginning in 2003, new ideas such as 'take humanity as basis' (*yiren weiben*) or 'inclusive growth' (*baorongxing zengzhang*) manifest the growing awareness of the party-state about the importance of social protection for the Chinese market economy. The Twelfth Five-Year Plan further states that China is to establish a social welfare system covering both rural and urban areas by 2015, substantiated by a think-tank report of the State Council entitled *Constructing a Social Welfare System for All in China* that outlines an ambitious plan to achieve universal coverage and increase more equality in welfare provision (CDRF, 2012). In many well-off regions, local governments responded to the pledge of the central government to build a harmonious society by initiating innovative policy of 'urban-rural harmonization' (*chengxiang yitihua*) aimed to eliminate the division of social rights resulting from the *hukou* household registration system. Successive emergence of policy ideas and programs suggest the emergence of a new social policy approach in favor of welfare expansion.

It is tempting to interpret the active state involvement in social provision merely as a functional response to the social woes resulting from the market reforms. Upholding legitimacy has arisen as a political priority for a regime striving to maintain its one-party rule in a pluralizing market society (Chan, 2010; Frazier, 2010a, 2010b). Yet, economic development does not necessarily translate into social policies

as are currently implemented. Meanwhile, the active engagements of social organizations have altered the state-society relations that motivated some to argue for less authoritarianism or even predict the rise of civil society (e.g. Saich, 2000; Mertha, 2009; Shieh and Deng, 2011). Contrarily, critical voices raised concerns about the predominance of the state over the society, indicating the underlying state corporatist approach in regulating the activities of social organizations (Pieke, 2012; cf. Unger and Chan, 1995). Both views have their points, as the state's capacity to circumvent the vicissitude of social organizations is undoubtedly waning, though it would be naïve to ignore the former's capacity to check the latter's deviation. Much depends on how the government perceives the contributions (or threats) of social organizations to maintaining social stability. The interaction remains contingent on the arbitration of government officials and the strategic maneuver of social organizations to evade political control (Spires, 2011). Indeed, current studies of the state-society relations in China are prone to pose teleological arguments in the implicit hope that the emergence of civil society organizations would ultimately promote democratization. Although this concern undoubtedly matters, it may distract our attention from other equally intriguing phenomena characteristic of the transformation process.

In social security, for example, the state-society relations are less confrontational because social organizations are emerging as a desirable companion facilitative of opportune service provision. Yet, the distinct post-socialist transformations have fundamentally recast the state's role in social protection as a provider, financer, and regulator, subsequently reorganizing the interaction between public-private welfare provisions. While in its attempt to construct a more universal social security system, the state crafts a more pluralized welfare landscape by allowing non-state organizations to take (partial) charge of the responsibilities for social provision and service. Among others, social management stands out as a conspicuous policy idea aimed to define the state-society interactions in the new Millennium. While the general policy direction is to allow more room for the latter, social management also seeks to regulate the scope and range of social organizations. It neatly characterizes current government approach of redefining its relationship with the burgeoning civil society activities, thereby raising important implications for the changing interaction between the state and society.

This article aims to explore this policy idea in official discourses, policy principles, and assesses its implications for social security and service provision. Social policy and service for migrant workers are posed here as an example to illustrate the potentials and limits of this significant policy approach that seeks to customize the growing civil society. The following analysis is based on the data collected from the available official documents, internet information, and the

interviews this author conducted with the responsible officials and NGOs in Beijing and Guangzhou. The next section begins with the origins and developments of social management discourses, followed by further discussions of its application in social welfare domains. The penultimate two sections analyze recent developments of social policy and service for migrant workers with reference to social management. The final section summarizes the findings and reflects on their implications for welfare provision in contemporary China.

2. Social Management: Policy Ideas and Principles

The idea of social management originated from a proposal of the central government that recognized it as a central administrative function.[1] Since then, the term has risen to significance in official documents and academic discussions. Initially posed in the government report to the 16th Congress of the Chinese Communist Party (CCP) as a tool to maintain public order, social management was gradually interpreted as a new governance mode in adaptation to the diversifying social developments in the course of economic reforms that challenged the legitimacy of the party's rule. The meaning of social management successively extended to denote the mission of the government to adhere to social justice and public security in its economic reforms. Particularly under the Hu-Wen leadership, social management has become an overarching concept encompassing various aspects of administrative tasks ranging from economic regulation, social security to public service (Deng, 2008; He, 2009; Lu, 2011; IUD, 2012). 'Social management innovation' (*chuangxin shehui guanli*) became a core concept in the 4th plenum of the 16th CCP Congress in 2004, which proposed the phrase 'party leadership, government responsibility, societal cooperation, public participation' as key policy principles. The term 'social management' soon rose to prominence in the 11th Five-Year plan for 2006-2010, followed by the 12th Five-Year plan for 2011-2015 that devoted one chapter volume to elevating it as one of the key targets of the government's task.

General Secretary Hu Jintao took several opportunities to elaborate on the significance of social management for the CCP.[2] According to him, social management stood for a new role of the government in coordinating societal relationships, mitigating social contradictions, promoting social justice, and averting social risks. The reorientation aimed to redress the lopsided aspiration for economic growth by market regulation that has destabilized social order. Empowering the government to direct the society towards social engineering and self autonomy is the

[1] Yu Keping, A shift towards social governance in China. *East Asia Forum*, 9 September 2011, accessed at http://www.eastasiaforum.org/2011/09/09/a-shift-towards-social-governance-in-china/.
[2] Hu Jintao gave several speeches on various occasions about social management, one of the earliest dated back to a speech at the 27th collective study session of the CCP Politburo.

key to maintaining a harmonious society in a scientific fashion.[3] Other top leaders reiterated this point. In his government task report to the first meeting of the 12th National People's Congress in March, 2013, the outgoing Premier Wen Jiabao pointed out that the main goals of the task lay in the sophistication of social management especially in public administration of social order and further improvement of social service.[4] In short, social management is supposed to strengthen the role of the government in guiding each component of the society to find its place that could generate common good for the whole society.

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

Meanwhile, the Chinese academia followed this political mainstream closely and thrashed out various aspects related to social management, though not all concur with the Party's view on social management as an essential bridge between the state and civil society. A few scholars are (implicitly) skeptical about the potentials of this idea in achieving the goals dictated by the government (e.g. Feng, 2010; Yu, 2002, Wang, 2012). At the core of the raging debates lies the dissent over the role of the state in regulating its interaction with other societal sectors. Contrary to social management,

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

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

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

which they fear would overshadow the presence of non-state sectors, advocates of social governance prefer a looser Leviathan grip that would allow both market and civil society more leeway to unfold their potential contributions to welfare production and social stability.

The controverscussions on social management plainly demonstrate the government's resolution and policy plan to tackle the mounting challenges. Among all the policy areas addressed in this new policy approach, social security stands high on the political agenda of the social engineering. On occasion of the first plenary session of the 12th National People's Congress, the incoming Premier Li Kequiang accentuated the need for improving social justice by weaving a universal safety net covering basic protection in old-age security, healthcare, social assistance, education and housing. While societal cooperation and public participation serve as a guiding principle of social management, pluralization of welfare production and service provision are gaining in importance in the new governance mode.

3. Promoting Partnership in Welfare-Mix: From Residualism to Managerialism

The diversification of welfare provision first appeared during the 1980s and 1990s in which the state merely shifted the financial responsibilities to markets and individuals (Wong, 1998; Wong and Flynn, 2001). Residualism in terms of the state's withdrawal from all spheres of social protection characterizes the reform path. In the attempts to overhaul the moribund state-owned enterprises ridden by mismanagement and low productivity, one of the targets was to dismantle the enterprise-based worker insurance programs by a shift from 'enterprise protection' to 'social protection' (Chow and Xu 2001; Whiteford 2003). The health reform figures prominently in which the state retreated from the responsibilities of financing health services and providing protection for the risks of illness. Marketization and privatization of ill health risks took over the position of collective healthcare both in urban and rural sectors, resulting in the soaring medical treatment costs that a large portion of Chinese people could not afford (Gu and Zhang, 2006; Wong et al., 2006; Duckett, 2011). Endeavors to introduce new basic healthcare insurance for all residents during the 2000s have partly reversed this vicious circle, though impoverishment due to chronic illness or invalidity remains a grave social problem to date. Particularly in rural welfare, the state's retreat from collective healthcare and other parts of social security (such as pensions) is even more pronounced (cf. Pang et al., 2004; Shi, 2006). The failure to rein in the negative consequences of marketization in social protection exposes the crude insufficiency of the conventional welfare-mix approach.

In view of the above problems associated with the overreliance on markets and

families, welfare reforms in the late 1990s gradually steered a turnaround towards the resurgence of the state that also allowed more civic participation. The preference for mixed welfare production is particularly salient in social security where economic reforms have unleashed welfare retrenchment and inflicted enormous social adversity during the 1990s. After its retreat from the welfare responsibilities in the transition to market economy of the last decades, however, the Chinese state rediscovered the importance of social policy to compensate for the loss of the marginalized population groups. The ensuing welfare reforms expanded the existing social security (such as urban pension insurances) in terms of coverage and benefit; and establish new programs (such as new social assistance and rural cooperative healthcare) to cover more population groups. In many domains, the central government aims to erect a basic pillar of social security with universal coverage and need-based entitlements (*guangfugai, dishuiping*), to which supplementary schemes can be established according to local circumstances (*duocengci*), while equally securing their long-term financial sustainability (*kechixu*). The constitution of a multi-pillar social security system that accommodates regional diversity is emerging as a dominant social policy option.

In addition, the idea of social management advances a new understanding of mixed welfare economy significantly different from its predecessor. In addition to the return of the state to weave a more comprehensive basic safety net, social management entails namely a clear orientation to allow the participation of non-state organizations under the guidance (and auspices) of the CCP. The state-led pluralization of welfare provision in the new millennium envisions a fresh governance mode towards public-private mix, with the state establishing a regulatory framework that allows economic and social actors to provide social service. Above all, the new approach initiated by social management lays emphasis on sophisticated public administration by involving a variety of societal sectors and organizations in various policy realms while maintaining the legitimate rule of the Communist party. In view of the various welfare demands that the state is no longer able to meet, benefit and service provision by non-state organizations can duly fill this institutional vacuum. Promoting social organization participation in welfare domains thus takes priority in the agenda of social management.

Table 1: Transition of welfare mix principles

	Residualism	Managerialism
Timing	Mid 1980s to 1990s	Late 1990s to 2000s
Core ideas	State retreat	State regulation
Policy principles	Marketization and	Comprehensive basic safety

	'socialization'; self-reliance	net + regulated participation of social organizations
Main policy areas	Social insurance of the state-owned enterprises	Social service for various social groups
Main bearers	Market & individuals (family)	State, Market, individuals, social organizations under state's guidance
Welfare Implications	Social marginalization	Coordination problems; over-regulation by the state
Examples	Urban pension reform; urban healthcare reform	Social service (for migrant workers)

Source: Compiled by author

The state's motivation to incorporate non-state providers in social protection not only reflects its perception of the emerging civil society in recent decades, but also in response to the growing awareness of the vulnerable groups (lay-off workers, rural-to-urban migrants) to organize associations demanding more social protection (*weichuan*). Since the late 1990s, therefore, the central government has put enormous political endeavors on establishing new social security schemes to address the need of these groups. While legitimation claiming undoubtedly plays a key motivational role behind all these efforts, the way in which the government simultaneously allows social organizations to take partial responsibility exhibits a unique governance mode of welfare mix. This is particularly the case with social service for migrant workers in which virtually no public provision has ever existed - an ideal field for investigating the characteristics of the welfare mix advocated by the new managerialist mode of governance. With the issue of social security for the floating population gaining wide recognition, the role of social organizations in this field equally catches increasing attention.

4. Managing Welfare-Mix for the Floating Population

Rural labor force began to move to cities for low-skilled employment after the economic reforms began in 1978, a trend that accelerated after the 1990s when China opened its market to foreign investments. Successive loosening of the rural-to-urban migration control at the time was introduced, leading to a large flow of rural migrant workers flocking to thriving coastal regions. While in 1990 the officially estimated number of migrant workers reached 15 million, the number of the 'floating population' (*liudong renkou*) was estimated at 221 million in 2010 according to the 6th nationwide population census, 86.7% of them migrated from rural to urban areas

(NPFPC, 2011). Successive waves of migration were solicited by the growing imbalance among regional development in China. During the 1990s World Bank (1997: 16) reported that rural incomes were only 40 percent of urban incomes in 1995, down from 59 percent in 1983.[6] The issue of labor and social protection for migrants has been haunting China ever since, a concomitant by-product of the uneven regional developments which tends to become more acute when the latter gets worse.

Social Inclusion with Conditionality

Rising rural-to-urban migration posed a challenge to the existing institutional structures of benefit and service provision based on the resident status, which placed local governments of the receiving regions under enormous pressure to accommodate large inflow of non-resident population with appropriate treatment. The incursion of markets that commodified the labor force coincided with the rigid household registration system (*hukou*) of the state that denied non-residents access to local welfare benefits, leading to grave economic and social exclusion of migrant workers. While the former took advantage of the surplus rural laborers without due consideration of their decent wages and labor protection, the latter bluntly treated them as guest workers and denied their access to local welfare programs, nor had their children any access to local health care and education. Many studies have documented the unjust treatment of migrant workers and their inferior rights compared to their urban fellow residents (e.g. Chan, 1994; Solinger, 1999). Fiscal decentralization during the reform era reinforced local inclination towards establishing a system of differential citizenship. The tight link between welfare entitlements and local resident status (*hukou*) breeds instinctive protectionism to exclude outsiders (urban and rural alike) from claiming local social benefits because the latter are almost solely financed by local budgets. Despite periodic pledge of the central government to reduce discrimination against outsiders, almost all localities still insist obstinately on preserving differential status categories for inter-regional migration control on grounds of capacity limit in local finance (cf. Chan and Buckingham, 2008; Wu, 2010). Throughout the 1980s and 1990s, migrant workers received little support from the receiving regions for their labor and social protection.

Recent decade has witnessed policy progress in labor and social protection for migrant workers, though. With successive loosening of the *hukou* system, coastal regions abolished internal migration restrictions for targeted groups such as talented and employable workers, followed by the simplification of rural-to-urban migration quota (Wang, 2010). Despite the failed experiment of Zhengzhou in 2003 that hastily

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

opened the floodgate for immigration and ended up with rash termination on the ground of debilitating local social system, major cities have set up various evaluation criteria allowing qualified migrants to acquire local resident status. Given the large flow of migration attracted by better infrastructure and more generous benefits of the receiving coastal regions, the latter sought to categorize the former in order to select those with the best career prospects and contribution potentials. Low-skilled manual workers from other regions still face a huge barrier for access to local resident status and the associated welfare benefits.

Meanwhile, local governments have launched initiatives to improve the labor and social protection for rural-to-urban migrant workers. The incipient local policies during the late 1990s generally introduced a separate insurance scheme tailored for this specific group, offering basic insurance for pensions, healthcare, and work injury with inferior protection than the comparable schemes for local residents. However, these pilot schemes have met with lukewarm resonance among the targeted migrant workers since the latter preferred to keep the wage incomes in their own pockets rather than contributing to the insurance schemes of the residing localities with little prospect of benefit portability (NPFPC, 2011). Recent initiatives around the 2010s began to grant the employed migrants access to the urban worker social insurance. Policy initiatives of coastal cities such as Beijing, Hangzhou and Guangzhou resemble this strategy, which are likely to find favor with other regions soon. The inclusion of migrant workers in the urban social insurance for workers has remedied the shortcomings of previous policy experimentation that offered pathetic benefits and thus attracted low percentage of the targeted floating population to join the schemes. In this way, local governments of coastal regions not only fulfil the requirements of the central government to offer adequate labor and social protection for the migrant workers, but also place the financial burden on the enterprises and migrant workers to make insurance contributions. Table 2 compares the insurance schemes for migrant workers provided by the local governments in Beijing and Guangzhou. While the contribution rates and benefit levels of the two localities differ from each other, the general organizational designs resemble the policy principles analyzed above. Both cities include the migrant workers in the urban worker social insurance, provided that they have formal employment.

Table 2: Social (Pension) Insurance for Migrant workers in Surveyed Localities

Localities	Beijing	Guangzhou
Insurance Categories	Urban Worker Pension Insurance	Urban Worker Pension Insurance
Features	Social pooling + individual	Social pooling + individual

	account	account
Targeted groups	Migrant workers (full-time workers only; starting from April 2012)	All workers incl. migrants
Contribution Rates	All enterprises: Enterprises: 19% & Migrant workers: 7%	State-owned enterprises: 20% for enterprises & 8% for individual workers Private enterprises: 12% for enterprises & 8% for individual workers
Portability of Entitlements	Portable	Portable

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

However, the 'upgrading' to allow membership in the urban worker social insurance is clearly conditional on labor market participation of the migrant workers and not their resident status. While urban social insurance is now accessible to the newcomers, numerous benefits such as poverty alleviation (social assistance) and motherhood remain confined to local residents; even migrants' children are unable to attend local schools. Recent developments suggest that local governments have turned their attention beyond social insurance premised on the labor market participation to the issue of social service that addresses broader welfare affairs for the floating population. Guangdong province announced new policy reforms in 2012 granting migrant workers access to local public service, and even allowed them to obtain local resident status after certain years of settlement on site.[7] Other regions that receive a large inflow of migrant workers are likely to follow suit soon. Policy directives to offer support tailored to the need of migrant workers also imply potential increase in demand for more social service provision. This is precisely the domain where social organizations find their niche, and both central and local governments share common interest in boosting civic participation under the leadership of the party state.

Service for Migrant Workers: Civic Participation under Hierarchy

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

Social service plays an important role in substantiating the idea of social management, as the policymakers realize the need to expand this conventionally underdeveloped area especially for those vulnerable people such as the migrant workers. Both central and local governments are loosening the existing regulation to make more room for social organization activities. For instance, Shenzhen launched pilot schemes in 2004 granting more autonomy to certain occupational associations, followed by a further initiative in 2008 that permitted direct registration of nonprofit organizations engaged in charity, social welfare and service with the responsible authority. Similar measures came into force in Beijing in 2011 (He, 2010). The central government endorsed this reform as the Ministry of Civil Affairs announced similar measures to untighten nationwide registration procedures for social organizations. Partial registration easing is accompanied by the stricter supervision of organization finance (Circular 124 of the State Department in 2012). Especially in fundraising activities, civic foundations are required to disclose information and account for the fund dispense. Equally prohibited is the usage of foundation names or images for non-charity purposes.[8] These policies should encourage more civic engagement while ensuring more transparency of the related organizational administration.

There is no precise estimation for NGOs and the like. Available official statistics only counts the total number of social organizations subdivided into three categories: social organizations (社会团体或社团), private non-enterprise units (民办非企业单位), and the foundations (基金会). According to the Annual Report on Chinese Civil Organizations by the Chinese Academy of Social Sciences, in late 2012 social organizations amount to 271,000, while private non-enterprise units reach 225,000 and foundations 3029 respectively (CASS, 2013). However, these official numbers probably underestimate the actual sum of existing NGO organizations due to the registration system that forces many either to remain unregistered or register as for-profit entities (Wang, 2009). Of the registered organizations, some are GONGOs (government organized non-governmental organization) with strong ties to the governments, such as the Red Cross or the All-China Federation of Trade Unions (ACFTU). Unlike these well-established organizations, many other NGOs have to probe their interaction modes with official supervision to make a living, and social service for migrant workers is no exception. It originated from the initiatives of domestic and international NGOs and academics who were concerned with the social problems and institutional deprivation of this vulnerable population group during the mid-1990s. Even the migrant workers themselves have actively joined forces to found organizations contesting for their own interest. A nationwide picture of NGOs for

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[8] Regulations set to correct social organization operations. Xinhua News, October 10, 2012, accessed at: http://news.xinhuanet.com/english/china/2012-10/10/c_131897690.htm.

migrant workers is hard to identify. In major cities where migrant workers gather, such as Beijing and Guangzhou, social organizations for migrant workers have sprouted ever since.

Nursemaids (*baomu*) are a case in point. The demand for maids in some cities has arisen as early as the 1980s, giving birth to spontaneous markets in the absence of any official agency. Solinger (1999: 223) documented that, during that time, little competition between locals and outsiders took place because of the unsaturated demand. Numerous rural women around the suburb of big cities came to work as maids through various channels. By the early 1990s *baomu* associations have been organized as loose networks mostly based on hometown origin, in an attempt to protect work rights, demand wage increase, or even settle conflicts with the employers. Meanwhile, finding nursemaid jobs through another channel of spontaneous labor markets became common in the reform period, though the maid workers might fall prey to precarious employment in terms of low pay and long working hours. The rapid development of nursemaid employment has generated an imperative for the government to take labor and social protection for this migrant group seriously.

Amid the growing demand for organized interest intermediation, organizations affiliated to the Party (e.g. the aforementioned ACFTU, Communist Youth League of China, All China Women's Federation) stand in a delicate position. As the largest statutory corporations representing the workers and women, these 'hub' organizations overtake the role as the intermediate layer between the government and other social organizations. For instance the ACFTU is an extension branch of the communist party that helps control rather than assist workers. In the reform era, though, the ACFTU has made efforts to recast itself as an agency representative of the workers' interest, as documented by the studies of labor movements in China (Chen, 2010). This often led to role conflicts between party loyalty and worker representation for the ACFTU. In most cases, the ACFTU chose to side with the government at the disappointment of workers, which further resulted in the latter's deep distrust in the ability of the former to arbitrate in labor disputes.

Despite the controversial position in matters of labor disputes, ACFTU still plays an important catalyst function for assisting the government in coordinating the activities of numerous NGOs in service provision. Equally actively involved in helping female migrant workers is the All China Women's Federation. In Beijing and Guangzhou, municipal governments rely on these GONGOs to offer various services for migrant workers such as skill-training courses or legal counseling. In addition, public funding is granted to these GONGOs for service projects that also involve the participation of other non-state organizations. In essence, these GONGOs constitute a crucial interface between the state and civil society organizations, and act as an

agency for implementation of policy missions delegated by the principal government. The principle of 'hinge management' (*shuniushi guanli*) has risen to prevalence in current local practice of social management.[9]

For those social organizations willing to offer assistance or service to migrant workers, cooperation with the government or GONGOs still entails the risk of control at government's discretion. The best way is to operate in their own interest independent of the government. Yet, they encounter the most intricate part: funding; and precisely here lies the trick. While ongoing reforms under the guidance of social management are set to ease the grip on the range of civil participation, access to available financial resources remains difficult for many social organizations. Under current circumstances, most of them must rely on financial resources either by the government or from foreign sponsorship. For the latter part, social organizations are often susceptible to the suspicion of the government about lingering foreign 'plots' to subvert the Party's rule. Government funding would thus proffer a safe channel should the fund granting proceed impartially. In an authoritarian state this is almost an inconceivable scenario. A prevalent procedure is the public purchase of service offered by social organizations, virtually the outsourcing of public service. In their discretion over funds granting, however, government officials tend to request the organizational beneficiaries to accomplish additional administrative tasks or assist in governmental affairs. Not only has this conduct placed cumbersome burden on the social organizations, most of which with little personnel capacity, but also posed a constraint on the range of service provision. With the concentration of financial resources in the hands of the government, officials wield considerable leverage on their allocation in favor of those organizations in well-woven liaisons - the GONGOs or Party affiliates clearly enjoy a competitive edge over the majority of embryonic social organizations.

Moreover, outsourcing of public service may not solicit a sufficient number of civil providers as the government presumes. In fields where the state used to dominate as the sole provider, or in nascent fields such as social service for migrant workers and other marginalized population groups where few non-state organizations are present, outsourcing often faces difficulties in finding suitable consignees even though public funding is available. This problem is particularly pronounced for lower-level government echelons such as counties or townships, Even in big cities like Beijing or Guangzhou, municipal governments have to delegate the aforementioned intermediate GONGOs affiliated to the Party to render the specific services, or further train social workers of the existing social organizations to meet the

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

needs. Once again, GONGOs play a key role in incubating unregistered social organizations and their potential peers that can fulfill the goals set by the government. For example, the social work committee of the Guangdong provincial government issued a document 'Opinion on Constructing a System of Hinge Organizations' in 2012 proclaiming to strengthen the role of the 'hinge organizations' to better coordinate the activities of civil society organizations.[10] Meanwhile, in Guangzhou and Beijing, all major party-associated GONGOs set up training centers under the brand of 'incubation base' (*fuhua jidi*), with the aim to cultivate social organizations for different sorts of social service.

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

5. Is Civil Society Manageable for Welfare Production? Some Observations

Social management has become a catchphrase for the official ideas behind the government's social engineering in recent decade. The discursive and policy developments revolving around it neatly epitomize the CCP's intention to infuse technocratic elements in the quest for an adequate governance mode for the changing economic and social circumstances. Although welfare reforms discussed in this paper had taken place well before this terminology emerged, its frequent use in official documents and academic works neatly subsumes the range and scope of the past

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

endeavors and the tasks ahead. In the foreseeable future, introduction of private provision in welfare programs under the party-state's guidance will variegate the landscape in social protection and empower the dynamics of public-private welfare mix.

The peculiar combination of technocracy and democracy reveals the dilemma of meeting conflicting ends for the central government, namely the hope to encourage civil society involvement without necessarily putting the monopolistic party rule at stake. Striking a balance may not be an easy task, since civil society participation inevitably invites pluralization of interest groups requesting more social space that may ultimately contradict the state's desire (and power) to hold sway over them. Meanwhile, current developments of social management suggest the dominance of state bureaucracy in the social service domain that tends to overshadow the civil society's creative potential to cover the increasingly heterogeneous needs for welfare provision. The collaboration of public-private welfare provision *à la* social management may end up merely co-opting social actors into taking responsibility for meeting welfare targets over which they have scant influence, and providing little support for them to thrive and prosper that could really foster public-private collaboration in social security. Compared with the privatization trend of the mid-1990s, current style of welfare mix earmarks the return of the state with stronger readiness to bear responsibilities of welfare expansion and regulation; yet the proclaimed governance mode bundled with social management is likely to reach its impasse where the managerialist approach of social steering collides with the necessary condition under which a mixed welfare economy can really unfold its capacity to accommodate social diversity.

The application of social management for steering non-state organizations under the authoritarian state advises caution to view the new mode of welfare mix in favor of the emerging civil society. A more adequate understanding of the rationale behind this new approach is the state's intent to instrumentalize rather than liberalize the sprouting social organizations. In the post-socialist transition when the communist party is struggling to retain its legitimacy, this is an understandable move though at a considerable price. In resemblance to the 'capitalism with Chinese characteristics' much discussed by the Chinese studies that indicate the its susceptibility to bureaucratization and inefficiency, the recent state-led welfare mix approach offers a vision biased toward the ideas and interests of the bureaucracy without sufficient consideration of the beneficiaries' (organizations and individuals) needs (Huang, 2008; The Economist, 2012). Without this requisite, a mixed welfare economy under social management would achieve only partial progress in encouraging a buoyant civil society that could effectively co-share the responsibilities for welfare provision.

Social management is a forerunner of reforms in the 'deep water zone' that requires more imaginative measures attuned to the rising magnitude of social diversity.

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