The authors thank John K. Kennedy, Kam Wing Chan, Qin Gao, Russell Dalton, Yumin Sheng, Thomas P. Bernstein, and Barry Naughton for many sorts of assistance. We also benefited greatly from very helpful comments from three anonymous readers, and have responded to them as much as we could.
Chinese economic reforms and the attendant rise in the standard of living across population groups--plus the remarkable decline in poverty in rural areas--have garnered a great deal of attention. And yet, concomitantly, the cities have seen an unaccustomed spurt of penury.¹

The emergence of destitution in the municipalities after 1997² was clearly spawned by the simultaneous officially-mandated “restructuring” of state-owned enterprises, as the country’s leaders positioned their nation to catch up with, or, in their words “get on the track with,” the developed world.³

The term “restructuring” amounts to a euphemism which refers to the disappearance of tens of millions of jobs in the urban areas; it also obscures that

¹ Fulong Wu, Chris Webster, Shenjing He and Yuting Liu, *Urban Poverty in China* (Cheltenham: Edward Elgar, 2010).
a not inconsiderable, but unknown, percentage of those who once filled those posts were rapidly thrown into sudden and intractable impoverishment. The central government has made several attempts to address this externality; the results of this effort, however, have varied among localities in their application of the programs.

This paper seeks to find regularity in this disparity of execution with respect to one of the new programs, the one billed as the final resort in assisting the laid-off, the other two being a Reemployment Project and unemployment insurance. This third “line” of the three is a scheme of social assistance aimed at compensating particularly desperate municipal citizens. The target group is comprised of members of what the government calls the ruoshi qunti or vulnerable groups, a negative product of China’s effective adoption of capitalism; its members are for the most part low- or un-skilled, chronically ill or

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disabled. The program in question, called the Minimum Livelihood Guarantee (zuidi shenghuo baozhang [最低 生活 保障], colloquially, the dibao 低保); its target population, the dibaohu [低保户]. It is administered at the municipal level and is provided only to permanent urban registrants within the given city. As with schemes of social assistance elsewhere, this is a form of social protection in which the benefit bestowed is means-tested, meager, stigmatizing, and offered as a last resort. It supplies the poor with cash transfers and does not entail contributions, as its beneficiaries—who generally have no work nor any employer prepared to take responsibility for their fate—are totally unequipped to pay into it.

While the larger subject of social welfare has been much studied in the field of comparative politics, with only a few exceptions it has been analyzed as executed in democratic states. Scholars who treat welfare as a function of

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6 Yaping Wang, op. cit., pp. 72, 79; Meiyan Wang, “Emerging Urban Poverty and Effects of the Dibao Program on Alleviating Poverty in China,” China & World Economy, 15, No. 2 (2007), pp. 79, 80. “Zhongguo chengshi” reports and investigation that found that among adult targets, those with primary education and below represented 24.1 percent; another 46.5 percent had been just to junior high, together amounting to 70.6 percent without any senior high school. Only 27.6 percent of these people claimed any professional or handicraft skill. The Ministry of Civil Affairs announced that in a national study of 10,000 dibao households, 33.7 percent had disabled people, and 64.9 percent had one or more members with a chronic or serious illness.

7 Hussain, op. cit., 109.


democratic politics describe politicians’ rationale in dispensing it as based on their all-embracing concern with the *electoral imperative*. But in non-democracies, where elections are either empty charades or are nonexistent, this motivation for assistance on the part of politicians is, obviously, absent.

As opposed to the democratic welfare state paradigm, two older pieces of work on welfare and poor relief—Frances Fox Piven & Richard Cloward’s book, *Regulating the Poor* and Claus Offe’s paper, “Advanced Capitalism and the Welfare State”\(^\text{10}\)—consider assistance in the context of changes in the *economy*, not as a correlate of activities within the *polity*. That is, they pinpoint not voting but *capitalism* and its vicissitudes as the causal factor underlying the welfare relation between state rulers and the portion of the populace made needy by the forces of the market. Piven & Cloward see the two pivotal roles of poor relief in capitalist states (of whatever regime type) as *maintaining civic order* and *regulating labor*.

Though they do not specify the particular modalities, these authors note two governmental goals in officialdom’s regulation of labor: The first is to “absorb and control enough of the unemployed to restore order”..“when mass unemployment leads to outbreaks of turmoil” [or, in the case of China’s *dibao* program, this could refer to an effort to prevent

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an outbreak of disorder at such a juncture]. The second objective concerns the time when the labor market expands again; at that point, relief is used, they claim—with the denigration and punitiveness it directs toward those “of no use as workers” (such as the aged, the disabled, and the insane)—as a disincentive to discourage people readmitted into the labor market from “relax[ing] into beggary and pauperism.”¹¹ Both these studies understand the recipients of welfare as people who become obsolete, even worthless, when alterations in the nature of the demand for labor make their skills inadequate for a new phase of economic growth. The Piven & Cloward book links rises in the need for aid to times of foundational, historic dislocations in the economy, speaking of the “catastrophic changes” that appear in eras of rapid modernization, precisely like what China has been experiencing for 30 years.¹²

Several features of the poor relief crafted by the provisioning pioneers that Piven & Cloward detail—demands for “good,” “moral” behavior on the part of beneficiaries, along with surprise visits to their homes to confirm this; decisions to allocate only so much funding to families as to supplement their incomes up to a bare minimum livelihood; and a principle of “less eligibility,” decreeing that a welfare subject’s portion must be lower than that of the most poorly paid laborer¹³— are also hallmarks of China’s current dibao,¹⁴ as they often are in

¹¹ Piven & Cloward, op. cit., 3, 408.
¹² Ibid., 5-7; 15-17.
¹³ Ibid., 11, 22, 30, 35.
¹⁴ Dorothy J. Solinger, “The Urban Dibao: Guarantee for Minimum Livelihood or for Minimal Turmoil?” in Fulong Wu and Chris Webster, Marginalization in
social assistance elsewhere. But as we will see, in some, but not all, Chinese cities, this scheme operates such that it limits the actions of the poor, frequently sidetracking indigent people out of the mainstream of urban citizenry and its economic activity (i.e., effectively working to regulate the labor market by keeping it free of undesirables). Indeed, this is a variable outcome: such results seem strongest where capitalism and cosmopolitan pretensions are most prominent, i.e., in the richer, but not in the poorer, cities. This distinction suggests a bifurcation of behaviors among Chinese urban officialdom that we explore below.

Another factor in the paradigm casting social assistance as a concomitant of capitalism is Offe’s designation of welfare as a “safety valve,” for guarding against “potential social problems.” He points to a “benign neglect” informing welfare spending, which, he argues, is minimal, since such outlays target population segments whose appeals do not seem particularly worrisome to policy makers.15 Thus, these writers suggest that not only electoral behavior but also capitalism (an economic, but regime-type-neutral, factor)—with its unpredictable and potentially merciless markets in labor—can be a core mechanism driving state beneficence. This analysis makes sense for China, where votes mean little to nothing, but where using hand-outs to induce popular passivity, and where removing the unskilled from the labor market—and thereby enhancing productivity—can mean a lot.


15 Offe, op. cit., 479, 485.
Four features growing out of this line of reasoning—the use of relief subsidies to *regulate the labor market* (and, indirectly, enhance output); the concern with *maintaining order*, or, using Chinese catchwords, guaranteeing “social stability” and “harmony”; the targeting of *anachronistic* [or useless] *workers*—mostly the old, the under-educated, and the disabled or otherwise infirm—as the appropriate recipients; and the *token expenditures*\(^\text{16}\)-cum-*“benign neglect”* that mark such programs—are all pertinent to our analysis. Some of these features are most strongly exemplified in the wealthier Chinese cities most influenced by the dynamics of capitalism, others in poorer places, we will demonstrate. This paper offers one explanation for these distinctions.

Subnational disparity in policy implementation, we assume, is at least in part a function of cities’ fiscal health, as market opening has gone hand-in-glove with decentralization, while localities have grossly disparate resource bases and revenue streams.\(^\text{17}\) And our data show what appears to be systematic variation marking the ways in which local leaders in well and in poorly endowed cities, respectively, dole out state charity among three specific types of poverty recipients. We do not claim a relationship of cause and effect between the economic health of a city and its *dibao* allocational decisions, but we do uncover a


provocative correlation. Our results are consistent with a deduction that prosperous metropolises’ welfare choices act to hide away these places’ indigent, while less well-financed towns are prone to encourage their poor openly to contribute to their own sustenance.

Besides fieldwork observations and some 80 interviews with *dibaohu*, urban *dibao* administrators, and community officials in six cities (Wuhan, Guangzhou, Lanzhou; and Jingzhou, Qianjiang, and Xiantao, Hubei) over four summers (2007-2010), we also used two datasets. Since the urban registered population living in the city district (*shiqu* [市区]) are the only people eligible for this relief in the cities, we used data only on this population. *Dibao* recipient data come from an unusual dataset compiled by the Ministry of Civil Affairs, available online, that discloses how over 600 individual cities divide up their *dibao* funds among 10 categories of welfare recipients (categories include the aged, women, the registered unemployed, those performing “flexible labor” [*linghuo jiuye* 灵活就业]18, the working poor, students, the disabled); the table shows both the numbers of recipients in each category in each city and the total number of recipients of the *dibao* in each city, making it possible to calculate the percentages each category represents of the total recipients per city.

We consider three of these categories, each of which can be read to convey information about a city’s stance toward people outside the mainstream economy:

18 *Linghuo jiuye* is defined in baidu.com as part-time, temporary and elastic [*tanxing* 弹性] work done by workers who are unemployed, let go, or engaged in self-employment, such as service work within communities. It differs in compensation, work site, welfare and labor relations from traditional, mainstream employment in the industrialized and modern factory system.
flexible workers, the disabled, and the registered unemployed. At the time our research began, these data for the end of June 2009 were the latest available; nor was there any earlier such data. The other dataset is from another source also available online, the China Infobank, which supplies basic economic indicators for a large number of Chinese cities. At the time of this research, data for year-end 2007 was the most recent and reliable such data available.\(^{19}\) Having two datasets with information from time points 18 months apart (year-end 2007 and June 2009) is in a way fortuitous. The disparity in time affords a lag, such that the effects that one variable (city wealth, as measured by average wage in 2007) might have on policy toward various types of poverty-stricken people (i.e., officials’ choices in 2009 about the allocation of \textit{dibao} funds among three categories of recipients) had time to become manifest.\(^{20}\)

We first briefly sketch the program in question, highlighting \textit{in italics} the four elements drawn from the Piven/Cloward/Offe interpretation noted above, which, we argue, fit the management of the scheme quite well. We then draw upon fieldwork that led to a set of three hypotheses, and lay out these hypotheses. The methodology and results come next, followed by a discussion of our own and of alternative explanations, and our conclusions.

\textbf{THE MINIMUM LIVELIHOOD GUARANTEE PROGRAM}

\textit{Objectives and character of the scheme}

\(^{19}\) The China Infobank comes from the National Bureau of Statistics Chinese City Statistical Yearbook 2008.

\(^{20}\) Thanks to Yumin Sheng for this insight.
As industrial restructuring progressed, it became clear that it was the anachronistic workers, as Piven & Cloward articulated would be the case, who became the brunt of the process. Thus, the coming of capitalism entailed a state-induced streamlining of the industrial economy in favor of the professionally and personally fit.\textsuperscript{21} As protests by dismissed workers mounted,\textsuperscript{22} the Chinese leadership agonized over the implications that current and potential disorder could have for the state’s hallowed objectives of “social stability,” inter-group “harmony” and for a successful project of state enterprise reform-cum-economic modernization. In 1999, after a half dozen years of grass-roots experimentation with locally-designed efforts at social assistance, and in the realization that earlier efforts to compensate laid-off workers, such as the Reemployment Project, had failed,\textsuperscript{23} the central leadership inaugurated the Minimum Livelihood Guarantee scheme on a mandatory, nationwide basis, to replace the old urban work-unit-grounded, relatively universal security entitlements granted by the state firms in the municipalities of the socialist era.

The political elite’s purpose in instituting this program was explicitly stated as being to handle the people most severely affected by economic restructuring, in the hope of rendering them quiescent, that is, to maintain the order the leadership deemed essential for seeing the

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\textsuperscript{21} See note 6 above for the characteristics of the workers let go.
\textsuperscript{22} On protests by laid-off workers, see William J. Hurst, \textit{The Chinese Worker After Socialism} (NY: Cambridge University Press, 2009).
\textsuperscript{23} Hammond, \textit{op. cit.}, Chapter Five; Carl Riskin, "Has China reached the top of the Kuznets Curve?" in Shue and Wong, \textit{op. cit.}, 42. See also Dorothy J. Solinger, “Labor Market Reform and the Plight of the Laid-off Proletariat,” \textit{The China Quarterly}, No. 170 (2002), 304-326.
\end{flushleft}
enterprise reform process safely through. Thus, in late 1999, an official at
the Ministry of Civil Affairs, the organ charged with administering the
scheme, cited one of the dibao’s goals as being to “guarantee that the
economic system reform, especially the state enterprises’ reform, could
progress without incident (shunli jinbu [顺利 进步])” [italics mine].24

Getting rid of obsolescent and money-losing factories and firing all
or most of their generally unskilled and physically weak employees thus
amounted to regulating the labor market, as Piven & Cloward understand
the term. Once the program was underway, the Ministry of Civil Affairs
enjoined the localities to “spend a little money [which could be
interpreted—and, as turned out to be the case—as an injunction to use
token expenditures] to buy stability.”25 In short, the paired objectives of
facilitating the firms’ reform and, to guarantee this, minimal welfare
security for the very poor, lay at the core of the program’s publicly
enunciated, official justification, precisely as Piven & Cloward and Offe
presumed such programs would.26

The paucity of the final outlay of funds was obvious from the start.
In the first 10 months of 1999, just 1.5 billion yuan was extended to the
target population, at that time a mere 2.8 million individuals. For the next
two years the plan’s growth ran in parallel with the intensification of

24 Wang Zhikun, “Chengshi jumin zuidi shenghuo baozhang,” [Urban residents’
minimum livelihood guarantee] Zhongguo minzheng [Chinese civil affairs]
(ZGMZ) 11 (1999), 18.
25 Jianli zuidi shenghuo baozhang zhidu de jige wenti” [Several issues in
establishing the minimum livelihood guarantee system], ZGMZ 9 (1996), 14.
26 I make this case, using much evidence, documentary and otherwise, in
Solinger, “The Urban Dibao.”
China’s market reform (or, one might say, in keeping with the Piven/Cloward/Offe interpretation, its decisive swerve toward capitalism) and globalization, with an expansion in 2000, as the nation prepared to enter the World Trade Organization (WTO), and, accordingly, with the mounting numbers of moneyless urban unemployed. A final major upgrade of the program came in mid-2002, just after China joined the WTO, when the number of participants was rapidly jacked up to 19.3 million, nearly doubling the beneficiaries in less than a year (See Table One). But this figure has been increased only a little since then (up to about 23.3 million as of mid-2009), perhaps in light of an absence of disorderly mass protests from the participants in recent years.

In line with the program’s growth in recipients, the augmentation over time in state expenditures also accompanied the intensification of China’s marketization. Whereas expenditures had climbed to only three billion yuan nationwide by the end of 2000, they had shot up to 48.2 billion by 2009 (See Table Two). Still, despite steady increases in the total funding granted to the program, its overall expenditures, as Offe would argue, were kept at a token level relative to other official outlays, ranging from 0.113 percent of total government expenditures in 1999 up to 0.688 percent at the peak, in 2003, and down to 0.615 percent in 2008 (and even lower between 2003 and 2008). And, as government expenditures overall
grew at a rate of 25.7 percent from 2007 to 2008, the proportion of them that went to the dibao rose by just 9.6 percent.

As for the money used for the dibao as a percent of GDP, this ranged from .016 percent in 1999 up to just 0.1439 percent in 2009. By way of comparison, a set of emerging economies in Latin America spent from 0.5 to one percent of GDP on targeted antipoverty programs. In post-socialist countries in Eastern Europe, there was also relative generosity for the victims of reform, as, for instance in Romania, where a minimum-income scheme cost nearly .5 percent of GDP.

There is other evidence of frugal funding: while the local dibao norm or standard (or, alternately, the local poverty line) on average represented 20.5 percent of the average local annual wage for staff and workers across a set of provincial capitals and other super-large cities in 1998, nine years later, in 2007, the norm had dropped down to just 10.3 percent of the mean wage. In these same cities, the dibao norm accounted for 28.2 percent of average disposable income in mid-2002. But by the end of 2007 the norm had fallen to only 19.6 percent of average disposable income (to save space here, tables showing this data available from the author). These data demonstrate that the miserly portion allotted to the poor across the nation could be claimed to coincide with the notion of “benign neglect” articulated by Claus Offe.

27 Calculated from the 2009 Chinese National Statistical Yearbook, online.
28 Haggard and Kaufman, op. cit., 216-17; 340.
The design of the program: setting the urban poverty line

Though there are often reports of China’s poverty line, this applies only to the rural areas. There is no national urban poverty line in China. The *dibao* norm or standard (*biaozhun*, 标准), a municipally-designated version of this line, varies across cities. The mission of the *dibao* is to subsidize households whose average per capita income falls below the amount necessary for purchasing basic necessities at the prices prevailing in a given place. Letting localities peg their own lines was done because the average per capita income varies regionally; another consideration, initially, was that each city was to supply a large portion of the outlay.\(^2^9\) Later, the central government recognized that the poorest cities were unable to afford the requisite amounts and subsidized these places.\(^3^0\) By 2003 the proportion of subsidies from the center varied from as low as 16 percent in Fujian along the wealthy East coast to more than 70 percent in the destitute Western provinces of Gansu and Guizhou. While some cities were contributing next to nothing, the seven wealthiest metropolises and provinces have been charged with financing the program entirely by

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\(^{2^9}\) Wang Hui, “Chengshi zuidi shenghuo baozhang gongzuo zhi wo jian” [My opinion on the urban minimum livelihood guarantee work], *ZGMZ*, 10 (1996), 34 explains that, the line was to be set by adopting the “vegetable basket method,” according to which each city selects certain livelihood necessities, determines their minimum requisite consumption amount, and calculates the income necessary to purchase these goods, based on the price index in the area.\(^{3^0}\) Christine Wong, “Central-local relations in an era of fiscal decline,” *CQ*, No. 128 (1991), 691-715 explains the decentralization of finance after 1980. Leung, “The Emergence,” 193; O’Keefe, *op. cit.*, 8. Hong, *op. cit.*, 7 has material on central transfers to particular provinces for the *dibao*. 
themselves. Interviews in prefectural cities in Hubei in 2010 revealed central subsidies to them for the *dibao* of close to 100 percent.\(^{32}\)

The local *dibao* line was to be fixed below the minimum wage in each city, as it normally is where social assistance is provided (just as was dictated by the old principle of “*less eligibility*” mentioned above), and also lower than the amount dispensed in unemployment insurance benefits, supposedly—again, as elsewhere in the world—in order to *encourage* employment. In truth, however, in many, but not all, cities, local policy states that acquisition of even a tiny increment in income through occasional labor can result in a drastic reduction in the household’s *dibao* disbursement, effectively *discouraging* recipients from engaging in informal labor.\(^{33}\)

**FIELDWORK OBSERVATIONS:**
**THE BASIS FOR THE HYPOTHESES**

Visits to two very different cities in 2007 initially brought to the attention of one of the authors the variability with which different urban financial endowments appeared to color the approach of local officials to the very poor. One of these cities, Wuhan, the vibrant capital of Hubei province in central China and relatively well-off, aspires to cosmopolitanism; the other, Lanzhou, the

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\(^{31}\)Leung, “The Emergence,” 193; *idem.*, “The Development,’7; Tang, “The New Situation,” published in 2002, states that, “With the exception of Beijing, Shanghai, Shandong, Jiangsu, Zhejiang, Fujian, and Guangdong, all the other provinces got the central government’s financial subsidies [for the *dibao*].

\(^{32}\)Qianjiang got 99 percent of its *dibao* funds from the central government, and Xiantao got 98 percent of theirs (interviews, July 6 and July 8, respectively).

\(^{33}\)Several of Solinger’s informants revealed this.
capital city of northwestern Gansu province, situated in a barren and rocky part of the country in one of China’s most poverty-stricken provinces, is far less geared to appearing modern. Inspection of these two cities suggested the possibility that systematic variation in welfare governance might mark wealthier and more indigent cities, respectively.

The respective statistical data for these two locales convey the story crisply: As of 2007, Wuhan registered an urban population of 5.29 million, and a GDP of 270.9 billion yuan. Dibao recipients constituted 4.6 percent of the city population, and expenditures on it amounted to 338.1 million yuan, 1.25 percent of government expenditures (27.15 billion yuan) and an average of 114 yuan per person per month. In Lanzhou that year, the city population amounted to 2,080,344, a bit below 40 percent of Wuhan’s. The dibao population, of 111,758, however, accounted for a slightly higher portion, 5.37 percent of total residents, while the city’s GDP, 63.43 billion yuan, was less than a quarter of Wuhan’s.

In Lanzhou, though, where the central government subsidized dibao expenditures, these expenses amounted to 147.7 million yuan of total government spending of 6.82 billion yuan, nearly twice as high a percentage as Wuhan’s, at 2.16 percent of its expenditures; hand-outs of 105 yuan per person per month were the average, outlays made possible by the subsidization. In 2007, while the average monthly wage among the 63 cities in our sample was 2,113 yuan per month, in Wuhan the figure was above that, at 2,239 yuan, but in Lanzhou, it was below, at 1,768 yuan.

It was apparent during fieldwork in 2007 that the two were adopting very different tactics in managing their poor; this became clear in observing residents’
commercial activities (or lack thereof) on city streets. Earlier research revealed
that the two cities have had dissimilar approaches since the inception of the
program: a 1998-99 survey disclosed that Lanzhou’s leaders were executing a
“mobilizational” strategy toward the indigent, with officials there “emphasiz[ing]
arousing the dabao targets’ activism for production, encouraging and organizing
them to develop self-reliance.”

Nine years later, in 2007, Lanzhou remained lenient toward its poverty-
stricken, allowing them to engage in sidewalk (or “flexible”) business—the
manner of handling of which is determined by each city on its own, and which, in
turn, is policed in each by its urban order and appearance managers (the
chengguan [城 官]). All kinds of curbside business went on unobstructed,
including stalls for fixing footwear and small bunches of young men hawking
political picture posters. That this was a matter of city policy was confirmed in
a late summer 2007 interview with the section chief of the Gansu provincial
dabao office under the province’s civil affairs bureau, who admitted that,

“If the chengguan, is too strict, the dabaohu cannot earn money.
And letting them earn money is a way of cutting down their
numbers. If their skill level is low, their only means of livelihood
can be the street-side stalls they set up themselves.”

His words reveal not just a relaxed position toward the indigents’ street
behavior, but also the budgetary shortages that dispose urban authorities
in Lanzhou to seek out ways of saving funds.

36 Interview, September 5, 2007, Lanzhou.
In Wuhan, by contrast, informal business on the streets is illegal. There, beautiful, unencumbered thoroughfares are valued to match the towering, modernistic skyscrapers continuously under construction on all sides of the streets. A decade ago, in 2001, when the city was newly stretching toward the future, a laid-off cadre from a local factory pronounced in a private conversation:

Society has to go forward, we need money to create a civilized environment, sanitation to develop a good environment, a clean shopping area, basic construction facilities necessary to build a better livelihood for people in the future. All cities have pedestrian malls or are building them. They can give Wuhan more competitive ability, for business and tourism. People will come here. We’ve also built a beach along Yanjiang Road and it did attract tourists here during the National Day vacation.37

Further evidence of this proclivity for pristine roadways and for attracting foreigners were the actions of the politician Yu Zhengsheng, appointed Party Secretary of Hubei province at the end of 2001, who advocated developing Wuhan by encouraging much building of infrastructure. “I guess he wanted to make the city look better, so doing small business on the streets was not something he wanted to see,” related a Chinese scholar in conversation with one of the authors.38 During Yu’s reign, a talented but hard-up woman in Wuhan complained that the fees for exhibiting her artwork on the streets had escalated substantially over time, eventually forcing her to abandon any effort to try to make sales.39

In the same vein, a recent foreign investigator in the city commented that,

37 Interview, October 27, 2001.
38 Email conversation, November 23, 2008.
39 Interview in her home, August 26, 2007.
“Wuhan is working hard to catch up with the infrastructure and living standards of wealthier coastal cities. In 2000 there were 350,000 vehicles on Wuhan’s roads; this year [2009] that number will approach one million.”

The viewpoint in Wuhan, it would appear, jibes with what has been labeled the “spatial imaginary of modernity.” This vision has informed the aspirations of Chinese officials in richer and up-and-coming cities for an *au courant* urban landscape and for governing a class of people they judge appropriate to such locales. Combined with a fixation on the “quality” [suzhi] of the populace, they appear to take the modernization of their town to be dependent upon the fostering in it of “superior” individuals, with economic development seen as being contingent upon the caliber of the workforce.

Where this bias exists, in municipalities bent on becoming showcases to the outside world, it seems to operate to marginalize and exclude “anachronistic” individuals, whose abilities and qualifications would prevent them from performing the complex tasks called for in a state-of-the-art economy, as we will argue.

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40 Tom Miller, “Case Studies: I. Wuhan” *China Economic Quarterly (CEQ)*, *March 2009*, 35. In 2003 the city banned pedicabs—for some prior years a source of livelihood for the laid-off--from the city’s streets, to eliminate the disorder they lent to traffic and to the city’s appearance (Interview, September 26, 2003).


HYPOTHESES

The contrasts between Wuhan and Lanzhou resonated with Piven/Cloward/Offe’s description of social welfare as being about the management of anachronistic workers; regulation of the labor market; and maintenance of order, especially by means of fostering clear streets, all of which appeared to vary in two cities having quite differing levels of resources. We wish to uncover the extent to which this variation holds across a larger number of cities. Given that cities are charged with setting their own poverty lines, that their level of resources varies substantially, and that wealthier and upwardly mobile cities—having the capacity to do so—are, we reason, more apt to be oriented toward presenting their cities to outsiders as modern spectacles, we drew on our fieldwork to hypothesize that:

H1: The wealthier the city, the more inclined its officials will be to use their dibao funds for disabled people, i.e., to have such persons as a relatively high percentage of their total dibao recipients. This they do in the hope of maintaining an unsullied urban scene by giving these people stipends and so keeping them off the streets.

Using the terminology of Piven/Cloward/Offe, disabled people are what city officials in wealthier cities would consider anachronistic workers, both publicly unsightly and unable to be placed within a modernizing economy. Indeed, while wealthier places shut down money-losing, special factories for the disabled in the late 1990s, officials in smaller, less prosperous towns related that the chengguan there was lenient and that its officials refrained from chasing such people from the
avenues. Poorer cities, not so conscious of their appearance and possibly hoping to save their dibao allocation for other uses, allow the disabled to make their own livelihood, if possible. Thus, administrators in poor cities have comparatively lower percentages of the disabled among their dibao recipients. That there are variations in these respects is obvious when we find, for example, that while the disabled accounted for 10 percent of the dibao recipients in 63 cities across China on average in 2009, the range was between 1.3 percent in Yunnan’s Baoshan and Shaanxi’s Shangluo (both comparatively poor prefectural cities), but as high as 32 percent in the modernized tourist town of super-city Hangzhou.

H2: The richer the city, the more prone its decisionmakers will be to extend the dibao to registered unemployed workers.

This relationship could occur because wealthier cities have more sophisticated, technologically-oriented economies. Thus, registered unemployed workers are very likely to be people lacking the skills and educational background necessary for participating in the new capital-and knowledge-intensive industries of 21st-century, modern China. Receipt of the dibao could encourage them not to look for work in the formal economy, where, indeed, they are not apt to find employment in any case.

43 Interviews with local officials, Qianjiang, Hubei, July 6, 2010 and Xiantao, Hubei, July 8, 2010.
44 Fulong Wu and Ningying Huang, "New urban poverty in China," Asia Pacific Viewpoint, 48, 2 (2007), pp. 168, 175-76 note that firms in industrial sectors that were not competitive internationally were compelled to downsize.
Thus, a wealthier city could be enticing laid-off laborers to leave--and not attempt to re-enter--the labor market, by offering them the *dibao* funds they need to maintain their minimum livelihood.

Poorer cities’ economies, on the other hand, being less advanced, are also more able to absorb the unskilled registered unemployed. Consequently, we expect to find a correlation between the poverty of a city and a lower percentage of registered unemployed obtaining the *dibao* among the program’s total *dibao* beneficiaries in that city. Again, the range for the percent of registered unemployed recipients among our sample cities is wide, averaging 19 percent of all recipients across cities, but going as high as 40 percent in Wuhan and Qingdao, both well-off, modernized cities, but in the single digits in smaller, poorer cities.

H3: In wealthier cities, people engaged in flexible labor\(^{45}\) will account for only a small percent of the city’s *dibao* recipients.

This relationship is suggested because people doing flexible labor often do so out on the open roadways, damaging the appearance of the city in the eyes of their urban governors in wealthy cities; thus the *chengguan* sweeps them away, resulting in fewer flexible laborers in rich cities. In poorer cities, on the other hand, where the *chengguan* is more charitable, flexible labor is much more tolerated. In richer municipalities, then, those engaged in such work will not be given *dibao* funds (or their funds tend to be reduced by the amount of wages they earn (or are imagined by the

\[\text{\textemdash}\]
Based on the Lanzhou official’s words, and also the remarks of administrators in two smaller Hubei cities in July 2010, contrariwise, poorer urban areas are more prone to let the poor earn money on the sidewalks. For one thing, by permitting this activity, the city can save *dibao* funds for the municipal budget. Officials in poor places are, additionally, less likely able to appeal to outsiders (whether for attracting their visits or their capital), and so are less anxious about their municipal visage. Thus, both to conserve funds and also from less investment in their own image (given their lesser ability to simulate modernity), poor cities should be likely to let flexible workers make money outside, and to not discourage them from doing so by reducing their handouts.

Interviews in Wuhan and Guangzhou suggest that wealthy cities, on the other hand, actively discourage informal, or “flexible,” employment [*linghuo jiuye*].46 They do this by deducting income derived from “flexible” employment from the benefits target households would otherwise receive.47 This practice of decreasing the assistance subsidy of people with casual jobs can amount to a disincentive against accepting paid work, work that is typically onerous and


47 Leung, “*op. cit.*,,” p. 11, states that: “The formulation of the assistance standard by local governments has been largely affected by their financial capacity and development priority, rather than solely based on objective expenditure surveys of low-income people.”
unpleasant to boot, and which also promises a less reliable payment than does the *dibao*.\textsuperscript{48} Flexible laborers, on average across the sample cities, constitute 16 percent of total recipients, but the percentage goes as low as 1.7 percent in Shanghai and as high as 33 percent in the far smaller and poorer Western city of Guyuan.

These hypotheses amount to correlations, and are grounded in the notion that treatment of the poor is fundamentally different, and follows distinctly dissimilar logics, in cities at varying levels of wealth. At base, the hypotheses pit the urge to present a cosmopolitan perspective in prosperous municipalities against a focus upon saving revenue in poorer cities.

**STATISTICAL ANALYSIS**

*Data*

We used the China Infobank data for the average wage in the cities in our sample, which we took as a proxy for the wealth of a given city. We chose this proxy rather than GDP per capita, a figure often resorted to in economic research comparing Chinese cities, because it is not comparable among cities. Even though average wage is not a perfect measure of a city’s wealth or resources, we believe it is a reasonable indicator. For clearly a city housing firms that can afford to pay higher wages must also be a place with higher tax income and thus more revenue. Many Chinese “cities” now contain large stretches of rural areas and rural-registered population. Given wide rural-urban disparities in income,

\textsuperscript{48}For example, Thomas Heberer, “Relegitimation Through New Patterns of social Security” *The China Review* 9, 2 (Fall 2009), p. 113.
this renders many city *per capita* indicators not reflective of the true city situation. The value of such indicators, instead, is simply a function of the proportion of the "ruralness" in any given city’s “urban” districts.⁴⁹

Besides, most cities report their total GDP, (that of the “whole city” *(quanshi [全市]*)), which definitely includes many rural residents who are not counted as part of the “city’s” population. But then they count only the urban-registered as members of their populations, neglecting rural migrants who have may have resided in the city over long periods of time but who lack urban registration, and whose numbers in some cases amount to as much as a third of the city’s formal, official urban population. Such variable counting practices skew the results differentially in different municipalities.

Our statistical data covers 63 cities. Of these, 36 are “super-large” cities, and include all 31 provincial capitals and several other cities having populations above two million. These 36 cities are those typically used in research on the urban *dibao*.⁵⁰ We randomly selected an additional 24 municipalities, all

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prefectural-level cities belonging to a set called “large” cities.\textsuperscript{51} We chose these 24 cities by randomly selecting from each province one such city for which the requisite data were available, and which also had populations between half a million and a million people as of 2007.\textsuperscript{52} We added these “large” cities to investigate the variation that size might introduce, especially given that all prior dibao research has been carried out only on the super-large cities, to the best of our knowledge. “Large” cities are especially important to study in work on the dibao program, since 85 percent of the scheme’s targets live in these cities or in even smaller ones.\textsuperscript{53}

Variables

Table Three lists all variables and their descriptions. Besides average wage, three other variables match the three hypotheses above: disabled workers as a percent of total dibao recipients; registered unemployed workers as a percent of total dibao workers; and flexible laborers as a percent of total dibao recipients. Dibao expenditure as a percentage of city GDP is included to control for a city government’s generosity; it strongly and significantly correlates

\textsuperscript{51}The prefecture is the administrative unit just below the province; provinces typically contain six to eight of these.
\textsuperscript{53}Taylor, \textit{op. cit.}, 95 notes that a National Bureau of Statistics survey done in 2004 concluded that this percentage of the poor live in prefecture-level cities. The World Bank 2009 report states, p. 73, that “provincial mega-cities have the lowest incidence [of urban disadvantage], while prefecture-level cities have several times higher incidence”; also “urban disadvantage is primarily a small-city phenomenon: more than 80 percent of the urban disadvantaged population lives in prefecture- and lower-level cities. [emphasis added]”
negatively with average wage. This finding suggests either that poorer cities have more poor people and therefore are compelled to spend more on the *dibao* or that poor cities get a large injection of funds from the central government for their *dibao* payments. Most likely, both are true.

**Methodology**

Ordinary Least Square regression is used to show the variable correlations between average wage and the three other variables. One model is used for each of the variables in our three hypotheses: Model 1 is for the variable number of flexible workers who are *dibao* recipients as a percentage of total *dibao* recipients in a city; model 2 is for the variable number of registered unemployed *dibao* recipients as a percentage of total *dibao* recipients in a city; and model 3 is for the variable number of disabled *dibao* recipients in a city as a percent of total recipients.

In models 4 and 5, the percentage of flexible labor *dibao* recipients is regressed on government revenue in two groups: Model 4 uses as its group cities with lower than median government revenue. Model 5 analyses the group of cities with higher than median government revenue. We split cities into two groups because poorer cities receive much of their *dibao* funding as an earmarked allocation from the central government, while richer cities pay for the *dibao* either entirely or mostly from their municipal revenues. The different sources of funding may cause cities to have different giving patterns. It should be noted here that, despite poorer cities receiving most or all of their funding from upper levels of government, all urban officials interviewed uniformly
claimed that there were no quotas or targets dictating limits to the numbers of needy people that could be subsidized, and neither were there specific reporting obligations to their superiors. It did appear in interviews that each city made its own decisions about whom to fund.54

Results

We regresses flexible laborers as a percentage of total dibao recipients on average wage, after data are put into two groups according to the median amount of government revenue in a city. The regression shows that in low-average wage cities, there is no relationship between the percentage of flexible worker dibao recipients and average wage. But there is a strong negative relationship between high average wage and the percentage of flexible worker dibao recipients in richer cities. In other words, flexible workers represent a comparatively smaller percentage of all dibao recipients in cities with a higher average wage (i.e., in the richer cities), but this percentage has no relationship with average wage in poorer cities. Models 4 and 5 support the correlation proposed in Hypothesis 3.

Hypothesis 1 is buttressed by Model 3 in Table 7: the wealthier the city the more likely that a larger percentage of the city’s dibao recipients are disabled people—in our reasoning, to keep them off the streets. Hypothesis 2 is consistent with Model 2 in Table 7: the richer the city, the more prone its decisionmakers are to extend the dibao to registered unemployed workers, since,

54 It is possible that allocations made by city districts would vary as do those made by cities themselves, but we refrained from testing that relation in this paper.
in our interpretation, these workers cannot easily be placed in the city’s formal economy.

Governments whose *dibao* spending is a higher percentage of GDP (that is, poorer cities) are more likely to give *dibao* funding to flexible laborers (Model 1), and to the registered unemployed (model 2). We believe this may indicate that these cities do not want to inhibit informal labor, and so do not provide a disincentive against working on the streets by withdrawing the *dibao* (or a large proportion of it) when a person is doing irregular labor. There is no confirmation of the hypothesis that these governments are less likely to give money to the disabled. Model 3, however, does show that the Western region, the poorest in the country, is generally less likely to give the *dibao* to the disabled than are other regions (especially the northeast and the central regions).

**DISCUSSION OF THE DATA; ALTERNATIVE EXPLANATIONS**

The statistical findings provide suggestive correlations between level of wealth/poverty in a city, on one side, and cities’ variable treatment of three categories of welfare recipients, on the other. Returning to Piven & Cloward and Offe, we find that several of the features of social assistance they identify can be seen as characterizing the operation of the *dibao*

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55 According to World Bank, *op. cit.*, p. 73, 6.8 percent of the urban people living in the northwest region of the country are poor to the extent of twice the Bank’s poverty level, and in the southwest the rate is 6.6 percent. The rates are 4.4 percent in the coast, 6.3 percent in the northeast, and 6.2 percent in central China. We consider the “West” as: Sichuan, Guizhou, Yunnan, Inner Mongolia, Gansu, Tibet, Qinghai, Shaanxi, Ningxia, Xinjiang, and Chongqing, nearly matching the Bank’s southwest and northwest regions.
program in both the richer and the poorer cities. Thus, one can read the
data as showing that—as central-level politicians promised in the late
1990’s—the dibao has been used in a way consistent with preserving order
(by compensating losers in the state’s modernization project), and that
decisionmakers at the urban level do allocate only token expenditures to
the project; the program also appears to embody a subtext of benign
neglect.

The findings also enable us to offer some conjectures about its
differential implementation in 63 sample cities, some of which are
prosperous and others relatively penurious. For the ways in which local
administrators disburse their dibao funds seem to differ in a patterned
way among the cities of China. Most crucially, as 2007 interviews and
observations in two cities signified, officials in richer cities seem to set
urban management priorities that dictate distributing social assistance
funds diametrically differently from how the authorities in poorer locales
do: That is, officers in wealthier municipalities are more prone to finance
anachronistic workers (represented in our data by the disabled), care
more about regulating the (formal) labor market (by paying the
registered unemployed to stay out of it), and insist more on the order
signaled to outsiders by cleared, clean streets (by discouraging flexible
labor from doing business on them) than do those in the less well-off
places.
Alternative Explanations

It is possible that the total numbers of each *dibao* recipient category in each city’s population might affect the percentage each category represents among total *dibao* recipients in that city. Unfortunately, we were unable to locate data indicating the numbers that these categories of poor people represent in the general population for our entire sample of 63 cities. For instance, for numbers of disabled in the cities, there are certainly no data that we know of. It could be that poorer cities, presumably having more problems of untreated environmental pollution, would have more disabled people. But it could also be that wealthier cities, where manufacturing has been rapid and extensive, could have more industrial accidents, or, also more pollution. Without any way to collect the necessary data, we are forced to posit a random distribution of these population categories, even though the truth may be otherwise.

It is also possible that there is simply more “flexible labor” in poorer cities, for whatever reason. But if that is the case, that would be consistent with our explanation, because it would mean that such municipalities permit and encourage this type of work. Even if that were true, however, this would still distinguish between cities with more and less wealth and would help to explain why flexible workers constitute a larger proportion of the *dibao* recipients in poor than in rich cities.

Finally, it could be that there are simply more registered unemployed people in rich than in poor cities. That is, these peoples’ numbers could be higher in wealthier places simply because there are more still-extant firms in these richer cities who had been able to pay into the unemployment insurance fund for
their dismissed workers while they were still employed (such payments are a necessary condition for anyone to receive unemployment insurance, and so to register as unemployed). Nonetheless, giving the dibao to these people would just the same represent a choice by city governments to placate/pacify these people (i.e., to preserve order), and would also serve as an acknowledgment that there are no spots for them in the regular economy.

CONCLUSIONS

Our findings suggest that in China, where profits, modernization, and foreign investment have become significant to leaders at all levels, there may be a logic undergirding welfare allocation that grows out of an economic, not a political calculus. Our work seems to demonstrate that, where lower echelons of administration have authority to make rules about welfare rationing, urban finances appear to correlate with such allocational decisions. This seems to be the case in poor places, where officials attempt to save on funds; it also seems so in wealthier municipalities, where it is well known and easily observable that authorities design their urban areas as showcases, in the hope of attracting outside tourism and foreign investment.

For in well-off cities a relatively lower percentage of all dibao recipients are people known to be engaged in “flexible labor” as compared with in poorer cities. Preferring clearer sidewalks, welfare distributors in such cities deduct dibao funds from impoverished people who try to make their own money, we argue, in the interest of keeping such people out of
the public eye and safely at home. At the same time, relatively higher proportion of people with disabilities, and also comparatively more people who are registered as unemployed, receive assistance in wealthier than in poorer municipalities. The explanation we offer is that officials in the richer cities are more likely to want those they view as unsightly or as incompetent workers to stay out of view and away from the regular labor market. Consequently, our story goes, authorities offer these people official sustenance by means of the dibao. We cannot prove these connections definitively. But at the very least, our findings do, in fact, fit remarks made by welfare officials in two cities, one wealthier and one poorer.

We suggest that these findings—whether or not they represent causal connections, and regardless of whether they result from conscious intentionality on the part of city officialdom--are in accord with the known preferences of urban administrators in wealthier locales for achieving a modern appearance in their cities and for fostering technological sophistication in their economies. And it could certainly be that, in the views of the administrators of such cities, to become effectively modern and sufficiently attractive to foreign investors and tourists, the city must keep disciplined, out of the work force, and even out of sight both the new underdogs to which marketization has given birth, and also people with a visible infirmity. These people, thus, are encouraged to stay at home by being offered the dibao according to our reasoning.

In poorer places, on the other hand, where funds are scarcer and where pretensions to grandeur weaker, our three categories of recipients are treated in
the opposite way from how they are handled in well-off sites. Both the disabled and flexible workers are allowed on the streets without their *dibao* allocation being diminished, as their fending for themselves is viewed as saving funds for the city budget. And administrators seem not to worry about an embarrassing urban appearance, for outside visitors are relatively rare and foreign investment unlikely in any event. Thus, a smaller percentage of all recipients are disabled people in these environments. And a relatively higher percentage of beneficiaries are informal workers, as compared with in the wealthier cities, because, we propose, officials in poor places prefer to conserve their city’s *dibao* funds for other uses, and do not object to the sight of people earning money informally on the city’s roads.

The registered unemployed, on the other hand, represent a lower proportion of the *dibao* beneficiaries in less well-off municipalities than they do in the wealthier locales. This could be the case because the economies in such places—less advanced and less technologically driven, and also less foreign-invested—are more likely to have spots for them, even as local officials are less disposed than are the ones in rich cities to keep these people at home and out of work. The upshot is that laid-off workers are considered suitable for regular employment and so are less apt to constitute a large proportion of the *dibao* recipients in cities that are more strapped for funds.

In sum, our research suggests that an influential formulation stating that welfare giving is geared toward catering to voters is purely regime-specific. In an authoritarian regime undergoing capitalist-style development, modernization and globalization, we submit, the logics of governance and of social policy are
likely to be driven by quite a different line of reasoning, one in line with writings from 40 years ago that instead emphasizes an economic rationale for poor relief.
### TABLE ONE

<table>
<thead>
<tr>
<th>YEAR</th>
<th>No. of participants = one million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>2.8</td>
</tr>
<tr>
<td>2000</td>
<td>3.237</td>
</tr>
<tr>
<td>2001</td>
<td>11.7</td>
</tr>
<tr>
<td>July 2002</td>
<td>19.31</td>
</tr>
<tr>
<td>Dec. 2002</td>
<td>20.65</td>
</tr>
<tr>
<td>2003</td>
<td>22.47</td>
</tr>
<tr>
<td>2004</td>
<td>22.05</td>
</tr>
<tr>
<td>2005</td>
<td>22.34</td>
</tr>
<tr>
<td>2006</td>
<td>22.4</td>
</tr>
<tr>
<td>2007</td>
<td>22.71</td>
</tr>
<tr>
<td>2008</td>
<td>23.35</td>
</tr>
<tr>
<td>2009</td>
<td>23.48</td>
</tr>
</tbody>
</table>


For 2008: *dibao figures* come from Ministry of Civil Affairs website online: http://cws.mca.gov.cn/article/tjsj/dbsj/index.shtml/1;  

## TABLE TWO

**GOV’T. EXPENDITURES; DIBAO AS % OF GOV’T. EXPENDITURES.; GDP; DIBAO AS % OF GDP, 1999-2009**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>DIBAO</th>
<th>GOV’T. EXPENDITURES</th>
<th>DIBAO AS % OF EXPDTRS.</th>
<th>GDP</th>
<th>DIBAO AS % OF GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>1.5</td>
<td>1318.767</td>
<td>0.113</td>
<td>8967.7</td>
<td>0.016</td>
</tr>
<tr>
<td>2000</td>
<td>3</td>
<td>1688.65</td>
<td>0.188</td>
<td>99214.6</td>
<td>0.03</td>
</tr>
<tr>
<td>2001</td>
<td>4.2</td>
<td>1890.258</td>
<td>0.22</td>
<td>10965.5</td>
<td>0.038</td>
</tr>
<tr>
<td>2002</td>
<td>10.53</td>
<td>2205.315</td>
<td>0.477</td>
<td>12033.3</td>
<td>0.0875</td>
</tr>
<tr>
<td>2003</td>
<td>15</td>
<td>2464.995</td>
<td>0.608</td>
<td>13582.3</td>
<td>0.111</td>
</tr>
<tr>
<td>2004</td>
<td>N.A.</td>
<td>2848.689</td>
<td>N.A.</td>
<td>15987.8</td>
<td>N.A.</td>
</tr>
<tr>
<td>2005</td>
<td>19.5</td>
<td>3393.028</td>
<td>0.57</td>
<td>18385.8</td>
<td>0.106</td>
</tr>
<tr>
<td>2006</td>
<td>20.33</td>
<td>4042.273</td>
<td>0.503</td>
<td>21180.8</td>
<td>0.096</td>
</tr>
<tr>
<td>2007</td>
<td>27.796</td>
<td>4956.54</td>
<td>0.561</td>
<td>24660</td>
<td>0.1127</td>
</tr>
<tr>
<td>2008</td>
<td>38.524</td>
<td>6259.266</td>
<td>0.615</td>
<td>30067</td>
<td>0.1281</td>
</tr>
<tr>
<td>2009</td>
<td>48.21</td>
<td>33500</td>
<td></td>
<td>33500</td>
<td>0.1439</td>
</tr>
</tbody>
</table>

**Sources:** For the *dibao*, the figures are either taken from or estimated from the following sources: Tang Jun, “Jianli zonghe de zuidi shenghuo baozhang zhidu” [Establish a comprehensive minimum livelihood guarantee system], accessed on March 18, 2008 at [http://thjp.vip.sina.com/M.htm](http://thjp.vip.sina.com/M.htm); Xinhuaset (Beijing), July 19, 2002; Tang Jun, “Jiazu zuidi shenghao”; Tang Jun, “Xiaozhengzhong de chengxiang”; and from "2006 nian shi yu fen".


For 2008: *dibao* expenditures (at all levels) from Ministry of Civil Affairs Website, accessed July 14, 2010.

For expenditure and GDP: 2009 Chinese Statistical Yearbook, online.
### Table Three
Index of Variables and Cities

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>Standard Dev.</th>
<th>Min</th>
<th>Max</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dbpop</td>
<td>59</td>
<td>54924.75</td>
<td>76067.74</td>
<td>1784</td>
<td>437592</td>
<td>Total Dibao recipient population in a city (Yuan)</td>
</tr>
<tr>
<td>flexwork_dbpop</td>
<td>59</td>
<td>0.164</td>
<td>0.119</td>
<td>0</td>
<td>0.631</td>
<td>Percentage among Dibao recipients working</td>
</tr>
<tr>
<td>Reunemp_dbbpop</td>
<td>59</td>
<td>0.195</td>
<td>0.122</td>
<td>0</td>
<td>0.588</td>
<td>Percentage among Dibao recipients unemployed</td>
</tr>
<tr>
<td>disabled_dbbpop</td>
<td>59</td>
<td>0.101</td>
<td>0.077</td>
<td>0.013</td>
<td>0.379</td>
<td>Percentage among Dibao recipients with a disability</td>
</tr>
<tr>
<td>Dbexpdr</td>
<td>60</td>
<td>91.02</td>
<td>141.11</td>
<td>3.02</td>
<td>798.83</td>
<td>Dibao expenditure (million Yuan)</td>
</tr>
<tr>
<td>Govrev</td>
<td>59</td>
<td>16111.19</td>
<td>33637.16</td>
<td>40.78</td>
<td>2.06E+05</td>
<td>Government revenue (million Yuan)</td>
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<tr>
<td>db_GDP</td>
<td>60</td>
<td>0.001</td>
<td>0.002</td>
<td>0.00006</td>
<td>0.009</td>
<td>Dibao expenditure as the percentage of GDP</td>
</tr>
<tr>
<td>Avrgwage</td>
<td>59</td>
<td>26198</td>
<td>7411.647</td>
<td>11644.3</td>
<td>49439.06</td>
<td>Average wage in a city (Yuan)</td>
</tr>
<tr>
<td>RegionC</td>
<td>60</td>
<td>0.222</td>
<td>0.419</td>
<td>0</td>
<td>1</td>
<td>1 for central region</td>
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<tr>
<td>RegionE</td>
<td>60</td>
<td>0.365</td>
<td>0.485</td>
<td>0</td>
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<td>1 for east region</td>
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<tr>
<td>RegionNE</td>
<td>60</td>
<td>0.111</td>
<td>0.317</td>
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<td>1 for northeast region</td>
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<tr>
<td>RegionW</td>
<td>60</td>
<td>0.302</td>
<td>0.463</td>
<td>0</td>
<td>1</td>
<td>1 for west region</td>
</tr>
</tbody>
</table>

### Table Four
Regression Models: Explaining Different Percentages of *Dibao* Given to Flexible Workers(1), Registered Unemployed(2), and Disabled(3).

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avrgwage</td>
<td>-1.38e-06</td>
<td>6.40e-06**</td>
<td>3.23e-06**</td>
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<td></td>
<td>(2.27e-06)</td>
<td>(2.66e-06)</td>
<td>(1.60e-06)</td>
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<tr>
<td>db_GDP</td>
<td>20.00*</td>
<td>24.66*</td>
<td>-6.703</td>
</tr>
<tr>
<td></td>
<td>(11.84)</td>
<td>(13.84)</td>
<td>(8.329)</td>
</tr>
<tr>
<td>regionC</td>
<td>0.0234</td>
<td>0.0224</td>
<td>0.0521*</td>
</tr>
<tr>
<td></td>
<td>(0.0405)</td>
<td>(0.0473)</td>
<td>(0.0285)</td>
</tr>
<tr>
<td>regionE</td>
<td>-0.00138</td>
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<tr>
<td></td>
<td>(0.0427)</td>
<td>(0.0499)</td>
<td>(0.0301)</td>
</tr>
<tr>
<td>regionNE</td>
<td>0.0284</td>
<td>-0.00380</td>
<td>0.0847**</td>
</tr>
<tr>
<td></td>
<td>(0.0478)</td>
<td>(0.0559)</td>
<td>(0.0336)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.161**</td>
<td>0.00974</td>
<td>-0.00340</td>
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<tr>
<td></td>
<td>(0.0756)</td>
<td>(0.0883)</td>
<td>(0.0532)</td>
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<tr>
<td>Observations</td>
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<td>58</td>
<td>58</td>
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<tr>
<td>R-squared</td>
<td>0.152</td>
<td>0.130</td>
<td>0.262</td>
</tr>
</tbody>
</table>

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1
Table Five
Regression of Flexible Worker Recipients’ Percentage
on Average Wage, in Two Different Groups

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>flexwork_dbpop</td>
<td>3.43e-06</td>
<td>-4.53e-06**</td>
</tr>
<tr>
<td></td>
<td>(5.26e-06)</td>
<td>(1.88e-06)</td>
</tr>
<tr>
<td>flexwork_dbpop</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avgwage</td>
<td>25.59*</td>
<td>-4.106</td>
</tr>
<tr>
<td></td>
<td>(14.50)</td>
<td>(25.56)</td>
</tr>
<tr>
<td>db_GDP</td>
<td>0.0555</td>
<td>0.278***</td>
</tr>
<tr>
<td></td>
<td>(0.136)</td>
<td>(0.0669)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.0555</td>
<td>0.278***</td>
</tr>
<tr>
<td></td>
<td>(0.136)</td>
<td>(0.0669)</td>
</tr>
<tr>
<td>Observations</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.113</td>
<td>0.200</td>
</tr>
</tbody>
</table>

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
Notes: The 28 cities in model (4) are those with average wage below the median of government revenue (4836.8 million yuan). The 30 cities in model (5) are those with average wage above the median.