

Developing Social Citizenship? A Case Study of Education and Health Services in Yantian Village, Guangdong

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The economic reforms that were launched in the late-1970s significantly altered the provision of public goods for both rural and urban China. Provision was shifted from government, work places or the collectives in rural China to local governments, families and clans, and eventually to market-based institutions. Initially, it seems the Chinese leadership had not thought through the consequences of this decentralization and market-based reforms.[1] With the *de facto* dismantling of the collective institutions in the countryside and subsequently with the curtailment of workplace benefits in urban China, social support weakened or evaporated entirely for many. China's integration into the global production chain rendered the institutional structures that had endured through the 1980s obsolescent. The economic restructuring of the state-owned enterprises and the growth of new sectors of the economy that drew in millions of migrant workers from the countryside forced tremendous change on the old residence and workplace-based system of welfare provision.[2]

The market did not provide an adequate solution and with weak institutions of civil society, levels of welfare coverage began to drop and access to key services became more dependent on income than ever before. This led to the emergence of new forms of inequality and service access between rural and urban China. The fiscal decentralization that has been a key component of the economic reforms contributed further to the new inequalities. Those local governments with access to greater resources have been able to mitigate the decline in pre-reform service delivery mechanisms.

It took the Chinese leadership some time to understand these challenges and to build new institutions to deal with service delivery. New categories of citizens emerged with different demands on the state and reforms changed notions of entitlement. To whom does the state have an obligation to provide welfare and at what level? In the mid-1990s as the major restructuring of state-owned enterprises intensified, it was clear that the social costs could become destabilizing.

Consequently, the central leadership began to pull together local experiments into a comprehensive framework for the privileged groups in urban China. This involved transferring responsibility for social welfare from the workplace to local governments. However, these initial reforms still left most people in rural China and those working in the informal sector to their own devices. When Hu Jintao and Wen Jiabao assumed power in 2003-04 they recognized that some of the problems of social development would not be solved by growth alone. This realization led to the development of a more coherent policy framework based on identification of vulnerable groups that were then provided with targeted support. Policy began to shift from the provision of short-term safety nets to developing a more integrated, comprehensive system. Policy sought to provide greater guarantees to China's rural population and to integrate the growing numbers of migrants into welfare structures away from their homes.

The new leadership has realized that social policy is an indispensible element of rule. Ever since Bismark set up the first welfare structures and welfare programs, social policy has been recognized as a key instrument of state building, political rule, social control, maintaining social order, efficiency, and regime legitimacy. Certainly, social policy in China has begun to resemble that of other countries in East Asia but currently the long-term trajectory is unclear. Will the Chinese polity evolve through a phase of a "developmental welfare state" to a more fully developed "welfare state" as in South Korea or Taiwan? Or will the polity remain more unchangingly selective in terms of welfare provision as in Hong Kong, Malaysia, Singapore?

The dominant ideology espoused by the central leadership might suggest movement towards a more inclusive system based on a notion of citizenship. The references to socialism, albeit with Chinese characteristics, and the stress by General Secretary Hu Jintao and Premier Wen Jiabao on building a "harmonious society" and "putting people first" seem to suggest a more inclusive system. Since taking power, they have sought to extend benefits to excluded groups such as migrants and have tried to reduce the cost of basic services for the rural population. Thus, since 2003, experimentation with rural new pension scheme was stepped up;

since 2003 there has been a major push to extend coverage of the new rural cooperative medical insurance; in 2006 agricultural taxes were abolished entirely; in 2007 all rural residents no longer were expected to pay miscellaneous school fees and free compulsory education was introduced for rural children; and also in 2007 the leadership pledged to extend minimum living support payments across rural China. A number of measures were introduced in 2002-03 to improve the lot of migrant workers, who, in theory, had been brought into pension schemes in 1999. In June 2002, it was announced that migrant workers should be able to take out industrial injury insurance; in November 2002, migrants were accorded the important status of being a part of the working-class; in January 2003, the State Council confirmed that migrants be accorded equal treatment with urban residents when applying for work and urban education departments had to recognize schools for migrant children and provide them with equal education access; and in 2006 the State council set up a joint committee to coordinate rural migration affairs across different ministries. In June 2010, the State Council announced the Central Government would gradually introduce a residence permit system nationwide that could replace the household registration system. The residence permits would enable migrants to enjoy the same social security benefits as urban residents and allow them eventually to apply for residency in the cities. The reform was being implemented in 10 cities.[3]

Current economic practice, however, is less clear and the financial pressures on local governments might suggest that policy implementation will continue with selective service provision coupled with inequalities reinforced by institutional structures such as the household registration system. While many local governments have moved to implement the central directives, they have also devised strategies to limit the impact and there remains significant variance between what an urban inhabitant can expect compared with their rural counterpart, while migrants in rural and urban areas continue to be seen and treated as second-class citizens by many local authorities.[4] For example, Beijing Municipality has sought to provide compulsory education for migrant children but

other barriers persist. Already in 1998-99 some districts began to recognize schools for migrant children that had been set up. Further on April 15, 2010 the Beijing Municipal Education Commissions proposed for the first time that the children of migrant workers should receive compulsory education in a neighborhood school without having to take an exam. This would give them the same rights as Beijing children with an official residence permit (*hukou*). This was to be phased in over a three to five year period.[5] However, there is still a problem with entry to high school as the children may have to return to the rural home to take the entrance exam.[6] The round up of migrants before the Beijing Olympics (summer 2008) and the decision in March 2010 to relocate around 1 million migrant workers from Chaoyang by demolishing villages with a high density of migrant residents and to replace them with "more civilized" residents to "improve the population structure" showed their continued vulnerability.[7] Further in July 2010, the Chinese government introduced its anti-crime measure of "sealed management" that effectively provided a nighttime lock down of migrant communities from 11:00 p.m. to 6:00 a.m. In Beijing, the authorities initially installed gates around 16 migrant communities.[8]

This paper uses a case study of the evolution of education and healthcare provision in Yantian Village, Guangdong Province to examine these trends. It makes no claims that development in Yantian is typical for rural China but it may allow some tentative conclusions to be drawn about the extent of inclusiveness of social policy and the moves towards citizenship as a basis for redistribution policies and welfare provision.

Yantian Village

Yantian is not a normal village but rather is what people refer to as an "urban village" and it has been one of the major beneficiaries of economic reform. Lying close to Hong Kong and Shenzhen, it is in the hub of the Pearl River Delta that has become a key link in the global reorganization of manufacturing and production. As

an administrative village, it comes under the jurisdiction of Fenggang Township, which itself is under Dongguan City, Guangdong Province. It has a good transportation network with an express route to Shenzhen and links from the village to the airport and train station. It takes only one hour to the Shenzhen airport and even less time to the Luowu railway station. Yantian administrative village contains nine natural villages, Donger is the largest with over 640 inhabitants and Shijie the smallest with only 140 people. The economic reforms, especially the opening to foreign investment, pursued since the late-1970s have replaced the water buffalo and rice paddies with China's main export processing center. It has been a key center for foreign direct investment and, as a result, has attracted a large migrant community. The province of Guangdong is home to some 30 million migrants, in 2010 Dongguan was home to 5.2 million migrants out of a total population of 6.95 million, Fenggang township had a registered population of 20,000 and 300,000 migrants, 80,000 of whom lived in Yantian.[9]

The migrants in Dongguan and Yantian are referred to as "*Xin Guaner*" as opposed to the "*Yantianer*" who have a formal household registration in the village. This latter group, according to official statistics numbered 3,016 at the end of 2008. Over 60 per cent of the official residents belonged to the Deng family, the dominant group in the village, among whose number were many of the enterprise heads and the village party secretary.[10] Major decisions in the village are made by the party branch, the villagers' committee and the village shareholding economic cooperative. The Deng family dominated these organizations, six of the seven members of the party branch, four of the five members of the villagers' committee, and five of the seven members of the shareholders economic cooperative came from the Deng family. Two other institutions that are influential are the villagers' representative meeting and the shareholders' representative meeting. The vast majority of the population, the migrants, is not involved in any of these bodies. The lack of an official registration has major consequences for political status, social identity and welfare access.

The migrants work primarily in the 200 or so foreign invested enterprises vested in Yantian (there were over 400 at their peak).[11] However, the group of migrants is not homogenous and this has consequences for how they are treated within the village. Investors are treated far better than those working in the factories. In addition, there are a number of migrants working in agriculture and a number of private entrepreneurs running small businesses. Essentially, since 1992, with very few exceptions, official residents of Dongguan are not engaged in agriculture. Even daily necessities such as vegetables, are provided by migrants who have sub-contracted the land from the village collective. Most importantly, the migrants are not eligible for any payout from the dividends from the village collective that has provided the relative wealth for the local residents.

The village collective made a net profit of 130.5 million *yuan* in 2008. This was the amount that could be redistributed among the members of the collective. Regulations adopted in 2003 govern how this profit should be divided up. The three committees (village party branch, villagers' committee and the shareholders' economic cooperative) decided that 53 per cent of the net profits (69.17 million *yuan*) would be held for the public reserve fund and welfare. This left 61.43 million as the dividend for collective and individual shares. The regulations stipulate that the collective share should account for 38 per cent of the remaining profits, in this case 23.31 million *yuan*. The collective share was used for important construction projects and public goods' provision and services that were important for the development of the village community. This left 38.03 million *yuan* to be shared by 761 shareholder families, comprising 2,988 individuals. Therefore, each individual shareholder was to receive 12, 727 *yuan*, an average of roughly 50,000 *yuan* for each household.

Providing Education for All

The rapid development of Yantian with the influx of foreign investment and the large number of migrants who moved into the village put tremendous pressure on

the educational services. This led to the emergence of a network of different types of schools catering to the varied needs within the community. The range of schools available did mean that all children in Yantian were able to find schooling irrespective of family background but the quality and investment varied significantly. Most importantly, from 2008 the government budget covered the costs for migrant children helping overcome the biggest inequity of the previous years. Yet, differences remained with respect to the quality of the teachers and the infrastructure in the schools.

From the beginning of the economic reforms, Yantian stood out from most rural areas with its diverse educational structure rather than relying solely on government provision of elementary education. Yantian had government-run public schools, collective-run schools operated by the administrative village, shareholder schools financed jointly by the village collective and private investors, and private schools sponsored entirely by individuals. This structure derived from the different needs within Yantian. Domestic and overseas investors with businesses in Yantian wanted to send their children to good schools, even if the tuition fees might be more expensive than those for a public school. Yantian villagers also wanted their children to attend good schools, especially schools run by the village collective as the fees were lower. The migrant workers could neither afford to send their children to very good, elite private schools, nor did they have access to the schools run by the collective, which only enrolled children of local villagers. Before new policies were introduced in 2008, they could only send their children to special schools set up by the village collective.

In 1952, the government took over the well established private Zhentian School and it was renamed the Yantian Elementary School. It was a large village school financed mainly through government funds, with sufficient allowances from the township government and the village collective. The tuition fee was quite low, each student only needed to pay two *yuan* for miscellaneous charges (including textbook charges). The growth of the local economy in the 1980s allowed the village in 1988 to invest 1.7 million *yuan* to upgrade the facilities for the school and it

invested a further 1.15 million *yuan* in 1993. On September 1, 2003 the school underwent another significant change. The Zhentian School was resurrected, financed by the village collective. Students with a local household registration transferred to the school leaving the Elementary School to cater for the children of migrant workers.

In 1988, the village party secretary proposed that the village collective build a middle school to provide convenient access for village children and, more importantly, to train the talent pool for Yantian's expansion. In 1989, the collective invested 6 million *yuan* to build the Yantian Middle School, the first middle school in rural Dongguan that was not government funded. With few exceptions, the School only recruited local village students and the children of staff working at the Dongshen Water Supply Project Management Bureau. The School developed a good reputation such that in 1993 it attracted an investor from Guangzhou, Yang Zhimao, who proposed building a more sophisticated private school on the foundations on the middle school.

The new school was named the "New Century Talents School" and it was set on a more market-oriented trajectory. This was bad news for local students as it began to recruit students nationwide and charged high fees. The village collective provided some subsidy but it remained an expensive proposition. Moreover, with village children sharing the classroom with those from outside, it meant that the original objective of training students for local needs was no longer feasible.

This prompted the village leaders to finance a new collective school that was only for local students. This new school carried the name of the old Zhentian School and was opened on September 1, 2003. The 35 million *yuan* needed to build the school was provided entirely by the collective. It is a comprehensive school including a kindergarten, and elementary and middle schools.[12] The village collective appoints the school leaders but the school follows national rules in terms of development of teaching schedules and the use of textbooks. Although Yantian villagers refer to the school as a "village-run public school," it relies on the

investment of the village collective that directly manages it for the benefit of the village children. In addition to the Yantian children, the school did also enroll migrant children. However, these migrants were not those working away in the factories but rather those who were deemed to have contributed significantly to Yantian's development. These included children of investors who had started a business in Yantian, middle and senior management of foreign companies, those who had purchased commercial property in Yantian, and those who had served in the military. Students from different backgrounds were subject to different tuition fees and charges: local students (regular students) paid 240 *yuan* each semester while immigrant students (transient students) paid 845 *yuan*, 3.5 times the former.

The nature of the school changed again after 2006 when the Chinese government began its program to promote free elementary education in the countryside. With such a favorable policy now in place, why should the village collective finance schools out of their own budget? Village leaders told us that the collective invested over 3 million *yuan* annually to maintain the school's operations. According to the Dean, Deng Jingzhong, the number of students increased to 944 in 2008, each requiring a per capita expenditure of 1,200 *yuan* per semester. Most of the 3 million expenditures was covered by the collective with supplemental revenue from tuition fees and charges (see Table One). A local government takeover of the school's administration could save the village collective a significant amount of money. Thus, in 2006 the village collective applied to the relevant authorities in Dongguan City to convert Zhentian School from a village-run to a government –run school and to shift the management responsibility from the village collective to the township government. However, this would mean dropping the middle school provision as no public middle schools are run in the countryside. Thus, in August 2006 the village collective decided to abolish the middle school branch and Zhentian just operated as a rural elementary school.

It is clear that the government subsidy does not cover all the costs of rural education. Yantian is fortunate in being an affluent community and thus the village collective could still afford to put in between 300,000 and 400,000 *yuan* as

necessary to cover any shortfall in funding. Poorer communities are not so fortunate. Christine Wong has noted that the abolition of the miscellaneous education fees and their replacement by transfers to cover elementary education costs might actually end up causing a shortfall in income for local governments. The subsidy from the central government covers only a portion of the revenue that local governments used to derive from various education-related fees and levies. The initial subsidy was 140 *yuan* for elementary school students and 180 *yuan* for junior middle school students. However, before the new program began, the costs were much higher; in one of the schools she visited, the cost was 1,000 *yuan* per student.[13]

Table 1: Funding Sources for Zhentian School, 2003 – 2006

Item	2003-2004	2004-2005	2005-2006	Total
Revenue from tuition and charges (*yuan*)	111,747	357,450	653,535	1,122,732
Investment by village collective (*yuan*)	244,000	3,000,000	3,300,000	6,544,000
Other (*yuan*)	1,753,000	521,141	172,342	2,446,483
Total (*yuan*)	2,108,747	3,878,591	4,125,877	10,113,215

Source: Interview with Dean Deng Jingzhong, July 2008.

Of the 944 students admitted in 2008, 123 were local students with a Yantian household registration, 223 students were categorized as "house-purchase students" (the parents were not local residents but had purchased commercial property in Yantian), or "factory-running students" (whose parents ran factories in

Yantian), or "contribution students" (whose parents had made a special contribution to Yantian's development); the remaining 598 students were children of migrant workers, who were often called the "*Xin Guaner*" (New Dongguan People). In 2008, the Zhentian School charged nothing, only a six *yuan* per capita fee each semester for a physical checkup to local students, "house-purchasing students", "factory-running students" and "contribution students." By contrast the "*Xin Guaner*" paid 936 *yuan* for tuition and textbooks each semester.

There is also bias against the migrants in the admissions process. Local Yantian children are admitted automatically without having to sit for an examination. The "*Xin Guaner*" children would have to undergo strict interviews and if they failed, they would only be able to attend the Yantian School for migrant workers' children. This was the former public Yantian Elementary School that was converted into a school for migrant children covering both elementary and middle school students. Local children were phased out by 2006. The School was defined as a "public school with non-state contribution." It was managed by the Culture and Education Office of Fenggang Township on behalf of the government and was the first school within the township dedicated to the education of migrant children. Thus, there is a distinct disparity for admission standards and charges between local students, "house-purchasing students", "factory-running students" and "contribution students" on the one hand, and children of migrant workers on the other.

Yantian, as a public school, should have received the necessary funding from the government but the village collective gave the school buildings free of charge and also provided financial support each year. The designation "non-state contribution" meant that operating expenses were also derived from tuition charges. Initially, the school charged pupils 885 *yuan* per semester (including 210 *yuan* for miscellaneous fees, such as for textbooks, physical checkup, and school uniforms); 1,770 *yuan* annually. Middle school students paid 1,400 *yuan* per semester (miscellaneous charges included) in 2003 and 2004, and 1,600 *yuan* in 2005; 3,200 *yuan* annually. If we take the year 2006 as an example it had 40 classes in total (six grades with six

classes in each grade and also a seventh and eighth grade with two classes in each).[14] In the whole school, there were 2,222 students.[15] According to the tuition levels for that year, the school should have received around 5 million *yuan* from the students. The school received only 1.3 million *yuan* from government and collective– 1 million *yuan* from Fenggang Township Government and 300,000 *yuan* from the Yantian village collective. The contribution by the Fenggang Township Government had risen from 500,000 *yuan*. In light of the funding sources, it would have been more accurate to characterize the Yantian School as a non-state school with a public contribution.

Following Central Government policy to provide education for migrant children, in September 2007 the school was converted fully into a public school with migrant children enjoying the same treatment as local children. In theory, school operating expenses were to be covered by the government, mainly by the township government. However, in practice even though the township's annual contribution did increase to 1.8 million *yuan* from January 1, 2008, the amount was still significantly less than what was needed. Tuition from the students remained the main source of funding. According to the latest information we obtained, from September 2009 pupils and middle school students were exempted from paying tuition and textbook charges, but not the charge for the school uniform, the cost of which was covered by the township government.

To cater for the top end of the market, there was the new Century Talents School. This was a boarding school that was built on the basis of the collective-run Yantian Middle School. As noted, this was developed together with a Guangzhou businessman, Yang Zhimao. It provided education from kindergarten through high school and was immediately endorsed by the Dongguan City Government. The original 1993 agreement gave the village collective 30 per cent of the shares in the New Century Education Extension Ltd. Co. that oversaw the school. This was based on the value of the land donated and the tangible and intangible assets of the former Yantian Middle School. The fees were high, around 4,000 *yuan* per semester for day students and 8,000 to 9,000 *yuan* for boarders and, in addition parents had to pay

between 150,000 to 200,000 *yuan* into a reserve fund. In addition, a number of students were admitted to the school as public school students in accordance with the plan of the Dongguan City Government. These students were obliged to pay 1,150 *yuan* per semester together with a lodging fee of 225 *yuan*. There were also benefits for local students. Initially, they only had to pay 3,000 *yuan* per semester, irrespective of grade, with 2,000 *yuan* covered by the collective. After 2007, the village stopped paying the subsidy but the school offered a tuition waver of 500 *yuan* per semester as well as for the students classified as "house purchasing students," "factory-running students," and "contribution students." With government policy shifting to pick-up the costs of education for rural children, the school was overwhelmingly for wealthy migrants (*Xin Guaner*) who made up 80 per cent of the students.

The shifting demographics of Yantian and the impact of government policy led to a varied educational structure in the village. The original public school in the administrative village was insufficient to take care of the demand and to increase supply quickly, a diverse network of public schools, collective-run schools, schools financed jointly by private investors and the collective as well as private schools was tolerated. This also took care of the needs of the 5,000 migrant children, culminating with the decision in 2007 that they should enjoy the same rights of access as local children. Despite this there remains a great disparity in the quality of education provision for the different types of families. Students at the New Century Talents School were mostly from high-income families; Zhentian School recruited students either with a local household registration, or from the families of influential investors who made a significant contribution to Yantian's development; Yantian School recruited all its students from the families of migrant workers. In 2006 the New Century Talents School had 34 students in each class, compared to 38 in the Zhentian School and 60 in the Yantian School. The New Century Talents School had a total revenue of more than 7 million *yuan* from tuition and miscellaneous charges, while the Zhentian School had a total revenue of over 4 million *yuan*, including 3 million *yuan* contributed by the Yantian village collective. By comparison, the

Yantian School only received some 1.8 million *yuan*. The New Century Talents School had the same number of students as the Yantian School, slightly over 2,000, yet the former had a revenue steam four times that of the latter. The Zhentian School had less than half the number of students of Yantian but its operating expenses were twice that of Yantian. There were also sharp differences in terms of teaching resources. In 2006, the ratio between teachers and students was 1:15, 1:12 and 1:28 respectively for New Century, Zhentian and Yantian Schools. A second difference was in terms of teacher qualifications. In 2006, the proportion of teachers with a bachelor's degree was 67.3 per cent for New Century, 45 per cent for Zhentian and only 8.1 per cent for Yantian.

Reviving Healthcare

Economic reforms have had a dramatic impact on the provision of healthcare services in rural China and exacerbated pre-existing inequalities. Increasingly, the costs of medical care had to be borne by individuals and households. Facilities and providers declined in rural China. The number of beds in township health centers dropped from 0.78 million in 1980 to 0.69 million in 2006 before increasing to 0.85 in 2008. The number of beds per 1,000 rural residents dropped from 0.95 in 1990 to a low of 0.76 in 2004 before rising again to 0.96 in 2008.[16] There was also a dramatic decline in those with medical insurance. With the disbandment of the rural collective institutions, coverage dropped from 80 per cent in 1979 to only 2 per cent in 1987 before improving to 6.57 per cent in 1997.[17] From 1997, there was first a gradual improvement with an increase in minimal coverage and the renewed promotion of the rural medical cooperative scheme beginning in 2003. The new scheme was intended to address the two problems of catastrophic illness and the poverty caused by medical bills. Since this revival, coverage has spread rapidly, with official figures claiming that coverage had risen in rural areas from 10.8 per cent in 2004 to 75 per cent by 2007. By the end of 2008, coverage was reported at 91.5 per cent.[18] These same trends are visible with healthcare provision in Yantian.

The reform period witnessed the emergence of a varied set of healthcare institutions. There was a public hospital (Yantian Branch Hospital of Fenggang *Huaqiao* Hospital), one public community-based health service center, one large private hospital, seventeen private clinics and some 50 unlicensed private clinics serving 80,000 local villagers and migrants.

The Yantian Branch Hospital was set up in 1993 within one of the production teams in Yantian and was under the jurisdiction of the Fenggang *Huaqiao* Hospital. Shortly after its establishment, poor performance caused the branch hospital to be contracted out for private operation. However, improved performance and restrictions placed by national regulations meant that it was taken back under government operational control in 2002. It was placed under the administration of the municipal health bureau. On a visit on July 9, 2008 we were told that the number of daily visits was between 400 and 500 with most patients being migrants, only 10 per cent of the visits was from local villagers. All profits were turned over to the main hospital and the default rate on hospitalization payment was only 10,000 to 20,000 *yuan* a year. This was because any serious case was referred to the main hospital. The main hospital was owed much larger sums. In Fenggang, all registered inhabitants were covered by rural cooperative medical insurance and thus, by and large, could afford to see a doctor. This was not the case for migrants and in 2005, the Director of the Fenggang Hospital estimated that of the 1.5 million *yuan* in unpaid bills, 99 per cent was owed by migrant workers.[19] In Yantian, for those with a local registration, decent income and medical insurance, healthcare services were deemed to be accessible and affordable. However, the situation was different for migrant workers, especially if they were struck by catastrophic illness. This was particularly the case for those on contract employment with small private enterprises. Most such enterprises were reluctant to purchase medical insurance and without incremental government support, the increasing operational costs of the hospital were passed on to the patients.[20]

For many residents the most important institution is the Yantian Community Healthcare Service Station (CHS) that was set up as a result of an initiative taken by

Dongguan City in late-2008. It falls under the jurisdiction of the Fenggang Township Community Health Center and as a result enjoys no financial autonomy. The initiative has its origins in the early-1997 joint Central Committee and State Council document that was drafted on the basis of discussions at a December 1996 National Conference on Health.[21] This wide-ranging document summarized new policy initiatives and referred to the need to "reform the urban healthcare service system, actively promote community healthcare services and gradually develop a well-functioning and user-friendly healthcare service network." More specifically, on February 21, 2006 the State Council issued Document Number 10 on developing urban community healthcare services that decreed they should be viewed as a public good and not be set up to turn a profit. They were to be government-run but could receive investment from other organizations. The priority targets for CHS services were to be women, children, the elderly, patients with chronic diseases, the disabled and the poor. Where conditions permitted, all cities and county-level towns were to set up the system by the end of 2010. One CHS center was to be planned for every 30,000 to 100,000 people.

These national guidelines were followed by local implementation regulations. On March 27, 2007 the Guangdong Provincial Government issued its proposals for all municipalities in the Pearl River Delta and small towns. Where conditions permitted, they were to strive to attain the goal of a "community-based solution to minor illness, prevention and health needs" before 2008.[22] Township healthcare centers in the suburbs of cities were to be converted into CHS centers. In terms of funding, the local government budget was to be used to develop community healthcare services, while basic medical services were to be compensated through service charges from medical insurance, medical financial assistance and out-of-pocket payments. Primary responsibility for subsidies was to be the responsibility of district/county level governments, while those services that met the appropriate criteria were to be incorporated into reimbursement from the medical insurance of urban employees.

Important for this study, the Guangdong Provincial Government stated that, where conditions permitted, rural governments could also develop community healthcare services in line with the State Council's "Guidelines ."[23] This was followed on August 24, 2007 by Dongguan's own document that required each township to set up one CHS center, under which CHS stations should be set up in villages where the population merited it and where there was sufficient demand for public services. Each CHS station was to have a catchment population of 8,000 to 12,000. The migrant population was weighted at only 70 per cent of its total for the purposes of the calculations. The CHS were to prioritize preventative health, maternal and child health, family planning, and rehabilitation from chronic disease. The CHS were to be incorporated into the basic medical insurance program with the share of out-of-pocket payments to be lowered progressively in order to attract more community residents. It was estimated that 60 per cent of the outpatient expenses of the 5 million registered inhabitants of Dongguan would be reimbursed through medical insurance.[24]

The Yantian CHS opened on October 1, 2008 as a part of the attempt to realize a "five-minute health radius" within Fenggang Township. It was to serve both local residents and migrants and deliver the "6-in-1 services."[25] Its main stated objective is to "deliver life-cycle quality community healthcare services to Yantian residents" covering pediatrics, maternal care, elderly care, immunization, detection and reporting of communicable diseases, community-based diagnosis and treatment of common diseases, on-site first-aid, rehabilitation for disabled and mentally ill patients, and health record management."[26] Registered villagers who are enrolled in the medical insurance program run by the local social security department can get 60 per cent of their medical expenses reimbursed on presentation of their ID, the remainder covered out-of-pocket. In fact, all Yantian villagers have been "compulsorily" enrolled in the medical insurance scheme with the premium deducted directly by the collective from their dividends. Most factories in Yantian have also purchased medical insurance for their employees, generating more

patients for the CHS. This latter measure, of course, would benefit some of the migrant workers.

The most efficient medical institution in Yantian is the privately-run Guangji Hospital. Having provided the land for the hospital, the village collective took a 30 per cent stake. The hospital draws patients from beyond Yantian but the bulk are local residents with some migrant workers. Factory workers make up about one-third of the patients, while patients seeking gynecological and obstetric service make up another one-third (most of these are migrant women). Most of the low-income migrants, however, find services in the 50 or so unlicensed private clinics that have lower prices. Some of those working in larger enterprises may be lucky enough to access in-house clinics such as the Jiali Group, Shinano Kenshi Motor Company and the New Century Talents School.

As elsewhere in China, economic reforms had a major impact on medical insurance within the village. From the early-1980s, Yantian Village started to transform its healthcare system from one based on a collective, cooperative scheme to one where village clinics ran on contracts. This meant villagers no longer enjoyed any guarantees for healthcare provision. Some of the wealthier families purchased commercial medical insurance, while certain production teams (such as Nanfang) set aside a partial fund from their collective revenues to subsidize members who suffered catastrophic or chronic disease and to provide a limited medical allowance.[27] However, by 2000 Yantian Village had achieved universal coverage for its residents through a three-phase development. There was a fourth phase launched by the Dongguan City Government but, at the time of writing, Yantian had not implemented it.

In phase one, in 1999, Dongguan Municipal Government enacted provisional regulations on providing basic medical insurance for formal employees.[28] Starting from March 1, 2000 the regulations authorized collection of an insurance premium across the city with reimbursements starting from May1. There were two types of medical insurance programs: comprehensive basic medical insurance and inpatient basic medical insurance. The former covered both inpatient and outpatient services,

while the latter only reimbursed for hospitalization costs. The comprehensive basic medical insurance program introduced both social pooling and an individual account. Employers contributed the equivalent of 6.5 per cent of the individual employee's salary and individuals contributed 2 per cent of their salary to the insurance program. While individual contributions went directly to the individual account, the employer's contributions were transferred proportionately into the individual account according to the age of employees—the equivalent of 2 per cent of salary for those under 45, 2.3 per cent of salary for those 45 and above-45, and 4.5 per cent of the average salary for retirees. The inpatient insurance program required only employer contribution—2 per cent of the average staff salary in the previous year. There was no individual contribution. The individual account could only be used to pay outpatient expenses and other basic medical expenses that met certain criteria. The pooled fund was used mainly to reimburse patients for their inpatient expenses beyond the deductible,[29] subject to an annual cap.[30]

The mandatory enrollment covered staff of government departments, public service units and social organizations, state-owned enterprises, collective enterprises under the city government, foreign enterprises under city government supervision, central and provincial enterprises stationed in Dongguan, and laid off workers of state-owned enterprises. Initially, the rural population was excluded. It was largely the same for basic inpatient insurance. It only covered employees and retirees of township-level collective enterprises, foreign enterprises under township government supervision and private enterprises, as well as the staff of township individual economic entities. Again the rural population was not granted participation. However, from 2000, with the encouragement of the Dongguan City Government, farmers in Yantian began to enroll in the citywide urban employees' basic medical insurance. As of June 2006, 1341 Yantian villagers were enrolled in the urban employees' basic medical insurance, accounting for 43 per cent of all registered villagers.

In the second phase Dongguan City and Yantian Village responded to the Central Government's 2003 call to set up the new rural cooperative medical scheme.[31] This

was defined as a voluntary public medical insurance with the household as the basic unit for participation. Already by May 22, 2003, 1,839 villagers had been enrolled in the scheme (64.1 per cent of the total) with the remaining 35.9 per cent enrolled in the employees basic medical insurance. Given the fact that the central government document was only distributed nationwide on January 16, 2003, it is evident that Yantian was energetic in promoting the new policy.

However, shortly after the introduction of this scheme, on November 28, 20003 Dongguan City proposed a new model for basic medical insurance for farmers.[32] First, the recently introduced rural cooperative medical scheme was incorporated into the basic medical insurance for farmers; second, village or township/district level pooling in the previous programs was upgraded into citywide pooling; third, management responsibilities were shifted from the health and agricultural authorities to the labor and social security department. Under the new insurance program, residents with a local registration (both rural and urban residents) who were not enrolled in the employees' basic medical insurance could enroll in the basic medical insurance for farmers through the villagers' committee.[33] Funding for the insurance was mainly raised through individual contributions, with collective support and government subsidy. It did provide farmers with some reimbursement for their medical expenses.

In early 2004, Dongguan City released the provisional regulations for the farmers' basic medical insurance and on June 1, 2004 citywide collection of insurance premiums began. There were two tiers (A and B) for the insurance premiums and villagers' committees could make their own choice depending on their level of economic development and the income level of farmers. In the first year, tier A had a contribution package of 90 *yuan* per year – 60 *yuan* from individuals, and 15 *yuan* from the city and township governments respectively; tier B had a contribution package of 220 *yuan* per year – 190 *yuan* from individuals, and 15 *yuan* from the city and township governments respectively. Fenggang Township selected tier B. A lump sum payment was introduced for the insurance program and had to be paid before the end of June the following year. No exemptions or

preferential treatment were allowed with respect to payment, while overdue payments were liable to a charge of 0.2 per cent of the receivable amount per day overdue. Those enrolled were eligible to receive 70 per cent of their basic medical expenses beyond the deductible reimbursed through the pooled fund.[34] This was a lower reimbursement rate than that for the employees basic medical insurance (95 per cent for employees, and 100 per cent for retirees).[35] For outpatient expenses, the pooled fund would cover 60 per cent of the expenses if the service items were covered in the outpatient service catalogue and fell below the ceiling of the basic medical insurance provided in the insurance policy. The ceiling for reimbursement upon hospitalization and specified outpatient services through the pooled fund was not to exceed 35,000 *yuan* each year. The pooled fund would make a lump sum pension payment of 2,000 *yuan* for enrollees who died from disease. Yantian also chose Tier B for premiums. The 190 *yuan* individual contribution was deducted directly by the village collective from their dividends. Statistical information from June 2006, showed that 1,780 villagers were enrolled in the farmers' basic medical insurance, 57 per cent of total village population, the remaining 43 per cent were covered by the employees' basic medical insurance.

In a fourth phase, Dongguan City decided to merge the basic medical insurance for farmers and urban employees so that all would enjoy the same benefits, although Yantian did not participate. The policy was implemented from July 1, 2008. Nevertheless, the two insurance programs are still financed through different sources. Furthermore, the policies only benefit those Dongguan people with locally registered identification (employees, people receiving a monthly pension or unemployment allowance, workers in the informal sector, as well as urban and rural residents) but not the *Xin Guaner*, migrants to Dongguan.

Although Yantian did not adopt the new system, in spite of the lower contribution rate required by the farmers' basic medical insurance, the new program created identical benefits for participants of the two programs, thus causing some villagers to shift from the employee's to the farmers' package. The number of participants in the farmers' basic medical insurance program exceeded

2,000, increasing its share of the village population from 57 per cent in 2006 to 65 per cent in 2009 while reducing the share of employee's program participants among the village population from 43 to 35 per cent.

The reforms in Yantian Village transformed the healthcare system from a collective-run village healthcare station model to one where village clinics were merely owned by the collective in name only but operated under private contracts taken out by individuals. The ambiguous nature of several public facilities such as the Yantian Branch Hospital, whether or not they were for-profit of not-for-profit, or whether they should be run directly by government has meant that there is actually no government spending in the Yantian Branch Hospital. As a result, it has had to charge fees to cover costs and the diagnostic and treatment costs, at a so-called public hospital, are even higher than in their private counterparts. Instead of dealing with market failure under the reforms, this model has exacerbated it, making appropriate healthcare services inaccessible for low-income migrants and their dependents in Yantian. Poor people had little to gain from healthcare services delivered by the government-run hospitals. The absence of government spending has also had the consequence that there is little, or no, government spending on public health, with especially serious consequences for the large migrant community. In terms of equity, registered local villagers enjoy significant advantages in seeking medical insurance and utilizing healthcare resources in comparison with the migrants. The two groups while living in the same village actually inhabit "different worlds."

Concluding Comments

The study of education and health provision in Yantian reveals the progress that has been made in providing better access for those with a rural household registration to key public goods. It also reveals, how despite progress, migrants are still treated as second-class citizens in terms of access to resources in the communities where they actually live and work.

The system for public service provision is shifting to one that shares key features not only with other countries in Asia but also beyond. During the reform period, policy has retained the obligation to work, tried to contain costs of any program expansion, and allowed considerable privatization of service provision. Policy has adopted, often unintentionally, the values and methods of the market to allocate public services with the resultant contracting out of services from government and workplace to the family, the private service provider or non-governmental organization. Like other countries in East Asia, China has thus initially spent relatively little on public goods and services with high levels of out-of-pocket expenses for education and health. It is still the case that where you live and where you work are major determinants of the level of benefits available. Under reforms, it became increasingly the case, as we have seen in Yantian, that for most people the first port of call was the family, collective or workplace. In recent years, this is changing and the Central Government has begun to allocate more significant funding for compulsory education in rural China and to support the expansion of the new rural medical cooperative scheme.[36]

While welfare provision remains selective it has become more inclusive. For a developing country, government policy has comprised ambitious attempts to provide basic support to those is the rural areas. These initiatives could mark a shift from a traditional approach to assistance to a modern welfare state. This trend is reinforced by the residual impact of the socialist ideology and the quasi-Confucian variation of Hu Jintao and Wen Jiabao to build a "harmonious society" and "put people first." Their policies have introduced the glimmers of a rights-based consciousness in assessing access to public goods and services. This is one of the building blocks of citizenship. This might signal that over the next decade China will evolve more in the direction of welfare policy in South Korea than the selective application in Hong Kong.

During reforms, in Yantian the market and alternative suppliers have begun to play an increasing role in service provision. This has supplemented the role of the company-based welfare, which has been progressively withdrawn since the reforms

of the state-owned sector were launched in the mid-1990s. This provided the major challenge to reform policies, as benefits have had to be shifted from the enterprise and in some cases rolled back without undermining CCP support. This "corporatist welfare"[37] has been more pervasive in China than elsewhere in East Asia and is also a major distinction with other Soviet-style systems. The major challenge was to weave the fragmented systems into a more coherent whole by transferring welfare obligations to local state administrative agencies and other institutions.

While policy may be moving toward a welfare system based on citizenship, migrants remain significantly disadvantaged. One could argue that this is the case with the broader provision of public service provision, for example, with the massive investment in rural infrastructure. Future policy design for service delivery and the extension of benefits should be based on a notion of citizenship that further breaks down the barriers between urban and rural China, the informal and formal sectors of the economy, and between those in government employ and those who are not. The provision of free education for rural dwellers, the introduction of the minimum living support scheme for both urban and rural dwellers and the extension of a pension scheme to some rural inhabitants are good examples of policy direction that confirm steps in the direction of a citizen-based approach to public service provision.

The shift in treatment of migrants is interesting in this context. The study of Yantian reveals that despite enhanced access to education, problems of access and cost remain; even more so in the case of healthcare. Policy in the 1980s and the 1990s was dedicated to delinking employment from one's household registration (*hukou*) status, under Hu and Wen policy has been to de-link social services and welfare benefits from *hukou* status. The notion is no longer tenable that migrants did not need welfare support as they had land in their home villages as insurance. Many migrants are now permanent fixtures in the urban areas and "urban villages" such as Yantian together with their families and may no longer have any land back in their place of registration. While *hukou* reforms of the earlier period until 2002-

03 benefited mainly investors and those who are well educated (and reflected the more elitist thrust of Jiang Zemin's and Zhu Rongji's policy), the Hu-Wen leadership shifted policy focus to providing training, and social welfare coverage to migrant workers. We see a clear impact of the Jiang-Zhu policies in Yantian with the preferential treatment given to those who had invested there and who were considered to have made a significant contribution to its development.

Already in November 2008, Dongguan set up the first local government bureau in China to serve the migrant population. This bureau was intended to provide benefits to migrants in the areas of social security, employment, children's schooling and medical insurance. The Dongguan party secretary noted that the intention was to see that the "*Xin Guaner*" were "given the same treatment as other citizens."[38] Migrants were to be issued a new type of "service card" that contains basic information including name, ID number, address, workplace and medical insurance. In 2004, Beijing introduced regulations on medical and occupational injury that required employers to pay the premiums for migrant workers' insurance that would give them the same access as urban residents. The medical insurance was to cover large hospitalization bills and limited outpatient services. The insurance would only be valid during periods when the migrant was employed in Beijing. [39] Those who are now long-term inhabitants should, in theory, enjoy better access to urban services. The policy initiatives to incorporate migrants into welfare systems and services in their chosen place of work also offer the potential of developing a welfare system based on citizenship.

Continued policy movement in this direction would resemble what T. H. Marshall calls, in the context of Western Europe, "social citizenship" that encompasses the right to economic welfare and social security. In China, this process is likely to precede "political citizenship."[40] This fits with the CCP's preference for economic and social rights over political rights[41] and reflects the policy focus of Hu and Wen, the remnant influences of socialist ideology on policy,

and the CCP's claim to speak for all the nation's people thus rejecting the need for any political opposition.

The lack of political voice remains the most important obstacle to progress for migrant workers. Unable to organize effectively to promote their policy preferences, they are forced to rely on informal mechanisms or the benevolence of the authorities to advance their interests. This is seen clearly in Yantian where there are some 3,000 registered inhabitants and approximately 70,000 migrants. The registered residents control the wealth of the village and the political power. They share the dividends from the collective funds that are accumulated from the enterprise fees and benefit from subsidies paid towards education and health. Most importantly, the migrants enjoy no political rights as they are not eligible to vote in the village elections. Essentially, their benefits and general welfare depend on legislation from higher levels of government that demand the expansion of their access to welfare or the largesse of the local residents, dominated by the Deng family. "Political Citizenship" even at the local level still seems some way off.

Footnotes

[1] For an analysis of the impact in the reform era see Tony Saich, *Providing Public Goods in Transitional China* (New York: Palgrave Macmillan, 2008).

[2] The nature of dependency relationships that this workplace based system created is captured well by Andrew Walder under the rubric of "communist neo-traditionalism." See Andrew G. Walder, *Communist Neo-Traditionalism: Work and Authority in Chinese Industry* (Berkeley: University of California Press, 1986).

[3] Four of the cities are in Guangdong and are relevant to this study: Shenzhen, Guangzhou, Zhuhai and Dongguan. The remainder are Shanghai, Cixi and Jiaxing in Zhejiang Province, Taiyuan in Shanxi, Dalian in Liaoning and Changchun in Jilin. See *South China Morning Post*, June 2, 2010.

[4] It is not surprising that a survey conducted by Shanghai's Fudan University found that only 7.6 per cent of migrants were satisfied with their social status in the city. See *China Daily*, January 7, 2008.

[5] Beijing revises school policy for children of migrant workers, CCTV.com news at http://www.cctv.com/english/special/news/20100420/103884.shtml.

[6] See Holly Ming, *Realities and Dreams of Migrant Workers in Beijing and Shanghai* (Cambridge, MA: Harvard PhD Thesis, 2009).

[7] China: Beijing relocations put migrants at risk, *Human Rights Watch*, March 31, 2010 at http:www.hrw.org/en/news/2010/03/31/china-beijing-relocations-put-migrants-rick.

[8] Beijing Cracks Down on Migrants, July 16, 2010 at http://blog.foreignpolicy.com/posts/2010/07/15/beijing_is_the_new_arizona. A survey by the Chinese Academy of Social Sciences revealed that while migrant made up only seven per cent of the population, they committed one-third of the crimes in 2010. The report emphasized that this was caused by discrimination and unfairness that they experienced in major cities. "Discrimination to Blame for Rise in Migrant Worker Crime: Survey," February 27, 2011 at http://wwww.wantchinatines.com/news-print-cnt.aspx?id=20110227000005&cid=1503.

[9] The figures for Dongguan and Fenggang are from http://www.dongguantoday.com. The figure for Yantian is from interviews with village officials. At the peak (1999-2000), there were estimated to be 150,000 migrants in Yantian.

[10] In 2003, for example, for 24 major enterprises for which data was available, 17 had as plant manager somebody with the family name Deng. Deng, Yaohui ed., *Dongguan Yantianzhi* [Chronicle of Yantian in Dongguan] (Yantian: unpublished manuscript, 2003). In February 2009, of the 65 key leaders of the village, 43 were members of the Deng family (66.2 per cent).

[11] In July 2008, our survey revealed that of the 41,409 employees working in the then 202 foreign enterprises, 95 per cent came from outside of Yantian.

[12] Zhentian does not have a high school. Middle school graduates may go to high school in Fenggang Town or the Huaqiao High School according to their school performance. Some also choose the New Century Talents School in Yantian.

[13] Christine Wong, "Fiscal Management for a Harmonious Society: Assessing the Central Government's Capacity," *British Inter-University China Center Working Paper*, 2007, pp. 14 and 17.

[14] The standard length for middle school in China is three years. However, the school was not qualified to issue a middle school diploma (its application was not approved by the relevant authorities) and thus could not run ninth grade classes. Students had to find their own way after eighth grade. Students from better-off families would normally enroll in the private New Century Talents School for ninth grade; some went back to their hometown for ninth grade; and some just gave up in ninth grade and sought work in the Yantian factories. The middle school was mostly filled with graduates of the elementary school branch. Some students with an outstanding performance (around two dozen) chose to study in the Huaqiao Middle School in Fenggang Township or the New Century Talents School after elementary school. However, most students remained in Yantian School for their middle school education. As the Yantian School is a unique school, it could decide the proportion of pupils who could be admitted to the middle school. With constraints on the number of teachers, classrooms, and venues, the school normally allowed only 50 per cent of pupils to be admitted to the middle school.

[15] At its peak, the number of students reached 2,400 but declined in 2009. There were only 1,792 students in the spring semester, 60 per cent of whom came from Guangdong Province, mostly from Shantou and Chaozhou. Only 10 students were from Dongguan City.

[16]http://www.moh.gov.cn/open/publicfiles/business/htmlfiles/zwgkzt/ptnj/year2009/t-3.html.

[17] "Zhongguo nongcun weisheng gaige yu fazhan beijing ziliao" [Background Materials on Rural Health Reform and Development], p. 21 in Economic Research Department of the Ministry of Health and the Institute of Development Studies, *Zhongguo nongcun weisheng gaige yu fazhan guoji yantaohui* (International

Conference on China's Rural Health Reform and Development) (Beijing: unpublished papers, 2000).

[18] http://www.moh.gov.cn/publicfiles/business/htmfiles/zwgkzt/ptnj/year2009/t-12.htm.

[19] Interview with Zhong Xiangyang, vice director, Fenggang *Huaqiao* Hospital, June 2006.

[20] Interview with Ma Ruicheng, Director of the Yantian Branch Hospital of Fenggang *Huaqiao* Hospital, July 9, 2008.

[21] For the Decision see *Jiankang ribao* (Health Daily), February 18, 1997.

[22] "Guowuyuan guanyu fazhan chengshi shequ weisheng fuwu de zhidao yijian" [State Council Guidelines on Developing Urban Community Healthcare Services (Guofa [2006]10)] See http://www.gov.cn/zwgk/2006-02/23/content_208882.htm

[23] http://www.chinabaike.com/law/df/gdong/1399112_4.html.

[24] Liu Jindai and Zhong Daojing, "Dongguan shoupi shequ weisheng fuwu jigou qidong, menzhen ke baoxiao liucheng" [First Batch of CHS Institutions Start to Operate in Dongguan with 60 per cent of Outpatient Expenses Reimbursable], August 28, 2008, *Nanfangwang*.

[25] Disease prevention, basic medical services, nursing, rehabilitation, health education, and consultation on family planning techniques.

[26] Interview with Director Wang Jinxiong, February 19, 2009.

[27] From 1991, the Nanfang Production Team introduced a medical allowance to subsidize 30 per cent of the medical expenses of its members who spent over 5,000 *yuan* in hospitalization fees.

[28] See "Dongguanshi zhigong jiben yiliao baoxian zanxing guiding" [Provisional Regulations of Dongguan City on Basic Medical Insurance for Formal Employees (Dongguan City Government, Nov. 8, 1999), http://www.law-lib.com/LAW/law_view.asp?id=310583

[29] The deductible from the social pool varied across different hospitals in Dongguan City--600 *yuan* for tertiary and higher-level hospitals, 500 *yuan* for secondary hospitals and 400 *yuan* for primary and other hospitals.

[30] Ceilings were set for participants in accordance with the time of enrollment in the insurance program and the insurance package they had been enrolled in

(comprehensive or inpatient). There were three levels: participants with two to six months of membership (10,000 *yuan* in the comprehensive package and 5,000 *yuan* in the inpatient package), those enrolled for six months to 1 year (20,000 *yuan* in the comprehensive package and 10,000 *yuan* in the inpatient package), and those enrolled for over 1 year (75,000 *yuan* in the comprehensive package and 35,000 *yuan* in the inpatient package).

[31] "Guanyu jianli xinxing nongcun hezuo yiliao zhidu yijian de tongzhi" [Circular Concerning Suggestions on Establishing New Rural Cooperative Medical Scheme (*Guobanfa* [2003]3)]" jointly promulgated by the Ministries of Health, Finance and Agriculture, and circulated by the State Council. See http://www.ln.gov.cn/zfxx/zfwj/gwybgtwj/200812/t20081212_307261.html

[32] The program was intended primarily to enroll farmers but urban residents could participate on a voluntary basis.

[33] It was also possible to register through a residents' committee.

[34] As with the employees basic medical insurance, basic expenses refer to the expenses upon deduction of out-of-pocket payments. Participants were reimbursed for their medical expenses upon deduction of out-of-pocket payments and the deductible. They had to cover the whole bill by themselves if medical expenses upon deduction of out-of-pocket payments did not meet the deductible.

[35] The main reason is that the percentage of retirees in the farmers' basic medical insurance was multiple times higher.

[36] Other areas of government investment in welfare support include the extension of the minimum living support scheme to rural China and the attempts to expand rural pensions. For details see Saich, *Providing Public Goods*, Chapters Four and Six.

[37] See Gosta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Princeton, New Jersey: Princeton University Press, 1990).

[38] "1st Bureau to Serve Dongguan Migrants," in *China Daily*, October 15, 2008, p. 4.

[39] *China Daily*, August23, 2004 at http://www.china.org.cn/english/China/104860.htm.

[40] T. H. Marshall, *Citizenship and Social Class, and Other Essays* (Cambridge, England: University Press, 1950) and *Class, Citizenship and Social Development* (Garden City, New York: Doubleday, 1964).

[41] See Tony Saich, "Globalization, Governance, and the Authoritarian Westphalian State," in Joseph Nye and Robert Keohane (eds.), *Globalization and Governance* (Washington, D.C.: Brookings Institution Press, 2001).