A study of the Chinese Minimum Living Standard and compensation mechanism

Yang LiXiong

Secretary-general of China Association of Social Security

Professor of China Social Security Research Center of Renmin University of China

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The Minimum Living Standard System (MLSS) was set up to serve the reform of state-owned enterprises at first. it has been developed to be a nationwide social assistance system

* In 1993, The system of MLSS was set up in Shanghai
* In 1996, The system of MLSS was promoted across the nation
* In 1999, *Regulation on MLSS for urban residents* was enacted by the State Council
* In 2007, *The notice about establishing rural MLSS*

The number of people that the Minimum Living Standard System (MLSS) can ensure includes three stages,they are rapid growth,steady development and decline gradually.
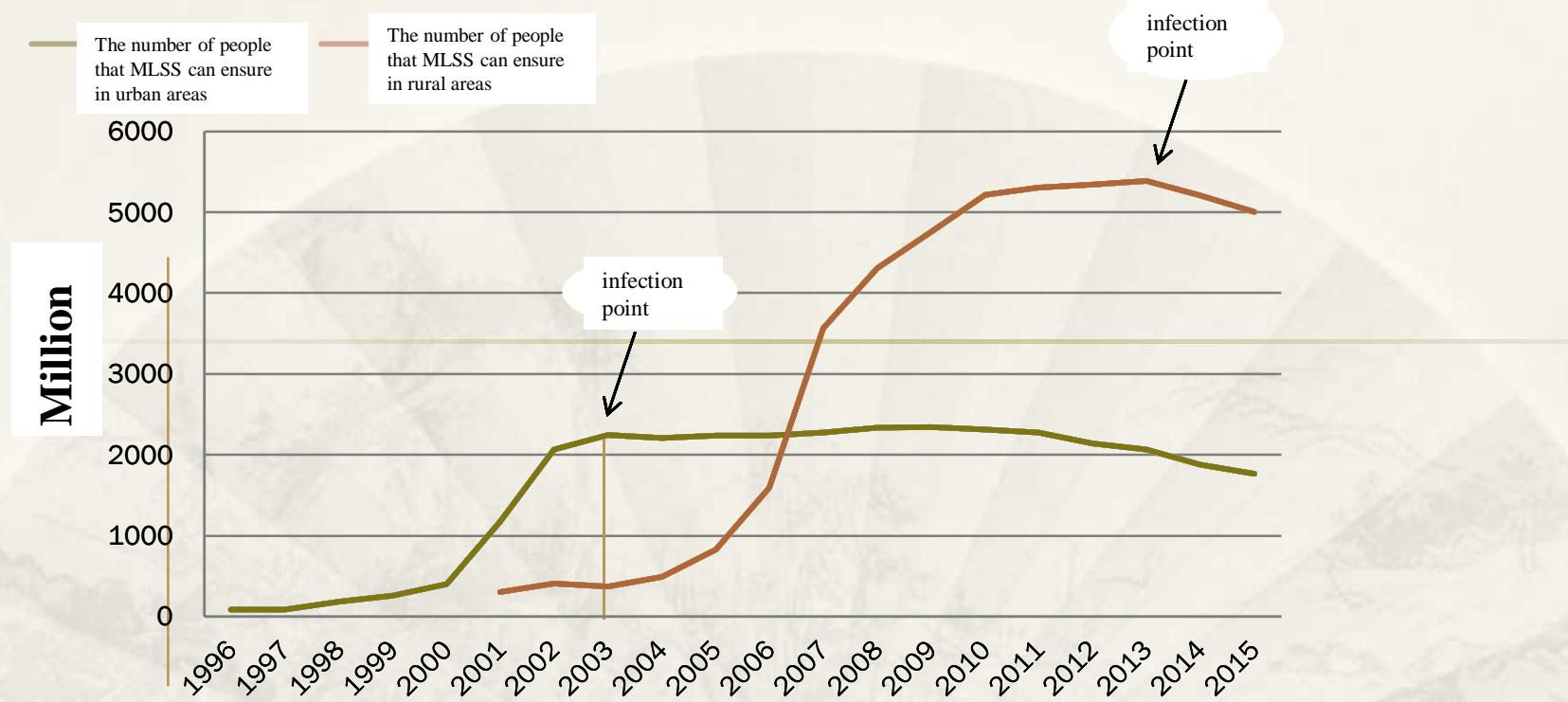
Data sources:(1)National Bureau of Statistics of the People's Republic of China *China statistical yearbook of 2014*
(2)Ministry of Civil Affairs of the People's Republic of China *Social service development statistical report of 2014*
(3)Ministry of Civil Affairs of the People's Republic of China *Rural MLSS data above county among the nation in August,2015 Urban MLSS data above county among the nation in August,2015*

At the beginning, local governments used different ways to calculate the standard , and most areas did not establish a scientific calculation method

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* Article 6 of *Regulation on MLSS for urban residents*'the standard of MLSS for urban residents should be designed to sustain the urban residents' basic life in accordance with the local costs of food, clothing, housing, and the fee of coal (gas), water and electricity and costs of the education of minors'

* Food expenditure: food, edible oil, vegetables, meat, eggs milk

* Clothes expenditure: clothing, shoes and hats, etc.

* Housing expenditure

* Other necessities : water, electricity, gas, etc.

Calculation method in various regions

* Basket baggage
* Engle's Ratio
* Ratio related to income and the minimum wage
* Way of life
* Comparative method (compared with the adjacent areas)

The adjustment of MLSS

* Linked to income

* Linked to price

* Referring to both income and prices

* Most have no normal adjustment mechanism

The Ministry of Civil Affairs standardized the calculation method of MLSS and recommended three methods to local governments in 2011

* 2011,*The guidance of standardize the formulation of the standard of MLSS and its adjustment*
* Method of basic living expenses
  * expense of essential food consumption + expense on non food necessities
* Engle's Ratio Method
  * necessary food consumption expenditure/ Engel's coefficient of the families with lowest income last year
* Method of consumption expenditure
  * consumption expenditure per capita of loca urban and rural residents last year ✕ proportion of MLSS accounting for consumption expenditure per capita of urban and rural residents

Recent surveys show that most local governments began adopting these methods, and gradually establish a mechanism of adjustment

* ## Calculation method after standardization
  * Method of basic living expenses:Jilin, Jiangxi, Hainan, Chongqing, Yunnan, etc
  * Engle's Ratio Method: Beijing, Shanghai, Shijiazhuang in Hebei province, etc
  * Method of the ratio of consumption expenditure: Liaoning, Shandong, Hubei, Guangdong, Guangxi and Sichuan, Gansu, Xinjiang, some cities and counties in Ningxia
* ## Adjustment of MLSS
* Linked to the consumption: hubei, gansu, etc
* Linked to the minimum wage: zhejiang, fujian, hunan, etc
* Linked to income: jiangsu, etc

The average minimum living standard maintain a steady growth, but the gap is widening in rural areas
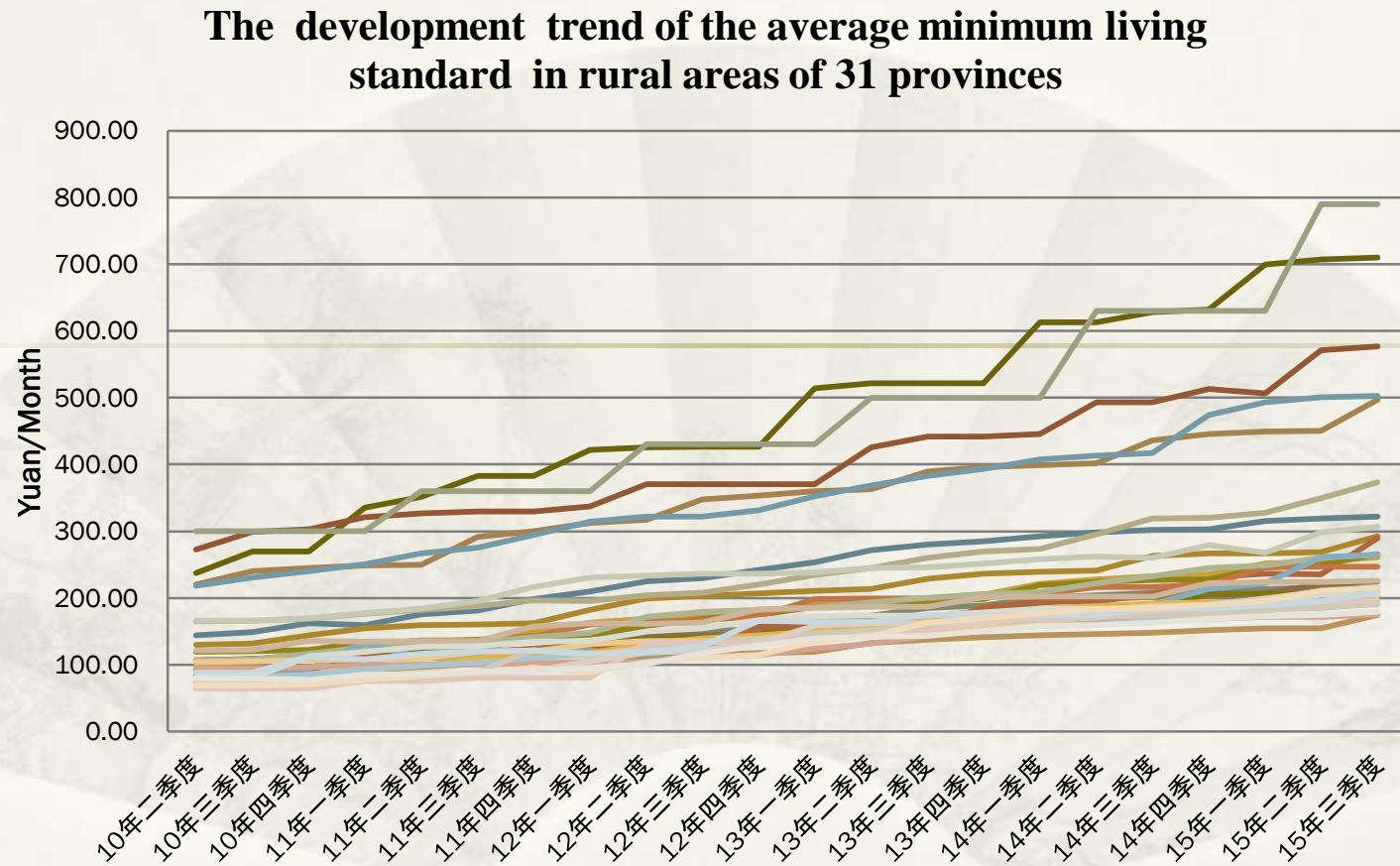
The development trend of the average minimum living standard in rural areas of 31 provinces

Data source: finishing data according to the guarantee standard announced by the Ministry of civil affairs of the people's Republic of China. http://www.mca.gov.cn/article/sj/tjjb/

The average minimum living standard in urban areas maintains steady growth, and each area remains synchronized
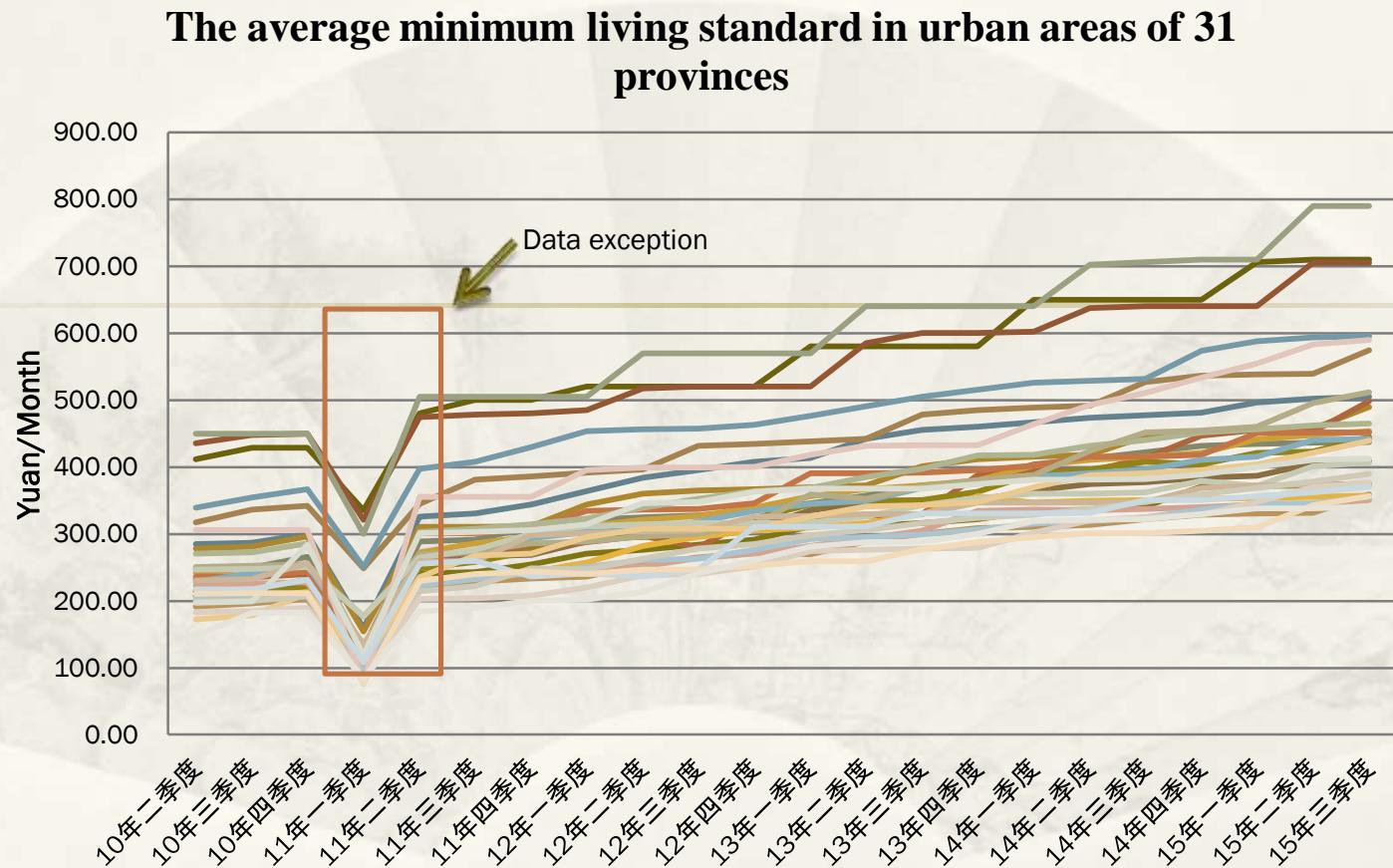
The average minimum living standard in urban areas of 31 provinces

Data source: finishing data according to the guarantee standard announced by the Ministry of civil affairs of the people's Republic of China. http://www.mca.gov.cn/article/sj/tjjb/

Reforming the standard setting and specify the responsibility of central and local government

* Central government
    * Establishing a universal national standard （e.g. relating to the poverty line)
    * Providing financial support to meet the national minimum standard
* Local governments （at the province level）
    * Setting local standards on the base of national standard and taking into view of local economic and social development
    * Providing financial support to meet the local standards

China's MLSS adopts a compensation mechanism. That is, the difference between the family income and the minimum living standard is provided to increase the family income to the minimum living standard

Income

Non poor

Minimum living security line

Compensation gap

Poor

Number of people
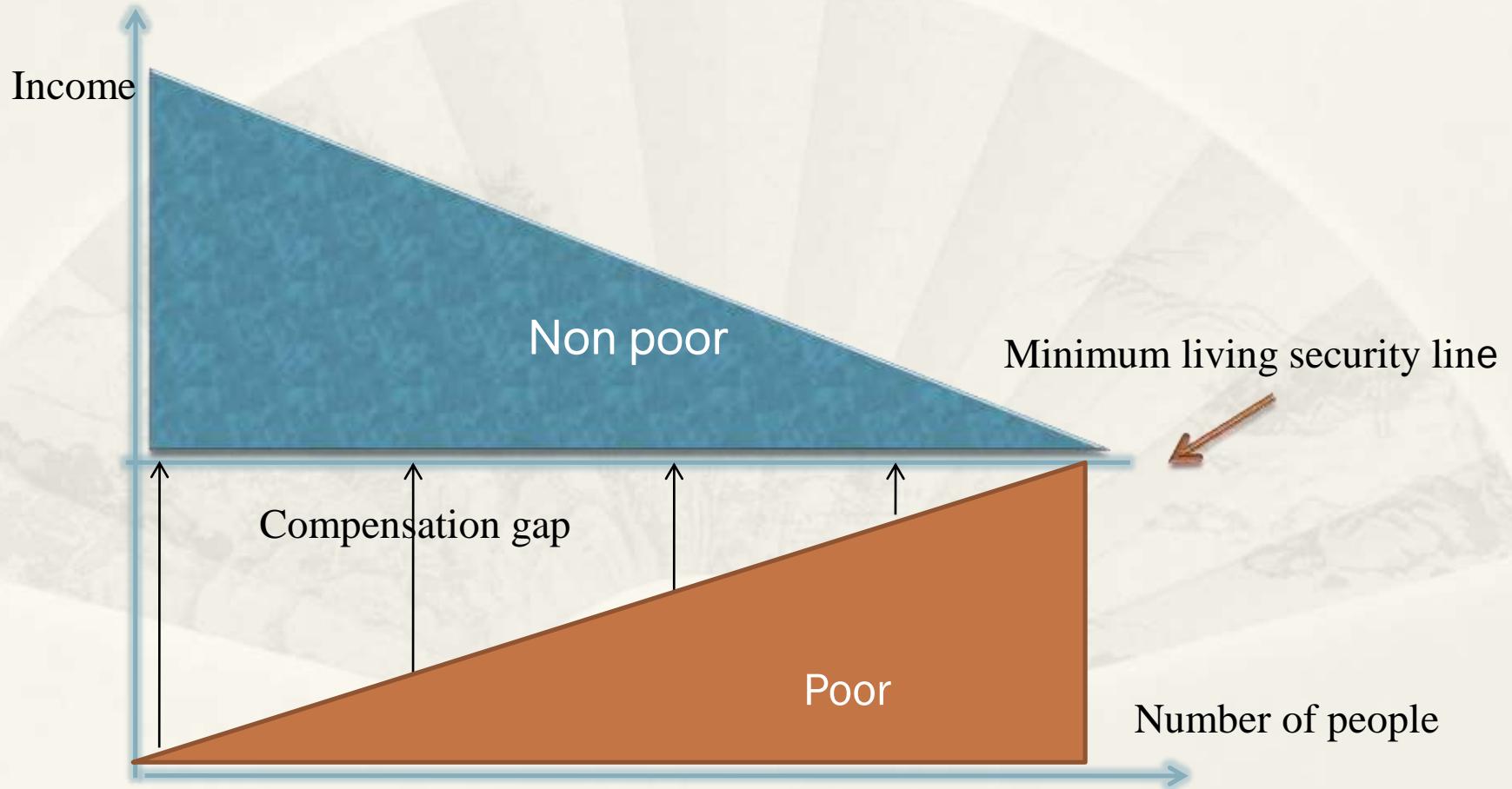
The fairness of the system depends on the check of family income and property

* Main content
    * Income
    * Property
* Main methods
    * Household survey
    * Neighborhood visits
    * Document and other evidence
* Method innovation
    * Electronic information support
    * Democratic appraisal

Source: *Taizhou evening news* October 11, 2012, A05

But the checking of family income and property is facing many difficulties, and the accuracy of targeting needs to be improved.

* No method
  * The transition from traditional acquaintance society to a stranger society challenges the application of means tested method
  * The income reporting system is not perfect
  * The deficiency of income monitoring: informal employment, agriculture, cash transactions
  * Income and property in different places

Continued

* Difficult to be quantified
  * Small business
  * Farming
  * The value of some property are difficult to be calculated (such as antiques, calligraphy and painting)
* costs
  * Management costs: household survey, investigation in places other than hometown
  * Time costs: long waiting time

Data shows that the accuracy of the family income investigation in urban residents needs to be improved

Table :Ranking of urban income per capita and means tested income

Province	Urban disposable income per capita	Income Per capita ranking	Means tested income	Means tested income ranking	Gap between two rankings	Province	Urban disposable income per capita	Income Per capita ranking	Means tested Income	Means tested income ranking	Gap between two rankings
Beijing	26170.7	2	3.24	31	29	Shanghai	26663.8	1	157.36	7	6
Hebei	12561.9	24	183.68	2	22	Hainan	13196.5	15	148.62	9	6
Heilongjiang	11643.5	29	142.49	12	17	Fujian	17761.3	7	139.61	13	6
Chongqing	14306.9	11	78	28	17	Liaoning	15624	9	135.42	15	6
Tibet	12589.8	22	161.5	6	16	Yunnan	12989.9	19	85.79	25	6
Guizhou	12285.2	26	148.34	10	16	Tianjin	18130.7	6	142.75	11	5
Guangdong	18214.8	5	104.12	21	16	Jilin	12400.4	25	65.48	30	5
Jiangxi	12618.1	21	153.37	8	13	Ningxia	11836.9	28	87.43	24	4
Inner Mongolia	15122	10	108.6	20	10	Gansu	11243	31	78.13	27	4
Hubei	13751.7	12	181.14	3	9	Jiangsu	19347.9	4	196.37	1	3
Hunan	13649.9	13	99.59	22	9	Shandong	15700.4	8	161.77	5	3
Xinjiang	12727.4	20	71.48	29	9	Shanxi	13185.9	17	136.53	14	3
Shanxi	12274	27	117.49	19	8	Anhui	13375.7	14	122.19	17	3
Guangxi	12991.6	18	78.2	26	8	Sichuan	13195.7	16	119.53	18	2
Henan	12569.2	23	123.68	16	7	Zhejiang	22640	3	175.32	4	1
Qinghai	11402.4	30	93.51	23	7	Data source: "Chinese monthly statistics in September 2015"					

The checking of Rural household income is more reliable

Table : Ranking of rural income per capita and means tested income

| area	rural disposable income per capita	Income per capita ranking	Means tested income	Means tested income ranking	Gap between two rankings	area	rural disposable income per capita	Income per capita ranking	Means tested income	Means tested income ranking	Gap between two rankings
Tibet	2521.3	30	105.97	13	17	Hainan	6167.4	10	151.38	6	4
Inner Mongolia	4345.8	23	115.35	10	13	Hunan	5086.2	16	84.83	20	4
Guizhou	3112.9	28	94.02	15	13	Ningxia	3426.4	26	81.77	22	4
Chongqing	5194.1	15	59.08	28	13	Guangdong	6865.8	8	164.30	5	3
Hubei	4956.4	17	149.77	7	10	Shanxi	4388.2	22	66.68	25	3
Qinghai	3284.7	27	90.77	17	10	Tianjin	9662.2	4	250.36	2	2
Sichuan	5318.5	14	74.09	24	10	Jiangsu	8713.4	5	228.84	3	2
Henan	4627.7	20	51.91	29	9	Zhejiang	12005.2	2	186.69	4	2
Gansu	2984.8	29	84.02	21	8	Liaoning	7122.7	7	118.84	9	2
Guangxi	4844	19	60.97	27	8	Heilongjiang	4882	18	93.63	16	2
Jiling	5707.8	12	87.22	19	7	Jiangxi	4556.1	21	74.76	23	2
Shandong	7232.1	6	106.23	12	6	Shanxi	4178.1	24	65.01	26	2
Beijing	11017.9	3	139.78	8	5	Shanghai	13345.9	1	295.47	1	0
Fujian	6520	9	96.98	14	5	Anhui	5723.6	11	106.50	11	0
Hebei	5682.1	13	90.12	18	5	Xinjiang	1378	31	35.91	31	0
Yunnan	3486.8	25	47.28	30	5	Data source: "Chinese monthly statistics in September 2015"					

Reform the means tested method and use proxy indicators

* proxy indicators such as the number of children (or children under 5 years old), the age of family members, pregnancy or breast-feeding women, female heads of households, the number of children, place of residence, etc., are easy to be observed and measured. They are also highly relevant with family income .

* Advantages:
    * simple and easy,
    * reducing the costs of management greatly
    * especially suitable for developing countries

Proxy indicators

Dimensions	Weight（%）	Indicators	Assignment
Education and employment	30	Level of adult Education	Less than 6 years of education =0, more than 6 years of education =1
		Education of school age children	In school =0, Not =1
		people supported by the employed member	Less than or equal to 1=0, greater than 1=1
Health	20	Disabled	No=0, Yes=1
		Chronic diseases	No=0, Yes=1
		Self-care ability	Self-care completely=0 others=1
Living conditions	50	power consumption per capita monthly	More than 15 RMB=0, less than or equal to 15RMB=1
		Housing structure	Brick =0, others =1
		housing spaces per capita	More than 25 square meters =0, less than or equal to 25 square meters =1
		Dangerous houses	No=0, Yes=1
		Domestic water	Tap water =0, other =1
		Life fuel	Clean energy (gas, electricity) =0, other =1
		toilet	Independent toilet =0, non independent toilet =1
		Flushing of the toilet	Yes=0,No=1
		Communication / transportation	Yes=0,No=1
		necessities	Yes=0,No=1
		non- necessities	Yes=0,No=1

Grant allowances according to poverty level

Income

Non poor

Minimum living security line

100% standard

75% standar

50% standar

Extreme poverty

poverty

Low-income

population
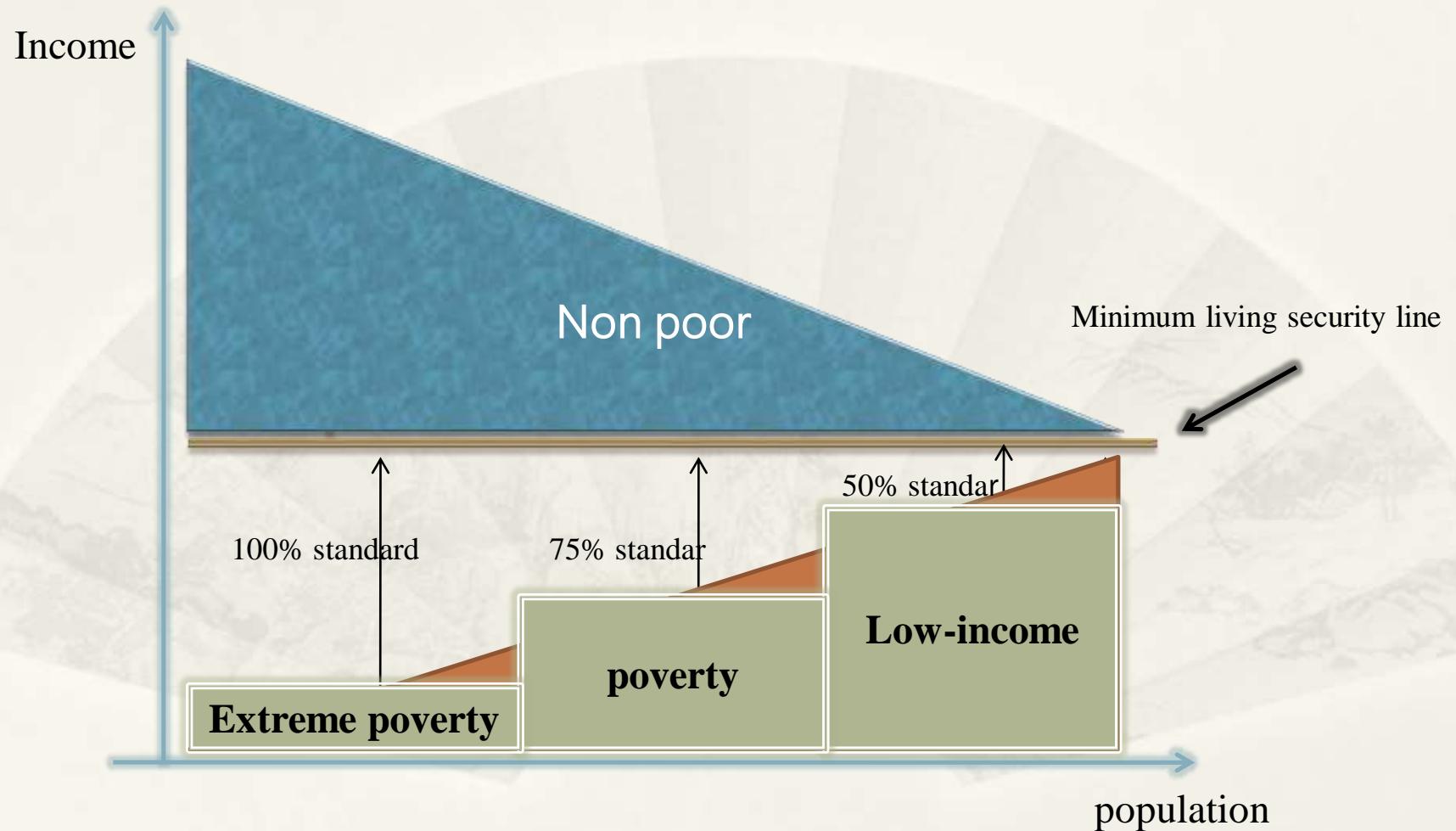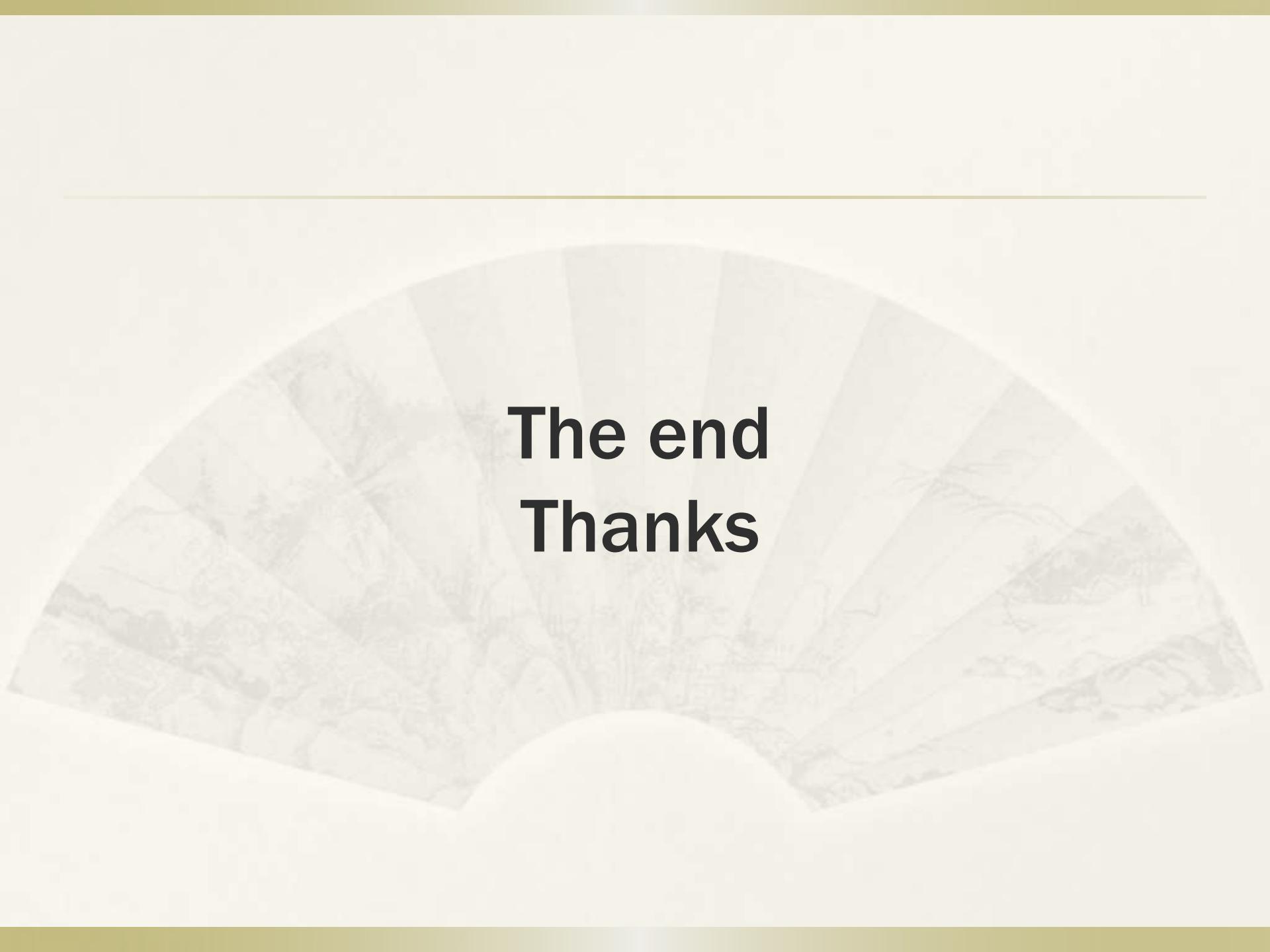
The end
Thanks

中国最低生活保障标准与补差研究

杨立雄

中国社会保障学会 秘书长

中国人民大学中国社会保障研究中心 教授

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最低生活保障起初是为国有企业改革服务而建立起来的，后变成全民保障的基本制度

* 1993年，上海市最先建立最低生活保障制度
* 1996年，在全国范围推开最低生活保障制度
* 1999年，国务院颁布《城市居民最低生活保障条例》
* 2007年，《国务院关于在全国建立农村最低生活保障制度的通知》

最低生活保障人数经历了快速增长、平稳发展和逐步下降的三个阶段
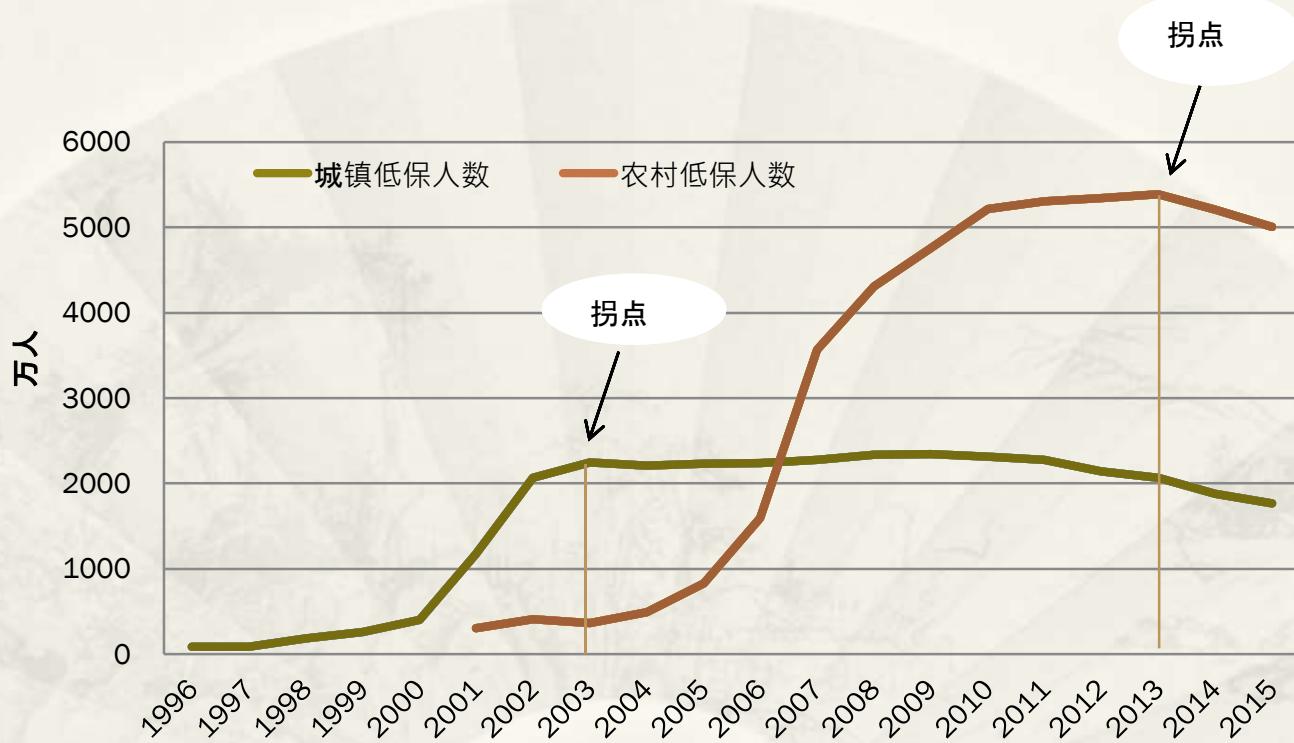
在最低生活保障建立之初，各地按不同的方法计算保障标准，多数地方并没有建立科学的计算方法

* 《城市居民最低生活保障条例》第六条规定："城市居民最低生活保障标准，按照当地维持城市居民基本生活所必需的衣、食、住费用，并适当考虑水电燃煤(燃气)费用以及未成年人的义务教育费用确定。"
  * 食物支出:粮食、食用油、蔬菜及制品、肉禽蛋奶水产品及制品等
  * 衣物支出：服装、鞋帽等
  * 住房支出
  * 其他生活必需品支出：水、电、燃气等
* 各地的计算方法
  * 市场菜篮法
  * 恩格尔系数法
  * 比例法（与收入挂钩，与最低工资挂钩）
  * 生活形态法
  * 比较法（与邻近区域比较）
* 最低生活保障标准的调整
  * 与收入挂钩
  * 与物价挂钩
  * 参考收入和物价
  * 多数没有正常的调整机制

2011年，民政部规范了最低生活保障标准计算方法，向地方政府推荐了三种方法

* 2011年，《**关于**进一步规范城乡居民最**低生活保障**标准制定和调整工作的指导意见》

  * **基本生活**费用支出法
    * **低保**标准＝必需食品消费支出+**非食品**类生活必需品支出

  * **恩格尔系数法**
    * **低保**标准＝必需食品消费支出/**上年度最低收入家庭恩格尔系数**

  * **消费支出比例法**
    * **低保**标准＝当地上年度城乡居民人均消费支出×**低保**标准**占上年度城**乡居民人均消费支出的比例

从最近的调查看，多数地方政府开始采纳这些方法，并逐步建立正常的调整机制

* 规范后的计算方法
  * **基本生活**费用支出法：吉林、江西、海南、重庆、云南等
  * **恩格尔系数法：北京、上海和河北省石家庄市等**
  * **消**费支出比例法：辽宁、山东、湖北、广东、广**西、甘**肃、新疆和四川、宁夏的部分市县
* **保障**标准的调整
  * **与消**费挂钩：湖北、甘肃等
  * **与最低工**资挂钩：浙江、福建、湖南等
  * **与收入挂钩**：江苏等

各地农村平均最低生活保障标准保持平稳增长，但是各地的差距正在拉大

31个省市农村平均最低生活保障标准发展趋势
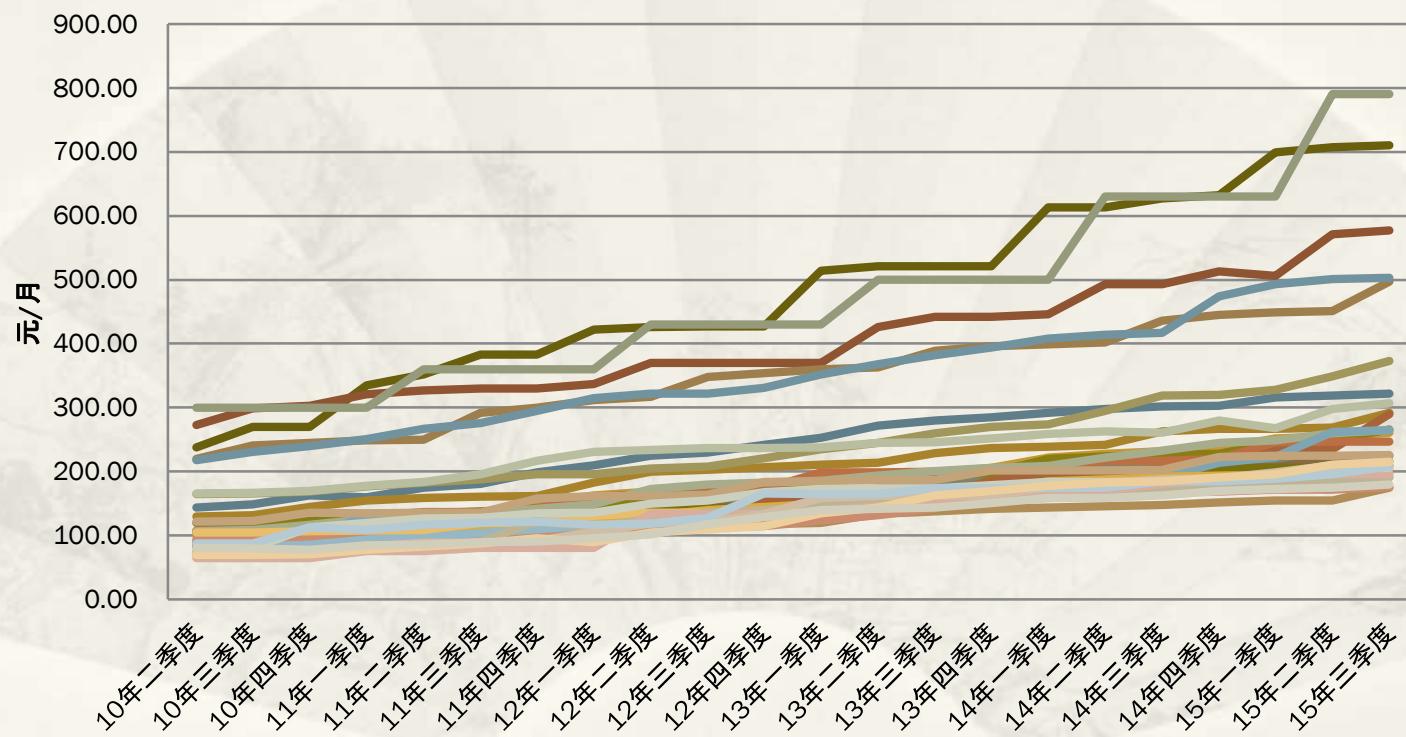
各地城镇平均最低生活保障标准也在保持平稳增长，且各地基本保持同步

31个省市城镇平均最低生活保障标准

数据异常

元/月
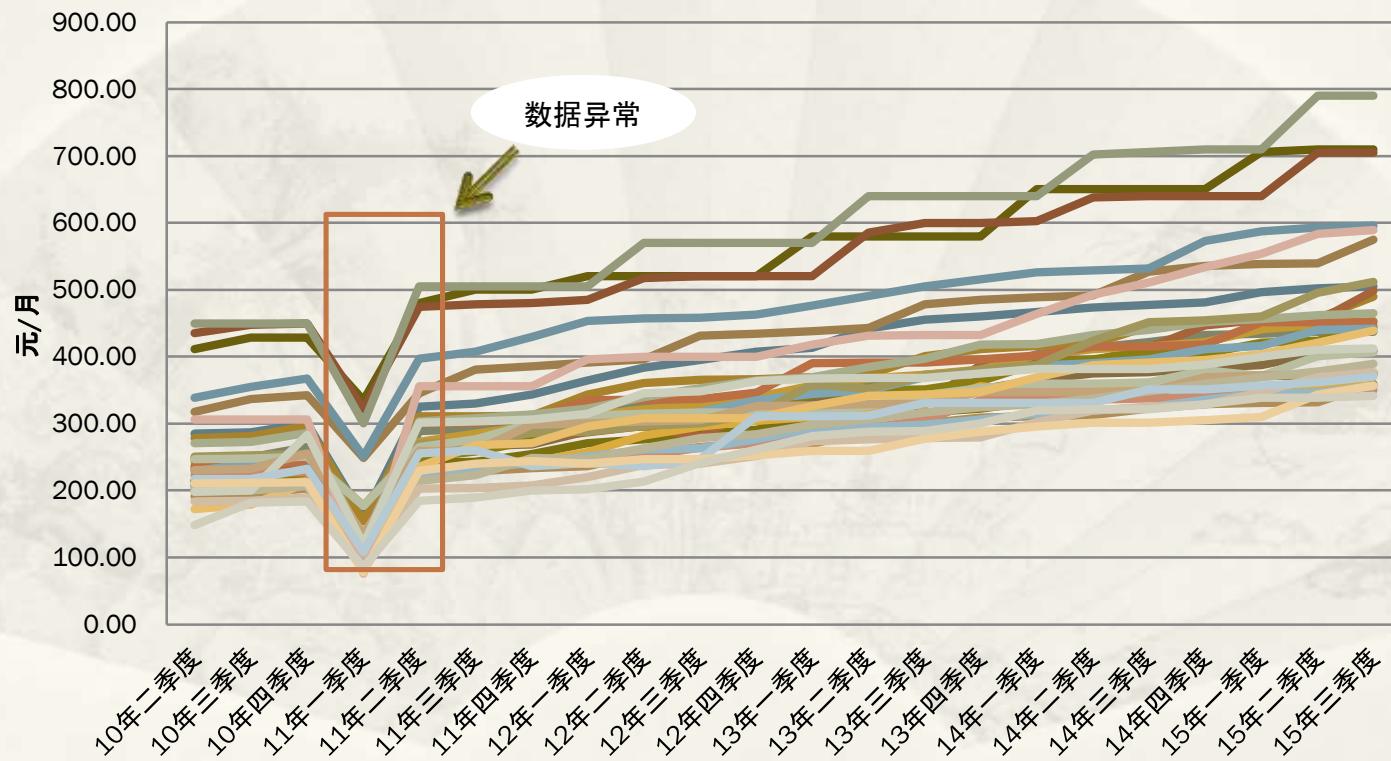
建议对最低生活保障标准管理体制改革，划清中央和地方责任

* **中央政府**
  * **建立全国**统一的最低保障标准（如以扶贫线为标准）
  * **承担最低保障**标准的财政支出
* **地方政府**（省级）
  * **基于地方**经济和社会发展情况，在全国标准之**上制定地方**标准
  * **承担地方**标准的财政支出

中国最低生活保障实行补差制度，即设定最低生活保障标准后，根据家庭人均收入给予补偿，使其达到最低生活保障线

收入

非 穷 人

最低生活保障线

补差额

人数
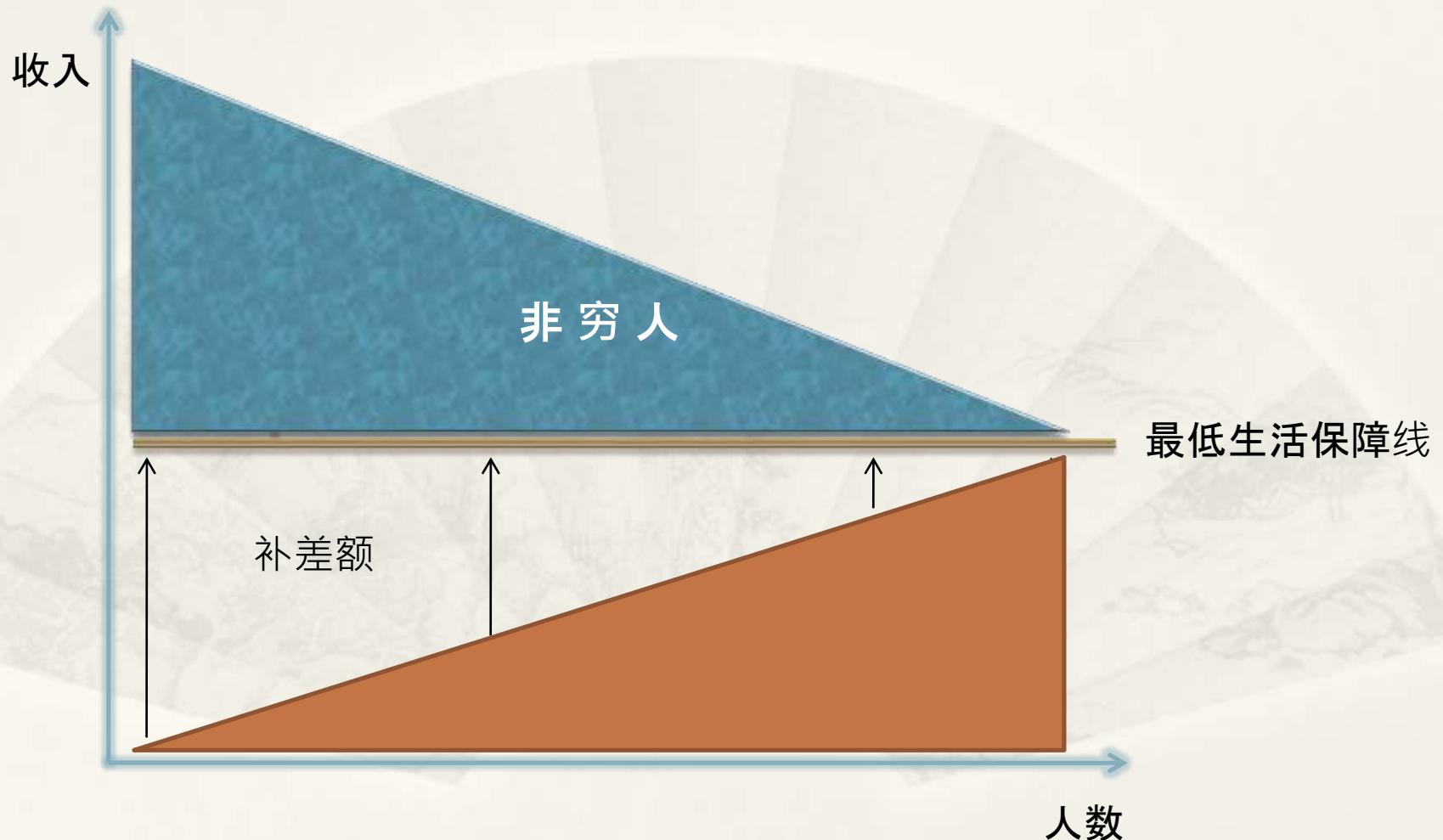
这种制度的公正性依赖于精确的家计调查

* **主要内容**
  * **收入**
  * 财产
* **主要手段**
  * **入户调查**
  * 邻里访问
  * **信函索**证
* **手段**创新
  * 电子信息比对系统
  * **民主**评议

图片来源：《**泰州晚报**》2012年10月11日，A05

但是家计调查面临重重困难，目标定位的准确度有待提高

* **没有手段**
  * **从熟人社会正走向陌生人社会**：传统的家计调查手段无法适应
  * **收入申**报体系不完善
  * **大量人口游离于收入**监控之外：**大量非正规就业，大量的**农业人**口，大量的**现金交易
  * **在异地的收入和**财产
* **无法量化**
  * **小本**经营性收入（**包税制**）
  * **种植养殖养收入**
  * 财产无法计算（**如古董、字画**）
* **越来越高的成本**
  * **管理成本**：上门核查、**异地**调查
  * 时间成本：**等待**时间长

数据表明，城镇低保家计调查的准确度有待提高

表 城镇人均收入与低保家计调查收入的排名情况

地区	城镇人均可支配收入	人均收入排名	家计调查收入	家计调查收入排名	两种排名的差距	地区	城镇人均可支配收入	人均收入排名	家计调查收入	家计调查收入排名	两种排名的差距
北京	26170.7	2	3.24	31	29	上海	26663.8	1	157.36	7	6
河北	12561.9	24	183.68	2	22	海南	13196.5	15	148.62	9	6
黑龙江	11643.5	29	142.49	12	17	福建	17761.3	7	139.61	13	6
重庆	14306.9	11	78	28	17	辽宁	15624	9	135.42	15	6
西藏	12589.8	22	161.5	6	16	云南	12989.9	19	85.79	25	6
贵州	12285.2	26	148.34	10	16	天津	18130.7	6	142.75	11	5
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广西	12991.6	18	78.2	26	8	四川	13195.7	16	119.53	18	2
河南	12569.2	23	123.68	16	7	浙江	22640	3	175.32	4	1
青海	11402.4	30	93.51	23	7	数据来源：《中国统计月报2015年9月》					

说明：城镇人均可支配收入为2015年1-6月累计收入，家计调查收入=最低生活保障标准-人均低保支出标准

农村低保家庭的数据更符合实际情况

表 农村人均收入与低保家计调查收入的排名情况

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广西	4844	19	60.97	27	8	黑龙江	4882	18	93.63	16	2
吉林	5707.8	12	87.22	19	7	江西	4556.1	21	74.76	23	2
山东	7232.1	6	106.23	12	6	山西	4178.1	24	65.01	26	2
北京	11017.9	3	139.78	8	5	上海	13345.9	1	295.47	1	0
福建	6520	9	96.98	14	5	安徽	5723.6	11	106.50	11	0
河北	5682.1	13	90.12	18	5	新疆	1378	31	35.91	31	0
云南	3486.8	25	47.28	30	5	数据来源：《中国统计月报2015年9月》					

说明：农村人均可支配收入为2015年1-6月累计收入，家计调查收入=最低生活保障标准-人均低保支出标准

建议改革家计调查方法，用代理家计调查取代之

* **代理家**计调查**不核**实家庭收入，**而采用一个或多个替代性的指**标，**如家庭中儿童数**（**或**5岁以下的儿童）、**家庭成**员的年龄分**布**、怀孕或哺乳的妇女、**女性**户主、学龄**女童**、拥有的土地数量、**家庭居住地等**，这些指标易于观察和测量，**且与家庭收入高度相关**

* 优点：简单易行，**大大降低管理成本**，**尤其适合**发展中国家。

代理家计调查指标设计

维度	权重（%）	指标	赋值
教育就业	30	成年人受教育程度	受教育年限小于6年=0，受教育年限大于6年=1
		学龄儿童教育	在学=0，未在学=1
		家庭就业人口负担率	小于或等于1=0，负担率大于1=1
健康	20	残疾	否=0，是=1
		慢性病	无=0，有=1
		自理能力	完全自理=0，完全不能自理或部分不能自理=1
生活形态	50	月人均用电量	大于15元=0，小于或等于15元=1，
		住房结构	砖混=0，其它=1
		人均住房面积	大于25平米=0，小于或等于25平米=1
		危房	非危房=0，危房=1
		生活用水	自来水=0，其它=1
		生活燃料	清洁能源（燃气、电）=0，其它=1
		独立卫生间或厕所	独立厕所=0,非独立厕所=1
		厕所冲水	有=0,无=1
		通讯/交通	有=0，没有=1
		生活必需品	有=0，没有=1
		生活非必需品	有=0，没有=1

按贫困等级发放补助额

到此结束

谢谢