

Introduction

Managing Social Change and Social Policy in Greater China: Welfare Regimes in Transition?

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Discussion of welfare regimes and welfare state ideal types continues to dominate comparative social policy analysis, but the focus of the debate has expanded considerably since the publication of Esping-Andersen's (1990) groundbreaking *The Three Worlds of Welfare Capitalism*. Shifts in this debate have been prompted by a mixture of theoretical and empirical concerns raised by comparative social policy scholars, but they have also resulted from a more general internationalisation of social policy research agendas within the academy too. In particular, there has been a strong desire to expand the scope of the debate to encompass nations and regions not included in Esping-Andersen's initial study of just eighteen high income OECD states.

Arguably the largest body of work in this regard has been that focusing on East Asia, not least because the flowering of a very active East Asian Social Policy Research Network has provided a space for sustained discussion, debate and comparison of welfare regimes in this region. That said, debate about an 'East Asian' model has featured prominently since the early 1990s, with some of the earliest critiques of Esping-Andersen's typology pointing to a potential mismatch between his ideal types and the foundations of welfare systems in the region, and a substantial body of literature has developed in the intervening period (see Hudson *et al.*, this issue).

However, even within regions there are variations in the extent to which welfare systems have featured in the welfare regimes debate. Within East Asia, much of the debate has focused on the OECD member states (Japan and South Korea) with the 'Tiger Economies' of Hong Kong, Taiwan and Singapore featuring at times, but to a much lesser degree. Rapid economic growth and social policy development in mainland China have meant that it has featured more prominently in recent years, but for the most part it has been at the margins of the welfare regimes debate, and often considered in isolation rather than being compared to nearby neighbours or Esping-Andersen's original sample of eighteen states.

To this end, in this themed section we focus on an examination of welfare regimes in the Greater China region, examining welfare regime development in mainland China alongside discussion of Hong Kong, Macao and Taiwan. In so doing, a key goal is to examine the ways in which the rapid growth and internationalisation of the economy in the Greater China region is presenting new social policy challenges that welfare regimes in the region are having to respond to, shedding light on cases that have received less

attention in the comparative welfare regimes literature than their OECD neighbours. Rather than simply aiming to describe and categorise welfare systems, the themed section aims to add to our understanding of how one of the major economic transformations of the contemporary era is shaping welfare provision in a region that is at the heart of this economic transformation, and in which, despite significant institutional differences, there is shared language, much economic interdependence and a good degree of shared culture. Focusing on the Greater China region enables us to draw comparative insights from four major Chinese societies in the region in relation to what strategies they have adopted in coping with similar socio-economic and demographic changes. Such an analysis helps show how different historical and political heritages, together with the recent transformations driven by democratisation in some of these societies, have affected social welfare development and social policy formation.

From 'pro-growth' to 'pro-poor growth': a new welfare paradigm in formation?

In the period since the 1997 financial crisis in Asia, the 'productivist welfare capitalism' approach (Holliday, 2000) in East Asia has come under constant challenge as social policy has become increasingly less productive and inappropriate. This is to a large extent because the fundamental pillars underpinning it, such as dynamic economic growth, a young population, less political competition because of the lack of labour movements and democratisation, have shifted (Lau and Mok, 2010). In fact, the so-called 'East Asian Welfare Model', characterised by stable and high economic growth to legitimise low public spending on social welfare, has been vigorously challenged since the Asian Financial Crisis resulted in a deep questioning of the sustainability of previously taken-for-granted high economic growth rates (Wilding, 2008). Although most countries in the region have been enjoying stable economic recovery and their economic development has been back on track in recent years, the financial tsunami demonstrated once more that a stable economy can easily become vulnerable due to external economic forces in the age of globalisation.

It is highlighted in the literature that financial crisis can unfold like a natural disaster in terms of its speed and the unexpected disastrous damage it may cause, therefore prudent governments should have preventive and protection measures prepared before crisis occurs. Lee (1998: 75) argues that what made the Asian Financial Crisis so damaging to the economy and people's lives was the absence of a 'meaningful social safety net', such as unemployment insurance, which could have functioned as an 'automatic stabilizer' during economic crisis. According to Lee (1998: 75–6), the absence of such a safety net may be due to several reasons: (1) both the government and people believed the risk of unemployment to be low in light of decades of continuous high employment rates before the crisis; (2) it was believed that agricultural and informal sectors could absorb lay-off labour; (3) a belief that the fiscal costs would be too high and administrative capacity inadequate to implement such unemployment insurance; (4) an ideological hostility to the idea of the welfare state; (5) the powerlessness of trade unions and lack of freedom in associations.

It is fair to say that these objections reveal the fact that prior to the Asian Financial Crisis, the belief in market mechanisms was very prevalent in much of Asia. But deeply held beliefs are often challenged in times of crisis, and following the Asian Financial Crisis many governments, democratic and authoritarian, began to pursue radical measures not

seen for decades in order to intervene in the market and secure people's living standards. In this regard, a significant question arises: 'Will these big moves by governments at this moment lead to a paradigm shift in welfare models? Or are they just special moves in a special time?' (Mok, 2011).

Welfare regimes in transition?

The themed section sets out the macro socio-economic and political-economic contexts outlined above, together with the theoretical interests set out against the heated welfare regime debates. The following articles examine how different governments and societies in the Greater China region respond to changing welfare expectations and increasing social demands from their citizens.

Mok and Lau engage in the debate about East Asian welfare systems using European social policy regimes as a reference point to examine social development challenges and social welfare responses in mainland China. Despite the fact that China has transformed into the second largest economy in the world, it has not been able to escape from all kinds of social problems resulting from rapid social, economic, demographic and political changes. Mok and Lau adopt a case study of Guangzhou, the capital city of one of the most economically vibrant provinces in China, closely examining the major strategies that the Guangzhou government has adopted in addressing changing social needs and changing welfare expectations of their citizens. Through the Guangzhou case, they analyse whether any major paradigm shifts in social welfare arrangements and social policy formulation took place after the global financial crisis broke out in 2008. They place the Guangzhou case into the macro context of mainland China by critically examining whether the concepts of productivist welfare capitalism could help us conceptualise the growing complexity of social development problems resulting from an imbalance between economic growth and social and human developments in China.

Ngok and Huang examine the development of Chinese social policy at a national level, critically reviewing how the Chinese government has made steps to reinvent the role of the state in social policy and social welfare after two decades of retreat of the state in social welfare provision. In their article, they argue that a new page for Chinese social policy development was opened in 2002–03 as a result of the leadership succession. Since then, social policy, or 'people's livelihood policy' in the official jargon, has become the core work of the governments in China, and an array of social policy initiatives have been launched. While many old social programmes have expanded their coverage, especially the social insurance programmes, a number of new social policy programmes have also been launched, which move China's social policy regime beyond the occupation-based social insurance model. With more emphasis being placed on social welfare and different strategies adopted to address poverty and income gap issues, overall social expenditure has increased considerably, and Ngok and Huang conclude that a rapid expansion of social policy has taken place in China since 2003.

In moving from being European colonies to special administrative regions of China, Hong Kong and Macao have encountered significant social, economic and political changes following their status-change. To fill the long-standing gap when little research has been conducted to link social development and social policy change of Macao to mainstream debates on welfare regimes, Lai and Chui's article compares the welfare systems of Macao and Hong Kong. The comparison involves two broad dimensions: the

modification impact of social policy on a capitalist social structure and the pattern of welfare mix. It finds that social policies in both city-states have exerted more or less the same effect in modifying the capitalist structure and share a similar pattern of welfare mix. Based upon such observations, Lai and Chui argue that Macao can also be grouped into those welfare regimes that accurately describe the basic features of Hong Kong's social policy.

Lu examines the development of welfare in Taiwan through the lens of Katzenstein's (1985) classic thesis regarding small states in the world market. He raises the question of whether small state East-Asian newly industrial countries such as Taiwan have developed an alternative model for coping with the risks of an open economy to that pursued in Europe, and, if so, whether such a model will continue to be effective as Taiwan faces new challenges arising from intensified economic competition in the region, the move towards a knowledge based economy and a changed political context following democratisation. Pointing to mounting problems arising from diminished economic growth, rising public debt and fiscal strain, he asks whether the future growth of Taiwan's welfare system will depend on the ability of its governing parties to develop the social consensus Katzenstein identified in many small European states.

Ramesh and Wu offer us a detailed examination of poverty reduction in urban China by assessing the impact of cash transfers in the form of the Minimum Living Standard Assistance (MLSA). Using newly available data on MLSA spending and a unique panel survey dataset covering the 1993 to 2009 period, they investigate the impact of the MLSA on poverty alleviation. Findings from the study confirm that targeted social protection programmes are an effective tool for reducing poverty.

The review article by Hudson *et al.* rounds off the themed section, reviewing broader debates within the welfare regimes literature relevant to an examination of welfare regimes in Greater China. More specifically, it examines the now well-established literature around the East Asian 'model' of welfare before moving on to consider more recent debates such as those surrounding the notion of a 'productive welfare' model. In so doing, it challenges simplistic classifications that present the region as representing a single model of welfare and, instead, highlights the diversity of welfare provision found within both Greater China and East Asia more generally.

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