

2012

HARVARD-YENCHING
INSTITUTE WORKING
PAPER SERIES

SELECTIVITY, WELFARE STIGMA, AND THE
TAKE-UP OF SOCIAL WELFARE:
HOW DO CHINESE PEOPLE MANAGE
WELFARE STIGMA?

Sophie Fenghua Zhou | Central China Normal University

Selectivity, Welfare Stigma, and the Take-up of Social Welfare
--How Do Chinese People Manage Welfare Stigma?

Sophie Fenghua Zhou
School of Management, Central China Normal University
Siluoip@163.com; fenghuazhoucnu@qq.com

Prepared for “Social Welfare Development and Governance Transformation in East Asia,” 17-18 May 2012, Central China Normal University in Wuhan, China, sponsored by the Harvard-Yenching Institute and the Central China Normal University.

Abstract

Scholarship of welfare stigma agrees that the more selective the welfare policy is, the more stigmatizing it is. Yet there are controversies about the impact of welfare stigma on the take-up of welfare benefits. Earlier studies hold that welfare stigma is a major deterrent factor of welfare take-up, whereas more recent studies from comparative perspectives produce more complex results. To what extent is this knowledge from the well-established welfare states explanatory to the fact of the developmental welfare states?

This paper, taking the highly selective social assistance program—the Minimum Livelihood Guarantee in China—as an example, explores the relationship between selectivity and welfare stigma, and its effect on the take-up of social assistance via questionnaire interviews and a unique data set compiled for this research. Analysis shows that though there are multiple stringent selection mechanisms and stigmatizing official propaganda, average citizens do not perceive strong stigma. They do believe that welfare fraud is serious, and yet they don't show strong resentment for the welfare claimants, as they don't relate the transfer to their own wallets. More importantly, they attribute poverty and welfare receipt more to bad luck and slack labor market than to negative personal characteristics or misbehaviors. In addition, the public distrust of the official propaganda and the strategic behaviors of the grass-roots bureaucrats neutralize the stigmatizing effect. Therefore, the statistical discrimination approach—one of the conventional theories of welfare stigma sources—is irrelevant in the context of China, while taxpayer resentment view and individual attribution theory have strong explanatory power.

Among all the deterrent factors of welfare participation, the significant ones are: the high guarantee threshold, substitution effect of the informal social assistance system, the limited coverage, and transaction cost of the participants (in descending order of importance). By contrast, welfare stigma has a relatively limited impact on welfare participation. To promote the program's effectiveness in poverty reduction, the state needs to lower the threshold of protection, increase the program's coverage, reduce the participation cost of the residents, and shoulder greater responsibility in the welfare system.

选择性，福利污名与社会福利领受

—中国人如何应对福利污名？

周凤华

华中师范大学管理学院

摘要

通常认为，福利政策的选择性越强，污名效应越强。而福利污名对福利领取的阻碍作用则一直在争议中。较早的研究认为福利污名是领取的主要障碍之一，而最近更多的比较研究得出的结果则更为复杂。这些成熟福利国家的经验在多大程度上符合发展中的中国的实际？

本文以中国具有高度选择性的社会救助项目—最低生活保障制度为例，通过问卷访谈和特定数据收集的方法，探索选择性与福利污名的关系，以及福利污名对福利领取的影响。分析显示，尽管有种种严格的选择机制和强化污名的官方宣传，但普通民众并未感受到很强的污名效应。尽管民众认为福利欺诈比较严重，但由于一般居民并不认为福利支付与自己的钱袋有关，因此并未对福利领受者表现出强烈的反感。更重要的是，他们更多地把贫困和领取福利归因于个人不幸和萧条的就业市场，而不是福利领取者的个人缺陷或过错。此外，民众对公共宣传的不信任和草根官僚的策略行为也降低了污名效应。因此，对福利污名起源的经典解释之一—统计歧视理论在中国语境下并不适用，而纳税人憎恨理论和个人归因理论则有比较强的解释力。

在阻碍福利领受的诸因素中，最主要的是高保障门槛、非正式福利的替代作用、有限的保障范围，以及参与福利项目的交易成本，而福利污名在其中的影响相当有限。因此要增进福利项目的减贫效果，对政府来说，更重要的是降低保障门槛，提高覆盖面，在福利体系中承担更多的责任，并尽力降低居民参与的成本。

Universalism or selectivity through “targeting” has been a core choice underlining social policy. Under universalism, the entire population is the beneficiary of social benefits as a basic right, while under targeting; eligibility to social benefits involves some kind of means-testing. Means testing can target resources to the truly needy, flatten the distribution of income, and limit social expenditure. Therefore, since the 1980s, means testing is widely employed in social policies in both developed and developing countries (Sunesson et al. 1998; Gilbert 2001; Mkandawire, 2005). However, means tested schemes have a number of inherent problems. Of these the most serious ones are its stigmatizing effects on the beneficiaries and the non-take-up of benefits, which conflict with the social policy’s central aims of social integration, justice and poverty reduction (Oorschot, 2002).

A wealth of studies explores the relationship between selectivity, social welfare and the take-up of social welfare, with intent to reduce stigma and increase the take-up rate. It is a consensus among scholars of social policy that the process of means-testing or identifying the “deserving poor” is often invasive and stigmatizing (Titmuss, 1968; Pinker, 1971; Sen, 1995; Mkandawire, 2005). As Sen puts it, “Any system of subsidy that requires people to be identified as poor and that is seen as a special benefaction for those who cannot fend for themselves would tend to have some effects on their self-respect as well on the respect accorded them by others” (Sen, 1995:13).

Stigma is generally viewed as a major deterrent factor of welfare take-up. It increases the cost of participating in the program, so that some households who would participate in the absence of stigma choose not to participate (Moffit, 1983). This is supported by many empirical findings (Feagin, 1972; Gough, 1991; Hancock et al., 2004; Pudney et al., 2006). For instance, Feagin (1972) reports that a majority of AFDC mothers feel ashamed about their participation in the welfare program, and suggests that “the shame felt about being on welfare may account for the fact that an estimated one-half to two thirds of those American who cannot find decent paying jobs do not, although they qualify, go on welfare”. Survey data from the social democratic welfare regimes also show that the more selective the social policy is, the more stigma it engenders (Larsen, 2006, chapter 6).

However, recently, there are rising disputes on the impact of stigma on the take-up welfare benefits. A review of the literature regarding the take up of social programs in the U.S. and U.K. (Currie, 2004) suggests that other costs (transaction costs and lack of information) associated with the take-up of social programs are more important than stigma. Similarly, another review (Remler, Rachlin and Glied, 2001) of roughly 100 research articles shows that the level of benefits is the main determinant of

welfare participation, while information and transaction costs (or "inconvenience") are found to play, to some extent, a relevant role in take-up behavior and stigma is dismissed as unimportant .

Despite the disputes over the issue, most of the studies are grounded on the experiences of welfare regimes in advanced industrial democracies, and the conclusions are generalized to other parts of the world in a taken-for-granted manner. Do the conclusions make sense in the developing countries where extreme deprivation gives “full belly thesis” the top priority? There are already some evidences casting doubts on such a generalization. Though quite a few western observers believe that the highly selective social assistance scheme— the Minimum Livelihood Guarantee in china— should heavily stigmatize the beneficiaries (Solinger,2008; Gao,2009;Ravallion,2009, for instance), empirical evidences show that welfare receiving is deemed neither relevant to faces by most local people and nor as a major barrier for the take-up of the benefit (Ma and Zhao,2006) . Furthermore, if receiving welfare is shameful, how can we explain the bitterly criticized phenomenon of “*renqingbao*” -the program workers favorably treat those applicants who are close to them by granting them the welfare benefits –in the scheme? Why should they bother to grant welfare to their friends and relatives to humiliate them?

Therefore, an in-depth study of welfare programs outside the industrial democracies is urgent and conducive to a better understanding of the relationship between selectivity, welfare stigma and take-up of welfare benefits. This paper, taking the highly selective social assistance scheme- the Minimum Livelihood Guarantee (MLG) in China-- as example, explores empirically the welfare stigma it engenders and its significance in the take-up of social welfare, aiming to enrich the debate with evidences from a developmental welfare state. Questionnaire interviews of 146 respondents and a unique data set are employed to address my topic.

The remainder of the paper is organized as follows. Section I provides the background of the MLG program, with emphasis on its selection process of beneficiaries and the potential stigmatizing effect. Section II explores empirically how different groups of Chinese people perceive welfare stigma, including the welfare authority, and the welfare claimants and non-claimants. Section III discusses different explanations for the weak welfare stigma in this case study. It will test respectively the applicability of statistical discrimination theory, taxpayer resentment theory and poverty attribution. Section IV deals with the various determinants of non-participation in the MLG program, and attempts to understand their relative significance in non- take-up. Section V concludes the paper with a discussion of the limitations of this research and its theoretical and policy implications.

Section One

The MLG Program: Selection of the Beneficiaries and Size of the Benefits

In the 1990s, the state and collective enterprises in China are enjoined to cut back drastically on their workforces to facilitate the market economy reform (Solinger, 2001). This threw a never-before so sizable segment of the city populace into sudden and intractable impoverishment. At the same time, the traditional workplace welfare system went to an end with a series of social policy reforms. More welfare burden was shifted onto the urban residents and their families. As a consequence, the situation of these laid-off workers was grim indeed. These destitute urbanites constituted a threat to social stability and a successful project of state enterprise reform. To prevent the potential negative effects of rampant urban poverty on these hallowed goals, the political elites in some cities launched a means-tested social assistance policy --the Minimum Livelihood Guarantee [*zuidi shenghuo baozhang*] Program, popularly referenced as *dibao* in Chinese -to provide the impoverished urban residents with a supplement to their income.

After a half dozen years of grass-roots experimentation, the Dibao program was formalized and standardized nationwide in 1999 just before the 50th anniversary of the founding of the People's Republic the PRC when the central government officially issued and implemented the 1999 "Regulations on Guaranteeing Urban Residents' Minimum Standard of Living" (hereafter, the 1999 Regulation) (Saich, 2010). The 1999 Regulation stated that urban residents whose household per capita income was lower than the local minimum living standard line "have the rights to obtain material assistance with their basic livelihood from the local government". Yet, the residents have to file a formal application and pass through a severe selection process before they can actually enjoy this right. In the following paragraphs, I will first give an account of the stringent screening process, and then the size of the benefits they can get.

Selection of the Dibao Beneficiaries

According to Provision No.7 of the 1999 Regulation ,the residents should submit a written application to the Sub district office or the Township Government where their household status are registered, reporting their predicament with testimonial materials. The application is first examined by the Sub district Office or the Township Government, and then their assessment of the applicant's eligibility and the application are reported to the civil affair authorities at the district/county level. To appraise the applicants' eligibility, the program administration can conduct home inspection (*ruhu diaocha*), neighborhood interviews (*lingli zoufang*), and/or obtain

evidence via correspondence (*xinhan quzheng*) to verify the applicants' financial status and actual living standard. The applicants and other organizations and individuals should undergo the investigation and truthfully provide relevant information.

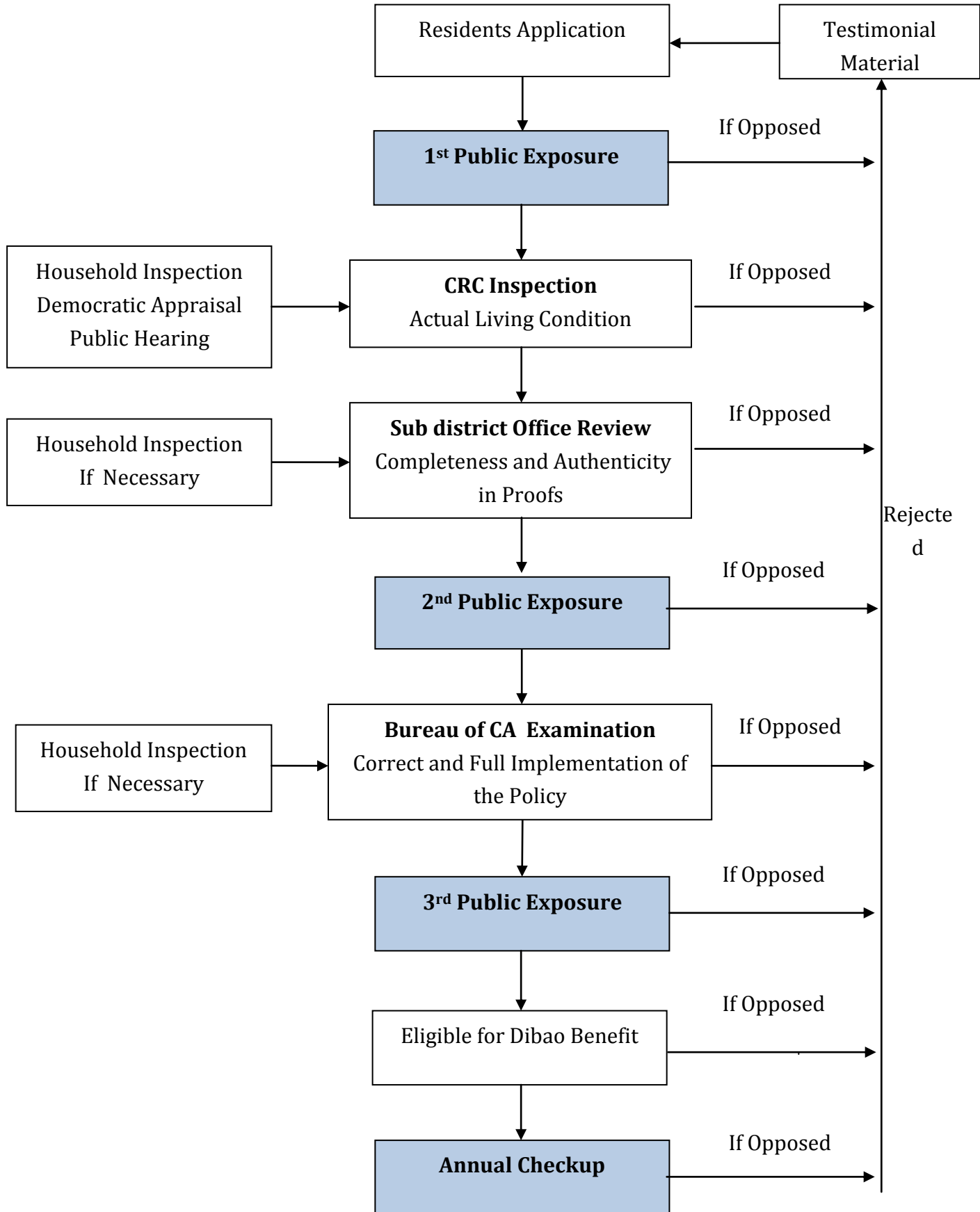
That is to say, by national policy design, a combination of means test with community based targeting strategies is taken to select out the eligible welfare recipients (Zhou, 2009). Furthermore, in the enforcement of this national policy, local governments have set more specific rules for the eligibility and screening process to suit their own conditions. Almost every province has its own operational measures for the 1999 Regulation, and most cities have more detailed rules to put the regulations and policies from the higher authorities into practices. To better understand the screening process, and to present the background of our field work as well, here we take Wuhan -the vibrant capital of Hubei province in central China –as an example.

Wuhan initiated its Dibao program in March 1996. (For an excellent account of the Dibao program's development in Wuhan, see Solinger, 2008). Currently, the selection of Dibao recipients is primary framed by seven regulations promulgated by authorities of different levels. These are the 1999 Regulation, the Notification of Further Strengthening the Identification of Dibao Targets issued by the MoCA in 2010 (民政部关于进一步加强城市低保对象认定工作的通知), the Implementation Measures for Urban Residents Minimum Livelihood Guarantee in Hubei (湖北省城市居民最低生活保障实施办法, 2002), the Provisional Office Procedures for the Review and Approval of Urban residents Minimum Livelihood Guarantee in Hubei (湖北省城市居民最低生活保障审核审批工作暂行规定 2004), the Working Regulation of Minimum Livelihood Guarantee in Hubei Province (湖北省最低生活保障工作规程), and the Implementation Measures for Urban Residents Minimum Livelihood Guarantee in Wuhan(武汉市城市居民最低生活保障实施办法), and the "18 Prohibitions of Dibao Approval in Wuhan" (武汉市低保审批 18 不准). According to these regulations and our interviews with bureaucrats in charge of the program, the actual selection process can be streamlined as chart 1.

The selection process starts when the resident (usually the householder) submits a written application to the Community Residents Committee (*shequ jumin weiyuanhui*, CRC hereafter) who is entrusted by the Sub district Office to accept the application. The applicant is required to present a bunch of testimonial materials, including proofs of membership of all family members, evidences of their health status, and various proofs of their incomes and expenditures. Then, the CRC staff will post the names of the applicants on the bulletin board in the neighborhood for about five days for the first public exposure. According to the Notification of Further Strengthening the Identification of Dibao Targets issued by the MoCA in 2010 (2010 Notification

hereafter), the CRCs have no right to decline the application, nor are they empowered to decide the applicants' eligibility on their own discretion. So this first round of public exposure serves as a signal of the CRC's acceptance of the applications, and the beginning of public supervision of the applicants as well.

Chart 1. Selection of Dibao Recipients



Then the CRC makes an inspection in each applicant's house by at least two program workers, to find out their actual living condition. If the program workers are not sure about what they see during the home visit, they can inquire the neighbors about the applicants' daily living standards, such as whether they dine out in the restaurant frequently, whether they have expensive pets or other luxuries such as jewelries or automobiles, or whether they have some behaviors disqualifying them for the assistance, such as gambling or violating the family policy, or choosing schools for their children.

After this round of examination, a small democratic appraisal team (*minzhu pingyi xiaozu*) holds a meeting to assess the eligibility of the applicants and the size of the potential benefits. This team is usually under the direction of the CRC head, and involves at least 7 community members who are thought to be prestigious, respectable, conscientious, and warmhearted to public good. In Wuhan, these are the veteran CCP members, veteran cadres, and old grannies, representatives of People's Congress and members of CPPCC who live in the community. In some other cities, policemen are also included. Sometimes, the applicants are present at the meeting to answer the team members' questions so that they can better understand the applicants' actual situation. In recent years, more and more cities introduce public hearing to democratic appraisal procedure as a response to the call for equity, fairness and transparency of the selection process. On the hearing, the applicants should make an oral presentation, publicly confessing the family's predicament and wanting for the assistance in the presence of their neighbors. Their neighbors are invited to the hearing to voice out their opinions on the applicants' eligibility and size of potential benefits. Results of the democratic appraisal and the applications are then reported upward to the Dibao authorities at the Sub district Office level for their information, and the latter will take further checkup.

At the Sub district Office level, a small checkup group reviews all the documents submitted by the CRC for each application. The group consists of 5 to 7 individuals, including the Sub district Office Head, the person in charge of social assistance affairs and several other staff members. This time, more emphasis is put on the completeness and authenticity of the evidential materials. If some essential proofs or evidences are absent or incomplete, the application will be returned to the CRC. The checkup group may also contact the applicants' employers or other informed organizations and individuals to ascertain the authenticity of the documents. If they doubt or dispute on the applicants' eligibility or the proposed size of benefits, they will conduct a second home inspection and neighborhood interviews in accompany of the CRC members.

My interviews in Jiangnan District reveal that in order to avoid personal relationship (*renqing* and *guanxi*) interfering with home inspection, and to make their decisions easily accepted by the residents, the Sub district Office would each time send five individuals as one group to conduct home inspections. These individuals are mainly Dibao workers from different communities within the sub district. They evaluate the conditions of the applicant households after visiting one community after another as a group.

When the doubts and disputes are settled, the information of the applicants and the proposed amounts of Dibao benefits are posted for the second public exposure. Within the five-day exposure period, neighbors can disclose any information against the applicants to the office. Only those applications which have withstood the public exposure period are sent up to the District Bureau of Civil Affairs for a final approval.

The final approval is to be made by a special team in the District Bureau of Civil Affairs. This team is mainly composed of personnel in charge of social assistance affairs. If the team thinks it necessary, a third round of examination and home inspection will take place. One may doubt the necessity of these repetitive examinations since the first two should have cleared out the undeserving ones already. Yet, my interviews in Hongshan District of Wuhan and another city near Wuhan show that the third round of examination actually screens out quite a large portion of ineligible claimants. When I asked one Dibao worker at the Sub district Office whether the applications they reported to the Bureau of Civil Affairs were turned down, she replied, *"Of course yes. They (the District Bureau of Civil Affairs) are the most severe (in screening of beneficiaries)"* (My Interviews on June 25, 2010 in Jiang'an District).

Another interview with the head of the Civil Affairs Bureau in another city near Wuhan echoed this idea and gave out the reason as follows:

"(We have) Three times of repetitive examinations, 'cause we are not sure if the cadres at the lower levels comprehend and implement the policies as they should do. There is a mixture of both good cadres and bad ones at the lower level. Even some leading cadres are not acting in light of the policies.... It's not rare (that I turned down the applications), 'cause the Sub district and community skip what they should do. To incur fewer troubles to their daily work, they don't guard their own passes properly, and submit upwardly those applications which are obviously against the regulations. ... When I conducted the home inspections previously, I turned down about 20 percent of all applications reported to me. However, as the policy per se is not that precise (zhengce benshen bu jingque), different people understand and implement it differently. The current condition I am not quite clear" (My online interviews on April 4, 2012).

Anyhow, the District Bureau of Civil Affairs decides which applicants are eligible and how much assistance they can get, based on their own discretion. Then their decisions are forwarded to the Sub district office and CRC, and publicly exposed for the third time. If no objections arise during the 5-day public notification period, the applicants are finally eligible for the assistance and granted with a Dibao certificate (*dibao zheng*).

But that is not the end of the screening process. Each year, an annual checkup is taken to ensure those whose financial conditions have improved and gone beyond the local Dibao norms be kicked out of the program. To pass the annual checkup, the beneficiaries have to file their applications again and undergo the examinations and public exposures one more time. Besides, every month before they can claim their benefits in the bank, they have to report to the Sub district Office and participate in the community public work as required; otherwise they will lose their eligibility.

So it is quite obvious that to get the benefits of the program, the applicants have to endure an extremely stringent selection process composed of three rounds of examinations, three public exposures and an additional annual examination. How much benefit can they get from the program after all these troubles? In the next subsection, I will give answer to this question.

Size of the Dibao Benefits

According to the 1999 Regulation, the MLS lines (or assistance lines, or Dibao norms) are set up locally by urban authorities as a monthly amount in yuan based on local average per capita income and basic consumption needs, including basic food, clothing, and shelter, utility, medical care, and tuition expenses. The actual benefits the Dibao Households get are the discrepancy between the local Dibao norms and the actual household income per capita. And since there is no clear cut division of funding obligations between the central and the local governments—the central may give discretionary fiscal support to those financially strapped areas according to a notification of the State Council in 2000—it is mainly the local governments' responsibility to finance the Dibao expenditure (Saich, 2004). As a consequence, the generosity of the Dibao lines is often restricted by local governments' fiscal capacity (Du and Park, 2007) and the relative priority they put on the Dibao program among other issues. As a result, the assistance lines in many cities tend to be lower than what is required to fulfill families' basic needs, especially in the poor areas (Guan, 2005). For example, in 2003, the average assistance line throughout the country was only 14 percent of the average wage and 23 percent of the average per capita disposable income of urban residents (Leung, 2006). In 2005, the Dibao line in Wuhan was a mere 24.33 percent of average disposable income (Solinger, 2008). Presently, the Dibao norm is 450 yuan per month, only 40 percent of the local minimum wage norms, the lowest acceptable ratio set by the 2009 Working Regulation, and 22.77 percent of the average per capita disposal income of urban residents in 2011. The average benefits the recipients actually receive in the first

quarter of 2012 is 286.25 yuan, only 14.48 percent of the average per capita disposal income in the last year (MoCA, 2012; Huang, 2011) .

How much do the participants benefit from the program in total? Table 1 gives the expenditures and the numbers of participants it served from 1996 to 2011, partly drawn on the work of Solinger (2008). During this period, the state expenditures of the program increased from 0.3 billion yuan in 1996 to 61.73 billion yuan by 2011, and the numbers of beneficiaries climbed from a mere 0.85 million up to 22.77 million in 2011(MoCA, 2004, 2012, Huang,2011). Both the expenditures and numbers of beneficiaries underwent dramatic growth around 2001, when the nation prepared and finally entered the World Trade Organization. After that, the increases in both dimensions were relatively steady, especially when we take the inflation into consideration. In addition, the overall expenditures were kept at a very low level relative to other outlays. For example, Dibao expenditures equaled to 0.118 percent of total government expenditures in 1999, and the percentage never exceeded 0.7. And the percentages of the Dibao expenditures as GDP were even lower, with a peak of 0.144 percent in 2009.

Table 1. The Expenses and Numbers of Participants Served by Urban Dibao (1996-2011)

Year	Dibao expenditures (unit =billion)	Rate of increase in Expenditures (%)	Gov't expenditures. (unit =billion)	Dibao as % of gov't expenditure	GDP (unit =billion)	DIBAO as % OF GDP	No. of participants (unit = million)	Rate of increase in participants (%)
1996	0.3	--	793.755	0.038	6770	0.0044	0.85	--
1997	0.3	--	923.356	0.032	7477.2	0.004	0.88	3.53
1998	N.A.	--	1079.818	N.A.	8060.4	N.A.	1.84	109.10
1999	1.56	--	1318.767	0.118	8967.7	0.017	2.57	39.67
2000	2.72	74.36	1588.65	0.171	99214.6	0.003	4.03	56.81
2001	4.2	54.41	1890.258	0.222	10965.5	0.038	11.71	190.57
2002	10.87	158.81	2205.315	0.492	12033.3	0.09	20.65	76.35
2003	15.1	38.91	2464.995	0.613	13582.3	0.111	22.47	8.81
2004	17.27	14.37	2848.689	0.606	15987.8	0.108	22.05	-1.87
2005	19.19	11.12	3393.028	0.566	18385.8	0.104	22.34	1.37
2006	22.42	16.83	4042.273	0.554	21180.8	0.106	22.40	0.27
2007	27.74	23.73	4978.135	0.557	24660	0.112	22.72	1.43
2008	39.34	41.82	6259.266	0.629	30067	0.131	23.35	2.77
2009	48.21	22.55	7629.93	0.631	33500	0.144	23.46	0.47
2010	52.47	8.84	8987.416	0.584	39800	0.132	23.11	-1.49
2011	61.73	17.65	10893	0.567	47200	0.131	22.77	-1.47

In brief, the Dibao Program transfers very limited resources to the urban poor via strict screening mechanisms. Theoretically, the stringent selection process should impute strong stigma to the welfare recipients. Does this theoretical reasoning make sense in the context of the Dibao Program? And, are there any differences between the authorities and average citizens in their attitudes towards the welfare recipients? In the following section, I will provide empirical evidences to answer these questions.

Section Two

Welfare Stigma in the Dibao Program

According to Goffman, the noted sociologist, stigma is the phenomenon whereby an individual with an attribute is deeply discredited by his/her society is rejected as a result of the attribute (1963). Based on Goffman (1963), economists Besley and Coate define “welfare stigma” as the negative socio-psychological consequences or “psychic costs” of being on welfare (1992). They argue that society is assumed to value particular individual characteristics, such as self-reliance and a willingness to work hard, and welfare claimants are perceived to lack them. Hence, if it is known that an individual is on welfare, other individuals will infer that this individual will likely possess some blemish of character. This forms the basis for less favorable treatment and hence gives rise to welfare stigma. They continue to argue that in a world of imperfect information, all welfare claimants would be regarded unfavorably, no matter whether they are deserving or not. The deserving ones are those whose decision to claim welfare does not stem from a lack of socially valuable characteristics, such as the disabled and those who are genuinely involuntary unemployed. By contrast, the undeserving poor are welfare claimants whose reason for claiming can be directly attributed to blemishes of individual character, including those falling unemployed as a consequence of laziness, alcoholism, drug addiction, etc. It is precisely because the undeserving cannot be distinguished from the deserving that the society imposes a ‘reputational externality’ on all of the claimants, and treats them unfavorably. Besley and Coate (1992) term this origin of welfare stigma as “statistical discrimination”. This conventional portrayal of welfare stigma leads to four propositions related to the formation of stigma in means-tested programs: (1) Individual attributions of responsibility for poverty will lead to increased stigma; (2) Societal attributions of responsibility for poverty will lead to decreased stigma; (3) Negative experiences applying for benefits will lead to increased stigma; (4) Individuals in greater need will perceive less stigma (Stuber and Schlesinger, 2006).

The statistical discrimination view sees stigma as depending solely on the perceived personal characteristics of welfare claimants. It ignores the fact that welfare programs cost money and have to be financed by taxation. As surveys of attitudes to welfare claimants reveal, the very fact that individuals have to pay taxes to finance those who are on welfare is likely to engender a certain degree of hostility towards claimants, and this could help to explain why taxpayers might treat welfare claimants less favorably than others, irrespective of their group characteristics. Besley and Coate (1992) capture this idea by developing the taxpayer resentment view of welfare

stigma as a complement to the statistical discrimination view. And they go on to argue that the amount of resentment felt by any individual is an increasing function of the difference between the actual benefit level and that which he regards to be desirable. Another study echoes their views in proving that the level of generosity influences the judgment of deservingness—a high level of generosity—could question whether the poor and unemployed really were in need, which makes it more likely to categorize the claimants as undeserving (Larsen, 2006, chapter 7).

There are two forms of welfare stigma: identity and treatment stigma (Stuber and Schlesinger, 2006). Identity stigma is related to concerns about being labeled with and internalizing negative stereotypes associated with users of means tested programs. By contrast, treatment stigma reflects a concern about being treated poorly by others. These “others” might include friends, family, acquaintances, service providers, or program administrators. Welfare stigma may vary depending on the social audience, situation, and recipient’s life story (Rogers-Dillon, 1995). Yet exposure to people who know the claimant, but are not close enough to him/her to actually share his/her interests inflicted the highest social stigma (Blumkin, Margalioth and Sadka, 2008). Besides, the policy elites can reinforce the negative attitudes about welfare recipients through media portrayals of the poor (Gilens, 1999). And there are also studies indicating that selective welfare policies produce a higher degree of stigma than universal policies, and the most selective welfare policies are clearly the most stigmatizing (Larsen, 2006).

All these studies on the origin and determinants of welfare stigma in advanced industrial democracies consist of a starting point of my examination on the welfare stigma in the Dibao program. Do Chinese urban residents perceive strong welfare stigma in this highly selective scheme? What are the reasons and influencing factors of the perceived stigma?

Sources of Data

I collect two data sets for the above questions, one compiled from an official journal and one obtained from my questionnaire interviews.

The journal is *China Civil Affairs* (zhongguo minzheng), a monthly magazine sponsored by the Policy Research Center, the Ministry of Civil Affairs (MoCA)—the organ in charge of the Dibao program nationwide. The avowed goals of the journal are three-fold: “to convey the major decisions and deployments of the Ministry Party Leading Group, to communicate the new achievements, new situations and new problems in civil administration, and to provide a forum for the discussion and settlement of major issues in civil administration development and reform”. Most of

the contributors are civil administration staff at all levels. Therefore, this journal serves as a perfect window to the authorities' attitudes towards welfare stigma.

I have searched all the papers on the journal from 1998 to 2011 (from the year before the nationwide adoption of the Dibao Program to the year the latest data was available), and conducted a content analysis of all the papers that referred to the Dibao program (Dibao Paper hereafter). The main propositions of each Dibao paper are classified and recorded. If the main proposition is to restrain welfare dependence and alleviate work disincentive, or to strengthen examination to clear out the undeserving claimants, more welfare stigma is imputed to the recipients. If the main proposition is to raise the Dibao norms and increase program coverage, or to secure sufficient funds for the program, much less stigma is ascribed to those on welfare. I have recorded and compared the frequency of each proposition, to understand the predominant concerns of the Dibao authorities, and therefore, their attitudes on welfare stigma.

The second data set derives from questionnaire interviews on 146 urban residents (48 Dibao recipients, and 98 non recipients) in 7 inner districts in Wuhan. The distributions of the interviewees in different districts are: Hangyang, 17, Hongshan, 28, Jiang'an, 29, Jianghan, 14, Qiaokou, 27, Wuchang, 20, and Qingshan 12. This is obviously not a big enough sample. Yet all the respondents have permanent urban household registration, and therefore are eligible to apply for welfare in the city.

My prior research experiences in the Dibao program suggest that even if one can reach the interviewees, they tend to give the "right" answers to outside observers, rather than the "real" ones, especially when they are approached via governmental channels. To reduce the data contamination to the minimum, I recruited a group of college students who are native Wuhan residents. They were sent back to their own neighborhood to conduct the survey after a brief training. Ideally, each investigator was to visit 12 households in their community (2 CRC member households, 5 welfare recipient households, and 5 non recipient households), and interview the family member whose birthday was the nearest to the visiting date. A total of 162 individuals were approached to participate in the survey; 16 refused or were unable to complete the entire interview due to time constraints or other reasons, resulting in a final sample of 146 completed surveys, a response rate of 90.1%. Interviews were administered in person by investigators and lasted between 30 and 40 minutes. Participants were offered small gifts about 20 yuan as compensation. Most of the interviews were finished in March and April, 2012, though trial surveys began more than one year earlier.

In the interview, we first asked all the respondent two questions:

How often do you (think the Dibaohu) feel(s) ashamed about being on welfare?

How often do you (think the Dibaohu) feel(s) bothered by being on welfare?
Respondents chose one of five alternative response categories: never, sometimes, quite often, always and other.

Horan and Austin (1974) has applied these two questions to Southern AFDC recipients in their discussion of the social bases of welfare stigma, and Larsen (2006) poses similar questions to the unemployed while treating the level of stigmatization of long-term unemployment in Denmark and Finland. Here I apply the questions to both recipients and non-recipients as stigma is not only the psychological cost of the welfare claimants but also the negative social attitudes towards them (Link and Phelan, 2001). Through posing these two questions I attempt to understand both the identity stigma and treatment stigma (Stuber & Schlesinger, 2006).

Next, I inquired the welfare claimants how people changed attitudes towards them after they entered the program, as stigma is not simply, or even primarily, generated from the attitudes of the population that is stigmatized, but also from those who share their community (Cohen, 1999). We classified the people around them into seven groups, namely, family members, relatives, friends, workmates, neighbors, acquaintances, and government and CRC staff. And I offered five options for changes in attitudes: providing more help, becoming friendlier, remaining unchanged, becoming colder, and making more troubles. The respondents chose the one matches his or her real condition best for each group of people.

Some other relevant questions were also included in the survey and I will come back to them when they concern.

The Welfare Authorities' Attitudes

Results of the content analysis of the papers are reported in Table 2, and Chart 2 gives the distribution of propositions in different years. It is very clear from Table 2 that, the primary concern of the Dibao authorities is strengthening means test and home inspection, and the second concern is intensifying public exposure and supervision, accounting for 63.21 and 58.18 percent of all Dibao papers respectively. Besides, 22.64 percent of Dibao papers propose to restrain welfare dependence and the work disincentive effect, a relatively minor concern. Is the low percentage of restraining dependence papers due to the fact that even the authorities believe that the meager benefits are not generous enough to stimulate welfare dependence and work disincentive? We don't know it for now. However, one thing is obvious, that is, the welfare authorities give the greatest importance to selectivity of the program. This is especially the case from 2002 to 2005, after the rapid increase of the participants in 2001 and 2002(see Table 1).

Table 2.

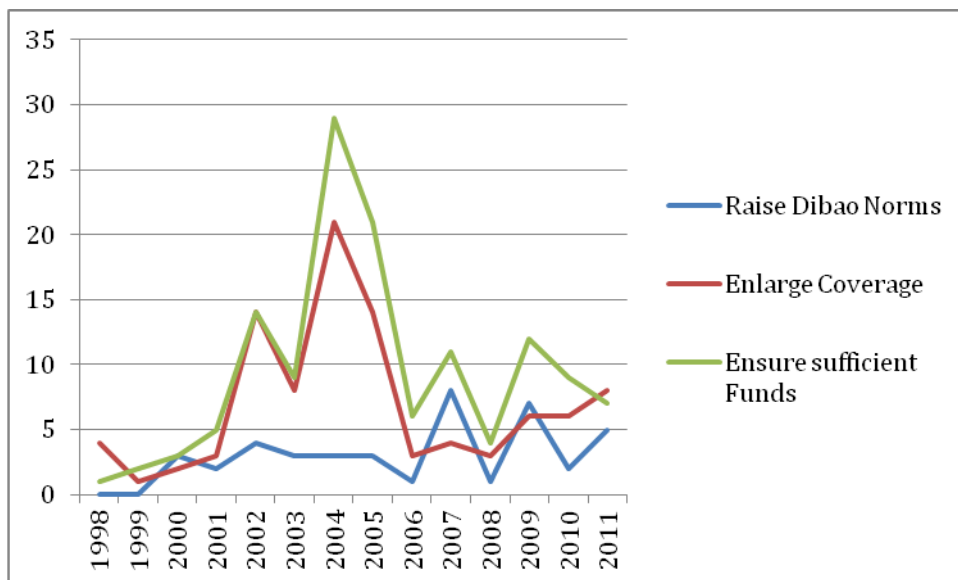
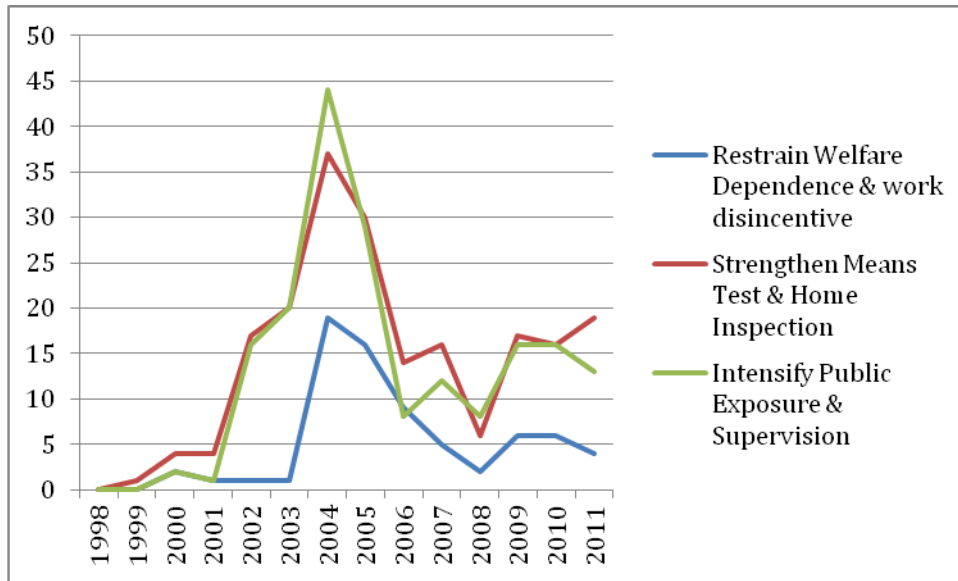
Numbers of Dibao Papers on ZGMZ and the Main propositions (1998-2011)

Year	Total	Dibao Papers	Main propositions						
			Restrain Welfare Dependence & work disincentive	Strengthen Means Test & Home Inspection	Intensify Public Exposure & Supervision	Raise Dibao Norms	Enlarge Coverage	Ensure sufficient Funds	Others
1998	519	6	0	0	0	0	4	1	2
1999	377	5	0	1	0	0	1	2	3
2000	350	12	2	4	2	3	2	3	2
2001	466	9	1	4	1	2	3	5	0
2002	294	21	1	17	16	4	14	14	8
2003	395	30	1	20	20	3	8	9	14
2004	437	47	19	37	44	3	21	29	30
2005	426	34	16	30	29	3	14	21	23
2006	478	20	9	14	8	1	3	6	17
2007	450	25	5	16	12	8	4	11	13
2008	419	19	2	6	8	1	3	4	12
2009	431	28	6	17	16	7	6	12	2
2010	427	33	6	16	16	2	6	9	33
2011	417	29	4	19	13	5	8	7	25
In sum	5886	318	72	201	185	42	97	133	184
percent age		100.00	22.64	63.21	58.18	13.21	30.50	41.82	57.86

Sources: study of this research.

On the other hand, 41.82 percent of Dibao papers advocate to ensure sufficient fund for the program. Many of them actually call for sufficient operating funds. Only 30.5 percent of Dibao papers propose to increase the program coverage, though “protect whomever should be protected” (yingbao jinbao) is a policy goal widely popularized. Advocation to raise the Dibao norm is the weakest voice, accounting for only 13.21 percent of all Dibao papers. Throughout the years, these three propositions have roughly concurrent ups and downs while the plotline for raising the Dibao norms is always lower than the other two (see Chart 2).

Chart 2: Numbers of Different Propositions (1998-2012)



Sources: study of this research.

In brief, the unique data set from the official journal suggests that the propaganda of the Dibao authorities put more emphasis on the elimination of the undeserving poor than on citizen’s right to obtain assistance from the state, thus may impute strong stigma to the welfare beneficiaries.

Citizens’ Attitudes

Table 3 and Table 4 present the citizens’ attitude towards welfare stigma. As Table 3 indicates, only 10.3 percent of all the respondents acknowledge that they often or always (believe that the recipients) feel ashamed about being on welfare (See table 3). To be specific, the figure is 16.7 for welfare recipients, and 7.1 for the non recipients

An earlier survey in Kunming, Yunnan province reveals that, only 17.3 percent of the Dibao recipients agree that application for the Dibao program is face losing or shameful. Most of them hold that application of the program is irrelevant to dignity (Ma and Zhao,2006). That survey has a bigger sample of 368 recipients, yet the findings are very similar to this one. Both of the surveys point to one conclusion-welfare stigma is not very strong among welfare recipients in China.

On the other hand, the percentages of respondents who only occasionally or never (believe that the recipients) feel ashamed are much higher, accounting for 80.8 percent (39.0 never and 41.8 sometimes) of all of the respondents, 83.4 percent (31.3 never and 52.1 sometimes) of the recipients, and 79.6 percent (42.9 never and 36.7 sometimes) of the non-recipients. These data suggest an attitude discrepancy between the welfare recipients and non-recipients too. In general, a larger percentage of recipients report stronger stigma than non-recipients though stigma is not a prevalent phenomenon in this case study. Furthermore, 13.3% percent of non-recipients say that they have no idea about the stigma, indicating their distance from the impoverished neighbors.

Taking messages in previous paragraphs into account, we are under this impression: Though there are severe selection procedures and intense official propaganda involving strong welfare stigma, the urban residents as a whole do not perceive strong welfare stigma as they are expected.

Table 3 : Shame Perceived in the Dibao Program (N=146)

		B. Feel Ashamed about Being on Welfare?					In Sum
		Never	Sometimes	Often	Always	Don't know	
A. Welfare Recipients?	Yes						
	Count	15	25	6	2	0	48
	% of A	31.3%	52.1%	12.5%	4.2%	.0%	100.0%
	% of B	26.3%	41.0%	50.0%	66.7%	.0%	32.9%
	% of Sample	10.3%	17.1%	4.1%	1.4%	.0%	32.9%
	No						
	Count	42	36	6	1	13	98
	% of A	42.9%	36.7%	6.1%	1.0%	13.3%	100.0%
% of B	73.7%	59.0%	50.0%	33.3%	100.0%	67.1%	
% of Sample	28.8%	24.7%	4.1%	.7%	8.9%	67.1%	
In Sum	Count	57	61	12	3	13	146
	% of A	39.0%	41.8%	8.2%	2.1%	8.9%	100.0%
	% of B	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Sample	39.0%	41.8%	8.2%	2.1%	8.9%	100.0%

Table 4 : Troubles perceived in the Dibao program (N=142)

			B. Feel Bothered by Being On Welfare?					In Sum
			Never	Sometimes	Often	Always	Don't know	
A. Welfare Recipients	Yes	Count	15	26	3	2	1	47
		% of A	31.9%	55.3%	6.4%	4.3%	2.1%	100.0%
		% of B	29.4%	47.3%	33.3%	40.0%	4.5%	33.1%
		% of Sample	10.6%	18.3%	2.1%	1.4%	.7%	33.1%
	No	Count	36	29	6	3	21	95
		% of A	37.9%	30.5%	6.3%	3.2%	22.1%	100.0%
		% of B	70.6%	52.7%	66.7%	60.0%	95.5%	66.9%
		% of Sample	25.4%	20.4%	4.2%	2.1%	14.8%	66.9%
IN Sum	Count	51	55	9	5	22	142	
	% of A	35.9%	38.7%	6.3%	3.5%	15.5%	100.0%	
	% of B	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	% of Sample	35.9%	38.7%	6.3%	3.5%	15.5%	100.0%	

Sources: study of this research.

The question of “how often do you (think the welfare recipients) feel bothered by being on welfare” produces similar results. Only 3.5 percent of all respondents believe the welfare recipients always feel being bothered, and 6.3 percent think they often feel so, whereas 35.9 percent of all respondents think it never happens, and 37.7 percent of all respondents think it only happens sometime. The discrepancy between the recipients and the non-recipients is larger here than that in the previous question. This is most evident in the category of “sometimes”: More than one-half of recipients say that they sometimes feel being bothered, while less than one-third of non-recipients think so. That’s to say, the recipients withstand much more troubles than the non-recipients are aware of.

Where does the weak stigma come from? We inquire the welfare recipients (N=48) how different groups of people change attitude toward the recipients. Table 5 presents the results. Here we classify the attitudes into three big categories: turning positive (A and B in Table 5), remaining unchanged (C in Table 5), and turning negative (D and E in Table 5). It’s striking that recipients report that most people do not change attitudes toward them at all, irrespective of their relationship to the recipients. For instance, about 80 percent of neighbors are reported to treat the recipients as before. For all the 7 groups, 6 groups are reported to become more positive to the welfare recipients. This is especially true for government and CRC staff, family members, and

relatives consecutively. They not only become friendlier, but also provide substantial help to the welfare recipients. The workmates are the only group that turns hostile. The resentment and jealousy of the workmates are understandable since the recipients compete with them in the labor market while enjoying the welfare benefits at the same time.

Table 5. How Do People Change Attitude toward the Welfare Recipients?

	A. Provide More Help (%)	B. Get Friendlier (%)	A+B. Get Positive (%)	C. Remain Unchanged (%)	D. Get Colder (%)	E. Make more Troubles (%)	F. others (%)
Family (N=47)	19.1	8.5	27.6	66.0	6.4	0	0
Relatives(N=48)	12.5	4.9	17.4	58.3	14.6	0	0
Friends(N=48)	0	12.5	12.5	75.0	10.4	0	2.1
Workmates(N=45)	0	4.44	4.44	77.8	15.6	0	2.2
Neighbors(N=48)	2.1	14.6	16.7	79.2	4.2	0	0
Acquaintances(N=47)	0	14.9	14.9	76.6	6.4	0	2.1
Government & CRC Staff(N=48)	22.9	25.0	47.9	47.9	2.1	2.1	0

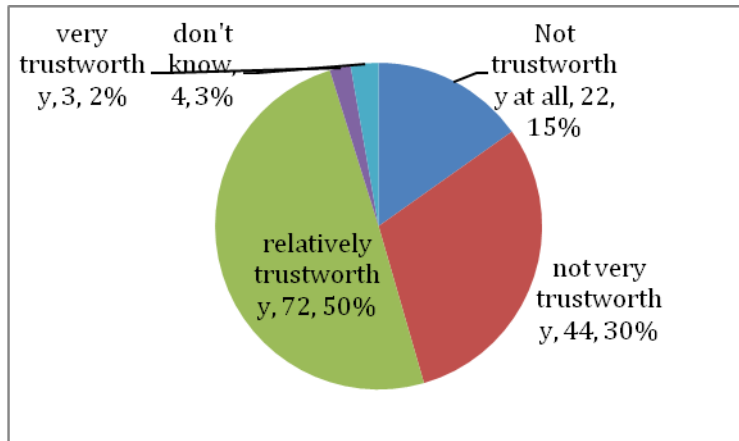
Sources: study of this research.

It's also interesting to note that the governmental and RC staff are reported to be the most positive group – 22.9 percent of the respondents admit that this group provide more help, and 25.0 percent think they become friendlier, both being the highest in all of the seven groups of people. This seems at odds with the data from the official journal, which demonstrate that the welfare authorities intend to complicate the selection process and impute strong stigma to the welfare recipients. To this researcher, there are two possible explanations for this seemingly contradictory result. First, the propaganda of the upper authorities is not effective in reinforcing stigma, because the average citizens don't give enough trust to the official propaganda. Second, there is a gap between the upper authorities' expectations and street level bureaucrats' behaviors, and street level bureaucrats neutralize the stigmatizing effect in their dealing with the welfare claimants.

These two assumptions are evidenced by my interviews. When faced with the question “Do you think the news reports in the mass media (TV, Broadcast, Newspaper, etc) trustworthy”, only 2 percent of interviewees (N=145) respond as very trustworthy, 50 percent deem it relatively trustworthy, and another 45 percent believe it not very trustworthy or untrustworthy at all (See Chart 2).

Chart 2.

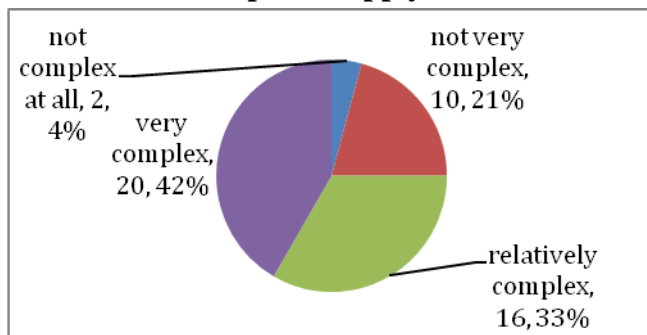
Do You Think the News Reports in the Mass Media Trustworthy? (N=145)



Sources: study of this research.

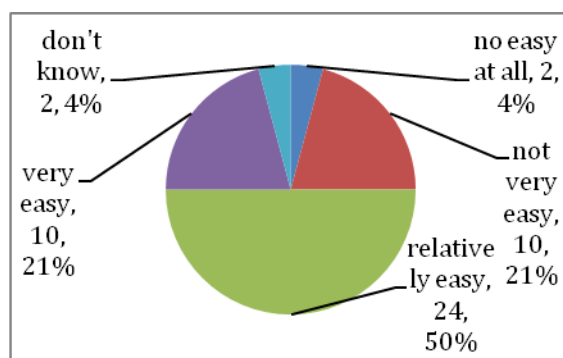
In addition, though 75.0 percent of claimants (N=48) admit that the application process is complex or very complex) (see chart 3), 71percent of them believe that the government and CRC staff are easy or relatively easy to deal with, and 81 percent of them believe the staff are fair in dealing with the welfare claimants. Though we cannot completely exclude the possibility that the respondents euphonize the situation to justify their status as welfare recipients or to flatter the CRC staff, it is true that the CRC members and officers at the Sub district Office have incentive to treat the claimants friendly and fairly, or at least not to offend them overtly.

Chart 3: Is it complex to apply the Dibao benefits? (N=48)



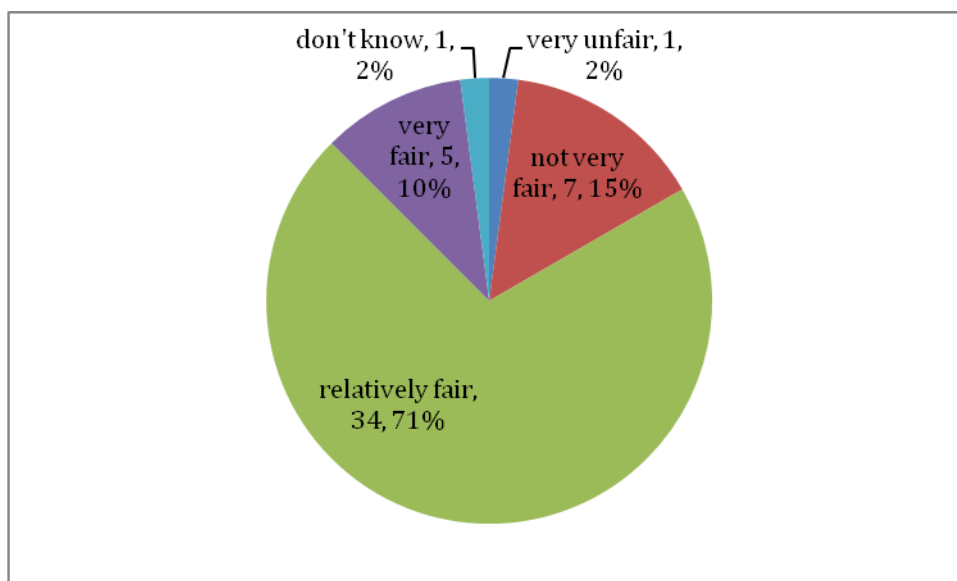
Sources: study of this research.

Chart 4: Is it easy to deal with the Dibao workers? (N=48)



Sources: study of this research.

Chart 5: Are the government and CRC staff fair in dealing with Dibao claimants?
(N=48)



Sources: study of this research.

On the one hand, the officers have to do so to fulfill the requirements of their superior authorities. On the other hand, they do so out of their sympathy for their poor neighbors, or in fear of the negative consequences of doing otherwise. In my interviews, stories of such kinds are told again and again. As a CRC head in Hongshan District expressed it explicitly,

“We mix with the people in difficulties (kunnan qunti) for years, and have developed feelings towards them (you ganqing).” (My interview in Hongshan District on July 20, 2010)

Another CRC Dibao worker in her mid forties in Jiang’an District told me, *“We belong to a high risk industry, and it’s inevitable that some people come to make trouble out of nothing, and insist eating Dibao. If you refuse, they call your name, or even threat you verbally. I was once followed by someone on my way from this office to my home. Another time, one man led a group of his brothers and relatives to my office, demanding Dibao assistance. They tried to smash my chair. I was not scared as the reason was on my side (daoli zai wo zhebian). But several years ago, the City Bureau (of Civil Affairs) bought Accident Insurance for all the Dibao workers to remove our menace from the ‘rear’ ”* (My interviews in Jiang’an District on July, 13, 2010).

Another sun-tanned small CRC Dibao worker in his early fifties in Hongshan District told me,

“All the applicants are people driven to the wall (zoutouwulu deren). We can’t have head-on conflicts with them.”(buneng zhengmian chongtu)

(What will you do if you meet someone who insists on eating Dibao unreasonably?)

“I use outflanking tactics, just outflanking(yuhui celve?).”

(What do you mean by outflanking?)

“Outflanking means I don’t tell them directly that they are not qualified. (Instead)I tell them I have submitted their applications to the upper level, but actually the applications lie here in my desk drawer. After a while, I ask them to present proofs of this kind and then that kind(If they can’t bring out the proofs and) after many times of visits here, they will gradually give up.” (My interview in Hongshan District on July 22,2010)

No matter what the underlying logic of the street level bureaucrats’ behaviors is, in the welfare recipients’ eyes, they are fair and friendly. Therefore, it is safe to conclude that distrust in the official propaganda and the strategic behaviors of the street level bureaucrats collaboratively mitigate the welfare stigma perceived by the recipients. However, one question remains unanswered: Why wouldn’t the average citizens turn a negative attitude towards the welfare recipients in general? This question will be treated in the next section.

Section Three

Sources of the Treatment Stigma in the Dibao

In this section three views of the origins of welfare stigma will be tested against evidences from the Dibao program. These are statistical discrimination theory, taxpayer resentment theory, and theory of poverty attribution.

Statistical Discrimination?

According to Besley and Coate (1992), it is precisely because members of society cannot distinguish the undeserving poor from the deserving poor, that they reduce the social esteem of all welfare claimants and treat all recipients poorly. In other words, if one believes welfare fraud is prevalent, he or she tends to ascribe heavy stigma to all the recipients. Do Chinese urban residents believe that welfare fraud is a serious problem in the Dibao program? We pose this question to the respondents in our interviews. And the results are represented in Table 6.

Table 6. Is welfare fraud a serious problem in the Dibao program? (N=144)

Sources: study of this research.

About 42 percent of all the respondents believe that welfare fraud is very serious or relatively serious. There is not a big difference between the recipients, the figure being 40 percent, and non-recipients, the figure being 43 percent. And 22 percent of all respondents reply that they don’t know. Some of these people are really ignorant

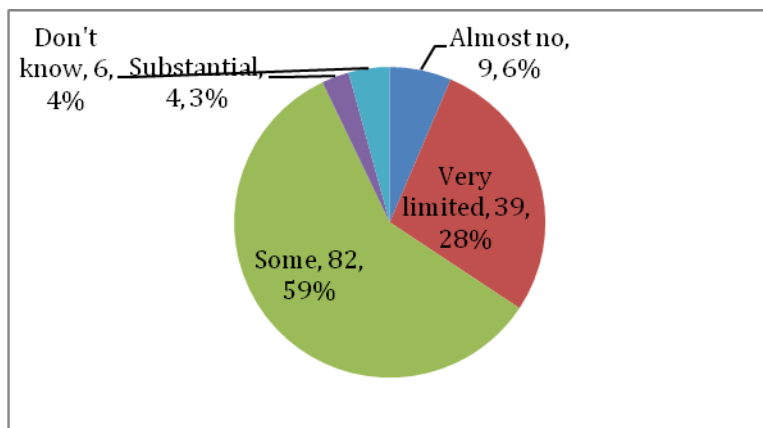
of the issue; some other, however, are just refraining from a negative evaluation of the situation. Taking all these into consideration, we can conclude that a very large portion of people believe that welfare fraud is serious though they give a euphonized evaluation on the performance of Dibao workers as shown in Chart 4 and 5. Nevertheless, the stigma perceived by most people is still rather weak. This suggests a limited explanatory power of the statistical discrimination model in the Dibao program. And we need to explore alternative approaches.

Taxpayer Resentment ?

The theory of taxpayer resentment suggests individuals engender a certain degree of hostility towards claimants as they have to pay taxes to finance the welfare program, and the greater the difference between the actual benefit level and that which they regard to be desirable, the bigger amount of resentment they feel (Besley, Coate,1992). Does this classical approach to the sources of welfare stigma make sense in the Dibao program? In other words, is the Dibao assistance generous enough to arouse suspect on its generosity? And do the Chinese citizens relate the Dibao funds to their own wallets and consequently turn a hostile attitude toward welfare claimants?

To answer the first question, we ask the respondents “To what degree do you think the current Dibao assistance helps the indigent out?” The results are presented in Chart 6. Of all the respondents, 34 percent reply that the help is very marginal (almost no or very limited help), 59 percent think that it provides some help, and only 3 percent of all respondents think that it gives substantial help to the impoverished. In other words, very few people believe that the assistance is generous enough. This is consistent with the data in section two, in which the average benefits the recipients actually receive in the first quarter of 2012 is 286.25 yuan, only 14.48 percent of the average per capita disposal income in the previous year.

Chart 6: “To what degree do you think the current Dibao assistance helps the indigent out?” (N=140)

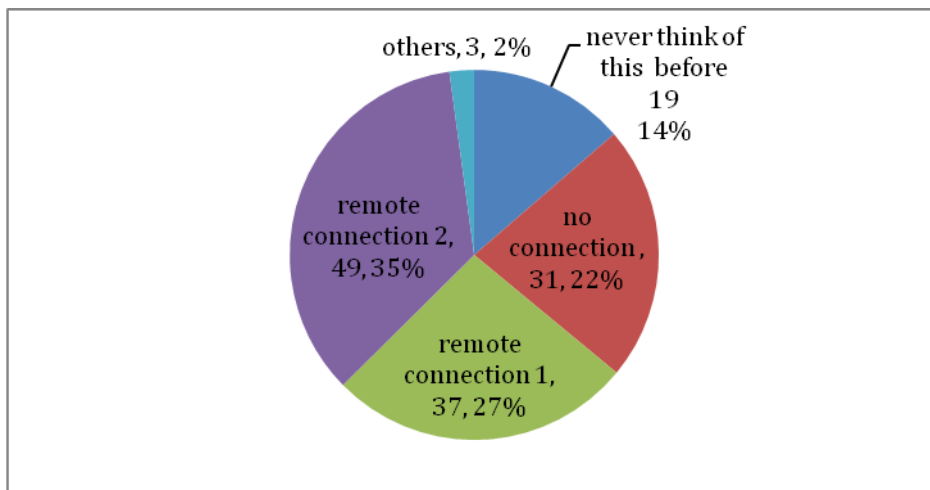


Sources: study of this research.

To answer the second question, we ask the respondents what the sources of the Dibao fund are and how the Dibao fund relates to them. The results are presented in Chart 7. 14 percent of the respondents simply acknowledge that they have never thought of this question before. Another 22 percent say that the money has nothing to do with them. 27 percent believe the money has some remote connection with them. They believe that the money is financed by the Party and/or the State (the government). Since they are members of the society, it should have some connection with them. Another 35 percent of the respondents say that the money is funded by the taxpayers. However, most of them are unaware of their own status as taxpayers and believe that the money is ultimately out of their own pockets. Interviews with two civil affair officers at the city level give perfect examples for this idea.

One 37-years-old Civil Affair officer at the municipal level responded my question with conspicuous confusion-

Chart 7: How does the Dibao money relate to you? (N=139)



*Remote connection 1=It's the Party and the State's money, and has something to do with me.

**Remote connection 2= It's the taxpayers' money, and has something to do with me.

Sources: study of this research.

"I am not a Dibao claimant, how can the Dibao Money have relations to me?" (wo you buling dibao, Dibaojin hewo youshenme guanxi ne?)¹

Another one was rather frank in saying,

"The Dibao money has something to do with my job; it has nothing to do with me"
(My online interview in Wuhan on April 4, 2012).

All in all, the immature taxpayer consciousness and the slim benefit size of the Dibao Program contribute to the weak welfare stigma. The taxpayer resentment theory has demonstrated some explanation strength in this case study. However, this

explanation based on the economic man hypothesis cannot capture the whole story of a socio-psychological phenomenon such as welfare stigma. In the next few paragraphs, I will examine the poverty attribution theory which focuses on the relationship between stigmas and public perceptions.

Poverty Attributions?

According to Goffman (1963), stigma is “an attribute which is deeply discrediting” in a given society. Applied to anti-poverty programs, welfare stigma arises and varies with perceptions of poverty attribution. There are four types of poverty attribution: individual blame (laziness and lack of will power), social blame (social injustice), individual fate (bad luck), and social fate (inevitable part of modern progress) (Van Oorschot and Halman, 2000). Individual attributions of responsibility for poverty will lead to increased stigma, whereas societal attributions of responsibility for poverty will lead to decreased stigma (Stuber and Schlesinger ,2006) .

How do Chinese citizens perceive the reasons for poverty and welfare participation? And how much can this poverty attribution theory explain the welfare stigma perceived in the Dibao program? To answers these questions, we present the respondents a list of opinions on poverty attribution and ask them to choose and rank the top three ones that are closest to their opinions. Though other researchers usually ask the respondents to express their degrees of agreement or disagreement on a list of poverty attributions (Whyte, 2010, for instance), this researcher believe that ranking of the top three causes of poverty can cast more light on the relative significance of multiple attributions.

The opinions presented to the respondents go as follows.

People are poor and live on welfare because of : (a) unfair social distribution system,(b) unemployment and difficulties in finding a job, (c) bad luck such as mishap, disability or chronicle disease, (d) lack of ability, (e) lack of education, (f) lack of opportunity, (g) laziness, (h) misbehaviors such as gambling and excessive drinking. The results are presented in Table 7 .

Table 7. Why Are people Poor and Live on Dibao?

	A.1st Reason (N=143)		B.2nd Reason (N=143)		C. 3rd Reason (N=138)		Frequency In Sum* (N=143)		Weigh ted Score **
(1) bad luck	76	53.1 %	18	12.6 %	14	10.5 %	108	75.5%	448
(2) unemployment	27	18.9 %	37	25.9 %	29	21%	93	65%	275
(3) lack of ability	6	4.2%	27	18.9 %	26	18.8 %	59	41.3%	137
(4) laziness	12	8.4%	15	10.5 %	15	10.9 %	42	29.4%	120
(5) unfair social distribution system	13	9.1%	14	9.79 %	9	6.52 %	36	25.2%	116

(6) lack of education	3	2.1%	17	11.9%	24	17.4%	44	30.8%	90
(7) lack of opportunity	4	2.8%	7	4.9%	14	10.1%	25	17.5%	55
(8) misbehaviors	2	1.4%	8	5.59%	7	5.07%	17	11.9%	41

*Frequency In Sum=A+B+C

** Weighted score= 5A +3B + C

Sources: study of this research.

A majority of the respondents (108 out of 143, or 75.5 percent) believe that bad luck, including mishap, disability or illness, is the most important reason for being poor and on welfare. Of all these people, 76 rank it first, leaving all the other reasons far behind. Besides, 93 individuals take unemployment and difficulties in getting a job as important reasons for poverty, and 24 individuals rank it first. Lack of ability is chosen for 59 times, but most of the respondents give relatively less importance to it, putting it on the second or third place.

Laziness ranks the fourth in the weighted score, chosen by 42 respondents; it is ranked first by only 12 respondents (less than 10 percent of all the respondents). Unfair social distribution system is ticked by 36 respondents and takes the fifth place in the final score as a relatively less important reason for poverty in the perception of Chinese urban residents. In addition, few people believe that lack of education, lack of opportunity, and misbehaviors are important reasons for poverty.

According to these data, Chinese urban residents attribute the responsibility for poverty more to the uncontrollable fate and slack job market than to the individual, which leads to decreased stigma. This finding coincides with the weak stigma reported in the previous section. The deemphasized individual attribution of poverty results in slight stigma. Or in other words, the conventional explanation for sources of stigma is still powerful in the Dibao program.

Section Four Welfare Stigma and Welfare Take-up

Not all the poor who are eligible for welfare benefits do actually collect them. Four explanations for low take-up are generally offered in the literature. They are stigma, inconvenience, the size of benefits, and lack of information about the program (Remler, Rachlin and Glied, 2003; Currie, 2004; Hernanz et al. 2004). Of course, these are not entirely separate explanations. In particular, a person's incentive to obtain information about a program may be influenced by the size of the benefit relative to the transactions costs/stigma associated with applying. In this section, I try to find out how welfare stigma affects the take-up of the public assistance and its

relative significance to other factors in the context of the Dibao program.

As Currie (2004) puts it, it is likely to be difficult to assess eligibility for most social programs accurately using survey data as most surveys have little information about assets. That is the story of this study. Therefore, I can only ask the respondents why poor people are not actually covered by the program without an accurate discerning of their eligibility. Similar to the approach to the issue of poverty attribution, respondents rank the top three reasons for the question. Ten statements are presented, covering all the possible explanations for the non-take-up to the best of this researcher's knowledge.

These statements are as follows.

- (1) They are not poor enough to be assisted.
- (2) They have relatives, friends or other resources to turn to.
- (3) They don't know they are eligible to applying for the assistance.
- (4) The arduous application procedure deters their application.
- (5) The Dibao assistance is too slim to attract them.
- (6) They don't want to be looked down upon by others as a welfare claimant.
- (7) They don't have connections (or *Guanxi*), so even if they apply for it, they can't get the benefit.
- (8) The Dibao quota is very limited, and even if they apply for it, they can't get the benefit.
- (9) They fear the negative consequences of being on welfare on their employment opportunity. And
- (10) They prefer not to rely on the payouts of the State.

The results are presented in Table 8 .

Table 8. Why Are the Poor Not Covered by the Dibao?

	A.1st (N=143)		B.2nd (N=142)		C. 3rd (N=139)		Frequency In Sum* (N=143)		Weighted Score **
(1) Not poor enough	50	35%	11	7.75 %	17	12.2 %	78	54.5 %	300
(2) Having other resources to turn to	12	8.39 %	27	19%	26	18.7 %	65	45.5 %	167
(3) Limited quota of the Program	13	9.09 %	27	19%	16	11.5 %	56	39.2 %	162
(4) Arduous application procedure	14	9.79 %	22	15.5 %	10	7.19 %	46	32.2 %	146
(5) Fear of being looked down	14	9.79 %	17	12%	17	12.2 %	48	33.6 %	138
(6) No connection (guanxi)	15	10.5 %	7	4.93 %	16	11.5 %	61	42.7 %	112
(7) Preference not to rely on the State	14	9.79 %	10	7.04 %	12	8.63 %	36	25.2 %	112
(8) Ignorance of the right to apply	7	4.9%	9	6.34	9	6.47	25	17.5	71

				%		%		%	
(9) Unattractive benefit size	1	0.7%	8	5.63%	10	7.19%	19	13.3%	39
(10) Fear of side effects on employment	3	2.1%	4	2.82%	6	4.32%	13	9.09%	33

*Frequency In Sum=A+B+C

** Weighted score= 5A +3B + C

Sources: the study of this research.

What are the three most important reasons for the poor not being on welfare? “Being not poor enough” is chosen most frequently (78 out 143 respondents) and ranked first by most people. Its weighted score is 300, far higher than all the other statements, suggesting the high assistance threshold is the primary reason for the exclusion of the poor from the program.

“Having other resources to turn to” scores the second and it has more seats as a secondary and tertiary reason. This reveals two messages. First, informal private assistance from families and friends still plays an important role in the support of the poor, or conversely, the role of public assistance system has yet to come into full play even for the poorest citizens in contemporary China. Second, the informal private assistance system cannot fully take the place of the public assistance system, as most respondents put it on the secondary or tertiary order instead of the first place.

“Limited quota of the program” scores the third, and has the most seats as a secondary reason. Though “protect whoever should be protected” is a long time slogan of the Dibao program, the residents still believe that the narrow coverage is one of the major deterrent factors that exclude the poor from the protection.

The “arduous application procedure” scores 146 and ranks the fourth. It is chosen by 46 respondents. This result is consistent with the foregoing account of the complex application process. This result also suggests that though the application process is complex, it does not consist of a major impediment of welfare participation. In view of the limited coverage of the program, and the difficulties in getting a post in the job market, I propose that the scarcity of the welfare resources and the low opportunity costs of application enhance the desirability of the program participation. Yet more evidences are to be produced to validate this idea.

The “fear of being looked down” scores the fifth. One-third respondents believe it important, and most people put it on the tertiary place. The final score is 138, much less than that of the top reason. Is welfare stigma a major deterrent factor of welfare participation? The data of this research show that it at most plays a rather mild role in deterring welfare participation in the Dibao Program.

In addition, the size of benefits, and information about the program both score very low (71 and 39 respectively), suggesting a slight impact on welfare take-up.

In this section, I explore empirically the reasons for nonparticipation of the poor in welfare program. The findings are quite different from what we have learnt about the well-established welfare states, where the influential factors are the size of benefits, inconvenience, stigma, and information about the program consecutively. We find here in the developmental welfare state of China that, neither size of benefits, information of the program, nor the inconvenience and welfare stigma is of any significance. The main deterrent factors of welfare participation here are the high assistance threshold, the limited role of the public assistance system, and limited quota of the assistance. All these factors can be traced back to the less priority the State gives in a formal public social assistance system.

Section Five

Conclusion

This paper, taking a highly selective social assistance program, the Dibao program in China as an example, explores the link between selectivity in social policy and welfare stigma. It also attempts to determine the relevant importance of welfare stigma among other influencing factors in the take-up of social welfare. It comes to a general conclusion different from what we learn about the advanced industrial welfare states. That is, in a developmental welfare regime where the economic structure transitions have thrown a large number of people into poverty, the high selectivity in social policy does not necessarily results heavy stigmatization of the welfare claimants, and the slight welfare stigma does not consist of a major barrier to welfare take-up.

In conventional belief, high selectivity in social policy is inevitably linked with stigmatization of the welfare recipients. Here in this research, the failure of the state's will to stigmatize the welfare recipients is accounted by four interplaying factors. These factors are the public perception of the reasons for poverty, the immature taxpayer consciousness, the fading trust in the official stigmatizing propaganda, and the strategic behaviors of the grass roots bureaucrats. This finding casts new lights on the relationship between welfare stigma and policy orientation, and ultimately, reveals a new aspect of the state-society relation.

There are two conflicting views about welfare stigma as a policy tool. One view holds that destigmatization attracts more eligible applicants to welfare programs, therefore, increases the effectiveness in poverty reduction ultimately. By contrast, another view maintains that, stigmatization excludes out those undeserving, and more resources can be focused on the most needy, and it is the only way that a free society can be generous(Murray, 2009) .nevertheless, both views are based on one similar assumption-stigma deters welfare take-up. Yet in this study welfare stigma is not

proved to be very important in deterring welfare take-up. Of all the deterring factors, the most important ones are the high assistance threshold, the limited role of the public assistance system, and limited quota of the assistance, instead of the size of benefits, the incontinences of application, the knowledge of the program, and welfare stigma. In other words, in a developmental welfare regime where the residualism predominates in social policy, the reluctance of the state to provide sufficient protection to its citizen is much more important in affecting the take-up rate than those factors in which the average citizen's desire can have a place.

References

- Besley, T. & Coate, S. (1992) "[Understanding welfare stigma: Taxpayer resentment and statistical discrimination](#)." *Journal of Public Economics*, 7: 165-183.
- Blumkin, T. & Margalioth, F. & Sadka, E. (2008) "The role of stigma in the design of welfare programs" [http://econ.tau.ac.il/research/search_workingPapers.asp].
- Cohen, C.J. (1999) "The boundaries of blackness: AIDS and the breakdown of black poitics".
Library of Congress Cataloging-in-Publication Data.
- Currie, Janet. (2004) "The Take Up of Social Benefits." NBER Working Paper No. 10488.
Cambridge, MA: National Bureau of Economic Research, May.
- Du, Yang, Park, Albert. (2007) "The Effects of Social Assistance on Poverty Reduction: Evidence from Household Surveys in Urban China," *The International Conference on Policy Perspectives on Growth, Economic Structures and Poverty Reduction, Beijing, China, June 2007*.
- Feagin, J.R. (1972) "Poverty: We still believe that God helps those who help themselves."
Psychology today, 1972.
- Gilbert, Neil. (2001) "Researching social life." London: Sage Publications. 2001, 64-145.
- Gilens. (1999) "Why Americans hate welfare: Race, media and the politics of antipoverty policy" .Chicago: The University of Chicago Press. 1999.
- Goffman, E. (1963) "[Stigma: Notes on the management of spoiled identity](#)". Engelwood Cliffs, NJ: Prentice-Hall.
- Jennifer, Stuber & Mark, Schlesinger . (2006) " Sources of stigma for means-tested government programs" *Social Science & Medicine*, 63:933 – 945.
- Gough, Ian. (1991) "*A theory of human need*." Palgrave Macmillan, New York, USA.

- Guan, Xinping,(2005) "Poverty in Urban China: An Introduction," in *Poverty and the Minimum Living Standard Assistance Policy in Urban China*,The Social Policy Research Center, Chinese Academy of Social Sciences, Beijing, 2005. Available online at:
http://www.chinasocialpolicy.org/Paper_Show.asp?Paper_ID=40 (in Chinese).
- Hernanz,V.& Malherbe,F.(2004) "[Take-up of welfare benefits in OECD countries: a review of the evidence](#)" Paper provided by OECD Publishing in its series [OECD Social, Employment and Migration Working Papers](#) with number 17
- Hernandez, M.& Pudney,S.(2004) "[The welfare cost of means-testing: pensioner participation in income support](#)" *Journal of Applied Econometrics*,22:581-593.
- Larsen, C. A. (2008) "[The institutional logic of welfare attitudes: how welfare regimes influence public support](#)" . Aalborg University, Denmark.
- Leung, Joe C.B.(2006) "The emergence of social assistance in China" *International Journal of Social welfare*,6:188-198.
- Link,B.& Phelan,J.(2001) "Conceptualizing stigma" *Annu. Rev. Sociol*,27:363–85.
- Mkandawire.T. (2005) "Targeting and universalism in poverty reduction" *Social Policy and Development Program Paper*. December,23, 2005.
- Moffitt, R. (1983) "An economic model of welfare stigma". *American Economic Review*, 73:1023–1035.
- Murray, Charles (2009), "Stigma makes generosity feasible", *Democracy Trumps Charismo in Latin America*. Nov. 30
- Oorschot,Wim van (2002) "Targeting welfare :on the functions and dysfunctions of means testing in social polic" *world poverty* ,7:171-193.
- Oorschot, Wim van.& Halman Loek. (2000) "Blame or fate, individual or social? An international comparison of popular explanations of poverty" ,*European Societies*, 1: 1-28.
- Pinker, R.(1971) "[Social theory and social policy](#). " London : Heinemann,1971.
- Ravallion,M. (2009) " Do poorer countries have less capacity for redistribution? ",One-Pager #97, The International Policy Centre for Inclusive Growth (IPC-IG).

Remler, D., Rachlin, J. & Glied, S. (2001). "What Can the Take-up of Other Programs Teach Us About How to Improve Take-up of Health Insurance Programs?" National Bureau of Economic Research Working ,3: 8185.

Rogers-Dillon, R. (1995). "The Dynamics of Welfare Stigma." *Qualitative Sociology* ,18: 439–456.

Saich,T.(2004) "Governance and politics of China". 2nd edn. Houndmills: Palgrave.

Sen,A.(1995) "The political economy of targeting." *Theory and method*,13:15-24.

Solinger.(2008) "Dibaohu in distress: the meager minimum livelihood guarantee in wuhan".

"Social Problems and the local welfare mix in China: Public policies and private initiatives,"

Nankai University, Tianjin,10: 27-31.

Sunesson, Sune et al. (1998) "The Flight from Universalism, *European Journal of Social Work*"

European Journal of Social Work, 1: 19-29.

Titmuss,R.M. (1968)"Commitment to welfare" *Social policy and administration*. 6:196-200.

Whyte. M.K.(2010) "[Myth of the social volcano: Perceptions of inequality and distributive injustice in contemporary China](#)." Stanford, CA: Stanford University Press, 2010.

高功敬, 高灵芝.(2009)"城市低保的历史性质与福利依赖" *社会保障制度*, 2009,9.

马居里,赵淑兰.(2006) "[低保救助中的负激励效应初探](#),"*重庆科技学院学报(社会科学版)*,2006,4.

周凤华.(2009)"[社会救助对象瞄准: 方法与实践](#),"*社会主义研究*, 2009,4.

Soss, J. (2000). *Unwanted claims: The politics of participation in the U.S. welfare system*. Ann Arbor: University of Michigan Press.

Spicker, P. (1984). *Stigma and social welfare*. New York: St. Martinthe U.S.

Stuber, J., & Kronebusch, K. (2004). Stigma and other determinants of participation in TANF and medicaid. *Journal of Policy Analysis and Management*, 23(3), 509 - 530.