

# Poverty Among Children in Urban China: A survey of poverty-affected families in three cities

Chen Wei  
Louise Benyon  
Katie Maher

# CHIP

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Childhood Poverty Research and Policy Centre

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# Preface

This paper is one of a series of working papers, reports and policy briefings on different aspects of childhood poverty published by the Childhood Poverty Research and Policy Centre (CHIP). CHIP is a collaborative research and policy initiative involving academic institutions and Save the Children in China, India, Kyrgyzstan, Mongolia and the UK. It aims to:

- deepen understanding of the main causes of childhood poverty and poverty cycles, and increase knowledge of effective strategies to tackle it in different contexts
- inform effective policy to end childhood poverty, ensuring that research findings are widely communicated to policy-makers, practitioners and advocates
- raise the profile of childhood poverty issues and increase the urgency of tackling them through anti-poverty policy and action
- work globally to tackle chronic and childhood poverty in transition countries.

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For further information and to download all our publications, visit [www.childhoodpoverty.org](http://www.childhoodpoverty.org).

# Acknowledgements

This report was drafted by Chen Wei in Chinese and edited and then written in English by Katie Maher and Louise Beynon. The initial draft was based on regional research in Chongqing, Fushun and Hefei. Chen Wei conducted the questionnaire analysis and wrote the initial outline which was added to by Katie Maher and Louise Beynon.

The following people also contributed to this research: Chen Xuemei (Save the Children Beijing office) and Lu Shao Qing (consultant) co-ordinated and managed the research programme and carried out qualitative analysis in the three locations. Lu Shao Qing developed the questionnaire. Researchers from the Institute of Sociology at the Liaoning Academy of Social Sciences, the Department of Sociology at Anhui University and the Institute of Sociology at Chongqing Academy of Social Sciences carried out the research. Douglas Lackey acted as adviser and co-ordinator of the report in London. Caroline Harper and Colette Solomon edited the English version. Victoria Whitaker lent considerable administrative support. The report was copy-edited by Megan Caine.

## Disclaimer

The views in this paper are those of the authors and do not necessarily represent those of CHIP, CPRC, DFID or Save the Children.

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# Executive summary

This study aims to explore and analyse the features and causes of poverty and its effects on children in three urban areas. The employment, education, health and social conditions of poor urban families and their children are considered, along with the coping and support strategies families adopt when faced with economic hardship.

A household survey, group discussions with families, children and youth, and key informant interviews were conducted in three cities located in the eastern, central and western regions of China. Surveyed families included recipients of the Minimum Living Standard Security Allowance (MLSSA), rural-urban migrants, people with disabilities, former rural residents who had had their land requisitioned and workers laid off from state-owned enterprises.

## Employment, income and expenditure

More than half of those surveyed were unemployed, and most of those with jobs were temporary employees or self-employed in unstable work: less than 8 per cent of families surveyed had members with permanent jobs. Nearly 50 per cent of those surveyed were laid-off state enterprise workers.

There are some important differences and similarities between the main groups of poor people. Most urban residents with local *hukou* (household registration) are primarily dependent on government aid for their main source of income, in contrast to rural migrants who are either self-employed or in some form of temporary waged work. This reflects the difficulties of laid-off workers in finding meaningful re-employment, as well as the positioning of rural migrants in low-paid and unskilled work that does not secure a reasonable standard of living. This underlines the vulnerability of both groups of urban poor families, which makes it difficult for them to access employment-based health insurance and pension schemes. Rural-urban migrants are not eligible for government employment and are required to pay supplementary education fees for their children.

Of households with urban registration, 66.8 per cent were receiving the MLSSA, 51.8 per cent received income from household businesses, and 29.2 per cent were assisted by relatives and friends. Although approximately half of the households regarded their children's education as their main expense, they were nonetheless willing to do everything possible to keep them at school. Medical treatment was also reported as a significant expense by many households. Costs have often prevented poor families from fully vaccinating children or from visiting clinics. The survey showed that only 45 per cent of poor urban families provided their children with 'user-pays' vaccinations that were not covered by the state-funded immunisation plan.

## Children's education

Despite the rising costs of education, 98 per cent of children from poor urban families are accessing education, and the majority of poor families said they would not let poverty prevent their children from attending school or entering higher education; indeed 87.1 per cent of parents said they hoped their child would attend technical college or university. However, the survey found that poverty limits the type of investment poor families make in children's education: apart from providing their children with formal schooling, 73.2 per cent did not invest in other education programmes such as private tuition outside school hours. Of these families, 64.1 per cent did not provide other education programmes due to economic reasons. Of the poor families surveyed, 77.8 per cent felt they could not afford to pay education fees. It is, however, for rural-urban migrants that school fees are a particularly heavy burden because they are required to pay additional fees for their children to attend urban schools. As a consequence of these additional fees, most school-aged children of migrants are left behind in rural locations.

## Social support and coping strategies of poor urban families

While nearly 60 per cent of surveyed families had some awareness of the government-funded re-employment policy, only little more than 10 per cent had been trained for re-employment. The survey found that in times of need urban poor families relied mainly on assistance from relatives, friends and neighbourhood committees. However, rural-urban migrants were less likely to call on neighbourhood committees or non-migrant neighbours for support.

Seventy per cent of surveyed families reported that their primary coping strategy was cutting down on food and other living expenses, while other strategies included borrowing from relatives or friends, looking for work or working extra shifts. These strategies were more common than seeking government social assistance. A significant proportion of families also endured illness without seeking medical treatment.

Poor urban families were much more aware of the MLSSA than they were of other social policies despite the fact that it does not cover education and health adequately.

## Challenges and causes of family poverty

Children's schooling was the greatest challenge faced by 43 per cent of respondents, followed by re-employment (28.1 per cent), housing (11.4 per cent), medical care (10.8 per cent) and old-age security (3.2 per cent). Major causes of family poverty were unemployment or being laid-off, low income, prolonged illness, low levels of education, being 'over-age', and the difficulty of finding employment. Respondents suggested that social reform and transition were in fact the underlying reasons for urban poverty, while individual family factors, such as chronic diseases, were contributory factors. They reported that the major obstacles to overcoming poverty were being over-age, having a low level of education, having no stable income, having a low income, difficulty in finding a job, having young children, and the high cost of education.

The challenge for tackling urban poverty is twofold: to enhance parents' ability to use their labour more productively and guarantee a better current standard of living; and to provide good quality education for children to ensure a better future.

## **Key findings and policy recommendations**

### ***Measures to address unemployment and insecure employment***

- Improved access to relevant and marketable skills that will enable people to find work in a changing job market, re-employment opportunities, and microcredit schemes to assist unemployed and low-income people to start their own small businesses.
- Increasing the minimum wage so that it is higher than the MLSSA.

### ***Education and skills levels of poor adults should be improved***

- This applies mainly to middle-aged laid-off workers who have low-level skills and little education, and constitute the largest group of the long-term unemployed.
- Rural-urban transfer residents are similarly handicapped by insufficient education and skills because of the poor quality of education in rural areas.
- Measures might include subsidies or affordable loans for low-income adults to access vocational skills courses and technical training.

### ***Poor children's equal access to education should be improved through removal of the cost barriers***

- Waiving school fees and various supplementary fees and charges during the period of compulsory education.
- Standardising the teaching programme so that all children receive an equally high standard of education, thus making it unnecessary for parents to pay for additional tuition outside the core classes.
- Dismantling the 'key' schools system, distributing resources more equally across all urban schools and making them available to all students at an affordable cost.

### ***The immediate establishment of a functional medical security system***

- The development of the health insurance system needs to ensure the full participation of all enterprises in the social security system.
- This should include measures to ensure that the medical and healthcare needs of poverty-affected urban children are met, including vaccinations and treatment for sudden severe illness.

### ***The improvement of migrant families' access to government and community assistance***

- The government should make it easier for rural migrants to apply for urban registration.
- A key factor in alleviating poverty among rural migrants would be to grant them equal treatment as urban residents and equal access to urban services.

# I. Introduction

The population and economy of China are currently in the process of massive transformation. In this environment – characterised by privatisation, market-orientation, rapid population movement and urbanisation – private property and development opportunities are increasing. However, as social and political change has tended to lag behind this economic transformation, there is great variation in the way in which China's transforming environment affects different social groups. Social concerns have fallen behind economic priorities, and pose serious problems for China's economic and social development.

Emerging issues in urban poverty have become the subject of wide attention. Socially vulnerable groups, such as rural-urban migrants, persons with disabilities and workers laid off from state and former state-owned enterprises, now live with the instability and risks of a new market economy and changing social system. Faced with increasing hardship, they have both fewer chances of overcoming poverty and fewer opportunities to seek assistance.

While children may be among those most affected by poverty, they remain largely neglected in urban poverty research and few poverty alleviation programmes have specifically addressed their needs. This may partly be because children are regarded as powerless, unlike other poverty-affected groups that could cause social unrest. Issues concerning children tend not to be as apparent or immediate as the consequences of poverty for adult groups. Nevertheless, it should be remembered that where there are rural-urban migrants, laid-off workers, disabled people and others living in poverty there are usually also children.

When looking at the individual life course of children and considering the development of sustainable societies and future generations, the importance of addressing child poverty is unquestionable. The children of today will take on responsibilities for future families, become the future labour force and care for senior citizens. The long-term impact of childhood poverty, therefore, must not be overlooked.

The current study provides the foundation for ongoing work in the area of urban childhood poverty in China. It proposes that the trends in, reasons for and possible outcomes of childhood poverty in urban areas be analysed. Furthermore, relevant policies that specifically address children must be adopted.

## 1.1 Key terms

The report makes frequent reference to certain key institutions and policies that are critical to understanding the current situation for poverty-affected families in urban China. The following is a brief description of five of these institutions and policies: the *hukou* (household registration) system; the *danwei* (work unit); *shequ weiyuanhui* (neighbourhood committees); the *dibao* (Minimum Living Standard Security Allowance, MLSSA) and *nongzhuanfei* (rural-urban transfer).

*Hukou*. The household registration system was set up in the early 1950s to control population movement, especially from rural to urban areas. It effectively polarised rural and urban China, conferring state-provided employment and benefits on urban residents while largely excluding the rural population. In recent years, the *hukou* system has been relaxed and rural migrants are increasingly able to move to cities to live and work. However, *hukou* still plays an important role in defining entitlements to state aid and access to key urban services, especially education. Rural migrants are denied access to many programmes directed at the urban poor, for example they often have to pay supplementary fees to send their children to urban schools.

*Danwei*. The *danwei*, or work unit, refers to the department, division or section of employment of state-run workplaces or, more generally, to the company/organisation of employment. A work unit was more than just a place of employment, it operated as a ‘mini-society’, providing housing to most of its workers, paying pensions to its retired workforce, and reimbursing workers for medical expenses. Belonging to a good state-owned work unit guaranteed a stable salary, good quality housing and a broad range of welfare benefits. Many smaller state-owned and collective work units, however, could not provide workers with salaries, housing and healthcare, and this is a major factor in urban poverty.

*Shequ weiyuanhui* (neighbourhood committees). Urban people living outside the work unit were supervised by neighbourhood committees, usually staffed by retired women on a voluntary basis. These neighbourhood committees were responsible, to varying degrees, for disabled people, elderly people without children, and unemployed people. From the mid-1980s, the government has increasingly bolstered the scope of neighbourhood committees’ work, and the restructured community committees,<sup>1</sup> staffed by paid and elected officials, are now responsible for many front-line social services, including local employment generation schemes and the administering of the MLSSA. These new style neighbourhood committees are also responsible for all the residents within their geographical boundaries, including workers still in work units and rural migrants.

*Dibao*. The Minimum Standard Living Allowance (MLSSA) is the third tier of social security provision, after unemployment insurance and laid-off worker payments, and is the state’s ultimate safety net for the urban poor. It subsidises poor families whose income falls below the locally-set poverty line. It can only be accessed by those with local urban *hukou*. Since 1998

<sup>1</sup> For further information on the Chinese Government’s development of community committees see Cook, S (2000).

when the system was first put in place, numbers receiving *dibao* have increased considerably, reflecting the state's policy of 'low entitlement, wide coverage'.

*Nongzhuanfei* (rural-urban transfer). There are two main ways in which rural residents are allocated urban registration: by the redrawing of urban boundaries and by the requisition of farmland. In recent years, many rural residents have been transferred to urban registration and their land requisitioned for development. While they are compensated for their loss of livelihood in the form of cash and/or the allocation of new employment, these new urban residents are vulnerable to poverty, and constitute the second largest group of urban poor after laid-off workers. The government is currently discussing proposals to reorient compensation away from lump cash sums to insurance via the buying of social security provision. For this research, a number of rural-urban transfer residents were included in the Chongqing study, as the city has had significant land requisition and population transfer.

## 1.2 The research focus, context and site

The research focus was on:

- the impact of poverty on urban children in relation to their social development, and
- appropriate responses from regional governments, communities and families in reducing urban childhood poverty.

A key research question was: 'What are the most effective social security policies in, and community and household responses to, reducing urban childhood poverty?'.

The study was conducted against the broader background of social transformation and economic restructuring in contemporary China, and the subsequent emergence of many disadvantaged groups, including children. Issues of child welfare, child socialisation and social support were selected as central concepts of analysis. Other issues addressed within the conceptual framework were children's education, childcare, social security and social policy. The study was designed in collaboration with the Department of Social Relief of the Ministry of Civil Affairs.

A number of population groups were prioritised. These were:

- floating/migrant populations
- *xiagang*/laid-off workers
- families who have lost farm land due to urbanisation
- near-poor or low-wage families.

The study also enquired into how poverty impacts on families facing particular difficulties, such as families with disabled and chronically sick members, and single-parent families that have experienced family break-up or divorce.

Three key cities were selected as research locations: Fushun, Hefei and Chongqing. Fushun is located in Liaoning province in north-east China, with a population of 1.5 million. It has been significantly affected by the collapse of state-owned enterprises. Hefei, the capital of Anhui province, is located in central China. It also has a population of 1.5 million and has significant numbers of rural-urban migrants and laid-off workers. Chongqing is a new municipality.<sup>2</sup> Formerly part of Sichuan province, it became China's fourth special municipality with the establishment of China's Three Gorges Dam project, the greatest water conservancy project in the world. Currently under construction, it will involve the damming of the Yangtze river, the building of a huge reservoir and the resettlement of hundreds of thousands of people. Chongqing is located in western China and has a population of 6 million, including many migrant workers and many people subject to land requisition.

The three cities were selected for various reasons. Each is experiencing different levels of socio-economic development and reasons for, and situations of, urban poverty vary between the cities. In each project city, areas with relatively large poor populations were selected as research sites. In Fushun, an area with high numbers of laid-off and unemployed workers was selected. In this location, the closure of coal mining has led to reduced employment options since the 1990s and a decrease in rural-urban migration. In Hefei, where Save the Children UK China Programme has a project office, we chose a site where Save the Children had previously conducted community projects and migration research. As Save the Children UK has already established working relationships with community service providers in the area, it is well placed to act on the findings of the present research. Two areas were identified in Chongqing, one in the city area, where there were large numbers of laid-off workers and rural migrants, and another, located on the fringe of the city, where many residents had lost land due to urban expansion.

The study included 1,789 urban parents and their 1,060 children. They comprised the 950 households who participated in the household survey: 300 from Fushun, 300 from Hefei and 350 from Chongqing. Most households included three members (two adults and one child) with smaller numbers of two-, four- and five-member households. Households with children of varying ages were selected and all priority groups were represented. Qualitative information was provided by 584 urban parents and their children: 99 from Chongqing, 240 from Fushun and 245 from Hefei. Research methods<sup>3</sup> included both qualitative and quantitative components. Qualitative research was mainly carried out through focus group discussions, while quantitative research comprised mainly a household survey.

<sup>2</sup> China's Central Government has divided China into different regions, including 23 provinces (for example, Anhui and Liaoning), 5 autonomous regions (such as the Tibet and Xinjiang autonomous regions), 4 municipalities (these are the highest level cities in the country, directly controlled by central government and holding specialised status) and 1 special administrative region (Hong Kong).

<sup>3</sup> For a more detailed discussion of the research methods see Appendix 2.

## 2. Key concepts and issues in poverty studies

### 2.1 Frameworks for measuring and analysing poverty

Since the 1990s, there has been renewed emphasis in international organisations on the need to develop effective poverty reduction strategies, signalled by the World Bank's World Development Report on poverty (World Bank 1990). This has been complemented by a conceptual debate about the meaning and measurement of poverty, in which the conventional income/consumption approach to identifying poverty has been challenged by a range of poverty concepts. These include participatory approaches using multiple indicators of poverty status, and the development of the rural sustainable livelihoods frameworks which assess the vulnerabilities and capabilities of the poor.<sup>4</sup> These new approaches have been widely accepted by international and national aid agencies, and mark a shift away from defining poverty as a lack of wealth to a focus on vulnerability and the ability of the poor to withstand and recover from shocks and stress.

With the acceleration of urbanisation and the expansion of city populations, urban poverty has become a critical global problem. It has received wide attention, both nationally and internationally, and has been afforded considerable government emphasis. Drawing on the vibrant literature and debates on poverty concepts, several sustainable livelihoods models have been adapted to the urban environment, which differs from the rural context in three key ways:

- the highly 'commoditised' nature of the urban sector which makes labour the most important asset of the urban poor
- the environmental hazards of poor housing and sanitation
- the social fragmentation of urban communities.

Moser (1998) has outlined an asset vulnerability framework comprising labour, human capital (health, skills and education), productive assets (housing), household relations (mechanisms for pooling income and sharing consumption), and social capital (reciprocity within communities and between households). Attention to the assets and capabilities of the poor, and their vulnerability to shocks and stress, is fruitful in three ways. Firstly, it recognises the complex ways in which poor families manage their assets and mobilise them in the face of adversity. Secondly, the notion of vulnerability encompasses both poor and low-income groups and captures the dynamic nature of poverty. Thirdly, it encourages policy interventions that focus on promoting opportunities for poor people to deploy their assets in the most productive way, rather than seeing them as helpless victims. A sustainable livelihoods approach is also highly relevant to studies of childhood poverty as it emphasises the ways in which poor families attempt to enhance the opportunities of the next generation in their strategies to combat poverty.

<sup>4</sup> A UNDP report states that: 'sustainable livelihoods are derived from people's capacity to make a living by surviving shocks and stress... This requires reliance on both capabilities and assets for a means of living. A livelihood is sustainable if it can cope with stress and shocks, maintain and enhance its capabilities and assets, and enhance opportunities for the next generation' (UNDP 1999).

## 2.2 The China literature on poverty

The China literature suggests that urban poverty has intensified though the restructuring of the urban economy, the collapse of many former state-owned enterprises and the consequent laying-off of many workers. Socio-economic transformation has also greatly expanded the urban population, both through rural-urban migration and the reclassification of rural communities as urban areas. The numerous studies of issues related to urban poverty have focused on defining urban poverty and proposing recommendations.

In our study, the concept of poverty is essentially conceptualised as a state in which some members are deprived of their rights to necessary resources, basic needs and participation in economic and social activities.<sup>5</sup>

Poverty evolves as a result of a range of factors operating at both the macro- and micro-levels. In China, key factors operating at the macro-level include unbalanced economic development within a given area, increasing gaps between different regions and a growing disparity in income between different industries or sectors. A range of systemic problems also contribute to urban poverty:

- National enterprise reform has resulted in increasing numbers of laid-off workers.
- The commoditisation of housing, education and healthcare combined with rising prices has made low-income earners more vulnerable to poverty.
- An incomplete social welfare system does not guarantee security for all people living in urban areas.

At the micro-level, key individual and family factors that impact on urban poverty include employment status, work unit classification (state or private), age, sex, education level, trade and occupation. People with low education levels, for example, may be more likely to be in low-income jobs, while middle-aged people may lose their jobs.

Historical factors also play a role in the recent emergence of widespread poverty in urban areas. The former policy of high employment rates led to a social system that covered a wide range of people, although income levels were relatively low. More recently, however, although income levels have greatly increased for some people, there are many low-income earners and unemployment rates have increased significantly. For urban workers in their 40s and 50s, the generation whose education was disrupted during the Cultural Revolution, their lack of qualifications and skills makes it particularly difficult to find meaningful re-employment.

Zhou Kuanshan (1998) articulates similar views, and notes that family poverty has caused a series of social problems, among them the critical issue of providing education for children from poor families. As children and young people from poor family backgrounds cannot afford quality

<sup>5</sup> Definitions of poverty vary. For example, Lin Mingang and Tong Xing (1993) describe poverty as the assemblage of underdeveloped economies and cultures, a condition of relative or absolute lack of basic materials and basic services, and a lack of development opportunities and means. Guan Xinping (1999) considers poverty as a phenomenon in which a given type and proportion of social members endures difficult life experiences. This notion of poverty is based on a combination of social and economic features, characterised by low-income levels and low material living standards.

schooling or professional training, they receive lower qualifications and fewer job opportunities. As income levels largely depend on training and skills levels, children from poor families often remain poor themselves. Other research has also stressed that poor families urgently need assistance to finance their children's education.<sup>6</sup>

Our findings on the situation of poverty-affected urban families coincide to some extent with the findings of other recent studies of urban poverty in China. Guan Xinping (1999) and Cook (2002), for example, have previously highlighted some of the problems faced by workers laid off from state-owned enterprises. While few previous studies of childhood poverty in China have highlighted the general implications of economic issues for children (eg, Lu and Wei 2002), little attention has been paid to specific issues of urban poverty. With the exception of some recent studies on rural-urban migrant children in China (eg, Han Jialing 2001), little research has been conducted into the situation of children living in poverty in urban areas and the impact of poverty on their livelihoods, education, health and social development. The current study supports earlier findings on the critical need to improve social security, education and healthcare for migrant children, as well as highlighting the need to address socio-economic disadvantage among other groups, such as the children of laid-off workers. Our survey has contributed important new perspectives to the understanding of how poverty impacts on children in urban China.

There is currently a lack of research and statistics on the impact of family poverty on children's lives, education, physical growth and psychological development in China. This paper aims to contribute to filling this gap and adding to our knowledge of the situation of children from poor families. The following section briefly outlines the situation of poor urban and rural families in China and the major poverty alleviation policies adopted by the Chinese Government. A more detailed analysis of urban child poverty then follows in later sections, using data from our research.

<sup>6</sup> See, for example, Human Research Group on Socio-economics in Rural Areas (2002).

### 3. Poverty in China and government policy responses

#### 3.1 The situation of poor communities in China

China's poor communities are mainly concentrated in the western regions: in mountainous areas with harsh living conditions (such as no road access, and inadequate water and electricity supply) and a lack of natural resources, and in minority ethnic community and border areas. According to national government statistics, by the end of 2003 there was estimated to be 16,130,000 poor people and 29,410,000 low-income people<sup>7</sup> in the 11 provinces, counties and cities in the western part of China. They made up 56 per cent of the country's total number of poor and low-income people, indicating the concentration of poverty in the western region.

Poor communities in rural China share some common features: average per capita natural resources are relatively low; income, education and literacy levels are low;<sup>8</sup> and the incidence of disability and chronic illness is relatively high.<sup>9</sup>

In towns and cities, high employment pressure is the critical issue in urban poverty. By 2003, 22.47 million urban residents in China were reported to have incomes below the poverty line. Among them, 1,793,000 were employed, 5,184,000 had been laid off, 907,000 were retired and 4,091,000 were unemployed. These groups of people had a total of 9,494,000 family members, and included 999,000 'three no's'.<sup>10</sup>

#### 3.2 Current government proposals to alleviate poverty

The 1990 World Development Report (World Bank 1990) outlined a poverty reduction strategy based on three components: economic growth; investments in basic health and education; and the provision of social safety nets to protect vulnerable groups and the poor. These principles underscore the work of most development agencies and form the basis of the World Bank's country-level Poverty Reduction Strategy Papers. The following summary of the Chinese Government's policies on rural and urban poverty illustrates how these components are also central to its own poverty reduction strategy.

<sup>7</sup> Low-income persons or groups are those whose income is just above the minimum living standard, meaning they struggle to meet basic needs and are not eligible for special treatment which those classified as poor may receive. Low-income groups may also be referred to as 'near-poor'. The general distinction between low-income and poor groups is that whereas low-income groups have incomes that more or less meet minimum living standards without government or social support, poor groups fail to meet minimum living standards. As income and expenditure tend not to be stable, there is usually some overlap between poor and low-income groups.

<sup>8</sup> In 2003, 85,170,000 people living in rural China were reported to have a per capita income below the national poverty line of 882 yuan. In 2003, the literacy rate among labourers in poor rural families was 22.4 per cent and only 39 per cent of the workforce had completed primary school.

<sup>9</sup> Of those rural families that were listed as poor in both 2002 and 2003, 29.3 per cent had family members who lacked labour capacities, and 26.4 per cent had family members who were seriously ill but failed to see a doctor.

<sup>10</sup> 'Three no's' or *san wu* refers to those with no employment capacity, no reliable income source and no family support.

The Chinese Government continues to hold the elimination of poverty and the achievement of prosperity for the whole nation as an objective. It has put in place measures to promote economic growth and increase personal income and job opportunities for the poor in both urban and rural areas. It is also now taking on the challenge of establishing a social welfare system that functions in correspondence with national economic development. In rural areas, the challenge is to fill the void left by the collapse of collective-based basic social welfare programmes after the decollectivisation of agriculture in the early 1980s. In urban areas, this involves replacing the social welfare programmes provided by the government through the work units with the socialisation of welfare, in which the state, employers and employees all contribute.

### ***Rural and urban poverty alleviation programmes***

Since the 1980s, the Chinese Government has made considerable efforts to alleviate rural poverty. This has involved the establishment of a development programme called the National Development Programme to Alleviate Poverty, revised by the State Council in 2001. Components include rural regeneration, promotion of migration, local fundraising, income support and, more recently, participatory approaches to better assess and target the poor.

China's government has also taken steps to establish and implement a poverty alleviation programme in urban areas. Firstly, a re-employment project has been set up to increase job opportunities for those workers laid off from state enterprises. From 1998 to 2003, the central government allocated 73.1 billion yuan<sup>11</sup> to minimum living standards guarantees and re-employment funds for these workers, and, by 2003, 4.4 million laid-off workers had been re-employed. Of this number, 1.2 million were men over the age of 50 and women over the age of 40. The cumulative total figure for persons laid off from state-owned enterprises between 1998 and 2003 was 28.18 million.<sup>12</sup> The programme has therefore shown some success in re-employing mature men and women who are among the most vulnerable to losing their jobs and the least likely to find secure re-employment.

Secondly, the government is in the process of setting up a social welfare system that provides adequate basic old-age pension insurance, basic health insurance, unemployment insurance, the MLSSA, work injury insurance and maternity insurance. In 1998, all the various social insurance schemes, including old-age pensions, unemployment benefit and health insurance, were unified under a new Ministry of Labour and Social Security. By the end of 2003, there were 103.73 million people participating in unemployment insurance schemes, while 4.15 million people received funds to compensate for job losses. In the same year, a total of 15.1 billion yuan was spent on the Minimum Living Standard Security Scheme, of which 9.2 billion yuan came from the national budget, with the remainder from city and district government budgets.

Thirdly, the government has initiated the Professional Rehabilitation Programme to help people with disabilities recover their working capacities. Fourthly, the public have been encouraged to help each other and to contribute to the cause of social development. Fifthly, commercial

<sup>11</sup> 1 US\$ = 8.2765 yuan (March 2005)

<sup>12</sup> China's Employment Situation and Policies, *People's Daily Online*, Xinhua, 25 June 2004, [http://english.people.com.cn/200404/26/eng20040426\\_141553.shtml](http://english.people.com.cn/200404/26/eng20040426_141553.shtml) (last accessed on 11 March 2005)

insurance funds are being established to provide a multilayered social security safety net that comprises both state and commercial schemes.

Poverty alleviation efforts have also been combined with family planning programmes, particularly in rural areas, by prioritising poor families who have practised family planning in project selection and distribution of funds. In 2000, there was a trial in several areas of a poverty alleviation programme labelled 'having fewer children and getting rich faster'. It replaced the previous system that punished families who exceeded family planning limits, constituting a new system of rewards for families who have fewer children.

### ***Education support***

In order to improve the status and wellbeing of poor communities in China, the Chinese Government has initiated various education-related measures. The 'State Department Decision on the Development of Education in Rural Areas', issued in 2003, has two basic objectives which are to be achieved by 2007. The 'two basics' are that the Nine-Year Compulsory Education Policy be universalised, initially in the mid-western part of China, and that illiteracy be eliminated among young and middle-aged Chinese citizens.

The measures proposed to achieve the 'two basics' include increased financial input to compulsory education in rural areas, improved school buildings, the establishment of a system of regular support<sup>13</sup> for poor children to access schooling during the compulsory education period,<sup>14</sup> and increased efforts to expand support for education between different districts and areas. The Chinese Government has also issued regulations such as the 'State Regulations on Education Loans' (draft) and 'Procedures on Education Loans through the Industrial and Commercial Bank of China' (draft) to promote the full implementation of the educational loan policy, which guarantees rights to education for children from economically disadvantaged backgrounds.

### ***Healthcare***

Access to affordable healthcare is a major concern for poor families in both rural and urban areas. In rural areas, the decollectivisation of agriculture has led to the collapse of many rural co-operative healthcare schemes. Due to the current high costs of visiting hospitals and purchasing medicine, many poor rural families are unable to access adequate medical treatment. The Chinese Government has therefore adopted two basic measures. The first is the establishment of a medical care system centred around poor families in rural areas and oriented towards the 'five guarantees'.<sup>15</sup> Health benefits include financial compensation for seriously ill people to receive medical treatment and participate in co-operative treatment programmes with local hospitals. The second measure is the establishment of a new co-operative medical system in rural areas which provides preferential policies and treatment for the poor.<sup>16</sup>

<sup>13</sup> Central government has proposed allocating 200 million yuan to establish this education support system.

<sup>14</sup> Nine-year compulsory education covers six years of primary education and three years of middle school education. Children regularly begin compulsory schooling at the age of 7 and continue to the age of 15.

<sup>15</sup> The 'five guarantees' or *wu bao* refer to the provision of food, clothing, housing, medical care and burial expenses to households in difficult circumstances, particularly those who lack labour capacity, reliable income and family support.

<sup>16</sup> Participating people from poor communities in western China can receive an annual subsidy of 10 yuan from central government and an additional 10 yuan from local government. By the end of 2003, 37 key counties were taking part, comprising more than 12 per cent of the total number of counties participating in the national poverty alleviation programme.

In urban areas, the dismantling of the work unit system has also led to many families losing access to state-subsidised healthcare. The 1990s saw a noticeable decline in the proportion of urban residents covered by government or enterprise insurance, and an increasing number of urban residents refusing hospital admission because of the costs.<sup>17</sup> To replace the healthcare system based on the work unit, the government has been developing a new health insurance system, with financial contributions made by both employers and employees. This comprises a dual system of pooled financial contributions for major hospital expenses, and individual accounts for minor expenses (eg visiting a doctor or buying medicines). This system, first piloted in 1994, has now been expanded across most cities and towns. However, several key problems remain. Firstly, urban people who are unemployed or in unstable and temporary employment find it very difficult to participate in this new employment-based insurance system, despite their great need for health insurance. Secondly, employers are unwilling to participate in schemes that increase their labour costs. In addition, there is a problem of confidence in the system. Some people cannot afford the scheme; others prefer to look after themselves, while others question the quality of the service.

Despite the above-mentioned government policies to eradicate poverty in rural and urban areas, China faces a huge challenge in providing social security, education and healthcare to its massive population. In urban areas, the transition from a work unit based system of full employment and comprehensive welfare benefits, which gave basic security to the majority of urban residents, to an employment-based system of pensions and health insurance, together with an increase in unemployment and the effective privatisation of education and housing, has meant that a significant proportion of urban residents are vulnerable to poverty.<sup>18</sup> As shown in our survey analysis and discussion in subsequent sections, many poor urban families now struggle to secure their children's wellbeing. The following section draws on our survey findings to outline the basic situation of urban families living in poverty.

<sup>17</sup> 'Two recent surveys show that the proportion of urban residents fully covered by government insurance or labour insurance decreased from 52 per cent to 39 per cent between 1992–7 (Gao et al 2001). During the same period, the proportion reporting no health insurance rose from 28 per cent to 44 per cent. These percentages underestimate the proportion of city dwellers without health insurance, since the survey only covers registered urban residents' (Gerald Bloom, Yuelai Lu and Jiaying Chen 2002, p. 1). Urban residents declining hospital admittance rose from 20 per cent (40 per cent of whom cited cost as the reason) to 32 per cent (with 65 per cent citing cost as the reason).

<sup>18</sup> The impacts of the restructuring of state-owned enterprises and the reform of the urban social security system are discussed in more detail in Solomon (2004).

## 4. Demographic characteristics of the families of poor urban children

### 4.1 Basic situation of parents

Parents are the first teachers of children. While it might be argued that the education function has weakened in contemporary society, a range of family factors continue to exert a considerable influence on children's growth. Factors include the health of the family environment, the household's financial situation, parental behaviour and family attitudes, aspects of sex and age, and the education level of parents. Consequently, the current study has also collected information on the situation and views of parents. The following section provides demographic information on the parents included in the study.

#### *Sex*

Survey respondents included 1,789 parents, of whom 887 were male, accounting for 49.7 per cent and 897 female, accounting for 50.3 per cent. There were slight differences in male-female ratios between the three cities.

#### *Age*

Most parents surveyed were in their thirties or forties: 88 per cent of parents were aged between 30 and 49, as indicated in the table below.

**Table 4.1: Age of parents**

Age group	No.	%
20-29	114	6.5
30-39	910	52.1
40-49	631	36.2
50-59	75	4.3
60+	15	0.9
<b>Total<sup>19</sup></b>	<b>1745</b>	<b>100</b>

#### *Education level*

The education level of most of the parents surveyed was relatively low compared to the average education levels for urban residents. While more than half had completed middle school, few had graduated from high school. These figures support the view that low education levels, to some extent, lead to low income levels. Furthermore, in the current climate of industrial restructuring, workers with low education are likely to be the first to lose their jobs. Consequently, groups with little education are more prone to poverty.

<sup>19</sup> Where there are missing respondents in tables their responses were not valid.

**Table 4.2: Education levels of parents**

Education level	No.	%
Never been to school	31	1.8
Literacy class	17	1.0
Primary school	221	12.6
Middle school	1026	58.7
High school	354	20.2
Technical/vocational college	48	2.7
Above college level	52	3.0
<b>Total</b>	<b>1749</b>	<b>100</b>

**Household registration**

Household registration, or *hukou*, has a particular function in the lives of Chinese people. It is not only associated with various benefits but also signifies local identity. Possession of local urban household registration determines whether a person is considered a permanent, and therefore lawful, local urban resident or an outsider. The following table provides information on the residency status of surveyed parents.

**Table 4.3: Household registration status of parents**

Parents' household registration status	No.	%
Local city residence	1408	81.2
Local rural residence	52	3.0
Non-local (from city residence)	44	2.5
Non-local (from rural residence)	230	13.3
<b>Total</b>	<b>1734</b>	<b>100</b>

Most of the parents surveyed, 81.2 per cent of the total, were registered as local city residents.<sup>20</sup> The next largest group was registered as non-local (from rural areas). These rural-urban migrants face particular social and economic difficulties because discriminatory policies prevent them from having equal access to services. For example, while locally registered residents pay standard school fees, rural-urban migrants must pay additional fees.

**4.2 Basic situation of children****Sex**

This survey included 1,055 children, of whom 546 were male accounting for 51.8 per cent, and 509 were female, accounting for 48.2 per cent.

<sup>20</sup> The research team purposively interviewed a number of households registered as local city residents and receiving the *dibao*, a number from the migrant population, and, in the case of Chongqing, a number who had lost land to urbanisation. Thus, the breakdown of groups does not necessarily indicate the actual breakdown of poor groups in the research site; rather it is an outcome of the household survey strategy.

### *Age*

Surveyed families included children of all ages including preschool and primary school children and young people in their late teens. The average age of children surveyed was 11 years.

### *Household registration*

Household registration of children largely coincided with the registration status of their parents. Most were registered as local city residents, with the next largest group being non-local rural residents. Since households with rural registration tend to have more than two children, the percentage of children with non-local rural residence was relatively high.

**Table 4.4: Household registration status of children**

Children's household registration status	No.	%
Local city residence	819	78.9
Local rural residence	29	2.8
Non-local (from city residence)	27	2.6
Non-local (from rural residence)	163	15.7
<b>Total</b>	<b>1038</b>	<b>100</b>

### *Family size*

The average size of poor urban families was 3.17 people, which is slightly lower than the national average of 3.44 people. Families of three people accounted for 71.2 per cent of families, while four-person households were the next largest group. Three-person and four-person households accounted for 85 per cent of all households.

**Table 4.5: Family size**

Household members	No.	%
1	8	0.8
2	80	8.4
3	676	71.2
4	132	13.9
5	39	4.1
6	12	1.3
7	1	0.1
8	1	0.1
<b>Total</b>	<b>949</b>	<b>100</b>

Families with one child accounted for 88.3 per cent and those with two children accounted for 10 per cent; there were much fewer families with more than two children. This suggests that family poverty is not simply the result of having too many children but is related to many factors. Note also that since the 1970s urban residents of the Han majority ethnic group have been required to follow the state's 'one child policy'.<sup>21</sup>

<sup>21</sup> Note that certain groups, such as rural residents, members of minority ethnic communities, persons whose first child is disabled, and persons who give birth to twins, are permitted to have more than one child.

*Table 4.6: Number of children in poor families*

Number of children	No.	%
0	6	0.6
1	838	88.3
2	95	10.0
3	8	0.8
4	2	0.2
<b>Total</b>	<b>949</b>	<b>100</b>

### 4.3 Economic activities of family members

Of 3,049 respondents, 2,376 were unemployed (78 per cent) and only 673 (22 per cent) were employed. Unemployment largely resulted from being laid off work as a result of economic restructuring – laid-off workers comprised 45.7 per cent of the total unemployed population surveyed – and reflects the impact of the economic restructuring of state enterprises on unemployment levels.

### 4.4 Summary

Basic information on surveyed families from all three cities reveals some common features. Most of the parents are aged between 30 and 50, with lower educational qualifications than the average urban resident. This can partly be explained by the number of migrant and rural-urban transfer families in the survey who would have had less chance of receiving a good education, and also by the age of laid-off workers in the survey, ie of the generation whose education was affected by the Cultural Revolution. Skills levels were also relatively low. The housing situation of the families interviewed was also poor, with many living in substandard and cramped rented accommodation.

The following section discusses the challenges facing poor families in securing employment and a steady income.

## 5. Economic status of poor families

The most common feature of poor families is their lack of economic resources, with low employment rates and low incomes determining low living standards and family expenditure. This section details the various sources of income of poor families in the three cities, distinguishing between urban laid-off workers and rural migrants, and also outlining the major areas of family expenditure.

### 5.1 Occupation and employment situation

The employment situation of those surveyed was divided into five categories: permanent, temporary, unemployed, self-employed and other. More than half of those surveyed were unemployed, and most of those with jobs were temporary employees or self-employed in unstable work situations. Fewer than 8 per cent of families surveyed had members with permanent jobs. Self-employed workers and those in temporary jobs were particularly vulnerable to losing their jobs, due to fluctuations in the economy and the high turnover of workers in the informal sector.

*Table 5.1: Employment situation*

Employment situation	No.	%
Permanent	74	7.8
Temporary	341	35.9
Unemployed	485	51.1
Self-employed	35	3.7
Other	14	1.5
<b>Total</b>	<b>949</b>	<b>100</b>

Looking at the occupations of surveyed workers, nearly half were laid-off state enterprise workers. Self-employed small business operators constituted the next largest group, with smaller numbers working in state and private firms. Most were blue-collar workers positioned at the lower levels of the social hierarchy.

*Table 5.2: Occupation*

Occupation	No.	%
Manager	3	0.3
Employee (blue collar)	73	7.9
Industrial labourer	80	8.6
Business person	20	2.2
Rural labourer	3	0.3
At home (domestic duties)	87	9.4
Small business operator	104	11.2
Retired	15	1.6
Farm worker	31	3.4
Laid-off/lost job	429	46.4
Other	80	8.6
<b>Total</b>	<b>925</b>	<b>100</b>

## 5.2 Sources of income

Of households surveyed, 66.8 per cent were receiving the MLSSA, 51.8 per cent received income from household businesses, and 29.4 per cent were assisted by relatives and friends. Few respondents received subsidies or retirement pensions, or bonuses in addition to their salaries.

*Table 5.3: Sources of income for poor families*

Income source	No.	%
Wage	132	13.9
Self-employment	129	13.6
Temporary income	492	51.8
Retirement pension	62	6.5
Bonus, subsidy	12	1.3
MLSSA	634	66.8
Assistance from relatives and friends	279	29.4
Other	9	0.9

### *Primary sources of income for poor families*

For 45.1 per cent of the poor families surveyed, the primary income source was the MLSSA, while for 22.2 per cent of families temporary employment provided the primary income. No families lived solely on other subsidies or bonuses. There were very few living primarily on the assistance of relatives and friends, other income or retirement pensions.

*Table 5.4: Primary sources of income for poor families*

Income source	No.	%
Wage	114	12.1
Self-employment	109	11.5
Temporary income	210	22.2
Retirement pension	40	4.2
MLSSA	427	45.1
Assistance from relatives and friends	20	2.1
Other	26	2.7
<b>Total</b>	<b>946</b>	<b>100</b>

In China, the MLSSA is strictly administered only to those with local household registration. It is not provided to rural-urban migrants who are not registered as residents. Therefore, migrant and non-migrant urban populations have been analysed separately below.

*Table 5.5: Primary sources of income for registered urban residents and rural-urban migrants*

Income source	Registered urban residents		Rural-urban migrants		Total	
	No.	%	No.	%	No.	%
Wage	86	10.8	26	18.8	112	12.0
Self-employment	34	4.3	75	54.3	109	11.6
Temporary income	176	22.1	33	23.9	209	22.3
Retirement pension	40	5.0	0	0.0	40	4.3
MLSSA	419	52.5	2	1.4	421	45.0
Assistance from relatives and friends	19	2.4	0	0.0	19	2.0
Other	24	3.0	2	1.4	26	2.8

Of registered urban residents, 52.5 per cent claimed that the MLSSA was their primary source of income, while 22.1 per cent of families claimed temporary income as their primary income source. A few respondents gave self-employment (through family businesses), retirement pensions and assistance from relatives and friends as their main source of financial support.

Unlike registered urban residents, most rural-urban migrant families gave self-employment as their primary income source, followed by temporary income and wages. Few or none of the migrant families reported retirement pensions, the MLSSA or community assistance as their primary income source.

### *Secondary sources of income for poor families*

Temporary income was reported as the most common secondary source of income, at 37.5 per cent. The MLSSA was the secondary source for 29 per cent of respondents. Among local urban residents, 37.3 per cent registered temporary income as their secondary income, followed by the MLSSA. For rural-urban migrants the main secondary income sources were temporary income and relatives' and friends' assistance.

*Table 5.6: Secondary sources of income for poor families*

Income source	No.	%
Wage	20	2.9
Self-employment	16	2.3
Temporary income	261	37.5
Retirement pension	17	2.4
Bonus, subsidy	9	1.3
MLSSA	202	29.0
Assistance from relatives and friends	151	21.7
Other	20	2.9
<b>Total</b>	<b>696</b>	<b>100</b>

*Table 5.7: Secondary sources of income for registered urban residents and rural-urban migrants*

Income source	Registered urban residents		Rural-urban migrants		Total	
	No.	%	No.	%	No.	%
Wage	13	2.0	6	13.3	19	2.8
Self-employment	10	1.6	6	13.3	16	2.3
Temporary income	239	37.3	17	37.8	256	37.3
Retirement pension	17	2.7	0	0.0	17	2.5
Bonus, subsidy	7	1.1	2	4.4	9	1.3
MLSSA	200	31.2	1	2.2	201	29.3
Assistance from relatives and friends	140	21.8	9	20.0	149	21.7
Other	15	2.3	4	8.9	19	2.8

*Third sources of income for poor families*

The income source ranked third by most poor families surveyed was assistance from relatives and friends. Chinese people value kinship connections and social networks highly. Our survey results show that relatives and friends play important roles in guaranteeing familial economic security.

*Table 5.8: Third sources of income for poor families*

Income source	No.	%
Wage	3	1.6
Self-employment	3	1.6
Temporary income	34	18.3
Retirement pension	2	1.1
Bonus, subsidy	1	0.5
MLSSA	11	5.9
Assistance from relatives and friends	114	61.3
Other	18	9.7
<b>Total</b>	<b>186</b>	<b>100</b>

## 5.3 Income and expenditure

*Average monthly income of poor families*

More than two-thirds of the poor households surveyed claimed to have a monthly income of 500 yuan or less, while over 90 per cent of households had a monthly income of 1,000 yuan or less. Per capita monthly income was 330 yuan.

*Table 5.9: Average monthly income of poor families*

Average monthly income	No.	%	Cumulative %
Less than 200	71	7.5	7.5
200–500	579	61.0	68.5
501–1000	237	25.0	93.5
1001–2000	54	5.7	99.2
More than 2000	8	0.8	100
<b>Total</b>	<b>949</b>	<b>100</b>	

*Average monthly expenditure of poor families*

Those who spent up to 500 yuan accounted for 67.4 per cent, while those who spent 1,000 yuan or less accounted for 96.1 per cent.

*Table 5.10: Average monthly expenditure of poor families*

Average monthly expenditure	No.	%	Cumulative %
Less than 200	34	3.6	3.6
200–500	604	63.8	67.4
501–1000	271	28.6	96.1
1001–2000	32	3.4	99.5
More than 2000	5	0.5	100
<b>Total</b>	<b>946</b>	<b>100</b>	

*Main expenses of poor families*

Approximately half of the households surveyed considered education as their main expense, followed by 33 per cent of households for whom daily necessities were their biggest expenditure. While only 5 per cent reported housing as their main expense, this does not necessarily indicate that housing is a minor expense, but rather that it is not as pressing as children's education and daily necessities.

*Table 5.11: Main expenses of poor families*

Household expenditure items	No.	%
Education	475	50.1
Daily necessities	312	32.9
Medical treatment	105	11.1
Housing	47	5.0
Other	10	1.1
<b>Total</b>	<b>949</b>	<b>100</b>

*Second largest expense of poor families*

Daily necessities were reported to be the second largest expenditure by 43.9 per cent of families surveyed, while education was reported by 28.7 per cent as their second largest expenditure.

*Table 5.12: Second largest expenditure of poor families*

Household expenditure items	No.	%
Daily necessities	409	43.9
Education	267	28.7
Medical treatment	163	17.5
Housing	70	7.5
Other	22	2.4
<b>Total</b>	<b>931</b>	<b>100</b>

*Third largest expense of poor families*

Medical treatment was reported by 39.5 per cent of households as the third largest expenditure, while 29 per cent claimed daily necessities as their third largest expense.

*Table 5.13: Third largest expense of poor families*

Household expenditure item	No.	%
Medical treatment	238	39.5
Daily necessities	175	29.1
Housing	83	13.8
Education	67	11.1
Other	39	6.5
<b>Total</b>	<b>602</b>	<b>100</b>

*Balance between income and expenditure for poor families*

Of those surveyed, 77 per cent could not make ends meet as their income could not cover their daily expenses, not to mention the cost of emergencies such as illness. In all three cities, families reported being in debt. For example, in Fushun, 40 per cent said they had borrowed money to pay for education, medical expenses and even daily expenses.

The results from the survey on income and expenditure of poor families in the three cities show some important differences and similarities between the main groups of poor people. Most urban residents with local *hukou* are primarily dependent on government aid for their main source of income, in contrast to rural migrants who are either self-employed or in some form of waged work. However, both urban residents and migrants cited temporary work as their secondary source of income. This reflects both the difficulties faced by laid-off workers in seeking meaningful re-employment and the positioning of rural migrants at the bottom of the employment ladder in low-paid and unskilled work that does not secure a reasonable standard of living. The reliance on temporary work as a significant source of income for both groups underlines the vulnerability of urban poor families to declines in income through loss of paid work, which also makes it difficult for them to access employment-based health insurance and pension schemes.

In terms of expenditure, education, daily necessities and medical expenses are the three major demands on family income. However, government aid through the MLSSA is designed to subsidise daily necessities only (and is, in any case, not available to rural migrants) while the effective privatisation of education and healthcare has caused school fees and medical costs to increase considerably, thus placing an extra burden on poor families. The impact on families with children of balancing insecure and inadequate income with the costs of education, healthcare and daily living is discussed in detail in the next section.

## 6. Children's welfare

### 6.1 Healthcare and wellbeing

One health concern for poor urban children is immunisation, in particular vaccination against infectious diseases other than those covered in the compulsory state-funded immunisation plan.<sup>22</sup> Our survey results showed that only 45 per cent of poor urban families provided their children with 'user-pays' vaccinations. Thus, more than half of the families did not vaccinate their children against the diseases that were not covered by the state-funded immunisation plan. The main reasons given for not vaccinating children were a lack of knowledge of these vaccines (27.3 per cent), an inability to pay for them (20.9 per cent), and a belief that these vaccinations were not necessary or important (5.6 per cent).

With regard to the situation in different cities, Hefei had the highest rate of 'user-pays' vaccinations, with more than half of poor families (53.2 per cent) vaccinating their children against those diseases not covered by state-funded vaccinations. Of the remainder, 21.5 per cent did not know of the 'user-pays' vaccinations, and 16.8 per cent did not have the vaccinations because of financial difficulties. The remainder (8.4 per cent) did not see them as important or necessary. Fushun had the second highest 'user-pays' vaccination rate, with 48.7 per cent paying to vaccinate their children. It should be particularly noted that, of the three cities, Fushun had the highest rate of non-vaccination due to financial difficulties, with 33 per cent of families claiming they did not vaccinate their children because they could not afford to do so. In the same city, 13.7 per cent of poor families stated that lack of knowledge was their reason for failing to vaccinate their children, the lowest level of lack of knowledge of the three cities. The 'user-pays' vaccination rate among poor families in Chongqing was 34.9 per cent, considerably lower than for the other two cities. The rate of non-vaccination due to lack of knowledge was 44.1 per cent, the highest of the three cities surveyed; economic reasons accounted for 20.9 per cent of families' failure to provide vaccinations, while 6.9 per cent stated they did not think it necessary or important.

*Table 6.1: Reasons given for failing to provide non-compulsory vaccinations to poor urban children*

Vaccinated		Not vaccinated				
City		Lack of knowledge	Financial difficulties	Not seen as important	Not seen as necessary	Total
Fushun	48.7	13.7	33.0	0.7	4.0	100
Hefei	53.2	21.5	16.8	2.7	5.7	100
Chongqing	34.9	44.1	13.8	0.3	6.9	100
<b>Total</b>	45.0	27.3	20.9	1.2	5.6	100

<sup>22</sup> The National Immunisation Plan covers vaccinations that immunise against key diseases such as tuberculosis, polio, diphtheria, whooping cough, tetanus, measles and hepatitis B. Apart from those covered by the National Immunisation Plan, children may also be prone to other diseases such as German measles, mumps and chickenpox. Families have to pay to immunise children against these diseases. These are the 'user-pays' vaccinations.

Some parents were also surveyed for their views on how the health status of their children generally compared with children of the same age. Overall, 33.6 per cent of parents considered their children's health to be 'so-so'; 29.7 per cent considered their children to be in 'very good' health, 23.1 per cent thought their children's health was 'good'; and as many as 10.1 per cent thought their children were in 'poor' health.

The breakdown by city was as follows: in Chongqing, 17.2 per cent of parents surveyed believed their children to be in 'poor' health and 6 per cent considered their children to be in 'very poor' health in comparison to most children of the same age. Furthermore, only 15.5 per cent of parents considered their children to be in 'very good' health, 29.2 per cent thought their children were in 'good' health and 31.2 per cent thought their children were in a 'so-so' or average state of health.

Parents' views suggest that the health status of children in Chongqing was considerably lower than in the other two cities. Of the three cities, Fushun had the highest percentage of parents (29.7 per cent) claiming their children were in 'very good' health. Hefei was next with 25.3 per cent. Fushun also had the highest proportion of parents (39.7 per cent) who thought their children's health was 'so-so'; in Hefei, this was 30.3 per cent.

Our survey also found that, overall, as many as 8.5 per cent of children from poor urban families had chronic or hereditary diseases, or congenital disabilities, while the remaining 91.5 per cent had a 'regular' health status. In Chongqing, as many as 11.8 per cent of children from poor families experienced illness or disability, ie more than one in ten children was living with a chronic or hereditary disease, or congenital disability. This is in line with the findings from this study's qualitative research with poor families in Chongqing on their views of their children's health situation.

The survey revealed that 54.8 per cent of children had not had any serious illness in the past month, 42.4 per cent had had minor illnesses such as colds and headaches, and 1.5 per cent of parents said their children had been hospitalised due to a serious illness. Of the three cities, children in Hefei had the lowest rates of illness, with 65 per cent free of sickness during the previous month. In Fushun, the rate was 49.7 per cent and in Chongqing, it was 50.4 per cent. Fushun had the highest proportion of children who had had minor illnesses, such as colds and headaches (47.3 per cent); Chongqing was second with 45.6 per cent, followed by Hefei with 33.7 per cent. Chongqing had the highest rate of hospitalisation due to serious illness during the previous month, at 2.3 per cent, compared with 1.7 per cent in Fushun and 0.3 per cent in Hefei. Access to medical care and treatment for children from poor urban families was, overall, considered to be inadequate.

As indicated in Table 6.2, for the majority of poor families work units did not contribute to the cost of medical care when children became ill. Only 2.8 per cent of families were reimbursed for part of the cost of medical treatment from their work units. Since many poor families are either not attached to work units or attached to poorly performing work units, the remaining 97.2 per cent did not receive such reimbursement.

Of the three cities, Fushun had the lowest reimbursement rate. Former state-owned enterprises in Fushun, which is part of the heavily industrialised north-eastern region, have not been performing well or achieving good economic results, which has resulted in increased redundancy and unemployment. Reimbursement rates in Hefei and Chongqing were 2.7 per cent and 4.9 per cent respectively. Chongqing had the highest proportion of families who could not afford medical care for their children because they were not attached to a work unit, ie, 74.9 per cent compared to 72.6 per cent in Hefei and 66.3 per cent in Fushun.

**Table 6.2: Medical reimbursement provided by work units in case of child illness**

Reimbursement			No reimbursement			Total
City	50% or more	Less than 50%	Laying-off or poor performance of work units	Not being attached to a work unit	Other reasons	
Fushun	0.7	0.0	30.3	66.3	2.7	100
Hefei	1.7	1.0	15.1	72.6	9.7	100
Chongqing	3.5	1.4	10.7	74.9	9.8	100
<b>Total</b>	2.0	0.8	18.3	71.4	7.4	100

The survey also enquired about student health insurance cover administered by the schools. Of families surveyed, 64.9 per cent said their children had participated in insurance schemes collectively organised by their school.<sup>23</sup> The remaining 35.1 per cent did not have insurance, mainly due to financial constraints.

Of the three cities, children from poor families in Chongqing were more likely to access insurance, with as many as 89.4 per cent covered. Hefei had the highest rate (65.2 per cent) of non-participation in insurance schemes, followed by Fushun with a rate of 33.2 per cent, and Chongqing with the lowest non-participation rate of 10.6 per cent. The situation in Hefei was unique, with 15 per cent of families claiming they were not aware of the school insurance scheme. Another 6.5 per cent claimed they were not covered as the school had not organised such schemes. This implies that schools in Hefei have not been effective in promoting student insurance.

**Table 6.3: Percentage of children covered by student insurance schemes**

		Not covered					Total
City	Covered	Financial constraints	Lack awareness	No child at school	School did not arrange	Other reasons	
Fushun	66.8	32.4	0.4	0.4	0.0	0.0	100
Hefei	34.8	34.1	15.0	6.1	6.5	3.4	100
Chongqing	89.4	7.4	2.4	0.6	0.3	0.0	100
<b>Total</b>	64.9	23.4	5.9	2.4	2.2	1.1	100

The survey found that few children had medical insurance cover independent of the school-administered insurance schemes. For those who were covered, coverage tended to be limited to short-

<sup>23</sup> Student insurance cover, according to current state legislation, is not compulsory.

term commercial insurance, such as accident insurance schemes arranged by schools. Even with short-term schemes, poor families did not cover their children in every instance. Although most claimed to know the importance of insurance, the costs were considered to be beyond their means when maintaining a basic living was already a problem. The survey found that few families could afford to cover the cost of medical treatment. Most medium-income families do purchase health insurance for their children to alleviate the burden of medical expenses. Children's illness can place an extremely heavy financial burden on poor families without insurance, often pushing them into greater poverty.

### *Treatment when children get sick*

The survey investigated how families treat their children when they experience a minor illness. When a child in a poor family had a cold or headache, 80 per cent of parents said they purchased medicine themselves, and only 16.9 per cent said they went to a health clinic or hospital. A comparison of approaches to child healthcare and medical treatment in the three cities showed that parents in Fushun were the least likely to seek medical care from hospitals or clinics, with 96.3 per cent buying medicine themselves when their children had minor illnesses, and few visiting clinics. In Hefei, 63.8 per cent of parents purchased medicine themselves, 16.8 per cent took their children to clinics and 18.8 per cent took them to hospitals. In Chongqing, 79.7 per cent of parents purchased medicine themselves; those who took their children to clinics and hospitals accounted for 5.2 per cent and 7.2 per cent respectively, and 8 per cent chose other forms of treatment.

Research findings from both the household survey and group discussions indicate that family poverty significantly impacts on children's medical treatment. Children commented, for example: 'If we get sick, our parents always keep us at home. They get medicine from the drugstore but we don't have enough money to pay for doctors'. As shown in Table 6.4, overall nearly one-fifth (18.3 per cent) of parents said they could not afford to pay for medical treatment when children were ill, and had not sought medical advice during the previous half year. A comparison of forms of medical treatment in the three cities shows that Fushun and Chongqing had about the same proportion of families (around 20.4 per cent) claiming they could not afford medical treatment for children, and Hefei had 14.1 per cent.

**Table 6.4: Ability to afford medical treatment for a child during the previous six months**

City	Unable to afford	Able to afford	Unanswered	Total
Fushun	20.4	79.3	0.3	100
Hefei	14.1	85.9	0.0	100
Chongqing	20.3	79.9	0.0	100
<b>Total</b>	18.3	81.6	0.1	100

### *Early childhood care*

Families with young children<sup>24</sup> comprised 19.2 per cent of all families surveyed. When asked who cared for their children when they were out, the majority of parents said grandparents provided care.

The survey also investigated the number of hours per day parents cared for their young children. Twenty-four hour parental care was the most common situation (40.9 per cent) in all three cities. Fushun had the highest rate of twenty-four-hour parental care (59.3 per cent), followed by Chongqing (38.5 per cent) and Hefei (24.5 per cent). The relatively high rates of full-time parental care in Fushun are partly explained by the high rates of unemployment in the city.

**Table 6.5: Number of hours of parental care of young children**

City	0	1–2	3–5	6–10	12–15	16–20	24
Fushun	0.0	3.7	3.7	14.8	16.7	3.7	59.3
Hefei	0.8	11.3	20.8	15.7	13.2	9.4	24.5
Chongqing	1.5	5.8	15.4	9.6	7.7	11.5	38.5
<b>Total</b>	0.0	6.9	13.2	12.6	12.6	8.2	40.9

## **6.2 Children's education**

Inadequate education is a major cause of unemployment and thus a serious concern for the state. Poor education levels limit not only the job prospects of adults but also the income and resources families have available to support their children's education. Expenditure on education not only has important implications for the quality of children's education, but also influences the family and the state's future development prospects. Children's access to education is also important for children's social development.

### *Education of children from poor families*

The survey found that most children from poor urban families are accessing education; only 2 per cent of children in the families surveyed had discontinued their compulsory education. In Fushun, there were no reported cases of children failing to complete compulsory education. Chongqing reported the highest rate (3.6 per cent) of children dropping out of school during the compulsory nine years, while in Hefei only 1 per cent of children dropped out before completing compulsory education.

The main reasons given for children dropping out of school were financial difficulties and children's health status. In Hefei, three children dropped out of school due to financial difficulties. In Chongqing, five children left school due to financial difficulties, four children left because of health concerns, and three left for other reasons. Thus, family poverty does have an impact on the realisation of some children's educational rights, but in our survey the numbers were very small.

<sup>24</sup> In the current study, 'young children' generally refers to preschool children aged from 0 to around 7 years.

The survey found that most children from poor families attended schools located near their homes. Taking the education of their eldest child as an example, it was found that nearly half (47.9 per cent) were attending primary school, 21.7 per cent were in middle school, 15.2 per cent were in high school and a few were attending universities. A comparison of the three cities showed that Fushun had the highest rates (60.8 per cent) of first children going to primary school, followed by Hefei with 44.4 per cent and Chongqing with 40.3 per cent. Middle school students accounted for 22.8 per cent in both Fushun and Hefei, and 20 per cent in Chongqing. High school students accounted for 6.7 per cent in Fushun, and 15.7 per cent and 21.8 per cent respectively in Hefei and Chongqing.

Most of the eldest children (76.5 per cent) from families surveyed attended public (state) schools, 4.5 per cent (of eldest children) attended local private schools or community-funded schools, 3.8 per cent, being migrants, attended schools in their home towns, 1.4 per cent attended schools set up for the children of rural-urban migrant workers and there was no response for the remaining 12 per cent. The rate for private school attendance was highest in Hefei (7.7 per cent), with 5.4 per cent in Chongqing and only 0.3 per cent in Fushun. The proportion of eldest children of rural-urban migrant families attending schools in their former rural locations was highest in Chongqing (7.2 per cent), followed by Hefei (3.7 per cent). None of the children from families surveyed in Hefei were reported to be attending schools in former rural locations. In Fushun, where 99.7 per cent of surveyed families were urban laid-off worker families, no children were attending schools in former rural locations.

### *Family expenditure on education*

The survey found that children's education was the primary expense for most poor families, and was therefore their heaviest economic burden. By analysing the previous semester's school fees for the first child in poor families, it was clear that school fees vary greatly from family to family. A comparison between the cities shows that Chongqing had the highest proportion (39.3 per cent) of families paying more than 500 yuan for their first child, followed by Hefei (27.5 per cent) and Fushun (18 per cent).

**Table 6.6: Cost in yuan of schooling eldest child for the previous semester**

City	0	1-100	101-200	201-300	301-400	401-500	501-600	601-1000	1001-2000	2001-4000	5000-12000	Total (%)
Fushun	0.4	1.6	0.8	5.7	38.9	34.4	12.3	4.1	1.2	0.4	0.0	100
Hefei	0.4	6.8	28.9	20.3	6.8	9.4	4.9	7.9	9.4	3.0	2.3	100
Chongqing	0.3	2.2	9.9	8.0	19.2	21.1	9.3	16.3	6.7	3.5	3.5	100
<b>Total</b>	0.4	3.5	13.4	11.3	21.0	21.3	8.7	10.0	6.0	2.4	2.1	100

The survey also investigated the additional educational expenses of poor families, such as the non-local residents' fees that some state-funded schools require families without local registration to pay for their children to attend local schools. The majority of families (80.2 per cent) said they had not paid additional expenses for their eldest child to attend school. Of the 19.8 per cent who paid additional education expenses, 7.3 per cent paid 500 yuan or less, 3.1 per cent paid between 550 and 1,000 yuan, and 4.8 per cent paid 1,200 or more.

Overall, the survey found that for poor families material poverty limits investment in children's education. Apart from providing their children with formal schooling, they seldom invest in other education programmes such as private tuition outside school hours. As indicated in Table 6.7, 64.1 per cent of eldest children in poor families did not receive private tuition or home coaching due to financial difficulties. Comparisons of private tuition rates for children in the three cities found that 43.5 per cent of families in Chongqing had provided out-of-school tutoring to their eldest child; in Fushun it was 19.7 per cent of families, while in Hefei it was 13.9 per cent.

**Table 6.7: Provision of private tuition or home coaching for eldest children (%)**

City	No, economic reasons	No, not considered necessary	No, other reasons	Yes, paid less than 100 yuan	Yes, 105 – 300 yuan	Yes, 360 – 1200 yuan	Yes, amount not specified	Total
Fushun	79.1	0.8	0.4	12.3	1.2	1.2	4.9	100
Hefei	62.9	15.7	7.5	4.5	7.1	1.9	0.4	100
Chongqing	53.2	1.0	2.3	2.9	5.2	0.3	35.2	100
<b>Average</b>	64.1	5.7	3.4	6.2	4.6	1.1	14.9	100

#### *Satisfaction with education*

Our survey found that most poor urban families are basically satisfied with the schools their children are attending: 50.5 per cent said they were 'satisfied'. Only 3 per cent expressed their dissatisfaction (10.4 per cent were unsure or did not answer).

**Table 6.8: Poor urban families' degree of satisfaction with their children's schools**

City	Very satisfied	Satisfied	Relatively satisfied	Dissatisfied	Other	No response	Total
Fushun	4.7	42.0	32.0	1.7	1.3	18.3	100
Hefei	4.3	45.3	37.3	0.7	4.3	8.0	100
Chongqing	2.0	62.2	22.1	6.0	2.0	5.7	100
<b>Average</b>	3.6	50.5	30.0	3.0	2.5	10.4	100

The survey showed that most poor urban families had not accessed school fee reductions for their first child; only 16 per cent had received discounted fees. Most of these families paid less than 200 yuan in school fees; the rest paid fees ranging from 240 to 6,000 yuan. In the three cities surveyed, Chongqing had the highest rate of school fee reductions for eldest children, with 30.1 per cent of families accessing reduced fees, while Fushun and Hefei had rates of 7.0 per cent and 7.5 per cent respectively. These results suggest that education assistance programmes in urban schools are not fully functioning.

*Table 6.9: Access to discounted school fees for eldest children from poor families*

City	No	Yes, below 200 yuan	Yes, 240–6000 yuan	Yes, amount not specified	Total
Fushun	93.0	4.5	1.2	1.2	100
Hefei	92.5	4.9	1.9	0.8	100
Chongqing	69.9	1.3	0.3	28.5	100
<b>Average</b>	84.0	3.4	1.1	11.5	100

*Community assistance for education*

Most poor families in urban areas did not receive any assistance (ie support from relatives, friends, volunteer students and/or neighbourhood committees) for their children's education. Only 13.5 per cent of all the families surveyed received community assistance. This included financial contributions, payment of school fees and stationery, provision of clothing and tutoring. The level of such assistance, however, does not satisfy the actual needs of poor families. In the three cities surveyed, Chongqing recorded the highest proportion of families (17.2 per cent) receiving assistance for their children's education, followed by Hefei (15 per cent) and Fushun (7.7 per cent).

*Family priorities and education*

At present, poor urban families face considerable difficulties in educating their children: 77.8 per cent of the poor families surveyed felt they could not afford to pay education fees. Fushun had the highest proportion of families in this position, accounting for 82.2 per cent of the total. In Chongqing and Hefei, 78.3 per cent and 73.3 per cent respectively said they could not afford to pay school fees. School fees payment is a particularly heavy burden for rural-urban migrants who are required to pay additional fees for their children to attend urban schools. In group discussions most migrant parents said 'if there were no additional fees charged by the city schools, we would bring our children with us'.

The survey found that poverty has a great impact on children's ability to attend 'key' schools – these have better exam results but are more expensive and selective than 'regular' schools. In group discussions, many participants made comments such as 'if our children are accepted by key schools, we are not able to afford the high tuition fees'. More than half (58.5 per cent) of the families surveyed said that financial difficulties affected whether their children could attend 'key' schools. Of the three cities surveyed, Fushun has the highest proportion (65.1 per cent) of families who said poverty would affect 'key' school attendance, followed by Chongqing with 56.3 per cent and Hefei with 55.1 per cent. Fushun, therefore, had the highest proportion of parents reporting that they could not afford either ordinary tuition costs or the fees of 'key' schools, even though, as local urban *hukou* residents, they would not have to pay the extra fees often demanded of migrant children. The reasons for this situation in Fushun are unclear; it could reflect the more acute poverty of the surveyed families in Fushun, or their relative inability to draw on outside resources.

Although poor families are facing difficulties in providing education to their children, the survey found that most families had high hopes for their children. When asked about their expectations for their children's education, parents made comments such as 'as long as they can go to college, however difficult or tiring it is, I will do whatever I can to support them'. Indeed, 87.1 per cent of parents said they hoped their child or children could attend technical college or university. There was little difference in response rates between the three cities surveyed. Thus, most poor families hope their children will achieve high qualifications and strengthen their economic and social standing; families recognise the importance of education in the competitive new market economy.

## 6.3 Daily life

### *Food consumption*

Through an analysis of children's food consumption, we found that the overall nutrition level of surveyed children in poor families was relatively low. A typical example is a Hefei household in which the mother said 'what do you mean by nutrition! Isn't it enough to fill up on carrots and greens?'. Our survey revealed that poor households tended to buy daily necessities, such as rice, oil and coal as soon as they received their monthly income, and spent less than 10 yuan on fresh food. We examined the consumption of four nutritional items: milk, eggs, meat and fruit. In response to the question 'how many times per week do children consume meat, eggs, milk or fruit?', the frequency of drinking milk was highest in 32 per cent of families, while the frequency of eating meat, eggs and fruit was highest in 22.1 per cent, 22.4 per cent and 23.4 per cent of families respectively.

The survey indicated that most children eat meat once or twice a week, with very few eating meat four or more times a week. There is no apparent explanation, however, for the variations found between the three cities.

*Table 6.10: Weekly meat consumption of children in poor urban families (%)*

City	Once	Twice	Three times	Four times	Total
Fushun	63.7	33.0	3.3	0.0	100
Hefei	36.0	48.7	8.3	7.0	100
Chongqing	47.5	39.0	6.5	7.0	100
<b>Average</b>	49.0	40.2	6.1	4.8	100

Almost half the children (49.8 per cent) ate eggs once a week, 34.6 per cent ate eggs twice a week, 7.5 per cent three times a week, and 8.1 per cent four times a week. Among the three cities, egg consumption was most frequent in Hefei, followed by Fushun and then Chongqing.

*Table 6.11: Weekly fruit consumption for children in poor urban families (%)*

City	Once	Twice	Three times	Four times	Total
Fushun	23.7	48.5	21.1	6.7	100
Hefei	52.5	29.4	11.0	7.0	100
Chongqing	77.0	14.2	3.5	5.3	100
<b>Average</b>	52.2	30.0	11.5	6.3	100

The survey found that children consumed milk more frequently than meat, eggs or fruit: 71.4 per cent of children were reported to drink milk once a week, 12 per cent twice a week, 10.7 per cent four times a week, and 6 per cent three times a week. This may be because the price of milk is lower than that of meat and eggs. These results suggest that poor families are concerned with children's nutrition and, given their economic limitations, nonetheless chose the (cheaper) nutritional product, milk.

### *Clothing*

Clothing is another basic necessity that poor families may struggle to provide for their children. The survey included an analysis of the frequency with which children are provided with new clothes. The survey found that 93.5 per cent of families provided their children with new clothes every six months or less frequently. The clothes of poor urban children also tended to be considerably less expensive than the clothes of wealthier urban children.

Of the three cities, the interval between providing new clothes to children was longest in Fushun, with 92.3 per cent of families reporting intervals of one year or more. Only 7.7 per cent provided new clothes at half-year intervals. In Hefei, 63.7 per cent of families provided new clothes to children at an interval of a year or more, 24.8 per cent provided new clothes at an interval of about half a year, and 11.4 per cent at an interval of about three months. In Chongqing, over 70 per cent of poor families claimed they did not provide children with new clothing more often than once a year, 17.1 per cent said they provided new clothes to children at six-month intervals, and 7.2 per cent at three-month intervals.

**Table 6.12: Frequency of providing new clothes for children in poor families (%)**

City	About every three months	About every six months	About once a year	Less than once a year	Total
Fushun	0.7	7.0	50.3	42.0	100
Hefei	11.4	24.8	40.9	22.8	100
Chongqing	7.2	17.1	34.8	40.8	100
<b>Average</b>	6.4	16.3	41.8	35.4	100

***Pocket money***

Most families (78.1 per cent) claimed they did not provide their children with pocket money. For those who did provide pocket money, the sum was very small, usually less than 50 yuan. In addition, the survey found that those who were given pocket money did not eat breakfast at home. It is likely that their spending money was used to buy breakfast. Of the three cities, Chongqing had the highest proportion of families (84.2 per cent) who did not give pocket money. Fushun and Hefei had rates of 74.3 per cent and 74.6 per cent respectively.

**6.4 Social relationships*****Home environment***

Taking the view that a healthy home environment and supportive relations between family members are important for child development, the survey also examined the family environment of poor urban families. Overall, the survey found that poor families are able to provide their children with a relatively sound home atmosphere. Negative home relationships were, however, identified in a small proportion of surveyed families.

***Parental relationships***

The survey found that stresses such as unemployment, poor health conditions and dissatisfaction with children's academic results can lead to troubled relations between parents. Financial difficulties were also reported to lead to family break-up in some cases.

More than half (59 per cent) of families reported a good relationship between mother and father; 26.4 per cent reported that their relationships were 'so-so'. When looking at the situation in different cities, 66.3 per cent of families in Fushun reported a good relationship, followed by 64 per cent in Hefei. While only 50.4 per cent of families in Chongqing reported good relationships, this city showed the highest results for 'so-so' relationships (28.7 per cent), followed by Hefei (27.3 per cent) and Fushun (23 per cent).

***Contact with relatives***

When asked how frequently they had contact with relatives, 43.1 per cent of poor families surveyed said 'sometimes, not often', 33.4 per cent said they had contact 'often', 17.9 per cent said they 'seldom' had contact, and 4.5 per cent said they were 'not willing' to have contact.

Reasons for not wanting to have contact included concerns about poverty, busy workloads and depression. In the three cities surveyed, Fushun had the highest proportion of families (42 per cent) who said they 'often' had contact, followed by Hefei (30.3 per cent) and Chongqing (28.7 per cent). The greater frequency of contact with relatives in Fushun is probably due to the fact that most of the surveyed families were laid-off mine workers and it was common for several generations of the same family to work (and live) in the same work unit.

**Table 6.13: Frequency of contact with relatives**

City	Often	Sometimes, not often	Seldom	No contact due to poverty	No contact due to busy workload	No contact due to depression	No contact due to other reasons	Other	Total
Fushun	42.0	50.7	5.7	0.7	0.0	0.3	0.0	0.7	100
Hefei	30.3	47.3	18.0	2.7	0.7	0.7	0.0	0.3	100
Chongqing	28.7	33.0	28.4	4.6	0.3	0.0	2.6	2.6	100
<b>Average</b>	<b>33.4</b>	<b>43.1</b>	<b>17.9</b>	<b>2.7</b>	<b>0.3</b>	<b>0.3</b>	<b>0.9</b>	<b>1.3</b>	<b>100</b>

These results suggest that poverty has had some negative impacts on the psychosocial environment of families. As there tends to be costs associated with visiting relatives, families minimise or stop contact in order to reduce expenditure. There are thus social as well as economic dimensions to the ways in which poverty affects social relations. Poverty can lead some families to feel a sense of inferiority and discomfort about socialising with relatives who are relatively better off. The hardships of poverty can also affect family members' frames of mind, resulting in their not actually feeling like socialising.

### ***Socialising outside the family***

Our survey found that families tend to have more frequent communication with neighbours, friends and colleagues than with relatives: overall, 40.6 per cent of families surveyed said they 'often' socialised outside the family, 40 per cent said 'sometimes but not often', 16.3 per cent said 'seldom', while only a small proportion said they did not communicate with their neighbours, friends and colleagues. Reasons given for not communicating again included poverty, busy workloads and depression. In the three cities surveyed, Chongqing showed the highest rate of socialising outside the family, with half the families saying they 'often' communicated with their neighbours, friends and colleagues; in Fushun it was 43.3 per cent and in Hefei 25.3 per cent. Hefei had the highest proportion of respondents (26.7 per cent) reporting they 'seldom' communicated with their neighbours, friends and colleagues; in Chongqing it was 17.2 per cent and in Fushun only 5 per cent.

Drawing on survey findings, it can be concluded that families are busy making a living, trying to reduce expenditure and cope with family hardship. Subsequently, social relationships can suffer.

***Parent-teacher contact***

Survey findings indicate that most poor urban families do not have contact with their children's teachers, which may have a negative impact on the children. Of families who have children at school, only 34.1 per cent said they 'often' communicated with teachers, 28.9 per cent said 'sometimes', 20 per cent said 'seldom' and 4.6 per cent said 'never'. Chongqing had the highest proportion of parents (11.7 per cent) who 'never' communicated with teachers. This lack of communication could eventually affect their children's growth and learning.

***Parent-child relationships***

According to survey findings, most children from poor urban families have good relationships with their parents, suggesting that poverty does not necessarily have negative consequences for family relations. In fact, 71.1 per cent of the families surveyed reported 'good' relationships between children and parents, 21.1 per cent reported 'quite good' relationships, 6.7 per cent reported 'so-so' relationships, and very few described relationships as 'not good'.

***Child-teacher relationships***

As for children's relationships with teachers, more than half of parents surveyed reported that their children had 'good' relationships with their teachers. Some parents, specifically those who responded with 'no idea', appeared to lack adequate contact with teachers and/or their children.

***Peer relationships***

Of the families with children at school, more than half of parents said their children had 'good' relationships with their peers, and 31.5 per cent said their children had 'so-so' peer relationships. Very few families reported that their children had troubled relationships with their peers. Economic problems were said to be the main reason for troubled relations in these few cases. Attending birthday parties has become a popular way for urban children to socialise. However, survey findings indicate that this form of social activity is not very common among children from poor urban families. Although most parents were aware of the popularity of this activity, they were also aware of the expectation to buy gifts for the child when their children attended parties. Only 3.2 per cent of parents said their children 'often' attended peer birthday parties, 25.6 per cent said they 'sometimes' attended and more than half 'never' attended. For those parents whose children did not attend birthday parties, reasons given included considering their children too young (33.2 per cent) and financial difficulties (15 per cent). In Hefei, over 15 per cent of parents said they did not know whether or not their children attended their peers' birthday parties.

Group discussions suggested that poverty does have an impact on children's social relationships and their psychological wellbeing. Children commented: 'Whenever the school asks for money for some activities, we feel very worried about it. We hate to add so much pressure to our parents'. Children also said that financial pressure led them to study harder. Some children believed that financial difficulty had made them more mature. Group discussions with both

adults and children showed that poor urban residents felt they were looked down on by better-off peers, relatives and neighbours. In group discussions, many parents commented that 'poverty has prevented our children from joining group activities in school'. Rural-urban migrant children, in particular, were said to be excluded from group social activities. For example, non-migrant children chose to sit, play and establish friendships with other non-migrant children during their school breaks.

### *Summary*

Results from the survey reveal the complex ways in which family poverty impacts on children's health, wellbeing, education and care. While most parents reported their children to be in good general health, the low level of health insurance coverage leaves most families vulnerable if one or more members need costly medical care. The practice of self-administering medicine, or waiting until an illness has become serious before seeking medical advice, are common strategies in economising on healthcare which can have a long-term impact on child health.

Questions on the education of children reveal the importance all poor families attach to their children's schooling and their willingness to devote scarce resources to ensuring their children receive an adequate education, even if that means getting into debt. However, despite the high expectations of all parents for the future education of their children, the burden of school fees and payments for extra-curricular activities makes it difficult for children from poor families to access the best schools or participate fully in extra-curricular lessons. Migrant children are particularly vulnerable in their access to healthcare and education since their parents' employment falls outside social security provision, and they are more likely to return to their rural homes for schooling or attend migrant schools, where the quality of education is usually lower than in urban schools.

In daily life, family economising means that children's nutrition is relatively poor, and there is little money to pay for new clothes or entertainment for children. The questions on social relationships reveal that while poverty does not seem to have an adverse effect on family relations, it does limit poor families' ability to participate in wider social relations, such as attending parties or visiting relatives and friends, due to lack of funds for gifts or to reciprocate hospitality. The literature on rural and urban poverty has shown the critical importance of social capital in poor families' ability to weather shocks and stresses. It is possible that surveyed families' low participation in social activities weakens their social capital. The following section details the different forms of social assistance that poor families draw on and the coping strategies they use to try and balance the competing demands on their scarce resources.

## 7. Social support

An important area of concern for the survey was to assess the degree to which poor families could access social support and to understand their coping strategies, given their low and insecure incomes. This section outlines the availability of government assistance and the ways in which poor families cope with poverty.

### 7.1 Re-employment policy<sup>25</sup>

#### *Awareness of re-employment policy*

Survey results show that the urban re-employment policy is not well publicised among laid-off workers, given that it has been in operation since 1998. While nearly 60 per cent of surveyed families had some awareness of the re-employment policy, the remaining 40 per cent did not know about it. Promotion of the re-employment policy appeared uneven across the three cities surveyed. In Fushun, 83.3 per cent of the families surveyed knew about the policy. The figure dropped to little more than 50 per cent in Hefei and to just over 40 per cent in Chongqing. These differences could be explained by the greater proportion of migrant and rural-urban transfer families surveyed in Hefei and Chongqing who would be ineligible, in any case, to receive assistance.

Those respondents who had some awareness of the policy indicated that they had received information through street/neighbourhood committees (37.1 per cent), or the television, radio or press (11.7 per cent). In Fushun, 72.2 per cent of families had received information from neighbourhood committees, in Hefei it was 25.5 per cent and in Chongqing 18.1 per cent. The 'no response' category was also far lower in Fushun than in Hefei or Chongqing, which could indicate that neighbourhood committees in Fushun have been more effective in promoting the re-employment policy than those in Hefei and Chongqing, although the greater proportion of migrant families, mentioned above, is also a key reason.

#### *Re-employment training<sup>26</sup>*

Our study found that while there are relatively few government-funded training programmes for the urban poor, demand is great among laid-off workers. Only little more than 10 per cent of those surveyed had been trained for re-employment; 42.1 per cent said they were aware of the re-employment policy but had not participated in training programmes. If we look at the situation in the different cities, we find that 15.7 per cent of respondents had been trained in Fushun, 14.3 per cent in Hefei, and 6.6 per cent in Chongqing.

<sup>25</sup> The re-employment policy was extended nationwide in 1998 after trial programmes in Shanghai, to relieve state-owned enterprises of the burden of supporting their laid-off workers. Workers were transferred to re-employment service centres for three years after being laid off, and received their living subsidies, re-employment advice and job training from the centre rather than from the enterprise. These centres are now being wound down as laid-off workers become the responsibility of neighbourhood committees. Local governments have initiated various preferential policies for laid-off workers, including tax breaks for starting up small businesses and free access to government-run labour markets.

<sup>26</sup> Job retraining programmes are part of the re-employment policy, although the scope and quality of programmes vary between cities. Laid-off workers are usually entitled to free training of about one month's duration. Courses cover computer use, cooking, property management and home economics, as well as repairs, maintenance and other technical skills considered likely to enhance the re-employment opportunities of laid-off workers.

## 7.2 Availability of assistance in times of need

Results indicate that friends, relatives and neighbourhood committees are the major source of assistance for poor urban families in times of need. Other sources of assistance include government agencies, neighbours and schools.

*Table 7.1: Sources of assistance in times of need*

Source of assistance	%
Relatives	40.6
Friends	12.0
Neighbours	4.9
Neighbourhood committees	31.1
Work units	1.3
Schools	3.8
Charities	0.5
Government agencies	5.2
Other types of enterprises or groups	0.6
<b>Total</b>	100

Assistance was mainly provided in the form of financial support or the provision of daily necessities. Findings suggest that cash assistance is the most direct way to assist poor families to overcome particular difficulties.

*Table 7.2: Source and type of community assistance provided in times of need*

Source and type of assistance	%
Financial support from relatives	29.1
Financial support from neighbourhood committees	20.2
Provision of daily necessities (daily necessities or supplies in general) from relatives	13.6
Provision of food from relatives	8.5
Financial support from friends	6.6
Provision of learning tools from relatives	6.0
Financial support from neighbours	2.2
Provision of food from friends	2.0
Provision of daily necessities (daily necessities or daily supplies in general) from friends	2.0
Provision of daily necessities from neighbours	1.3
Financial support from schools	1.3
Financial support from government agencies	1.2
Assistance from other sources or of other types	6.0
<b>Total</b>	100

The ranking of coping strategies illustrates that poor families rely on their own resources by cutting down on daily living expenses, seeking work, borrowing, and failing to seek medical care. Therefore, government assistance programmes and other forms of social support have the potential to make a great contribution to resolving the economic difficulties of the urban poor. There were significant differences between the three cities in the coping strategies adopted by families faced with difficulties, as the table below shows. Families in Fushun were most likely to seek government social assistance given that nearly all of them were laid-off workers. Families in Chongqing and Hefei were more dependent on finding extra work or borrowing from relatives and friends.

*Table 7.3: Main means by which families responded to economic difficulties (%)*

City	Frugal living	Borrow from relatives	Look for job or work overtime	Apply for govt/ social assistance	Endure illness without medical treatment	Sell family property	Apply for loan	Other	Total
Fushun	67.2	5.7	9.4	16.4	1.0	0.3	0.0	0.0	100
Hefei	80.9	6.4	9.0	2.0	0.3	0.0	0.7	0.7	100
Chongqing	61.0	17.6	10.0	9.1	0.6	0.0	0.9	0.9	100
<b>Average</b>	69.3	10.2	9.5	9.2	0.6	0.1	0.5	0.5	100

### 7.3 Awareness of the Social Assistance Policy

At present, the social assistance package provided by the Chinese Government covers a range of policies, including the MLSSA, medical care assistance, schooling assistance<sup>27</sup> and housing assistance. Our survey attempted to examine poor urban families' awareness of government social assistance policy.

We found that poor urban families were much more aware of the MLSSA than they were of the other social policies. Consequently, there were only a small number of poor urban families accessing the benefits of these other policies. The government's efforts to promote the policies could, therefore, be considerably increased. According to Table 7.4, nearly 90 per cent of families surveyed said they knew 'something' about the MLSSA, 35.6 per cent said they knew 'something' about the school assistance policy, 16 per cent knew about the medical care assistance policy, and 14.7 per cent knew about the housing policy. There were also variations in the extent to which social assistance policies had been promoted in the different cities. Nearly all of the poor urban families in Fushun knew about the MLSSA, 91.9 per cent of the families in Chongqing knew about the scheme, and 74.3 per cent in Hefei. In all three cities, few families knew about the medical care assistance policy or housing policy. Nearly half of the families surveyed in Chongqing were aware of the school assistance policy, compared with 35 per cent in Fushun and 22 per cent in Hefei.

<sup>27</sup> This covers support under the current compulsory education policy, including the 'Notice on Guidelines for launching and completing assistance for poor primary and middle school students' issued by the Education and Finance Department in 2001 (Notice no. 17). According to the Notice, schools should be provided with extra funding to assist poor students, with priority given to poor schools in the western region. The Notice states that if students are unable to pay miscellaneous fees, textbook fees or boarding fees they should not be prevented from attending school.

*Table 7.4: Awareness of social assistance policies among poor urban families*

City	MLSSA	Medical care assistance	School assistance	Housing assistance
Fushun	97.3	12.8	35.0	16.6
Hefei	74.3	16.8	22.0	13.4
Chongqing	91.9	18.0	47.6	14.1
<b>Average</b>	<b>88.1</b>	<b>16.0</b>	<b>35.6</b>	<b>14.7</b>

The results of the survey questions on social support and coping strategies are highly illuminating. They illustrate that poor families are mostly reliant on relatives for financial support in times of need, and cope with hardship by relying on their own capacity to cut down on daily and medical expenses and to seek employment. Few families accessed government aid in the form of re-employment and retraining – despite the strong demand for employment opportunities and skills enhancement – and while most families were aware of MLSSA, other forms of social assistance were poorly understood or not known about. Rural migrant families, in addition to being excluded from government employment and MLSSA programmes, were also less likely to call on community assistance.

The limitations of government aid and the apparent low promotion of social assistance programmes is of particular concern. As the next section details, it is lack of employment, low and insecure income and the burden of education and medical expenses that constitute poor families' biggest challenges and are the major causes of poverty.

## 8. Family poverty

### 8.1 Major challenges for families

When asked to rank the greatest challenges they faced, children's schooling was families' most common response (43 per cent). This was followed by re-employment (28.1 per cent), housing (11.4 per cent), medical care (10.8 per cent) and old-age security (3.2 per cent). Table 8.1 illustrates how responses varied across the three cities.

*Table 8.1: Views of poor urban families on their greatest life challenge*

City	Re-employment	Children's schooling	Medical care	Old-age security	Housing	Other	Total
Fushun	44.8	34.4	12.4	5.7	2.3	0.3	100
Hefei	27.4	35.1	5.7	2.3	24.7	4.7	100
Chongqing	14.0	57.4	14.0	1.7	7.6	5.2	100
<b>Average</b>	28.1	43.0	10.8	3.2	11.4	3.5	100

Covering children's education expenses has evidently placed families under considerable economic pressure. Overall, the ranking of responses regarding the second greatest challenge were children's schooling (35.5 per cent), medical care (21.5 per cent), re-employment (19.1 per cent), old-age security (12.1 per cent), housing (8.7 per cent) and other (3.1 per cent). Of poor urban families, 30.7 per cent considered old-age security to be their third greatest challenge, 27.2 per cent of the families considered it to be medical care, followed by re-employment (19 per cent), children's schooling (11.2 per cent) and housing (10.2 per cent). This highlights concerns over current and future income stability.

Our analysis revealed that, in raising their children, the greatest financial burden faced by the families surveyed was educational expenses (81.6 per cent), followed by medical expenses (9.3 per cent) and the costs of supplying nutritional items (9.1 per cent). Results indicate that the rising cost of children's schooling is the most critical aspect for poor urban families in raising their children. Thus, children's schooling and re-employment are clearly the greatest challenges faced by most poor urban families. This would suggest the need to pay particular attention to improving support in these areas.

*Table 8.2: Greatest financial burden for poor urban families in raising their children*

City	Educational expenses	Medical expenses	Nutritional expenses	Total
Fushun	76.3	12.0	11.7	100
Hefei	75.5	12.8	11.7	100
Chongqing	92.7	3.3	4.0	100
<b>Average</b>	81.6	9.3	9.1	100

## 8.2 Causes of family poverty

An important point of investigation in the survey was to elicit the views of poor families on the key causes of poverty. Major causes of family poverty reported by respondents were unemployment or being laid off, low income, prolonged illness, low levels of education, being over-age and the difficulty of finding employment.

*Table 8.3: Poor urban families' views on the major cause of economic difficulties*

City	Big family	Low level of education	Being over-age	Prolonged illness	Disability	Unemployment or being laid off	Low income	Difficulty in finding jobs	Other	Total
Fushun	0.0	2.7	6.7	19.4	4.3	53.5	7.0	6.0	0.3	100
Hefei	4.3	20.7	12.0	5.0	1.3	22.0	23.7	5.7	5.3	100
Chongqing	2.3	9.9	9.9	12.6	3.5	26.3	19.6	11.7	4.1	100
<b>Average</b>	2.2	11.1	9.6	12.3	3.1	33.6	16.9	8.0	3.3	100

Unemployment and being laid off were ranked first in both Fushun and Chongqing, although the proportions varied. In Hefei, the largest proportion of the families surveyed considered low income to be the major cause of economic difficulties, slightly higher than those who considered unemployment or being laid off to be the major cause. It should be noted that nearly one-fifth of the families surveyed in Fushun considered prolonged illness to be the most important cause of economic difficulties, and in Chongqing nearly one-fifth considered it to be low income.

Thus, being unemployed or laid off, working for a low income, and difficulty in seeking a new job are major causes of economic difficulties for poor urban families. This reflects the importance of labour as a family's crucial asset in overcoming poverty in urban areas, and illustrates the impact of enterprise restructuring in terms of undermining poor urban families' ability to generate income through employment. This may explain why participants in group discussions suggested that social reform and transition were the underlying reasons for urban poverty, while individual family factors such as chronic diseases were contributory factors.<sup>28</sup>

The perception among most poor urban families that current unemployment, low and insecure income and the prospect of long-term unemployment are their major challenges also informs their ideas about their future prospects, as the next section details.

<sup>28</sup> There was reported to be a high incidence of occupational illnesses such as rheumatism and heart disease among laid-off workers, particularly those from the coal industry in Fushun.

## 9. Outlook and prospects for the future

### 9.1 On overcoming poverty

Our survey investigated poor families' views on the possibilities of overcoming poverty. Results showed that most families were not confident they would emerge from economic hardship in the near future.

Table 9.1 shows that 38.8 per cent of the families surveyed in all three cities believed it would be 'impossible' for them to overcome poverty within the next two years; nearly 50 per cent were 'unsure' about the possibility of overcoming poverty, and only 12.3 per cent were 'confident' about the prospect of shaking off poverty over the next two years. Poor families were also asked about what they considered to be the major obstacles to overcoming poverty. For those who believed it would be impossible for them to shake off poverty, the major obstacles reported included being over-age, having a low level of education, having no stable income, having a low income, difficulty in finding a job, having young children and the high cost of education.

*Table 9.1: Views on possibility of overcoming poverty within the next two years*

City	No answer	Possible	Unsure	Impossible	Total
Fushun	0.7	5.7	67.7	26.0	100
Hefei	3.7	18.3	48.7	29.3	100
Chongqing	3.2	12.9	26.1	57.9	100
<b>Average</b>	2.5	12.3	46.4	38.8	100

### 9.2 On children's futures

Although poor urban families expressed little confidence in their prospects of overcoming poverty, they did, overall, have high hopes for their children's prospects. However, a small percentage of parents expressed worry or concern about their children's future economic and life opportunities.

As indicated in Table 9.2, when asked how their children's futures would compare with their own life, nearly 60 per cent of parents said they believed their children would lead a better life in the future, 22.9 per cent believed their children's futures would not necessarily be better, 15.1 per cent were unsure, and only 2 per cent believed their children's futures would be worse. This was broadly understood to be related to improved social and economic conditions. The main reasons given by families for gloomier futures for their children were low levels of education and slim employment opportunities. The data show that families surveyed in Chongqing were most positive or optimistic about their children's future lives, while those in Fushun were relatively pessimistic, worried and concerned.

*Table 9.2: Family views on their children's future lives*

City	Become better	Not necessarily become better	Unsure	Worse due to children's low education level	Worse due to slim employment opportunities	Worse due to other reasons	No answer	Total
Fushun	36.7	41.0	21.3	0.3	0.3	0.0	0.3	100
Hefei	63.3	17.7	15.7	0.7	0.7	1.7	0.3	100
Chongqing	76.8	11.7	9.2	0.0	0.6	1.7	0.0	100
<b>Average</b>	59.9	22.9	15.1	0.3	0.5	1.2	0.2	100

In Fushun, where there is a high incidence of closure of state-owned enterprises, unemployment and difficulty with re-employment, many families are concerned about their children receiving adequate education and skills and going on to find secure jobs in the rapidly changing urban environment. In Hefei city, located in a very poor agricultural province with high numbers of rural-urban migrants, residents are aware of the hardships of living in poverty. Rural-urban migrants are concerned that the next generation will face the same hardships of rural living and the injustices of urban living that they face. Migration, however, is seen to be providing opportunities. In Chongqing, a city experiencing rapid urbanisation and economic growth, poor communities watch as many other residents prosper. With the expansion of urban territories, many former peri-urban farmers have been moved from their places of residence and relocated to unfamiliar urban environments. They are concerned that their children will not have the skills and resources to adapt to new urban environments.

Families were also surveyed about their hopes and expectations for their children's future education and careers. Results showed that the overwhelming majority of poor urban families wanted their children to go to college and find a good job after graduating.

Table 9.3 shows that over 60 per cent of families wanted their children to go to college, 22.2 per cent wanted their children to find a good job, 7.7 per cent wanted them to start earning money early, and 3.3 per cent wanted them to become public officials.

*Table 9.3: Families' hopes for their children's education and careers*

City	Go to college	Start earning money early	Find a good job	Do business	Become a public official	Other	Unclear	Total
Fushun	74.0	7.0	16.3	0.3	1.3	1.0	0.0	100
Hefei	64.0	6.7	19.7	1.7	5.3	1.3	1.3	100
Chongqing	50.7	9.2	29.5	0.3	3.2	5.4	1.7	100
<b>Average</b>	62.3	7.7	22.2	0.7	3.3	2.7	1.1	100

In Fushun, a relatively high percentage of families indicated that they wanted their children to go to college. Given the high numbers of laid-off workers interviewed in this city, who due to limited education and skills have had difficulty finding re-employment, this is not surprising. In Chongqing, a relatively higher proportion indicated that they hoped their children would find a good job. This may be due to the high incidence of job losses in the city through rapid urbanisation and the consequent relocation of communities to new urban environments where they are not well prepared to find stable jobs. The relatively low response of wanting children to go to college may be due to many Chongqing families coming from rural areas, not having the experience of higher education themselves and therefore being less likely to consider the possibility that their children might have the opportunity to go to college. In Hefei, a majority indicated they hoped their children would go to college, which is not surprising since the city is in the mainly agricultural province of Anhui with many poor farmers and a very high level of in- and out-migration, and therefore educational attainment is regarded as important for gaining a secure livelihood. While the number of those hoping their children would become public officials was low in all the cities (perhaps influenced by government-managed actions such as the closing down of state-owned enterprises and land reclamation), Hefei showed the highest percentage.

Survey findings suggest that poor urban families attach great importance to education and employment as a means for their children, and themselves, to overcome poverty. Families hope their children will be able to receive better education in order to obtain a good job and improved social standing.

These findings show a contrast between parent's own prospects for the future and their evaluation of their children's future. Very few parents in all three cities thought they could escape poverty in the foreseeable future. However, spending on children's education, while regarded as a major barrier in overcoming poverty, is also seen as the key factor in ensuring that poverty is not carried over to the next generation. Most parents are therefore relatively optimistic for their children's future if it can be secured by a good education. The challenge for the government in tackling urban poverty, therefore, is twofold: to enhance parents' ability to use their labour more productively and guarantee a better current standard of living; and to provide good quality education for children to ensure a better a future.

## 10. Key findings and policy recommendations

It is believed that the current research explores new ground and makes a significant contribution to insights into the situation of children from families living in poverty in urban China. This is the first comprehensive research into urban childhood poverty to be conducted in China. It fills a gap in the research on children from poor families and provides some direction for future action. This final section of the report provides a summary analysis of the key findings and, based on research insights into the situation and needs of poor urban children and their families, develops key policy recommendations.

### 10.1 Overview of the sample population group: poor urban children and parents

Of the parents of poor urban families surveyed, 88 per cent were aged between 30 and 49, and 60 per cent had attended middle school. Fifty-one per cent of adults surveyed had no job (they were either laid-off or otherwise unemployed) and an additional 36 per cent had unstable part-time jobs. Within the sample population (including children) there were 3.7 times more people without work than with work. Most working people were supporting other family members. Even unemployed heads of households carried the burden of supporting several household members.

Among the poor families surveyed, 67 per cent had access to the MLSSA or other forms of social relief, which rural-urban migrants could not access. Among those surveyed, 53 per cent claimed their primary source of income was the MLSSA, while 54 per cent of the rural-urban migrant population said their main monthly income came from part-time jobs or casual work. Sixty-eight per cent of families had average monthly income and expenses of between 200 and 500 yuan, with 78 per cent of families claiming they earned just enough to cover their expenses. Fifty per cent of families reported that children's education was their largest expense, while 33 per cent said daily necessities were their main expense.

The average age of children included in the sample was 11; thus, the average child was attending primary school. The boy:girl ratio was 107.3 to 100, which is considerably lower than that of children of the same age group across the whole country.<sup>29</sup> Given that most families participating in the study had only one child, and that the study was carried out in urban areas and provinces which are not known to have a particularly great gender imbalance, it is not surprising that the male-female ratio was considerably lower than the national average. The average number of family members among the families surveyed was 3.2, which was slightly lower than the national average of 3.4.

<sup>29</sup> The sex ratio at birth for the whole country has been increasing for many years, and currently stands at over 118 boys to 100 girls. There are, however, great variations between the cities and the countryside and between provinces. The lower sex ratio of the sample population of this study reflects the fact that the majority of families are local urban residents. In rural areas there are higher sex ratios.

## 10.2 Key findings

### 1. Family poverty has some impact on child welfare.

The research explored the impact of family poverty on child welfare from a range of perspectives: health and medical care, education, and daily life.

#### *Health*

Overall, children from poor families were reported to be in 'fair' health; indeed, more than half of the families surveyed said that their children were in 'very good' or 'good' health. Children from more than half the surveyed families were reported not to have been ill during the previous month and just under half had received 'user-pays' vaccinations. Despite financial difficulties, the majority of parents surveyed said they purchased medicine for their children when they had minor illnesses such as colds and headaches. However, in the majority of cases of mild child illness, such as headaches and colds, only one in five parents was inclined to seek medical advice and treatment from hospitals or clinics. A considerable proportion of medical expenses was shouldered by parents. This was largely because so few respondents were attached to functional work units that could reimburse children's medical expenses. However, nearly two-thirds of children from poor families participated in student insurance schemes organised by their schools.

The survey indicated that parents spend considerable time looking after young children. Forty-one per cent of parents said they cared for children 24 hours a day, largely because of the high rates of unemployment among the sample population. Grandparents tended to take over the responsibilities of childcare when parents were out. These findings reflect family situations and traditions in China where family support networks play an important role in children's upbringing. However, many poor families also claimed that support from extended families was inadequate, which confirms recent views on the breakdown of traditional support systems in China (Cook 2002).<sup>30</sup>

#### *Education*

The majority of children from poor families were reported to be accessing education, with only 2 per cent of children having dropped out of school within the nine-year compulsory education period. Most children attended public schools not far from their homes. Children's education expenses comprised the main financial burden for most of the poor families surveyed. The impact of family poverty on access to education is demonstrated by reports from 64 per cent of parents who said they could not afford to provide their child with home tuition or private coaching, which is considered necessary to maintain good grades. Most families had never received school fee reductions or exemptions or any other state-provided financial assistance for children's education. The majority of families surveyed adopted every means possible to keep their children at school. Although their children did not drop out of school, more than half of parents could not afford to send them to the more expensive 'key' schools, which are considered to offer better quality education. Parents from poor families invested heavily in their children's

<sup>30</sup> Cook notes that family support networks are now under greater pressure and are not particularly able to provide social security. She raises the issue of how insecurity arising from the transitions of previous state support systems puts pressure on community networks. Cook explains that informal safety nets (such as family support) must be viewed in relation to the wider institutional environment. Aside from struggling to meet basic needs, families face feelings of insecurity due to the breakdown of former state provisions (such as employment and health security), which further limits the capacity of families to provide support.

education in the hope that their children would continue to higher education and subsequently find a good job, which would advance their socio-economic status.

### ***Daily life***

The survey found that most children in poor families consume meat, eggs and milk once or twice a week. It was also found that the majority of poor families provided new clothes for their children about once a year or less frequently. Due to a lack of comparative statistics, we cannot measure the disparity in wellbeing between children from poor families and those from non-poor families. Findings suggest, however, that poor families struggle to provide adequately for their children's welfare.

## **2. Psychosocial development is an issue for poor urban children.**

While this household survey did not indicate that poverty has a significantly negative impact on children's psychosocial development, it did show that children have limited opportunities for personal development, in terms of travel, school trips and socialising outside school. Furthermore, it might be noted that the quantitative household survey methodology was not designed to gather in-depth information on psychosocial impact. Psychosocial development is a concern for all children and there is space to improve our understanding of how urban poverty affects children's social and psychological growth.

During household surveys most parents said their relationships with their children, as well as with relatives, neighbours, friends and teachers, were satisfactory. Most parents also said that children's relationships with them, other children, classmates and their teachers were generally positive. However, many poor children are excluded from team activities at school and feel that their peers, relatives and neighbours look down on them.

## **3. There is inadequate government support for poor urban families.**

The survey found that while 60 per cent of poor families had heard of the government's re-employment policy, only 12 per cent had received re-employment training. Low awareness and participation appear to be related to insufficient government promotion and lack of training opportunities for urban groups. Our survey found that when poor families face particular hardships they usually turn to relatives and neighbourhood committees for assistance, which is mainly in the form of cash or daily necessities. Poor families have various coping strategies for dealing with financial difficulties, such as increased frugality, seeking employment and borrowing from friends and relatives.

While China's current social welfare system includes many policies such as the MLSSA, medical care, education assistance and housing assistance, the majority of poor families knew little about welfare support other than the MLSSA.

#### **4. Children's education is the greatest challenge for families, while economic restructuring is the main cause of poverty.**

For a large proportion of families, the biggest economic challenge was the education of their children, with expenditure on education their heaviest economic burden. Other financial difficulties raised were re-employment, healthcare and old-age security. The vast majority of parents claimed the most pressing aspect of raising children was the cost of their education. Parents regarded job loss, being laid off, low income and difficulty in finding a job as the major causes of poverty. Analysis found that the main causes of poverty raised tended to be those that operate on a macro-level, ie government policies on economic restructuring and new social security provisions, which have resulted in high unemployment, poor prospects for re-employment for the middle-aged and low-skilled, and the loss of state-provided pensions, medical care and housing. Few families mentioned micro-level factors, such as personal or family economic and social characteristics, as major reasons.

#### **5. Parents tend to be pessimistic about their own future, but cherish hopes for their children's futures.**

Most families either thought it impossible to overcome poverty within the next two years, or were uncertain about their future. They said the main obstacles were age (too old to retrain and find work) and low education levels. However, the majority hoped their children would have a better future, and wanted their children to receive more education and subsequently find a good job.

### **10.3 Policy issues to consider**

Economic reforms have significantly altered the situation of urban poverty in China in two key ways. Firstly, economic restructuring has led to high levels of unemployment and a rapid increase in temporary insecure informal work that provides little or no social security for employees. Whereas urban poverty has previously been associated with urban residents who are disabled or elderly, the majority of the new urban poor are able-bodied and either unemployed or in low-income and insecure work. Secondly, the reform of the urban welfare system has effectively privatised many services that were previously free or heavily subsidised, most particularly health, education and housing. While the income levels of many urban families may not have significantly decreased, they are increasingly vulnerable to stresses and sudden crises, such as severe illness, which may deplete their resources. Therefore, urban poverty has become much more dynamic because unemployment, illness and educational expenses can all lead to a temporary decline in income. The challenge for government and other organisations is to develop a welfare system that supports urban families in times of need, and to put in place programmes that enhance their ability to weather stresses and sudden shocks.

Drawing on insights and lessons from our survey, the following issues are regarded as critical to the formulation of policies to enhance the welfare of poverty-affected children and their

families. These include job opportunities and re-employment, rural-urban migration issues, land requisition issues, child rights and protection, education access and continuity, and health and medical care.

## **1. Unemployment and insecure employment are key factors in urban poverty.**

Our survey found that unemployment is a key factor leading to poverty and preventing families from overcoming poverty. When asked about their aspirations, parents commonly responded: 'I hope I get a job', and children replied: 'I hope my parents can return to work'. Consequently, a major challenge is to open more employment channels to generate more job opportunities and to ensure that all employees are covered by social security schemes. Some aspects of this challenge include:

- The further development of employment in 'community services',<sup>31</sup> which includes the food, clothing, transportation and entertainment industries and public welfare services. These types of jobs are more suitable for older and less-skilled laid-off workers who have the greatest difficulty finding re-employment. There is also a growing demand for local services among urban residents.
- More investment in training and microcredit schemes to assist unemployed and low-income people to start their own small businesses.
- Better communication and liaison between government employment bureaux and community committees and enterprises to facilitate the re-employment of laid-off workers and rural-urban transfer residents. Community neighbourhood committees have the potential to identify those in need and deliver front-line services to the urban poor, but further work is needed to develop networks for children in need. As the government is transferring many of its obligations to local community committees, these are emerging as a potentially effective force in identifying and delivering social assistance to local families in poverty and need.<sup>32</sup> Community committees, however, are still in the developmental stage, and there are few specific child-centred assistance projects.
- Greater emphasis placed by administrative departments in charge of labour affairs and non-governmental organisations on providing relevant re-employment training to laid-off workers, particularly those aged over 40 years. Re-employment training programmes should ensure that participants obtain up-to-date, relevant and marketable skills that will enable them to find work in a changing job market.
- Better supervision of enterprises' social security obligations, to ensure that poor urban residents, who are mostly working in the private sector in insecure jobs, are included in pension provision and health insurance.

<sup>31</sup> The concept of community service in China has been explored by Cook (2000). Information on job creation for laid-off workers in the Chinese community service sector is provided in 'Community Services to Create Jobs', *China Daily*, 18 June, 2002.

<sup>32</sup> Since the mid-1980s, the government has increasingly bolstered the scope of neighbourhood committees' work. The restructured community committees, staffed by paid and elected officials, are responsible for many front-line social services, including local employment generation schemes and the administering of the MLSSA. The new neighbourhood committees are also responsible for all the residents living within their geographical boundaries, including workers still in work units and rural migrants.

## **2. The minimum wage is too low for poor urban workers in temporary and insecure work to ensure livelihood security.**

As the minimum wage is very low and not all employers meet even these minimum requirements, there is often little difference between the MLSSA and a low wage. Poor working conditions further discourage employment. Measures to encourage re-employment might include:

- Increasing the minimum wage so that it is higher than the MLSSA.
- Employment subsidies for those who find work after receiving the MLSSA, for example providing assistance such as tax exemptions and/or microcredit to encourage (former) MLSSA recipients to establish their own businesses. As laid-off workers have limited capacity to start up businesses themselves, another option might be to increase credit support to, or exempt enterprise revenue tax for, small and medium enterprises which could absorb more laid-off workers.
- Stricter implementation of labour laws to protect the rights of workers and their families, and ensure appropriate and safe working conditions.

The perseverance of rural-urban migrant workers has been used as an example for urban registered residents by the government. Migrant workers have demonstrated their willingness to endure hardships and find work at any cost, often taking positions urban unemployed people are unwilling to accept. Government officials effectively use this situation to blame any laid-off workers for failing to find re-employment. This survey shows that, while most of the local urban poor are unemployed, rural migrants are in some form of work. However, rural migrants are vulnerable to poverty because their work is low-paid and insecure.

## **3. Education and skills levels are crucial factors in the ability of the urban poor to secure stable employment and income.**

Low education and skills levels were perceived by the surveyed poor families to be a significant barrier to achieving employment security. Middle-aged laid-off workers, who constitute the largest group of the long-term unemployed, have low skills and little education because their education and training were disrupted by the Cultural Revolution. Rural-urban transfer residents are similarly handicapped by insufficient education and skills because of the poor quality of education in rural areas. Measures that might address these issues could include subsidies or affordable loans for low-income adults to access vocational skills courses and technical training.

## **4. The cost barriers obstructing poor children's equal access to education constitute poor families' greatest challenge and the largest household expenditure.**

The overwhelmingly positive response from the survey in terms of the importance of education points to the considerable sacrifices poor families are willing to make to enhance the opportunities of the next generation. Policy issues that need to be addressed to ensure that

children from poor families are not penalised in their access to education revolve around the implementation of the nine-year compulsory education policy.

During discussions and case study interviews, a number of interviewees said they were opposed to the linking of low-income subsidies with the health and education of children from poor families. In other words, participants in the study did not agree with providing for children's health and education cover under the general umbrella of MLSSA. They felt that while the MLSSA should cover basic living expenses, and children's health and education, wider state responsibilities to address the needs of poor children should be guaranteed through specific schemes, such as the nine-year compulsory education scheme. If compulsory education was truly enforced, the rights of children to education would be guaranteed. Families insisted that a guarantee of education for children should be effected through specific education policies that ensure children are not excluded. These might include, at the local level, the waiving of school fees (including tuition fees, miscellaneous fees and other charges) for children from low-income families during the period of compulsory education. At the national level, policies might include strengthening the supervision of the compulsory education system through the establishment of a compulsory education committee. This committee would provide guidance on the delivery of compulsory education, investigate such matters as implementation of compulsory education policy and distribution of funds, and guide local education offices in carrying out inspections of, for example, routine school management and teacher performance.

The charging of additional and extra-curricular fees by schools has been the subject of much media attention and the cause of much anger among parents. Supplementary education fees mean that poverty-affected families face heavy financial burdens in addition to the current 'state-stipulated' school fees. Our survey found that for children to access full education – which includes all required learning equipment and materials (eg multimedia resources), study assistance (eg access to a tutor if required), opportunities (eg the right to participate in school study tours) and any other resources guaranteeing children quality education – they are sometimes required to pay supplementary fees. We also learned that because the education provided in school may not be of a high standard, students who do not have access to private tutoring might not achieve good results. This creates a situation of inequality in which poverty-affected children, unlike their peers from higher-income families, cannot access quality education. Measures to combat this situation might include the supervision and regulation of the fee-charging system in schools, the abolition of irregular fees, such as those for evening self-study, and the standardisation of the teaching programme to avoid additional charges for lessons outside core classes.

The current system of 'key' schools also leads to disparities between schools in terms of teaching resources, equipment and environment. It is almost impossible for children from poor families to access 'key' schools. One solution may be to dismantle the 'key' schools system and distribute resources more equally across all urban schools, which are then available to all students at an affordable cost. In addition, long-term social programmes should be initiated to assist poor urban

children to access education, and the government could encourage corporate social responsibility by adjusting taxation policies and thus establish a long-term mechanism to encourage charitable contributions to support education programmes. Taxation policies could offer preferential tax incentives to enterprises providing funds for community development. Corporate funds might, for example, subsidise the cost of school fees and other education-related expenses for children from poor families. Enterprises funding education programmes for poor children might be eligible for a reduced income tax rate or exemptions from relevant taxes and levies. Such taxation policies could facilitate the establishment of a long-term mechanism for encouraging corporate organisations to contribute to the funding of children's education.

## **5. Children, especially girls, may not be adequately considered in the planning and implementation of social policies.**

While information gathered during this study was not disaggregated by sex, several other recent studies on the situation of children in China have pointed to the need to address gender issues. As noted above, the male-female ratio in China is increasing. There was also a higher proportion of boys than girls participating in the study. There is a continuing need to address the preference for boys over girls in China. In order to secure the rights and protection of all children and ensure that the needs and interests of girls are met, policy development will more adequately address children's needs and concerns if it is based on both international and locally-contextualised principles of the UN Convention on the Rights of the Child. China's laws and regulations on the protection and rights of the child should be promoted and strengthened. These include:

- relevant training on safeguarding the rights of the child for personnel engaged in work with children
- the further strengthening of legislation for protecting the rights of the child
- assistance to poverty-affected children through, for example, children's education subsidies<sup>33</sup> and medical insurance covering children's healthcare
- improved supervision of the enforcement of the laws concerned.

More attention should be paid to the interests of girls living in poverty. In rural areas, studies have consistently shown that girls are less likely to go to school, and more likely to drop out early and to have fewer opportunities to find more lucrative off-farm employment or to migrate for work. Specific programmes such as the Bud Programme, which gives financial support to poor families to keep their daughters in school, are only having a limited impact. In urban areas where most residents only have one child, gender discrimination in education access is less overt. Our survey shows that parents had very high expectations of their child's education, seeing it as the main way to escape poverty. However, without statistics disaggregated by sex it is difficult to assess whether urban girls are particularly affected by their families' poverty. Further research needs to be done in this area.

<sup>33</sup> While the current study did not find that poverty has a marked effect on children's access to education, other research has shown that many children living in poverty risk losing their right to education (eg, Wing Thye Woo, Li Shi, Yue Ximing, Harry Wu and Xu Xinpeng 2004). Furthermore, the national primary and middle school completion rates for girls in China continue to fall behind those of boys: according to the Asian Development Bank (*Poverty Profile of People's Republic of China*, 2004, [www.adb.org/Documents/ Reports/Poverty\\_Profile\\_PRC/prc.pdf](http://www.adb.org/Documents/Reports/Poverty_Profile_PRC/prc.pdf)) the ratio of girls to boys in primary education was 86 to 100 in 1990 and 92 to 100 in 2001, while the ratio of girls to boys in secondary education was 83 to 100 in 2001.

## **6. The medical insurance system is inadequate and coverage is poor, which adversely affects poverty-stricken urban families.**

Given that the social security system in urban China is still being developed, its components, levels of security and coverage remain inadequate. Many surveyed families specifically commented on the inadequacy of the current medical security system. As medical insurance for urban employees is still being developed, many enterprises fail to pay medical insurance premiums for their employees or to reimburse their medical expenses. In addition, given the limitations of current employment conditions, under which the provisions of former employment networks are no longer available and provisions within new networks have not yet been fully established, most working urban poor are not covered for social security by their employers and those in self-employment are usually unable to afford the personal premiums. However, research (eg, Hussain 2003) has shown that illness is a major cause of families falling into poverty, and the huge financial pressure that illness places on families can also negatively affect children's education and wellbeing. Note, for example, that in the current study the main reasons given for children dropping out of school were financial difficulties and children's health status.

Continued development of the health insurance system, therefore, needs to focus on the stricter supervision of enterprises to ensure their full participation in the social security system. This would guarantee all employed urban residents a basic medical safety net. In addition, government-led and community-supported medical assistance programmes<sup>34</sup> should be set up for particularly poor children. There is a need to include provisions to ensure that the medical safety net guarantees assistance to *all* children. Medical assistance funds, initiated by the government and supported by society, should be set up for particularly poor children. Fees for children's medical treatment, including vaccinations, systematic healthcare and the costs of sudden severe illness, should be partly or completely paid for depending on the specific situation. This will reduce the negative impact of illness on children's development.

## **7. Existing social security policies are poorly promoted among priority groups so that families in need are often unaware of how to access support.**

The survey showed that few people knew about social security policies (eg medical care, housing, education or re-employment training) other than the MLSSA. Greater attention needs to be paid to disseminating information about preferential policies, social security programmes and community assistance to urban families who are vulnerable to poverty.

## **8. Community neighbourhood committees have the potential to identify those in need and deliver front-line services to the urban poor, but further work is needed to develop networks for children in need.**

As the government is transferring many of its obligations to local community committees, these are emerging as a potentially effective force in identifying and delivering social assistance to local

<sup>34</sup> Health insurance (as stated under the 1998 government-issued 'Decision on Establishing the Basic Medical Insurance System for Urban Employees') involves the reform of the 'free medicare system and labour protection medicare system in state-owned enterprises'. According to a Chinese Government White Paper, 'the state will also, step by step, institute a social medicare assistance system to provide basic medical security for the impoverished population' (Information Office of the State Council, 2002). What this medical assistance system will be composed of is not specified, however. Furthermore, *children's* medical support is also not specified.

families in poverty and need. Community committees, however, are still in the development stage, and there are few specific child-centred assistance projects. Given the local knowledge of the community committees, a database of information on children living in poverty and difficult circumstances should be set up. Such a database would provide current information on the situation and needs of children so that relevant government policies could be developed. Officers from state departments such as education, health and civil affairs could be organised to maintain the database. It would be essential that database information remain confidential and that the rights and protection of children be maintained at all times.

### **9. Migrant families are particularly disadvantaged in their access to government and community assistance because they do not have urban residence status.**

The survey showed that most of the migrant population, who lack urban registration, have lived in urban areas for many years. With increasing urbanisation there is a growing likelihood that rural-urban migrants will make their homes permanently in cities. Without urban residence permits, however, migrants continue to be treated unequally and as outsiders. This inequality is particularly evident in the fact that migrant children have to pay additional fees for registering in urban schools and have unequal access to education; thus, by denying the current generation access to education and subsequently limiting their ability to support their own children's future livelihoods, the unequal treatment of migrants is being transferred to the next generation. Many of the children of migrant workers must return to rural schools to study and live apart from their parents, which could have a negative impact on their overall development and wellbeing. In addition, there is still strong prejudice against rural migrants by local urban residents who would like rural residents to be denied equal employment access. Cai and Kam (2000:6), for example, note that despite recognising the important contribution rural-urban migrants make to the urban economy, urban residents 'view rural migrants as a problem and have enacted increasingly restrictive policies to ban the hiring of outside workers'. They note that the 'major argument against outside labour is that migrant workers take away jobs from the locals. It is reasoned that given fixed labour demand, increases in labour supply depress wages or generate unemployment. Urban workers, after decades of almost full employment in the pre-reform era and high wage growth rates in the reform era, are now feeling the pressures of unemployment and stagnant wage levels' (ibid:5-6). Migrant workers have in many instances received much of the blame for such problems.

The government is currently re-evaluating the *hukou* system, and experiments in some smaller cities are making it easier for rural migrants to apply for urban *hukou*. However, rural migrants are still hampered by institutional barriers in their efforts to secure their livelihoods in the cities. A key factor in alleviating poverty among rural migrants would be to grant them equal treatment as urban residents, including equal access to urban services. Different regions may need to implement different policies based on local conditions, such as granting appropriate local certificates (or 'permanent residence cards') to migrant workers who have been working in urban areas for a certain number of years (eg two, three or five years). These certificates should allow migrants the same access rights as local residents, including access to vaccinations

and exemptions from additional education fees for urban schools. In addition, community neighbourhood committees need to do more to include rural migrants in their community work.

**10. Urbanisation creates a landless and unemployed poor without access to social security programmes. The process of urbanising rural areas could be improved through careful planning, increased co-operation with those families who face resettlement, and multi-departmental consultation on the development of relevant laws and policies.**

The urbanisation of rural areas is speeding up across the country. Nevertheless, the great demand for jobs during this process of transformation has exceeded initial expectation. Only when households who have lost their land are guaranteed employment can they sustain their lives in urban areas. Expanding urbanisation can leave households without land, employment or security. It is therefore recommended that a gradual approach to industrial development be implemented to prevent unnecessary or untimely requisition of land and urban expansion. In addition, there should be sufficient investigation and research in localities before developing new urban districts and requisitioning land, and proper arrangements should be made for the training, employment and social security provisions of farmers who surrender their land. Land requisition laws and policies should be developed by committees composed of personnel from land administration, urban construction, labour and social security, education, and civil administration sectors, along with sociology experts and neighbourhood and farmer representatives. The goal should be to minimise or eliminate poverty in urbanisation. Only by placing effective checks on poverty can the negative impacts on children be minimised.

**11. Current assessment of the political achievements of local officials does not incorporate social security provision and the reduction of urban poverty, which means that these issues are not a top priority for many local governments.**

The current system for assessing the political achievements of local officials is based on local GDP growth. Promotion for local officials is often dependent on their reporting increased local outputs or improvements in local production. Therefore, if such criteria as increased job creation or increased medical care provision could be used as a work performance appraisal measure, local officials might be encouraged to increase their commitment to social welfare. A set of indicators could be formulated to assess aspects of social welfare – such as social security, job creation, urban poverty reduction, increased commitment to and responsible spending on nine-year compulsory education, and the development of a public medical care system – whereby these issues may be given more attention by local officials. Compiling a feasible assessment system of local strategies to reduce urban poverty would ensure that these would be a top priority for local officials and be internalised as a value in their administration.

# Appendix I    Research planning and dissemination strategy

Initial plans for the research commenced in 2002. The first stage was a literature review of critical issues in urban childhood poverty. The second stage was fieldwork, which was conducted from August to November 2003. Analysis and report writing was completed in July 2004. The research process involved ongoing planning, liaison and review between national researchers, CHIP and Save the Children UK's China Programme, and the Department of Social Relief of the Ministry of Civil Affairs. A series of research planning meetings were held and training in how to facilitate group discussions was provided to research group leaders. Following field research, a workshop was held to discuss, compile and analyse findings, and to clarify policy recommendations arising from the study. Analysis and reporting was conducted by national partners in collaboration with Save the Children UK's China Programme and CHIP. Research partners prepared area-specific research reports.

Research partners for the project included the Institute of Sociology at the Liaoning Academy of Social Sciences, the Department of Sociology at Anhui University and the Institute of Sociology at Chongqing Academy of Social Sciences. Government partners included the Department of Social Relief of the Ministry of Civil Affairs – central, provincial and district levels – and Street Office Management Teams and members of Residents' Committees in each respective research location.

Because dissemination of findings and policy advocacy will be important in ensuring the study meets its aims, a strategy for dissemination of findings and policy advocacy has been developed. The departments and groups providing an advocacy and policy linkage are district- and local-level decision-makers, Residents' Committee members, civil society groups, provincial-level government officials, and the Department of Social Relief of the Ministry of Civil Affairs.

## Appendix 2 The research process

### 1. Research methodology

Qualitative fieldwork was conducted from October to November 2003. Focus group discussions were an important method of qualitative data collection. Individual case interviews were also held with parents and children of poverty-affected families. Key informant interviews were conducted with district-level social sector (education, health and social relief) representatives, key Street Office staff, representatives from the Women's Federation, the Youth Association and the China Charity Federation, and community leaders, teachers, health workers and others.

Given the limited qualitative research experience of local researchers, training sessions on facilitating group discussions were held with research partners. Select group discussions were facilitated by an experienced research consultant and Save the Children UK staff member, with local researchers responsible for documentation. Participants were selected by local Street Offices and discussions held in Street Office buildings. Discussion groups included laid-off workers, rural-urban migrants, people who had lost their land, a mixed group including family members affected by disability and chronic disease, a group of children aged 11-14, and another group aged 15-17. Street Offices were requested to select 15 participants for group discussions and provide a male-female balance for each group.

Group discussions lasted for about three hours, and were organised around a series of eight groups of questions: introductory questions; a brainstorming on definitions of 'the child'; who poor families are; causes of poverty; impact of poverty on children (in relation to livelihoods, health and social contact); existing government, community and family action to reduce childhood poverty; proposals for reducing childhood poverty; and discussion of the MLSSA.

Quantitative research was largely carried out through a household survey. Respondents were identified through non-probability random sampling. In the event that selected respondents were unavailable to be surveyed due to work, travel or other reasons, the same sampling method was used to select replacements. National researchers selected tertiary-level students to conduct the household survey. Students were trained in relevant research methods and provided with comprehensive research guidelines. National researchers monitored and supervised implementation. A pre-test was conducted with 50 households from each of the research sites in each of the three cities. Results were assessed and the survey design revised before conducting the survey. Overall, 949 on-site questionnaire interviews were carried out with poverty-affected families, with the proportion of population groups varying between the three cities. In Fushun, of the 300 households 293 were laid-off worker families, 2 rural-urban transfer families (former farming families whose land had been reclaimed and who had subsequently been relocated in

urban areas), 2 low-income families, 2 single-parent families and 1 migrant family (families who had relocated to urban areas for reasons other than reclamation of their farmlands). In Hefei, the breakdown of the 300 households was 150 laid-off worker families, 49 low-income families and 101 migrant families. In Chongqing, of the 349 households there were 113 laid-off worker families, 142 rural-urban transfer families, 44 low-income families and 50 migrant families.

Findings were analysed using SPSS 10.0. In assessing the sample surveys, we conducted a comprehensive comparison of male-female ratios, age categories, cultural level (level of formal education acquired), family size and ethnic group, and other target characteristics of the children in the interviewed families. The non-probability sampling method used to select survey participants resulted in respondents who were representative of the defined target population of poverty-affected urban families because over 99 per cent of potential respondents who were approached in the research process responded to research questions. The overall validity rate was considered to be over 99 per cent. Here, 'valid' responses refers to those responses in which the comments provided were considered by researchers to be a sufficient approximation of the truth. It should be noted, however, that some respondents were not sure about certain questions or did not answer specific questions.

## **2. Limitations and possibilities of the research methodology**

### ***Group discussion participants***

Despite the preparation of clear selection criteria, there were some problems in selecting participants for group discussions. Locating migrant participants was difficult as Street Offices informed us that migrant households were not directly administered by them. While we had requested that selected families include children of varying ages, this was not well managed. Group numbers varied and a male-female balance was not always maintained.

### ***Tendency toward quantitative methods***

Research practices in China tend to be more focused on quantitative rather than qualitative methods. In planning the survey, we attempted to address this situation by providing training in qualitative methods. In practice, however, researchers tended to use research practices with which they were most familiar. There was a tendency to rely on information from household surveys rather than drawing on focus group discussions, key informant interviews and case studies. The writing up of research findings was limited to set questions rather than drawing on data from the qualitative research results.

### ***The sensitivity and complexity of certain research questions***

The survey required families to share sensitive information on their experiences of poverty and social relationships. However, acquiring accurate and complete information needs time and trust. Interviewers had limited time and the household survey method, in which the interview is conducted with notes taken simultaneously, does not lend itself to trust-building. It may be

that some respondents did not feel comfortable answering questions about the quality of parental relationships, child-parent and child-teacher relationships and other sensitive matters.

***A focus on parents' views rather than children's views***

In China, the idea of children participating in research and speaking for themselves is relatively new. This was partly addressed through the organisation of focus group discussions with children. Direct consultation with children was limited, however. The majority of data on children and families was collected from household interviews with parents.

***A focus on general situations rather than investigating diverse and specific cases***

National researchers analysed all data gathered from household surveys, compiling statistics for each city and for China overall and focusing on the most common responses for each question. While this improves our understanding of urban childhood poverty *in general*, lessons from different children and particular family circumstances were limited. It would be useful to know more about particularly disadvantaged children, for example those who have dropped out of school and those living with disability and serious illness.

***Limited sample population***

It could be argued that survey respondents constituted only a small sample of poor urban populations in the three cities. Nevertheless, the families included in the study provided insight into the views and experiences of a range of poor urban families in these cities and elsewhere in China. The survey results, therefore, have important general implications for policy development in China.

***Sex-disaggregated data***

Data was not collected or analysed by sex. Therefore it is not possible to use the results to understand the different experiences of girls and boys (or women and men). This would clearly have been critical for considering questions such as whether girls faced discrimination (relative to boys) with respect to schooling and healthcare.

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The Childhood Poverty Research and Policy Centre (CHIP) is a collaborative venture between Save the Children and the Chronic Poverty Research Centre (CPRC). CHIP is working with both researchers and advocates, North and South, to produce research, and influence policy and practice on childhood poverty in the wider context of chronic poverty.

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*Directors: Dr Caroline Harper and Professor David Hulme*

Children and young people have been profoundly affected by the pace and character of economic change in China. Focusing on migrant families, workers laid off from state-owned enterprises and families who have lost access to farmland due to urbanisation, this report examines the consequences of rapid change for children. In the selected poor areas in Liaoning and Anhui provinces and in the city of Chongqing the study finds significant differences between the welfare of long-term urban residents and recent migrants to the cities, with the latter in temporary or self-employed work and frequently unable to afford the hidden costs of schooling and health programmes (including vaccinations), and with little access to social security (including pensions) in the short or long term. Many school-aged children of migrants are being left behind in rural locations. With significant erosion of comprehensive state-funded and employment-based insurance schemes, both long-term urban residents and rural-urban migrants suffer low standards of living and financial insecurity. This report examines in detail the situation of these poor groups and makes recommendations to improve the wellbeing of children.

For information contact:

CHIP, c/o Save the Children, 1 St John's Lane, London EC1M 4AR

Telephone: 44 (0)20 7012 6796

Email: [info@childhoodpoverty.org](mailto:info@childhoodpoverty.org)

Web: [www.childhoodpoverty.org](http://www.childhoodpoverty.org)

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