

The Hukou System – an Institutional Logic of Welfare Segregation

A mixed method analysis of the impact of the hukou system on welfare state development and social cohesion in China.

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English summary

This thesis investigates how the institutional logic of the hukou system has influenced welfare state development and social cohesion in China. The problem is analyzed through a mixed method approach, utilizing quantitative data from respectively World Value Survey for China in 2001, 2007 and 2012, and for Finland in 2005, Sweden in 2006 and Norway in 2007, as well as the International Social Survey Programme for China, Finland, Sweden, Norway and Denmark in 2009. In order to substantiate and elaborate the quantitative findings an interview-survey has been formulated, consisting of open questions, where all answers have been analysed qualitatively. Eight Chinese people, who all grew up in China, have answered the questionnaire fully. The questions mainly relate to the theoretical statements made in relation to chapter 2 (theory) and the results of the quantitative analysis with the aim of gaining a deeper insight into the results hereof.

China has undergone a riveting development in recent decades, both seen from an economic and human development perspective; 5-600 million have been lifted out of poverty and the welfare system has been expanded both in terms of coverage and generosity. Nevertheless, they have not succeeded in abolishing the hukou system; a system perpetuating welfare segregation. The system has in recent times been framed as having been abandoned, and some important dimensions of the hukou system have indeed been abandoned, nonetheless are the welfare provisions for those not holding a local hukou as limited as they have always been and the overall picture of rural citizens as poor and urban citizens as rich remains the same.

The results of the analysis showed that the hukou system has influenced welfare state development in China by fostering two distinct welfare systems. The welfare system is progressive and comprehensive in urban China, while it is regressive and meagre in rural China. The Chinese welfare system is furthermore plagued by an inherent 'take-up problem' where rural citizens do not claim benefits they are entitled to, while urban citizens receive better welfare service.

Finally, it was made evident that social cohesion is severely limited in China, as social exclusion is embedded in the hukou system. The Chinese population is divided on such a fundamental level, due to the hukou system, that any traditional deservingness heuristics are not valid. The rural-urban divide overrules any traditional welfare oriented deservingness heuristics that are thought to exist within a population with the same nationality, by severe social exclusion of rural-urban migrant workers. Rural hukou holders are severely restricted from a social rights perspective, their agency freedom is being undermined by the hukou system by barring them from pursuing coveted goals. Furthermore is their capabilities development limited

due to discrimination of migrant workers and their children, by denying them access to public welfare goods such as education and healthcare in urban areas.

In order to create inclusive welfare policies and social cohesion in China, there is a need to equalize capabilities development and truly abolish the hukou registration system; albeit due to the byzantine nature of the hukou system and the fragmented social welfare system in China, it is acknowledged by the author of this thesis that any such development will entail a long and complicated process.

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1. Introduction

China's economy has experienced a rapid transformation in the post-Maoist era with record growth and development in the past three decades, since the start of the economic reforms in 1978. In the past 30 years, Chinese GDP grew on average 9.7% per year. The rapid growth has helped 5-600 million Chinese people out of extreme poverty, pertaining to more than two thirds of the global decline in poverty (Kongshøj, 2015d). However, the rewards of economic growth has its limits, which is also true for social development. M. Ravallion and S. Chen (2007) paint the picture that China has been reaping the "... low-lying fruits of efficiency enhancing pro-poor reforms." (Ravallion & Chen, 2007: 31). After the initial success following the early reform period, continued economic growth did not bring further social progress; with no more low-lying fruit, further social progress will require active social policymaking.

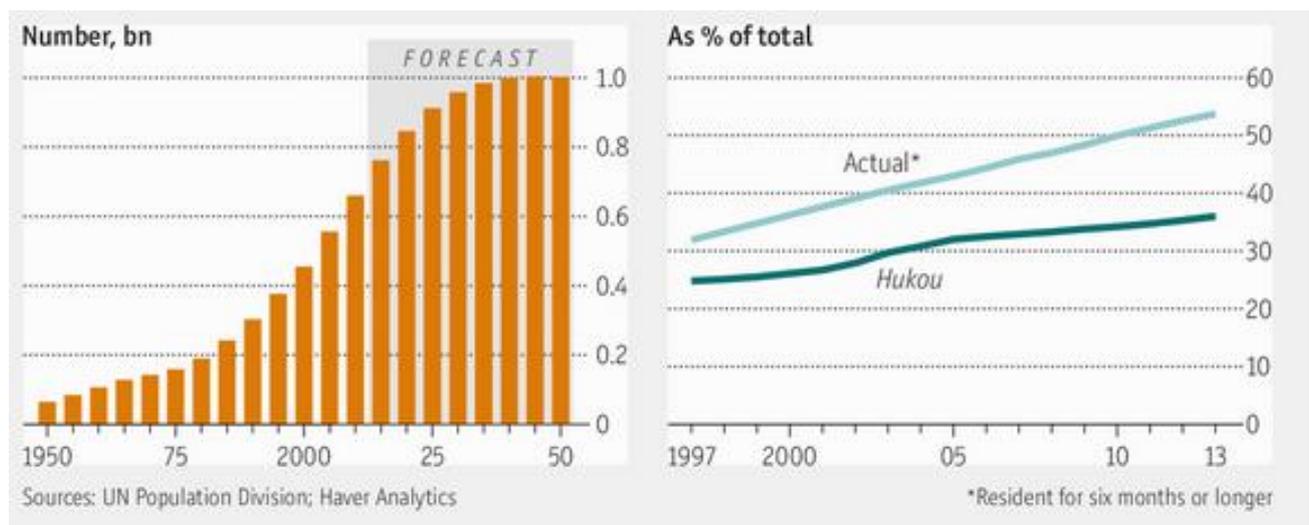
China has in recent years been preoccupied with building a new welfare state on the rubbles of the old welfare system, built under the planned economy. This will entail social policy making on a level unlike any ever seen before (Leung, 2005). The Chinese government has set a goal of making the public welfare provisions more *universal*, this has been realised through recent reforms in pensions, health and unemployment protection – however big challenges still persist, the largest of them being to secure adequate protection for those covered and breaking down the inequalities that were built into the old welfare system (Kongshøj, 2015d).

It is however argued by many (see e.g. Saich, 2008; Chan & Buckingham, 2008; Frazier 2010b; Shi, 2012; Gao et al. 2013; Kongshøj, 2014) that the key for understanding the most prevalent challenge for Chinese social policy making at this time, is the hukou system. The hukou system is the official proof of residency for Chinese citizens, it determines a persons' access to e.g. social welfare (Xu, 2012), but on a deeper level is the entrenchment of social strata (see e.g. Zeuthen, 2012; Gao et al, 2013).

The hukou system is not merely a proof of citizenship, it is essential for every aspect of daily life, it works to stratify individuals and regions and allocate resources and opportunities (Fei-Ling, 2005). It has created a divide across the rural-urban boundary, where the urban welfare system is comprehensive and generous, while it is minimal and residual in rural China (Gao et al., 2013). It is however important to acknowledge that pronounced progresses has been made in attempts to harmonize the rural-urban divide (Gao et al., 2013), one prominent challenge that however continues is the persistent institutional diversity of social security, which is prospering in the migrant masses generating social disparities and continuing the longstanding segregation (Shi, 2012). The Chinese citizens, are despite their hukou registration free to migrate, but their social rights are bound to their local registration as argued by T. Cheng (1991) "... some

Chinese official reports even announced that (...) nearly half of the Chinese people are urban now! This seeming "great leap forward" is accounted a fact and highly praised by some western scholars (...) But, (...) it cannot fool the Chinese peasants themselves. In their eyes, the hukou is the real standard by which to measure their actual status, benefits, and the progress of urbanization." (Cheng, 1991: 292-93). Despite this, around 250 million rural migrant workers were in 2015 living in urban areas (Kongshøj, 2015b), and as shown in an analysis from Haver Analytics, this number is likely to increase.

Table 1.1 China's Urban Population



Source: Haver Analytics, 2014

According to table 1.1 China's urban population will reach 1 billion by 2050, however what is more interesting is that while the urban population has been growing, the gap between actual amount of residents and those holding an urban hukou has been widening from 1997 to 2013. Due to the hukou system, an increasing amount of people have been caught in a virtual no-man's land, as they have sought to broaden their possibilities in urban areas.

The exact scope of the effects hereof can be found in a quote by R. Titmuss, one of the founding fathers of modern welfare state development, as he asks "What effect does the system have on the social and psychological sense of community? Does it have divisive or unifying effects and in what sense and for what groups? Does it, in short, widen or diminish the concept and consciousness of "who is my neighbor"?" (Titmuss, 1974: 140). The question is a testimony to the complex relationship between the system and the attitudes of the citizens, this is supported by several studies (see e.g. Pierson 1994; Ooershot, 2000; Larsen, 2006) that show that support for welfare policies and how the population perceive others is highly influenced by the institutional arrangement of the welfare regime they inhabit.

The institutional arrangement behind the Chinese welfare regime is arguably exceedingly determined by the institutional logic of the hukou system. However, to rephrase R. Titmuss, we are left wondering whether the hukou system is dividing or unifying the Chinese population? And is there a difference across the rural-urban boundary? Does the institutional logic of the hukou system promote or discourage the notion of social cohesion in the Chinese society?

With these questions in mind, I have formed the following research question: *“How has the institutional logic of the hukou system influenced welfare state development and social cohesion in China?”*

2. Theory: Understanding Welfare Development in China

Firstly some overall delimitation and conceptual clarifications will be clarified, by distinguishing between three modes of development; development is traditionally examined as either political (see e.g. Stubbs, 2009), economic (see e.g. Todaro, 2014) or human development (see e.g. Sen, 1995). All three types of development are in regards to China highly important, and it would be difficult to separate them completely. Most studies have focused on economic and political development, and have slightly overlooked the human development aspect of it, which is the main field of development we are examining in this thesis.

Each of the types of development will be touched upon in this thesis. However, there is an insuperable amount of studies and conflicting views on the current and future development of China, particularly in regards to the economic and political development, which will not be examined further in this thesis.

Economic development is merely utilized to describe the rise of China and economic growth effects, i.e. the decline of people living in extreme poverty, relative and absolute. Political development is however slightly more enmeshed in what we are examining. As stated in the introduction we are examining “*How has the institutional logic of the hukou system influenced welfare state development and social cohesion in China?*”, this entails examining the past political development and social policy making that has led to the institutional logic of the hukou system, however what is truly being examined is the effects hereof. The effects that the political and economic development has had on human development in China.

More specifically, we are exploring the discrimination mechanisms embedded in the hukou system and fostered by the economic and political development in China in order to uncover the effects on human development from a welfare state perspective. Firstly, we will make conceptual clarifications on social policy and universalism in China, in chapter 2.1. Secondly, we will describe the historical development that led China from an institutional system of ‘work unit-centred’ welfare under the ‘Iron Rice Bowl’ to ‘appropriate universalism’, in chapter 2.2. Thirdly, we will explore the effects that the institutional logic of the hukou system has had on civil society in terms of shaping the perceptions of the citizenry and dividing the population, in chapter 2.3. Lastly, we will examine how the effects uncovered in chapter 2.3 influence welfare state development, in chapter 2.4.

When it is found relevant, we will pose questions based on theoretical assumptions, which will aid us in answering our overall research question.

2.1 How do we Interpret China's Social Policy?

Before discussing social policy in China and the so called 'appropriate universalism' it is firstly important to make some conceptual clarifications on welfare state and universalism.

A welfare state is the public provision of benefits and services to protect and improve the well-being and social rights of its citizens (Esping-Andersen, 1990; Andersen & Larsen, 2015), it operates as a distributive mechanism to secure set goals through allocation of resources (Titmuss, 1998). Through size, structure and redistributive effects the welfare state reflect the core social values of the country, as well as its political will and power to achieve those values (Gao et. al., 2013).

Universalism can be measured according to several aspects of social rights; dimensions of coverage, generosity, eligibility and financing. From this perspective universalism becomes a continuum where policies become more universal the higher coverage, higher generosity etc. they achieve (Andersen & Larsen, 2015; Kongshøj, 2015c). Many new welfare schemes for rural and urban residents, both within health and pensions, have been adopted in China in the past 10-15 years. However, the only ambition behind these seem to be increasing coverage and securing that more have access to social insurance, a goal that has been fulfilled to some degree. Nevertheless, has the insurance schemes for urban workers remained much more generous than for rural workers (see e.g. Shi, 2012; Lam & Liu, 2014; Kongshøj, 2015c).

China's attempt at gaining a universal welfare state is first and foremost evident within the field of healthcare, where almost 95% of the population were covered by a health insurance scheme in 2011 (Tang et al., 2012). However, making health insurance available to all citizens does not necessarily mean that the coverage is sufficient for them to afford medical treatment. A significant share of the cost is still borne by the Chinese people themselves. In 2011, the average reimbursement rate for inpatient care stood at 47%, leaving more than half the cost to be covered by the Chinese people themselves. For outpatient treatment, the reimbursement is generally even less generous. Covering this share can be devastating for a person with a serious or chronic illness. In 2011 about 13% of the Chinese households experienced catastrophic health expenses, due to the reimbursement ceilings that make it impossible for citizens with serious or chronic illnesses to get sufficient support (ibid.). Not to mention that the reimbursement rate varies significantly across the country (Huang, 2012a). However, pertaining to the last aspect of universalism: 'financing', studies have shown (see e.g. Tang et al., 2012) that the new millennium has heralded a decline in private expenditure after nationwide policies began to replace the old disease-ridden public insurance

system. This is meanwhile not surprising given the increasing public financing of the URBMI and NCMS-schemes¹ in recent years.

Considering that the pride of the Chinese welfare state, the health care system, do not meet all requirements of universalism; dimensions of coverage, generosity, eligibility and financing, it can therefore be questioned whether universalism is fulfilling its purpose in China. It is by J.G. Andersen (2015) argued that universalism should tie the citizens of the state together and that the state should treat everyone the same, because "... everyone is in the same boat." (Andersen, 2015: 53). B. Rothstein (1994) takes it a step further and argues that "... universalism fosters the experience that "we" should solve "our" problems together." (Rothstein, 1994:191). Due to this there can be no doubt that, the criteria set forth for a universal welfare state are far from reality in China, albeit China is on a development path and has the potential to catch-up.

In this catch-up process, efforts at broadening their contextual understanding have been made, among others there has been attempts at creating a Sino-Nordic social policy dialogue. The Development Research Centre of the Chinese State Council has produced the report 'Constructing a Social Welfare System for All in China', which is based on a field trip to Copenhagen, showcasing specific Nordic policies and proposing a vision of inclusive welfare provisions in China (CDRF, 2012).

There is in existing literature different perspectives on how to interpret China's social policy reform. Various strands of thought focus on the changing nature of Chinese social policy in terms of the state's return to – or retreat from – welfare responsibilities in the transition towards a market economy. One view pays attention to the trends of social policy in the conversion from socialist to pluralist welfare production in China (see e.g. Saich, 2008). Another body of literature seeks to provide policy solutions in response to problems created by change in social structures (see e.g. Guan, 2005). A further group of studies is concerned with the cultural dimensions of welfare reforms, meaning the role of the family and community in accordance with traditional Chinese culture in defining the role of the state in public welfare (see e.g. Chen, 1996). However, recent studies tend to view the social policy expansion as a product of the ruling communist party wanting to maintain its political legitimacy (see e.g. Frazier, 2010a).

However, in this instance we choose to discuss the issue from a state-civil nexus, as is the case in many studies (see e.g. Frazier 2010b; Shi, 2012; Kongshøj, 2015d) on social citizenship and welfare studies. The state is in this regard operationalized as being the institutional logic of the hukou system, which as mentioned earlier, will be further described through the Chinese political and economic development path.

¹ Residency-based social health insurance, financed by taxes, in addition to individuals' payments.

Civil society is instead operationalized in the terms of human development. There tends to be a conceptual image of state versus civil society, which looks at social citizenship as a result of the state's benevolence or civil society's struggle for greater public welfare (Shi, 2012). Meanwhile, there has been crucial institutional dynamics at large in China in recent times, the state has taken an active involvement in the field of social policy making, driven by the governments attempt to breathe life into the Chinese socioeconomic vision of a 'Harmonious Society'; a notion that was deeply embedded in the former government and has recently figured in public debates after a sudden discursive turn in the government (Shi, 2012). Due to this development, it is found most interesting to examine the institutional logic behind the social policy reform, and specifically the hukou system, with the goal of subsequently examining which effects this logic has on civil society.

In the next chapter, the development path that has led China from the 'Iron Rice Bowl' to 'appropriate universalism' will be explained.

2.2 From the 'Iron Rice Bowl' to 'Appropriate Universalism'

Under the centrally planned economy in China, modelled after the Soviet Union, each work unit in the society functioned as a self-providing 'welfare society', where each individual received employment and income protection and enjoyed heavily subsidized welfare benefits and services, i.e. housing, food, education and social security benefits for maternity, illness, old age etc. The system, termed the 'Iron Rice Bowl', was therefore highly employment-centered and made up of "...public ownership, full and lifelong employment, job creation, job assignment and restricted labour mobility..." (Leung 2005: 50) and regarded as a core feature of socialism (Leung, 2005).

The welfare system was, to the Chinese Communist Party, a political asset that had the potential to create social stability and political legitimacy. It however created a resilient sense of dependency among the Chinese people, depending on their work units to resolve their problems and satisfy their needs, generating a welfare system that was 'work unit-centred' rather than 'state-centred' (ibid.).

The role of the state became to provide a stable order within which the work units could provide the functions of a welfare state; political education, economic protection and welfare service provision. For the people not included in a work-unit the state would provide limited welfare provisions for those inflicted with the three no's: those with *no* family, *no* source of income and *no* working ability (ibid.).

The 'Iron Rice Bowl' guaranteed a stable standard of living scheme through the work units, regardless of the effort put forth by the workers, the 'Iron Rice Bowl' therefore quickly became a synonym for

unproductiveness under the market-oriented economic reforms in 1978. Thereafter the egalitarian and needs-based social policies came under severe criticism, viewing job security as an impediment to the promotion of economic productivity and work incentives. Under the market economy, efficiency received priority over equality; the government encouraged a system where income distribution was to be widened so as to encourage individual enthusiasm and speed up development, by creating policies allowing some people to become wealthy first with the goal of common prosperity (ibid.).

Unemployment had been almost unheard of in the employment-centered welfare state, however one of the more noticeable consequences of the erosion of the 'Iron Rice Bowl', was the eruption of unemployment which peaked at 10-12% of the urban population after the turn of the millennium (Kongshøj, 2015a). This development created the backdrop for widespread social protests spiked by the added social risk due to unemployment or less secure and protective employment. The protests emerged from a wide spectrum of pressing issues, and catalyzed the social policy reform. In order to keep their legitimacy Chinese policymakers had a sudden discursive turn with ideas of a 'harmonious society' and 'appropriate universalism' (ibid.).

Universalism has as a whole been on retreat in most Western countries, but in the global scheme of things, it has showed progress (Kongshøj, 2015c). This tendency was predicted by A. Briggs in 1961, where he argued that the welfare state could be seen as a phenomenon that follows industrialism and market economy (Briggs, 1961). It can therefore not come as a surprise that China has evolved into a welfare state with social security and protection for the unemployed, poor and ill, as well as created modern health and educational systems. Overall social security in China has made great strides in its structures for coverage, finance and administration (Shi, 2012).

The welfare state of China has been growing at an unprecedented speed since the millennium shift, and has played an integral part of the ideology of the communist party, as a key factor in their political targets and discourses (Kongshøj, 2015c). There has in recent times been a discursive turn in the Chinese government, where constructing a 'harmonious society' has been an official goal. The need for social policymaking has been framed in vague terms as "putting people first", "equalization of basic public services" etc. (Ngok, 2013). However, despite the ambiguity of the Chinese dream to build a 'harmonious society', it is made evident that it is also a dream where the consequences of social risks such as unemployment, poverty or illness are alleviated, as well as one where inequalities in the population are less pronounced (Kongshøj, 2015a).

China has taken important steps towards increasing coverage and securing adequate social protection, access to public welfare is however still marked by old divides (see e.g. Ngok, 2013; Liu & Kongshøj, 2014;

Kongshøj, 2015a). Despite significant progress, major challenges still persist for this new 'appropriate' universal welfare state. To name a few, social benefits have not kept pace with the general increase in income; the minimum standard of living scheme (MSLS) allowance is in some ways more comparable to the stigmatizing "Poor Laws" of the nineteenth century in the Western world; the health insurance schemes are not equipped to meet actual needs etc. (see e.g. Huang, 2012a; Shi, 2012; Kongshøj, 2015b).

Lastly, however nonetheless important, is the persistent institutional diversity of social security, now thought to be nearly eliminated, but thriving in the migrant masses creating social disparities and continuing the longstanding segregation (Shi, 2012).

The period of market reform has lifted 5-600 million Chinese people out of extreme poverty, one of the most significant advances in human welfare in modern history (Kongshøj, 2015a). However, many are still living under poverty and despite great progress, the rapid economic growth in China has been accompanied by greater income inequality where many households are still working for subsistence and basic livelihood (Lam & Liu, 2014).

The problem is mainly evident in rural China as a product of the rural-urban divide that has plagued China since the 1950's. A major challenge persists in balancing the supply of public goods and services in both urban and rural areas due to the longstanding segregation in healthcare, infrastructure and education (Shi, 2012). This segregation is by many (see e.g. Zeuthen, 2012; Shi, 2012; Gao et al., 2013; Kongshøj, 2014) attributed to the Chinese hukou system, a statement that will be further examined in the next chapters.

The riveting welfare development described above has left us wondering how attitudes towards normative welfare ideals has developed in China in recent times? As explained earlier, China has furthermore found a bulk of their inspiration for creating a universal welfare state from Scandinavian welfare policies, it is therefore highly interesting to examine how attitudes towards normative welfare ideals and people on welfare benefits are formed in China, compared to the Scandinavian countries? This will be examined further in the analysis.

2.3 The Hukou System – an Institutional Segregation Mechanism

The hukou system, deeply embedded in the socialist ideology and the planned economy, loosely translates into residency proof. The hukou system came about during the Great Leap forward in 1958-59, where a hukou was assigned to everyone. The hukou was used to standardize access to land, housing, food, education, medical care etc. The paternalist Chinese government thereby assumed responsibility for the welfare needs of the population. A major characteristic was the distinction between agricultural and non-

agricultural occupations (see e.g. Zeuthen, 2012; Xu, 2012), a distinction that still persists to present times with pronounced inequalities in economic and social resources between agricultural and non-agricultural workers (Lam & Liu, 2014).

These were however, the formal occupations a person could possess at the time when the system was initiated. A non-agricultural hukou guaranteed access to occupations termed non-agricultural, receiving food rations directly from the state, while an agricultural hukou guaranteed the person rights to land and the provision of resources from the rural collective. When the system was first initiated, the ration system in place for non-agricultural hukou-holders ensured their survival, while millions of agricultural hukou-holders starved to death (Zeuthen, 2012). This signifies that urban citizens were well taken care of by the government, while rural citizens were to overcome hardships by "... rely[ing] on the masses, rely[ing] on the collective, regeneration through production, mutual help and mutual relief, supplemented by necessary relief and development aid from the government." (Wong, 1998:94). As a product, the welfare system was meagre for rural citizens, while it was comprehensive and generous for the urban citizens (Gao et al., 2012).

The hukou system has in recent times been framed as having been abandoned. This has however been questioned by many (see e.g. Chan & Buckingham, 2008; Zeuthen, 2012; Kongshøj, 2014). The reasoning is that the discourse is based on a misunderstanding of the current hukou system, the distinction between non-agricultural and agricultural occupations has been abolished, however the hukou is still registered according to residency. Due to this, the welfare provisions for those not holding a local hukou are as limited as they have always been (Chan & Buckingham, 2008). This abolition has not weakened the rural-urban divide and the overall picture of the rural citizens as poor and the urban citizens as rich remains the same (See e.g. Chan & Buckingham, 2008; Zeuthen, 2012; Kongshøj, 2014).

This divide, created by the hukou system, remains a unique feature of the Chinese social welfare system; the urban system is comprehensive, and bears similarities to that of Western countries, while the rural is minimal and residual and similar to those in the least developed countries (Gao et al., 2013). Great strides have been made, to create more inclusive social citizenship and harmonizing the rural-urban divide (ibid.), as well as towards increasing coverage and adequacy of social protection within public welfare – it is however still argued to be marked by old divides (see e.g. Chan et al., 2008; Ngok, 2013; Gao et al., 2013; Liu & Kongshøj, 2014).

If we in this instance argue that China is indeed a universal welfare state, or in the progress of becoming one, we should acknowledge that it is a welfare state plagued by institutional diversity, highly divided along rural-urban lines (Gao et al., 2013) and that "... it is generous and progressive in urban China but marginal and regressive in rural china." (Gao et al., 2013: 745). The immense differences in provision, generosity and

progressivity within the welfare system suggest that a more balanced, inclusive and integrated Chinese welfare state is needed to overcome the rural-urban divide (Gao et al., 2013). Albeit, there have been increases in social benefits for rural-urban migrant workers, which has moved the system in a *slightly* more progressive direction (ibid.).

In the following chapters, we will further examine the hukou system, not merely from an institutional perspective as illustrated above, but rather the effects that the hukou system has on civil society.

2.3.1 The Hukou System – Creating Regional Social Citizenship

“The urban taxi driver thus reproduced the urban-rural boundary as a boundary between different types of human beings (...) presenting Chinese peasants as massively despised (...) presenting rural subjects as uncultivated and discriminated against (through, among other things, the hukou-system), ‘non-citizens’ with ‘nothing but their labour to sell’.”

- (Zeuthen, 2012: 685)

The hukou system has created divides within the Chinese population with a de facto dual citizenship, which at times trigger discourses comparable to anti-immigrant discourses in other national contexts. It is, due to the widespread negative perceptions of rural citizens, difficult to imagine a ‘harmonious society’ or actual progressive development (Kongshøj, 2014).

T.H. Marshall (1964) argued that exclusion of non-citizens is prerequisite for inclusive citizenship as legal rights and duties are bestowed upon all inhabitants within a state territory, creating a uniform collective, through institutional fusion which is “... geographical, detaching the privileges of social groups from their local character and reattaching rights and obligations to national territory.” (Marshall, 1964:73). To Marshall, the solution for economic and political inequalities is to create uniform social rights, however as argued above there has been limited institutional fusion in China, and quite on the contrary there has been a persistent reproduction of diversification through the hukou system.

During the reform period, wide regional disparities were created, responsibility for social policy was given to local governments who gained considerable autonomy. The uneven regional development in China has resulted in social decentralization favoring active local social experimentation, creating a plethora of versatile local approaches to development strategies (Shi, 2012). The rural-urban divide has created social disparities, both within and among regions, although some attempts have been made at rural-urban harmonization, it is however argued by S-J. Shi (2012: 806) that “...they appear unable to reverse the

ongoing decentralization of social protection, which would precipitate the 'variable geometry' of social policy development in the foreseeable future." This further creates a barrier for inclusive social citizenship to evolve, due to the inability to overcome the institutional fragmentation of social security among regions. In other words, the Chinese population does not have access to uniform social rights, as stated by Marshall. For instance, one thing traditionally associated with citizenship is the ability to migrate, an ability that is possible in China, however it is highly conditional and will often lead to social exclusion (Shi, 2012). The hukou system is key for understanding the most prevalent challenge for Chinese social policy making at this time; rural-urban migrant workers. Around 250 million migrant workers, whom are living in urban areas with a rural hukou, are excluded from urban welfare schemes (Kongshøj, 2015b).

It is argued by W. Fei-Ling (2005) that a classic case of dual economy and dual society has been developing in China for the past half century due to the institutional segregation mechanisms of the hukou system by collecting data on every citizen, by stratifying individuals and regions and by allocating resources and opportunities. However, it also limits the notion of social citizenship in China as it is argued by C. Tiejun & M. Seiden (1994: 644) that the hukou system "... not only provided the principal basis for establishing identity, citizenship and proof of official status, it is essential for every aspect of daily life.". The Chinese scholar P. Yiyong further concludes that the hukou system has been "... affixing people's social career, role, personal identity, production and living space; restricting the free migration of people and labor; maintaining and strengthening the dual economic and social structure between the urban and the rural areas." (Fei-Ling, 2005: 119).

The widespread institutional diversity of social security is a breeding ground for protectionism against outsiders, urban or rural, excluding 'others' from claiming local social benefits. The institutional logic of 'otherization', fosters a situation of regional citizenship where social protection and social citizenship is highly compartmentalized (Shi, 2012). How the creation of dual citizenship effects the capability development of the rural citizens, as well as the perceptions of the citizenry will be examined further in the next chapters.

2.3.3 The Hukou System – Shaping Perceptions

The hukou system is a possible institutional explanation for negative perceptions and 'otherization' among the Chinese population by enforcing dual social citizenship.

A wide arrange of studies (see e.g. Titmuss, 1974; Pierson, 1994; Larsen, 2006; Svallfors, 2007; Slothuus, 2007) have shown that the formation of support among citizens, for welfare policies, is heavily influenced

by the institutional arrangement of the welfare regime they inhabit. It is argued that different institutional arrangements not just influence the way citizens perceive the world, but also how they classify 'us' versus 'them' in the context of the welfare state. This 'context', commonly operationalized by G. Esping-Andersen's 'The Three Worlds of Welfare Capitalism' (1990), suggests that welfare states follow a path-dependent trajectory and that perceptions are a product of reproductions where institutions create feedback-effects and shape the interests and perceptions of the citizenry, following the thoughts of historical institutionalism. The theoretical assumption regarding feedback from social policy on public attitudes or perceptions is also known as *deservingness theory*.

According to deservingness theory, individuals consult a deservingness heuristic, also known as a mental shortcut, which guides opinion formation when confronted with a person or group, which appears deserving/undeserving (see e.g. Oorshot, 2000; Larsen, 2006). A deservingness heuristic is quite strong and can potentially overrule other responses, as Petersen et al. (2010:28) describes it "... whenever these [deservingness] cues are clear enough – they alleviate the need to consult other lines of reasoning thereby crowding out political values from opinion formation.". This heuristic exists in all populations, there is however a great deal of variation in the perception of whether it is a common task to provide for people who are able and in theory capable of providing for themselves. In some cultures the population feels contempt for the unemployed and poor because they are perceived as being lazy or dangerous (Larsen, 2014).

W. V. Oorshot (2000: 36) has identified five 'deservingness criterias': 1) control, 2) need, 3) identity, 4) attitude and 5) reciprocity, which individuals use to judge others' deservingness of welfare benefits. From the perspective of the rural-urban divide this means that one group views the other as 1) in control and able to be employed if they wished so, 2) they already get plenty and are not in need of more, 3) they are not part of 'us', 4) they are not as thankful as expected and 5) they receive more than they provide for the common good. There are particularly two criteria's that are important in the context of the hukou-divide; identity and reciprocity. The Chinese population perceive the people on the other side of the hukou divide as a different group whose deservingness is low, mainly because the other group is perceived as *'others' who are not contributing to the common good*.

Seeing as we are dealing with a population with a common nationality, this is however counterintuitive, in other contexts it has been proven that populations form a collective group with their country people, bound together by social cohesion (Larsen, 2014). However, due to the hukou system the Chinese population is a divided people. This is a divide seen before within national contexts, however between the national population and immigrants; immigrants are consistently placed as 'others' at the bottom in

different national contexts and are not part of the national sense of solidarity (see e.g. Oorschot, 2000; Oorschot, 2005; Larsen, 2006; Larsen, 2014; Kongshøj, 2014). This is only worsened by the physical boundaries laying between the rural and urban population, as it is argued by T.F. Hedegaard (2014) that proximity to the welfare recipient, i.e. the other group, makes a positive difference for attitudes towards a group perceived to have a low degree of deservingness.

It is argued by A. Wolfe and J. Klausen (1997) that welfare state building is a process of building a nation state, and that it is difficult to view society as a 'community of communities'. Values and redistribution require a degree of consensus around social citizenship and national solidarity, requiring people to identify with strangers and share resources with them. We therefore assume that the institutional logic of the hukou system, both by separating urban and rural groups physically, but also 'mentally', are shaping the perceptions of the Chinese people. Due to this, we are left wondering whether this divide creates a difference in how respectively urban and rural residents perceive normative welfare ideals and judge the deservingness of welfare recipients? This will be examined further in the analysis.

In the next chapter we will further examine to what extent the hukou system effects the possibilities of the rural citizens and thereby social cohesion.

2.3.2 The Hukou System – Limiting Capability Development

The institutional logic of the hukou system, not only by segregating welfare provisions, but also by fostering the perception of the undeserving rural hukou holders, severely limits the possibilities of rural citizens as explained above. To examine the exact scope of this, we will briefly explore an alternative stream of development thinking termed the 'capability approach' by A. Sen (1995). The capability approach came to life in the shadows of the neoliberal mainstream. A. Sen argues that we should take into account alternative measurements of development which he coins by three main concepts; functionings, capability and agency (Sen, 1995: ch. 4-5). Functionings, Sen operationalizes as an interrelated set of 'beings and doings' that determines a person's wellbeing, for instance having access to basic amenities, being educated, healthy etc., but also more complex functionings such as having self-confidence or having the ability to participate in society. Capabilities is the feasibility that you can access the functionings or rather the freedom to pursue *valuable* functionings. Lastly, Sen defines agency as the third core concept, which refers to an individual that not only has the ability to pursue functionings that he or she finds valuable, but also makes use of this ability. A. Sen views development as the freedom to expand one's own capabilities or freedoms, meaning e.g. political-, economic- and social freedoms (Sen, 1995).

The capability approach provides an unorthodox perspective from which to view the hukou divide by examining equity in capability development. It becomes a crucial question whether the institutional logic of the hukou system is inhibiting people and limiting their capabilities in their realm of autonomy. Due to the hukou system it is very difficult, as mentioned earlier, for rural citizens to move to urban areas and pursue 'a better life'. This undermines the agency freedom of rural citizens because they are restricted from pursuing coveted goals, it further inhibits their possibility of developing their capabilities.

As explained earlier, resource allocation favors urban areas in China and creates a vast gap in equality between urban and rural areas. The inequalities that are embedded in the hukou system are likely to constrain agency freedom in pursuing goals, which subsequently undermines opportunity equality.

However, from this perspective, the reduction of poverty in China is considered a great step in empowering individuals and securing them access to their functionings. The Chinese government has poured copious resources into increasing agricultural productivity, healthcare etc. in rural areas. Even though China has taken great leaps in their development strategy and has procured many functionings for their population in recent years, there remains a great deal of social inequality due to extraordinary disparities across the country. In the transition from a planned economy to a market economy some public goods, like education, has become a mixed good, which has resulted in educational inequalities within the context of social equity and equality. There is no doubt that the Chinese people are now wealthier, better educated and healthier than before, social challenges, such as social and economic inequality, however still persists (Shi, 2012).

While the capability approach might be seen as an unconventional approach to examining the hukou system, a slightly more conventional way is the study of the connections between capabilities and social cohesion.

A study by D. Lanzi (2011) has shown how social cohesion can have positive effects on the development of social capabilities and human well-being and vice versa. D. Lanzi argues that well-being and social cohesion can be linked using the notion of capabilities. Social cohesion facilitates social relations and civic participation, in other words, it sustains an individuals' capabilities through human development. Due to this, it is likely that the hukou system, in limiting the capabilities of rural citizens, is weakening social cohesion, at least across the rural-urban divide. This phenomenon is by D. Lanzi termed 'the dark side of social cohesion'. Lanzi argues that social cohesion can be used to hide the lack of freedom for a specific social group, in this case, the rural hukou holders. Due to the hukou system there is in a way a pre-determined hierarchy where inequality and exploitation is the norm (Huang, 2012b). As mentioned earlier, the de facto dual citizenship created by the hukou system, triggers discourses comparable to anti-immigrant discourses in other national contexts and deems the rural citizens as a distinct undeserving

group. The rural citizens are part of and support the social institutions that are segregating them from the remainder of the population, and hence, perpetuates their limited capabilities development. Through the hukou system, social cohesion is in a way used as a weapon, hiding horizontal inequality in the form of capabilities and perpetuating the segregation of the rural population.

This is substantiated by several studies (see e.g. Shi, 2012; Gao et al., 2013) that argue that by harmonizing the rural-urban divide and abolishing the hukou registration system, it is possible to form inclusive social citizenship and social cohesion through equal opportunities. The authors do however acknowledge that it will be a long and complicated journey before China achieves rural-urban harmonization, due to the long and complicated history of the hukou system and the fragmentation of the social welfare system.

In the next chapter, we will examine the relationship between perceptions, social cohesion and welfare state development.

2.4 Perceptions, Social Cohesion and Welfare State Development

In comprehensive universal welfare states such as Denmark, you will often hear about trust and social cohesion in the public debate. It is something that is argued to strengthen the Danish community's function and as something, that gives the Danish community resilience and strength to solve whatever problems it may face (Larsen, 2015b). However, the question remains how intimately social cohesion and trust is linked with the construction of a welfare state?

T.H. Marshall (1950) described the causality in his essay entitled "Citizenship and Social Class". He describes how democracy and the social rights it produces, also known as welfare, is a way to moderate societal conflicts and build social citizenship. In this sense, social cohesion is determined by the support for democracy and opposition to socialist thoughts of revolution (Larsen, 2015b). However, a more modern indicator of social cohesion is whether the community is based on fundamental trust, which in highly differentiated communities can be key to securing their functionality and a crucial component in making democracy work. Trust is further prerequisite for a functioning market economy, by reducing the social transaction costs (Larsen, 2015b). With this in mind, C.A. Larsen (2015b:75) defines social cohesion as the national citizenry's perception of a morally bound community which allows them to trust each other. This definition, which will be utilized in this thesis, does to a certain degree correspond with Marshalls notion of social citizenship; "Citizenship, even in its earliest form, was a principle of equality (...) Citizenship requires a direct sense of community membership based on loyalty to a civilization which is a common possession"

(Marshall, 1950: 150-151). It implicitly lies in these definitions that universalism, by creating economic equality contingent on trust in a society, contributes to creating social cohesion.

Universalism, by creating economic equality, creates a society in which the citizens are equals, there is no notion of classes, the typical citizen is, acutely put, part of the middle class. Conversely, in societies where there is a high degree of inequality an 'illusion' of the delinquent and untrustworthy bottom groups is often created (Larsen, 2015b). In a society with universalism and thereby economic equality there is a greater foundation for trust, trust that everyone participates and that no one takes more than they need. The intent being that we, in accordance with deservingness theory, eliminate the 'us versus them' conflict. However, reality, often being far from the ideal, has proven that the 'unwritten rules' of universalism are often neglected. A classical problem with universalism is that influential or resourceful citizens will receive better service than the disadvantaged, which potentially creates a 'take-up problem' where some citizens do not claim the benefits they are entitled to - this in turn creates a welfare system that becomes less universal (Andersen & Larsen, 2015). This problem being reverse, that people take more than they are entitled to, is furthermore a proven problem in universal welfare states; the risk of a so called free-rider problem (ibid.). However, a Danish study (Hedegaard, 2014) has shown that despite significant welfare scandals, the Danish population showed only a slight change in public support for welfare benefits. So the question remains, is trust and social cohesion a condition for universalism or is it created by universalism?

Some studies (see e.g. Larsen, 2015b) argue that universal organized benefit systems create economic equality and in turn social trust. While others (see e.g. Bergh & Bjørnskov, 2011) argue, that trust came before the welfare state. They argue that universalism, as seen in the Scandinavian countries, cannot be exported to other countries due to the fundamental and necessary trust, which is unique for Nordic countries, and something that the Scandinavian welfare states are built upon – not by. However, one thing that they agree on is that trust is key to sustaining a universal welfare state.

Due to this, the goal of building and sustaining a harmonious society and a truly universal welfare state in China seems farfetched with overall negative perceptions of, and lack of trust in, the people on the other side of the hukou wall. It can however not be denied that the Chinese welfare state, despite the hukou system, has made great strides towards creating universal welfare benefits. Almost all major welfare areas have undergone notable reforms. These include social protection in the form of healthcare provisions, minimum standard of living schemes (MSLS) and pension schemes for the poor. The schemes enacted in the last 10 years have lessened the divides but rural schemes however still remain much less generous. Moreover, are a further 250 million rural Chinese living in urban areas, caught in a no-man's land; they live and work in urban areas, but are not entitled to urban schemes (Kongshøj, 2014).

We therefore argue that the institutional logic of the hukou system promotes widespread institutional diversity of social security, which creates a divide in the Chinese people similar to that between national citizens and immigrants in other contexts. The hukou divide furthers a situation where trust and social cohesion is not possible and where the people on the other side of the hukou wall are perceived as a distinct and diverse undeserving group. The rural group is stigmatized and due to the institutional logic of the hukou system, not able to take advantage of their full potential in regards to their functionings, capability and agency, in accordance with the capability approach.

The question however remains, if the Chinese welfare state by promoting universal welfare ideals and benefits can create trust and social cohesion, and break down the hukou divide, by lessening economic inequality, as it is thought by e.g. C.A Larsen (2015b) or if the institutional logic of the hukou system is built upon path dependent roots that make it impossible to create the foundation needed for building a universal welfare state, as it is believed by A. Bergh & C. Bjørnskov (2011). Due to this, we are left wondering to what extent the hukou system has had negative effects on welfare state development and social cohesion in China. This will be examined further in the analysis.

2.5 Final remarks

In the above, we have examined the development of the Chinese welfare state, social policy making in China and the effects of the hukou system among other things. Throughout the chapter, we have posed the following four questions:

- 1) *How are attitudes towards normative welfare ideals and people on welfare benefits formed in China compared to the Scandinavian countries?*
- 2) *How has attitudes towards normative welfare ideals developed in China in recent times?*
- 3) *Is there a difference between how respectively urban and rural residents perceive normative welfare ideals and judge the deservingness of welfare recipients?*
- 4) *To what extent has the hukou system had negative effects on welfare state development and social cohesion?*

These questions will aid us in answering our overall research question “*How has the institutional logic of the hukou system influenced welfare state development and social cohesion in China?*”. The first three questions will lay the foundation for analysis part one and help us to establish whether the effects of the hukou system, as explained theoretically above, are actually present in the Chinese society. Question four will figure as analysis part two and aim at determining whether the effects, or lack hereof, we find in the

analysis of the first three questions, can be contributed to the hukou system as well as the extent the effects.

In the next chapter 'Methodology – Bridging the Quantitative and Qualitative Gulf' we will explain the methodological considerations made in regards to the overall analytical approach, as well as in regards to each of the four questions posed above.

3. Methodology – Bridging the Quantitative and Qualitative Gulf

In this thesis, mixed methods will be utilized to answer the posed research question. However, quantitative and qualitative methods are not conventionally used together; “Traditionally a gulf is seen to exist between qualitative and quantitative research, with each belonging to distinctively different paradigms.” (Brannen, 1992:3). Although the methods do belong to very different paradigms, the differences between the two can be viewed as ideal typical, rather than as practical. The methods can indeed strengthen each other rather than, as previously thought, opposing each other (Riis, 2001). Bryman (2012: 619) supports this thought by stating that the existing dualistic perception of scientific research should be disregarded, and that methodology instead should be considered as “... much more ‘free-floating’...”. Brannen (1992: 15) describes the relationship as following “(...) epistemology and method are depicted as (...) having some kind of one-to-one correspondence (...) [but] in practice researchers select their methods on the basis of a variety of technical considerations.”. The methodological choice in this instance is made in regards to the goals and the circumstances of the research question, rather than matters of theory of science.

Mixed methods is in this context used in the sense that the research consists surveys, which will be analysed quantitatively and an interview-survey, which will be analysed qualitatively. The quantitative part consists of respectively World Value Survey (WVS) for China in 2001, 2007 and 2012, and for Finland in 2005, Sweden in 2006 and Norway in 2007, as well as the International Social Survey Programme (ISSP) for China, Finland, Sweden, Norway and Denmark in 2009. The qualitative part consists of an interview survey with open questions, where the questions mainly relate to the results of the quantitative analysis. The main aim of the qualitative analysis is to provide more insight into the results of the quantitative analysis, as well as elaborate and substantiate the findings.

The analysis would yield very tentative results had we only used quantitative research, however similar studies have been done before, by researching the correlation between the hukou system and the perception of the people (see e.g. Kongshøj, 2014). However, none of the surveys asks directly about the hukou system, neither do they distinguish between agricultural and non-agricultural workers nor urban and rural inhabitants, due to this the operationalization needed for answering the research question would potentially be based on a rather unstable foundation. The same is true for only using qualitative research; there are in these circumstances certain language limitations that would make it impossible to extend interviews to a broader spectrum of the population, due to this the analysis would potentially be somewhat biased and skewed. By combining the methods, the results will have a stronger explanatory force.

3.1 Analytical Strategy - Analysis Part One

Critique is often raised that the social world cannot and should not be measured quantitatively as this "... possesses an artificial and spurious sense of precision and accuracy." (Bryman, 2012:178). The social world is argued to be too complex and nuanced to be quantified and objectified in quantitative data. However, quantitative methods can provide a high level of consistency and objectivity to the collected data. Particularly in the context of China, there is a possibility that the results are more 'trustworthy', albeit not necessarily, as will be discussed later, due to the fact that the respondent is anonymous and cannot fear being punished for speaking their mind. The method further provides a better position for examining causality and enhance the generalizability of the results (Bryman, 2012).

Statistical tools and datasets

To examine the quantitative data IBM's statistical analytical tool 'SPSS' has been employed. SPSS is one of the most frequently used and trusted analytical tools at Danish universities (see e.g. Aalborg Universitet, 2016a). In the following paragraphs the variables and methods used for the analysis will be operationalized and explained, as well as the recoding of the variables. All SPSS outputs can be viewed in appendixes B, C and D.

The datasets used for the analysis are as mentioned above respectively WVS for China in 2001, 2007 and 2012, and for Finland in 2005, Sweden in 2006 and Norway in 2007, as well as the ISSP for China, Finland, Sweden, Norway and Denmark in 2009. The ISSP is a cross-national survey programme that covers 53 countries all around the world and is led by professors from universities in each country. Each year a specific topic is chosen for the ISSP survey to centre around, in the 2009 module the theme was 'Social Inequality'. The survey questions are asked in the national language and each survey question is pre-tested to ensure that the questions are expressed in equivalent manner in all relevant languages (ISSP, 2012). The WVS is a cross national survey programme covering 57 countries and led by a social scientist working at a university in the respective country. The samples are collected via face-to-face interviews with a minimum of 1000 respondents from each country. There are many bodies to ensure that the questions are asked uniformly and no country is included before they provide full documentation of the examination process, i.e. providing datasets, methodological questionnaire and a report of country-specific information (WVS, 2016).

It is important to note that the codebooks for all datasets are in national language, it is therefore not possible for the author of this thesis to guarantee that all questions are in fact asked in the same manner, however both the ISSP and WVS ensure great consistency. In appendix A, it is possible to view the variables as they are originally written in the result books in English.

Furthermore, it is important to note that the datasets have different amounts of respondents, this is particularly important when the variables have been recoded and some categories set as missing, meaning that a part of the population is missing from the sample. Meanwhile, this is factored into the confidence level calculations. It can be discussed whether a sample of around 1000 respondents is representative of a country of 1.3+ billion people (World Bank, 2016), it is most likely not. Secondly, however none the less important is the mentality of the Chinese people. The Chinese are a very individualistic orientated and private people; they are not likely to speak their true opinion on important matters, particularly matters of the state or government to people outside their immediate circle of friends and family.

Lastly, it is important to discuss that data from China should not be confused with the whole truth. Some statistics might be subject to manipulation if they are regarding sensitive or political matters. It is not a likely scenario concerning the WVS and ISSP due to their strong methodological approaches, it is however a factor to keep in mind.

Despite the concerns stated above, the datasets in question provide some good measures of welfare ideals and perceptions, and due to the source of the datasets, i.e. the WVS and ISSP, it is the authors assessment that the datasets can be trusted and that the data is valid for further analysis. Albeit as stated, the data should not be confused with the whole truth.

In the following, the methodological considerations made in regards to each of the sub questions put forth in the previous chapter will be explained.

3.1.1 How are attitudes towards normative welfare ideals and people on welfare benefits formed in China compared to the Scandinavian countries?

The aim of the first question is to establish how attitudes towards welfare development and welfare recipients are formed from a comparative perspective.

As mentioned earlier, the Chinese government has sought inspiration for developing the Chinese welfare state, in the Scandinavian countries. As recently as 2012, they sent a research team to several Scandinavian countries to observe and learn from the Scandinavian welfare policies (Nolan, 2012). It is therefore feasible to compare Chinese attitudes to that of the Scandinavian population, seeing as the aim of this thesis is to establish whether the institutional logic of the hukou system has an effect on Chinese perceptions and thereby welfare state development.

In the WVS for China, Finland, Sweden and Norway in respectively 2005-2007 and the ISSP for China, Finland, Sweden, Norway and Denmark in 2009, seven variables have been identified, which will be used to

investigate Chinese attitudes compared to Scandinavians, the variables measure respectively perceptions of people who receive benefits and normative welfare ideals. The analysis of the first question is therefore a straightforward comparison of descriptive differences. Each variable is stated the same way in every dataset and measured with the same categories; the variables have either been measured on a likert scale measuring e.g. 1 = strongly agree and 10 = strongly disagree or with three categories measuring 1 = agree, 2 = neither and 3 = disagree. The variables have been recoded as dichotomous variables (see appendix B) with one category for agree and one for disagree, all other categories are coded as missing.

Table 3.1 presents an overview of the chosen variables and an operationalization of the use of the variable.

Table 3.1 Operationalization of variables for table 4.1

Variable	Operationalization
WVS 2005-2007	
It is humiliating to receive money without working for it	The variables refer to a fundamental feature of the modern welfare state: public support (Andersen & Larsen, 2015). The driving force behind universal welfare benefits has traditionally been a political wish to make it less shameful and more legitimate to receive benefits (Larsen, 2015a).
People who don't work become lazy	
Work is a duty toward society	
	The variables are used to stipulate whether the Chinese people perceive receiving benefits as legitimate or if they hold negative or stigmatizing perceptions of those who receive benefits.
ISSP 2009	
It is the responsibility of the government to reduce the differences in income between people with high income and low income	The distribution mechanism is another key feature of the modern welfare state. It is a well-known paradox that universal welfare states achieve higher equality than residual ones (Larsen, 2015c).
The government should provide a decent standard of living for the unemployed	These variables are highly related to the normative ideals traditionally associated with a universal welfare state; the broadest shoulders bear the heaviest load (Andersen & Larsen, 2015).
The government should spend less on benefits for the poor	

People with a high income should pay more in taxes	The variables are therefore ideal to establish whether there is support for the economic principle of universal welfare benefits among the population.
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It is important to note that the variables included from the WVS 2005-2007 in the above, are only available in the fifth wave of WVS and is therefore not eligible for further cross-sectional comparison.

3.1.2 How has attitudes towards normative welfare ideals developed in China in recent times?

The purpose of the second question is to show how Chinese perceptions have evolved in recent times, in relation to normative welfare ideals. The formulation ‘recent times’ is quite vague, why I have chosen the period from 2001 to 2012 and/or 2007-2012, where it is possible to find relevant data.

In the WVS for China in 2001, 2007 and 2012 I have identified five variables for analysis and a further two variables in 2007 and 2012, that are not available in the WVS from 2001. Each variable is stated in the same manner in every dataset. All variables have been recoded as dichotomous variables (see appendix C), where 0 = negative welfare perceptions and 1 = positive welfare perceptions, all other categories are coded as missing. All variables are ‘turned’ so that 0 = disagree (negative welfare perception) and 1 = agree (positive welfare perception). For each variable, I have taken the mean score in every year to analyze whether perceptions have moved in a positive or negative direction.

It is important to note that by recoding the variables, many nuances are lost and it would therefore not be statistically sound to analyze the variable in a specific year. The intent is only to look at the development in the results to see if the perceptions towards the specific normative welfare ideal have become more positive or negative from respectively 2001-2012 and/or 2007-2012.

Seeing as the results are retrieved from three different datasets, I have calculated the confidence interval for the variables manually, using the following formula for calculating confidence intervals for differences in mean scores:

$$95\% \text{ confidence interval: } (y_2 - y_1) \pm t(se), \text{ where } se = \sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}$$

(Agresti & Finlay, 2009: 191-192)

Example: 95% confidence interval for the variable “Most people can be trusted” from 2001 – 2007.

$$(0.52 - 0.55) \pm 1.96(se), \text{ where } se = \sqrt{\frac{0.49821^2}{963} + \frac{0.49956^2}{1847}} = 1.96(0.01982086) = 0.03 \pm 0.0388488856$$

The confidence interval is [-0.009; 0.069], we can therefore with 95% confidence say that the change in mean score for “Most people can be trusted” from 2001 to 2007 is not significant. See appendix E for all confidence interval calculations.

In table 3.2, I will operationalize the use of the variables in relation to the notion of normative welfare ideals and perceptions.

Table 3.2 Operationalization of variables for table 4.2

Variable	Operationalization
Most people can be trusted	Studies have shown that a high degree of social trust (both vertical and horizontal) is a key component in establishing support for welfare policies. Trust and the notion that your goodwill will not be abused is important both in establishing a tax system, as well as a benefit system (Larsen, 2015b).
Most people wouldn't try to take advantage of you	
A society which is humane and where ideas count more than money is most important	A crucial aspect of the modern welfare state is the notion of economic equality and that everyone is entitled to live a full and gratifying life. Income distribution in a welfare state is the result of a set of complex factors and their interaction, but most important is public support for redistributive mechanisms (Larsen, 2015c).
Incomes should be made more equal	
Government should take more responsibility to ensure that everyone is provided for	Following in the line of thought from above: The public shows their support by paying taxes and the state or 'government' redistributes the income taxes to ensure that everyone is provided for (Larsen, 2015c).
Democracy: Governments tax the rich and subsidize the poor	In an ideal typical universal welfare state, taxes are often progressive and services are available to everyone, meaning that everyone is entitled to welfare benefits e.g. in case of unemployment (Andersen, 2015).
Democracy: People receive state aid for unemployment	

3.1.3 Is there a difference between how respectively urban and rural residents perceive normative welfare ideals and judge the deservingness of welfare recipients?

With the third question, we seek to establish whether there is a difference in perceptions towards normative welfare ideals and people on welfare benefits, dependent on whether the respondent lives in an urban or rural area.

In the WVS for China in 2007 I have identified three variables that I will utilize to show whether there is a correlation between size of the respondent's town and a given normative welfare ideal or perception, in WVS for China in 2012 eight variables have been identified.

The dependent variable for both datasets is "size of town", please note that the variable is not answered by the respondent, but rather filled out by the interviewer or investigator and that there is no record of what the variable refers to specifically, i.e. city, district or county. For WVS 2012 the variable has two possible categories 0 = 0-500.000 inhabitants and 1 = 500.000+. The dependent variable for WVS 2007 is divided into six categories, by doing a frequency analysis I established that the variable has no respondents in the outer categories respectively 0-2.000 and 500.000+ inhabitants. The variable has been recoded to ensure that the two remaining categories are somewhat normally distributed, however still slightly skewed, with 0 = 2.000-50.000 and 1 = 50.000+. Due to the tentativeness of the dependent variable in both datasets, the results will be interpreted with caution, and it has been taken under consideration that there is no standard way to classify a rural and urban area based on the number of inhabitants in this instance. Thus, we will not operate with the categories as 'urban' and 'rural' but rather speculate that the respondents are more positive or negative dependent on the label of the category.

Due to the nature of the dependent variable, I have deployed a binary logistic regression to establish if there is a correlation between the dependent variable "size of town" and the respective independent variables for normative welfare ideals and perceptions. A binary logistic regression provides a statistical measurement called 'odds ratio'. The odds ratio measure tells us what the chances are of being in one category instead of the other on the dependent variable. In other words, when a variable presents a significant odds ratio of 2.1, it is 2.1 times as likely that the respondent answers 1 = 500.000+ (WVS, 2012) or 50.000+ (WVS, 2007) inhabitants on the dependent variable instead of 0.

All variables, except for one, used for the binary logistic regression have been operationalized under chapters 3.1.1. and 3.1.2. Due to the highly significant variables "Democracy: Governments tax the rich and subsidize the poor" and "Democracy: People receive state aid for unemployment", I have included the variable "Democracy is important" to examine if the notion of democracy, albeit not necessarily a core feature of a welfare state, results in a correlation with the dependent variable. The independent variables

are coded so that the higher value they possess the more positive they are in relation to normative welfare ideals.

See appendix D for the SPSS syntax.

3.2 Analytical strategy - Analysis Part Two - To what extent has the hukou system had negative effects on welfare state development and social cohesion?

The second part of the analysis will consist of a qualitative analysis based on the results of the first part of the analysis. It would have been ideal to perform face-to-face interviews for this part, however due to language- and distance barriers, as well as a tight timeframe, I have chosen to utilize a qualitative interview survey method. All questions are open and can be answered as thoroughly as the respondent wishes. I have furthermore supplemented most questions with a sub question to encourage the respondent to go into depths with their answer.

The questionnaire has been produced using SurveyXact (Aalborg Universitet, 2016b) and distributed to several of the author's contacts in Beijing, Tianjin and Shanghai, with a plea to ask Chinese friends and co-workers to answer it. It has furthermore been sent to the Danish, Finnish, Swedish and Norwegian embassies in Beijing, with a request to forward it to the Chinese employees at the embassies.

Due to the authors before mentioned language deficiencies in Chinese the questionnaire is in English, this requires the respondents to have a respectable understanding of the English language. This, coupled with the somewhat biased, mainly Danish or former Chinese faculty, contacts of the author, the pool of respondents is severely limited and they possess a narrow representative force. In order to establish the exact scope of this, I have formed a question "Do you have any familiarity with a welfare state in another country? If yes, in which way? E.g. married to a person from Sweden, working at an Finnish embassy, co-workers/friends from Denmark, I have travelled in Norway etc.". This question is explicitly asked to establish the respondent's contextual knowledge of other welfare states.

There is however a strength behind using respondents from this 'limited pool'; they are potentially more aware of the surrounding world and how China figures into the global context, they have moreover been exposed to other cultures, norms and values, making them ideal candidates to evaluate the Chinese welfare state from a comparative perspective. Furthermore, they are more likely to speak their true opinion, as well as having considered the issues posed in the questionnaire before.

In table 3.4 below you will find the questions exactly as they are asked in the questionnaire, as well as the conceptualization behind the questions, i.e. how they are related to the previous results and/or the thesis as a whole.

Table 3.4 Interview guide for interview-survey

Questions	Conceptualization
<p><i>Dear Madam or Sir,</i> <i>The following questionnaire is designed to aid me in writing my master thesis. The main theme of my thesis is the Chinese welfare state and welfare development in China.</i> <i>All questions are open and you are urged to answer as detailed as possible.</i></p> <p><i>Thank you for participating.</i></p> <p><i>The questionnaire will close on the 24th of April 2016.</i></p>	
<p><i>Background information</i> Age Job position Where do you live now? Where did you live when you were 5 years old? Do you have any familiarity with a welfare state in another country? If yes, in which way? E.g. married to a person from Sweden, working at an Finnish embassy, co-workers/friends from Denmark, I have travelled in Norway etc.</p>	
<p><i>In the following pages you will be asked eight questions about the Chinese welfare state and society – you are urged to answer as thoroughly as possible.</i></p>	
<p>Q1: Statement: In China you have welfare benefits, such as healthcare or old-age pension, which are available to the entire population.</p> <p>Do you agree? Why/Why not?</p>	<p>Establishes the context of the Chinese welfare state from the respondents point of view.</p>
<p>Q2: How do you find the principle of universal welfare benefits (i.e. welfare benefits, such as healthcare, unemployment benefits or old-age pension that are available to the entire population) - is it realistic to have such welfare benefits in China?</p> <p>Why/why not?</p>	<p>Establishes the context of the Chinese welfare state from the respondents point of view from a broader perspective.</p>
<p>Q3: Is there, in your opinion, certain groups in society that are being stigmatized or discriminated?</p>	<p>The question opens up for the possibility of the respondent mentioning whether there is in fact a divide in the Chinese population and what the underlying cause is.</p>

<p>If so, how are they discriminated against? And why do you believe that is?</p>	<p>Primarily related to table 4.1, where it is shown that 79.7% of the Chinese population agree that it is humiliating to receive benefits and that 87.6% agree that people who do not work become lazy.</p>
<p>Q4: Are the Chinese people, in your opinion, open towards the government spending more money on reducing poverty in rural areas?</p>	<p>Primarily related to table 4.1, where it is shown that 60.3% agree that the government should spend less on benefits, while 96.8% agree that the government should provide a decent standard of living.</p>
<p>Why/why not?</p>	
<p>Q5: Statement: Perceptions towards welfare ideals and people on welfare benefits/poor people are comparatively negative in China.</p>	<p>Related to table 4.1, where it is shown that China compared to Finland, Sweden, Norway and Denmark, have negative perceptions towards welfare ideals and people on welfare benefits.</p>
<p>Do you think that is true? If yes, why do you think that is?</p>	<p>Related to table 4.2, where it is shown that perceptions have become predominately more positive from 2001-2012.</p>
<p>Do you think these perceptions have become more positive or negative in the past 10+ years? Why/why not?</p>	
<p>Q6: Is there, in your opinion, a difference between how respectively people living in large cities such as Beijing, Tianjin or Shanghai perceive people receiving welfare benefits, compared to people living in rural areas?</p>	<p>Primarily related to table 4.3, where it is shown that urban residents are more positive than rural residents are.</p>
<p>Why/why not?</p>	
<p>Q7: How do you think that the hukou registration system has influenced perceptions of welfare recipients and welfare in general in China?</p>	<p>Directly related to the hukou divide.</p>
<p>Q8: Statement: The hukou registration system has been abolished.</p>	<p>Establishes the respondents perception of the current hukou system.</p>
<p>Do you agree? Why/Why not?</p>	

The interview guide has deliberately been built up, so as not to refer to the hukou system in the first six questions, to see if the respondent will mention it on their own. If so, it could give the results a stronger explanatory force. Furthermore, were the respondents not informed that the subject of examination was the hukou system, but merely that it was regarding welfare state development.

Results

In this chapter, I will elaborate on the response rate, distribution of respondents etc. in regards to the interview-survey.

Due to the somewhat sensitiveness of the questions asked above, coupled with the complexity of the questions and the language utilized, I was expecting to collect 5-10 answers. The survey was distributed and opened 71 times. In total eight people answered the survey fully and another 17 partially. In the analysis I have only included the eight surveys that were fully answered, because the partially answered had mostly only answered the questions regarding their background information, and when faced with the statement "Statement: In China you have welfare benefits, such as healthcare or old-age pension, which are available to the entire population. Do you agree? Why/Why not?", 90% closed the survey.

It should be noted that the questionnaire was available online for 15 days; however, the questionnaire was blocked after five days and potential respondents were instead redirected to another page. The questionnaire could hereafter only be opened using a VPN.

The ages of the respondents were well distributed ranking from 20-53 years old, however with a slight overrepresentation of the 20-30 year old. The respondents answered that they live in Tianjin, Beijing, Aalborg, USA or China. In regards to where they lived when they were 5 years old, they respectively answered Tianjin, Beijing, China, Hebei and Zhejiang. Tianjin and Beijing are both cities of more than 10 million people; Hebei refers to the province within both Beijing and Tianjin lie. The province of Hebei is home to more than 73 million people and is made up of eleven prefecture level divisions, 39 districts and 102 counties. Zhejiang furthermore refers to a province in the eastern coastal area of China and has a population of more than 55 million people. Within Hebei and Zhejiang there are tremendous differences in income, education levels etc., particularly because both provinces encompass some of the largest cities in China; Beijing, Tianjin and Shanghai. However, even within these cities there are major inequalities. Due to this, it is difficult to discern any differences between the answers dependent on the respondent's hometown or where they grew up.

In regards to the respondents' occupation, they answered respectively student, professor, consular administration and staff. Five of the respondents declared to have some familiarity with other welfare states, one of them however answered to have this familiarity by travelling in Shanghai, signifying that he or she view the welfare state as being divided in city-level states.

In hindsight, the author of this thesis has realized that when dealing with a large country such as China and a diverse and private people such as the Chinese, it is important to be extremely specific when posing questions.

To see age, job, hometown etc. of each of the respondents, please refer to appendix F.

3.3 Measuring Attitudes and Perceptions Statistically

As stated above there are certain methodological problems in trying to quantify the social world that should be considered, this is particularly true when it comes to measuring attitudes and perceptions; due to this I will briefly discuss the matter below. The problems discussed are related to both analysis part one and two, seeing as both parts utilize the survey method – however, one is analyzed quantitatively and the other qualitatively.

There are first of all specific definitions of both attitudes and perceptions (see e.g. Aiken, 2002; Togeby, 2004; Olsen, 2008; Shamshiri, 2010), L.R. Aiken (2002) defines perceptions as "... specific reactions to certain occurrences or situations, whereas attitudes are more general in their effects on responses to a broad range of people or events. Furthermore, people are aware of their perceptions but they may not be fully conscious of their attitudes." (2002:5-6). However in this context attitudes and perceptions are treated as synonymous seeing as the difference between the two are often ideologically rather than practical (see e.g. Togeby, 2004; Olsen, 2008). This is particularly true in this instance, due to the fact that the variables analyzed, are composed of a very diverse set of questions with different levels of abstract and concrete nature. As C.H. Achen (1975:1220) explains "People do not have a single preference in most decision situations...", but instead consults the "... most preferred point from the distribution around his central preferred point.", it is therefore difficult to discern attitudes from perceptions. In continuation of this point, it should be mentioned that both C.H. Achen (1975) and J.R. Zaller (1992) are describing a general source of error in how questions are formulated and asked. C.H. Achen describes it as such "... a subject may say "strongly agree" one time and "agree" the next, simply because (...) he is uncertain how strong is "strongly." (Achen, 1975: 1220). J.R. Zaller describes how the formulation of a question can prevent "... [the] mapping [of] ones preexisting opinions onto the (...) vague language of survey questions." (Zaller, 1992:31), J.R. Zaller further argues that the respondent's beliefs and attitudes are not necessarily reflected in the somewhat rigid answer categories of a survey. This is a point that is particularly important to consider when examining cross-national comparisons, due to cultural factors. As J.R. Zaller explains "Every opinion is a marriage of information and predispositions..." (Zaller,1992: 6), and the respondents are answering the questions under different degrees of universalism and different policy contexts. Attitudes

and perceptions are in this context centered around the respondent, that is confronted with a question that needs to be evaluated, i.e. the survey questions based on a deservingness heuristic.

These concerns will be factored into the analysis of the results, however seeing as the variables used in analysis part one mainly have been recoded into dichotomous variables some of the concerns vanish in this regard.

3.4 Can you find a Needle in a Haystack?

In lieu of a delimitation chapter, we will instead examine other aspects that might have had an influence or contributed to the effects that we are examining in this thesis, i.e. attitudes towards normative welfare ideals and perceptions of welfare recipients. The subjects mentioned below lie beyond the scope of this thesis, they will however be mentioned in the analysis if it is found relevant.

The hukou system has most likely created a divide in the Chinese people: the logic behind is argued to have infested many social policies in China and legalised welfare segregation within the so-called 'appropriate universal welfare state' of China. It is meanwhile important to note the complexities of the situation, China is one of the largest countries in the world both by area and population. It is a complex entity to examine as a unity, both due to the sheer size of the country, but in a larger extent due to the composition of the country; China is home to both some of the wealthiest people in the world, as well as some of the poorest, they are facing a tremendous demographic crisis and the country is at the throes of a power struggle as local government officials enjoy considerable autonomy to create diverse social policies, to name a few. Due to this, we have to question whether it makes sense to treat the Chinese population as one. There is furthermore a chance that examining these effects in a district in the south will yield very different results, than examining the same in a district in the north of China.

One thing that is common to the entire population is that they are all subject to the most effective propaganda operation in the world (Zhang, 2011). The Chinese government has succeeded in having a major effect on the global context; however, globalism has had little effect inside China. The government controls information inside China so effectively that many Chinese university students remain unaware of major historical facts, that doctors are unaware of the low contagiousness and numerous treatment options of diseases such as HIV and that common citizens are forced to report to the local police station if they write the 'wrong' thing on WeChat. The Chinese citizens in general remain unaware of the world around them; they are discouraged from deliberation and critical thinking. Due to this, the average Chinese citizens cannot be expected to have informed knowledge of the concept of welfare or the people who

receive it. Many are furthermore potentially neither aware of their rights in this regard, which enforces a classical problem stated earlier, that resourceful citizens will claim their benefits, while disadvantaged citizens will not. As it was mentioned earlier, this potentially effects what we are essentially measuring statistically, seeing as it is argued by J.R. Zaller (1992:6) that "... every opinion is a marriage of information and predispositions: information to form a mental picture of a given issue, and predisposition to motivate some conclusion about it." It is therefore likely that lack of information and limited predispositions will create an unstable foundation from which to measure attitudes towards welfare state development and perceptions of welfare recipients.

This is only substantiated by the individualistic nature of the Chinese citizens, whether this is due to the meritocratic nature of the Chinese, the focus on unproductiveness that came about with the erosion of the 'Iron Rice Bowl' or something third, is beyond the scope of this chapter. However, as the Chinese so famously phrase it "one Chinese is a dragon, but three Chinese are a worm" (一个中国人是一条龙，三个中国人是一条虫), referring to a common belief that you are stronger by yourself and that working together is fruitless. Due to this, the Chinese are from nature likely to discourage comprehensive public welfare. Studies have shown (see e.g. Kongshøj, 2015d) that Chinese people are more likely to favor basic public welfare for all, but also tolerate inequalities in provision, from a meritocratic perspective.

Furthermore, it is important to note that China, as explained earlier, has been subject to riveting economic growth and that they have lifted 5-600 million Chinese out of extreme poverty, this might have created what is by C.A. Larsen (2013) termed as 'tunnel effect'. Several decades of high economic growth have potentially fostered a situation where it is believed that both individuals and society in general, is in a better state than before, why it is not possible for them to comprehend the inequalities of the society. Due to this, they are more likely to believe, from a deservingness perspective, that people are not in need and that they should be thankful for what they already have.

Neither should Confucius be ignored, the philosopher whose sayings became China's guidebook for government conduct and code of personal moral. Confucianism, in its most traditional and narrow interpretation, is an idea of an almost organic and meritocratic society in which social roles leave little space for equality. Confucianism encompasses normative recommendations for relationships between the state and citizens, as well as for relations between citizens (Nosco, 2008; Madsen, 2008; Bell, 2008). The concept of the 'harmonious society' and the justification for social policymaking finds its roots in Confucius' teachings. It can therefore be difficult to discern the perceptions that are being examined here from the values imbedded in the Chinese people from the tradition of Confucianism.

Although it is argued that the deservingness cues are quite strong and can crowd out political values, it cannot be excluded that the effects briefly mentioned above, i.e. the composition of the country, the internal differences, the propaganda machine, the individualistic nature of the Chinese, the ‘tunnel effect’ and Confucianism, have the potential to effect or overrule the deservingness cues in some instances.

Lastly, there is the political aspect of it, while many of the countries utilized for research in deservingness studies are subject for political diversification, the Chinese are officially communist and it is indoctrinated in the Chinese society (Shi, 2012). It can therefore not be excluded that the notions of ‘collectivism’ and ‘competitive solidarity’ potentially overrule otherwise strong deservingness cues.

3.5 Final remarks

In the above, the chosen research methods and designs have been presented, along with the datasets, the analytical approaches and the treatment of the variables. This explanation has been made in order to enhance the level of transparency and to provide a better foundation for assessing the results of the analysis. Certain concerns, regarding utilizing quantitative data to describe the social world, number of respondents, as well as the limited representation of respondents in analysis part two, have been discussed. These concerns – along with others described above - will be kept in mind when analyzing the results and drawing conclusions.

4. Analysis

In the following analysis, several analytical methods will be deployed to analyze the research question.

Throughout chapter 2, I have identified four questions, which will aid me in answering set research question. The questions are based on theory or the contextual understanding of the Chinese welfare state. The questions are examined using distinct research methods; descriptive statistics, a binary logistic regression and an interview survey. Please refer to chapter 3 for all methodological considerations, as well as recodings and operationalization of variables.

The chapter is separated into analysis part one and analysis part two. In part one, the first three questions posed in chapter 2 are analyzed and the results hereof have been the foundation for analysis part two. As explained in chapter 3.2, the questions posed in the interview survey in part two are either asked to elaborate or substantiate the findings of analysis part one, or to expand the scope of what can be measured through the WVS and ISSP.

4.1 Analysis Part One

4.1.1 How are attitudes towards normative welfare ideals and people on welfare benefits formed in China compared to the Scandinavian countries?

The purpose of the first question is to examine how attitudes towards welfare development and people on welfare benefits are formed in China compared to other contexts. In this instance, we will analyze Chinese opinions measured on seven variables compared to the Scandinavian countries; Finland, Sweden, Norway and Denmark, using descriptive statistics. The individual Scandinavian countries' score will not be commented on, as this perspective lies beyond the scope of this thesis, rather will the Chinese scores be compared to the average Scandinavian score.

The results hereof are presented in table 4.1.

Table 4.1 Variables indicating normative welfare ideals and perceptions in WVS 2005- 2007 and ISSP 2009

Percent who *agree* with the statement

	WVS 2005-2007					Average of FI, SE, NO & DK
	CN	FI	SE	NO	DK	
It is humiliating to receive money without working for it	79.6	53.1	42.2	65.2	-	53.5
People who don't work become lazy	87.6	74.6	49.9	66.8	-	63.8
Work is a duty toward society	93.4	78.7	77.4	89.4	-	81.8

	ISSP 2009					
It is the responsibility of the government to reduce the differences in income between people with high incomes and low income	93.5	85.4	75.8	68.4	62.5	73.0
The government should provide a decent standard of living for the unemployed	96.8	91.4	93.9	92.2	91.9	92.4
The government should spend less on benefits for the poor	60.3	9.3	12.5	8.3	10.1	10.1
People with a high income should pay more in taxes	95.9	99.4	97.9	98.4	96.4	98.0

CN = China, FI = Finland, SE = Sweden, NO = Norway and DK = Denmark

Please refer to appendix A to see the variables as they are originally stated in the results books for each dataset and appendix B to view the SPSS syntax.

Note that it is only the percentages of 'agree' that are presented and thereby ignore degrees of agreement on the continuous variables.

Table 4.1 shows that the Chinese respondents are distinct from Scandinavian countries in several ways. The result that differ the most is in relation to the variable "The government should spend less on benefits for the poor" where 60.3% of the Chinese respondents agree. This is compared to an average of only 10.1% who agree among the Scandinavian respondents. This is particularly interesting when we factor in the variable "The government should provide a decent standard of living for the unemployed", a statement in which 96.8% of the Chinese respondents agree. This compared to the lower score of the Scandinavians where 92.4% agree. This result seem counterintuitive, however the questions refer to different groups in society, i.e. the poor versus the unemployed, and seeing as the Chinese society is subject to much more inequality than the Scandinavian societies, there is a possibility that the questions are perceived differently. It is important to remember that the respondents are expressing their attitudes under different policy contexts and have different contextual knowledge, why their response is contingent on their surroundings. Lastly, it is important to note that the past decades of economic growth in China might have influenced their opinion towards certain welfare ideals. Individuals, as well as the society are better off than previously, which perhaps has influenced the tolerance for inequality and 'poverty'.

In regards to perceptions of people receiving welfare benefits measured by the three variables; 'It is humiliating to receive money without working for it', 'People who don't work become lazy' and 'Work is a duty towards society' in the WVS in 2005-2007, Chinese respondents have on all three variables a higher percentage of agreement than the Scandinavian respondents. This indicates that the Chinese respondents

have a more negative and stigmatizing perception about people that receive benefits, compared to Scandinavian respondents.

The respondents who agree with the statement 'It is humiliating to receive money without working for it' are however not necessarily projecting this perception on to others; it might be that they themselves feel it would be humiliating to receive benefits. They are potentially also likely to perceive a situation of e.g. unemployment as undesirable, why they think people inflicted with this as more *deserving* because they are not in *control* of their undesirable situation. Contrariwise, are the respondents that agree with the statement 'People who don't work become lazy' referring to the '*others*'. A group that they do not *identify* with, do not find in *need* of help, who does not have a thankful *attitude*, who are not *reciprocal* and lastly who are in *control* of their situation and could find a job if they wished so; a group that is wholly *undeserving*. Lastly, the respondents that agree that 'Work is a duty towards society', are likely to believe that people who are not working are *undeserving* of benefits because they are not performing their societal duties and are thereby not *reciprocal*.

The only variable on which Chinese respondents has a lower percentage of agreement compared to the Scandinavian average and the individual Scandinavian countries, is in regards to the statement 'People with a high income should pay more in taxes'. The statement refers to a classic universal welfare ideal of progressive taxes and redistribution. This is a praxis that is highly utilized in the Scandinavian countries, why they potentially are more likely to agree. Furthermore, while the Chinese respondents are less likely to agree, than the Scandinavians, there are still 95.9% who agree, which is indeed a high percentage.

Regarding another classic welfare ideal: 'It is the responsibility of the government to reduce the differences in income between people with high incomes and low income', the Chinese respondents are considerably more positive towards the government ensuring economic equality, with 93.5% that agree compared to only 73% of the Scandinavians.

Overall, the Chinese respondents seem positive towards classic welfare ideals, except for 'The government should spend less on benefits for the poor', it would however have been ideal had the surveys asked if the respondent is willing to pay more in taxes for these services. While the Chinese respondents highly agree that the government is responsible for reducing the economic inequalities and that people with high income should pay more in taxes, they might not identify with the group with 'high income', meaning that they themselves are not willing to contribute, but feel that 'others' should. The Chinese respondents comparatively possess negative or stigmatizing attitudes towards people on benefits, the results indicates that they are perceived as a separate undeserving group in society.

On all three measures for attitudes towards people receiving benefits the Chinese respondents were more negative and stigmatizing compared to the Scandinavian respondents. However, on three out of four measures for attitudes towards classic welfare ideals, the Chinese respondents were comparatively more positive, there are however, as stated above, certain questions not elucidated in the survey. Considering that, it is not possible to 'dive' further into the results, this conundrum will figure into the survey-interview in relation to analysis part two.

4.1.2 How has attitudes towards normative welfare ideals developed in China in recent times?

The purpose of question two is to establish how attitudes towards normative welfare ideals have developed from 2001-2012 among the Chinese population. In the WVS in respectively 2001, 2007 and 2012 I have identified seven variables that each refer to a specific welfare ideal. To track the developments the mean-score for each variable in every year has been calculated, all variables have been turned so that the higher the score the more positive is the attitude towards the welfare ideal.

Table 4.2 Variables indicating normative welfare ideals or perceptions in the WVS for China in 2001, 2007 and 2012

	2001	2007	2012
Most people can be trusted	0.55	0.52	0.64
Most people wouldn't try to take advantage of you	0.8	0.76	0.79*
A society which is humane and where Ideas count more than money is most important	0.11	0.14*	0.24*
Incomes should be made more equal	0.38	0.44*	0.66*
Government should take more responsibility to ensure that everyone is provided for	0.46	0.51*	0.64*
Democracy: Governments tax the rich and subsidize the poor	-	0.8	0.76*
Democracy: People receive state aid for unemployment	-	0.89	0.9

* Significant on a 95% confidence level - indicating whether the rise or fall of the mean score from 2001-2007 or 2007-2012 is significant on a 95% confidence level.

Please refer to appendix A to see the variables as they are originally stated in the results books for each dataset, appendix C to view the SPSS syntax and appendix E to view confidence interval calculations.

The table represents mean scores, all variables are coded as dummy variables where 1 = positive welfare perceptions, see chapter 3.1.2 for more information.

Note: the variables should not be looked at individually; the intent is to view the development in the mean score for each year, to see if the attitudes towards normative welfare ideals has become more positive or negative.

Table 4.2 shows that attitudes towards normative welfare ideals on the whole has become more positive, seeing as all but one of the significant results have risen from 2001-2007 and/or from 2007-2012.

The one variable, 'Democracy: Governments tax the rich and subsidize the poor', that has fallen in value, from 0.8 to 0.76 in the period from 2007 - 2012, has only fallen marginally and it should be noted that

compared to the other variables it possesses a high value to begin with in the starting year, 2007, although this is relative. Furthermore, it should be noted, as stated in chapter 3.3, that there is a certain amount of uncertainty when measuring attitudes statistically. An uncertainty that is not factored into the confidence level, namely that people will answer 'strongly agree' one time and 'agree' under other circumstances, making it necessary to interpret the results tentatively. This is furthermore true for the variable 'Most people wouldn't try to take advantage of you' that has a significant rise in mean score from 0.76 – 0.79 in 2007 to 2012, this rise is with 95% confidence significant, however seeing as it is a slight rise this result is treated tentatively.

The variable where we see the highest significant rise in mean score is on the statement; 'Incomes should be made more equal'. The mean score rises from 0.38 to 0.66 from 2001 to 2012. This rise is comparatively high and can be interpreted as a highly positive development in the Chinese attitudes towards economic equality. This, coupled with the comparatively high agreement with the two statements presented in the analysis of question one: 'It is the responsibility of the government to reduce the differences in income between people with high incomes and low income' and 'People with a high income should pay more in taxes', further substantiates that the Chinese respondents are highly positive towards the universal welfare ideal of economic equality. This is only made more evident when we look at the variable 'Government should take more responsibility to ensure that everyone is provided for', which shows a significant rise in mean score from 0.46 – 0.64 in 2001 to 2012. This variable can be interpreted as an indicator that the Chinese respondents have become more positive towards the principle of economic equality.

There is one remaining variable, which presents a significant rise in mean score; 'A society which is humane and where ideas count more than money is most important'. This statement, albeit not a classic welfare ideal in itself, speaks volume in relation to the Chinese respondents change or development in mentality towards ideals of humanitarianism and civic equality. The variable rises from 0.11 to 0.24 in 2001 to 2012; this indicates that the Chinese respondents have become more positive regarding the concept of universalism.

The majority of the significant variables indicating normative welfare ideals, utilized to analyze question two, has shown positive developments. Only one variable presented a significant fall in mean score, however this fall was only marginal and is potentially subject to a measuring error, why the result is analyzed tentatively. Due to this, it is made evident that Chinese attitudes towards normative welfare ideals have become a great deal more positive.

This result can be assumed as quite natural when considering the riveting economic, human and political development that China has undergone in recent times, as described in chapter 2.2. The question remains,

not whether attitudes have become more positive or negative, but if they have become as positive as they potentially could have been, had there not been a hukou divide. This question is however impossible to measure statistically, why the problem will be elaborated in analysis part two. In order to examine the results further, a question regarding the positive development in attitudes towards normative welfare ideals have been included in the interview-survey for analysis part two.

4.1.3 Is there a difference between how respectively urban and rural residents perceive normative welfare ideals and judge the deservingness of welfare recipients?

The purpose of the third question is to establish whether there is a difference in attitudes towards normative welfare ideals and/or perceptions of people on welfare benefits/the poor in urban versus rural areas. In the WVS 2012, eight variables have been identified that indicate normative welfare ideals. In the WVS 2007, three variables that measure perceptions of people on welfare benefits have been identified. The variables identified in WVS 2012 are also present in the 2007 module, however the dependent variable is quite weak in the 2007 module compared to 2012, why the variables were not included for analysis in 2007. The variables included in the WVS 2007 are not present in the 2012 module.

As mentioned in chapter 3.1.3 the labels on the dependent variable cannot be interpreted as rural versus urban area. Instead, the results should be interpreted as the higher the odds ratio, the higher is the chance that those that has answered 1 on the independent variable, meaning positive towards the welfare ideal, has also answered 1 on the dependent variable. Which means that we can see if the respondents with a positive attitude are more likely to live in a larger or smaller town. It should further be noted that it is the interviewer that has provided an answer for the dependent variable, not the respondent, and that there is no record of whether the variable refers to city, district or county-levels.

The results of the analysis are presented in table 4.3.

Table 4.3 Binary Logistic Regression over normative welfare ideals or perceptions dependent on size of town, WVS 2012 and WVS 2007

	Odds ratio
WVS 2012	
Dependent variable: Size of town 0=0-500.000, 1=500.000+	
N = 1692	
Most people can be trusted	0.948
Most people wouldn't take advantage of you	0.782*
A society which is humane and where Ideas count more than money is most important	1.232
Incomes should be made more equal	1.175

Government should take more responsibility to ensure that everyone is provided for	1.860***
Democracy: Governments tax the rich and subsidize the poor	1.438**
Democracy: People receive state aid for unemployment	2.074***
Democracy is important	0.617*

WVS 2007

Dependent variable: Size of town 0=5.000-50.000, 1=50.000+****

N = 1197

It is not humiliating to receive money without working for it.	1.034
People who do not work are not lazy.	0.869
Work is not a duty toward society.	1.585*

P-levels:*=0.1, **=0.05, ***=0.001.

****Note: the variable is skewed, for more information see chapter 3.1.3.

Please refer to appendix A to see the variables as they are originally stated in the results books for each dataset and appendix D to view the SPSS syntax.

The independent variables are coded so that the higher value they possess the more positive are they in relation to perceptions on normative welfare ideals, for more information see chapter 3.1.3.

In table 4.3, we find two variables that have an odds ratio below 1 among the significant variables that refer to normative welfare ideals: 'Most people wouldn't take advantage of you' and 'Democracy is important'. The variables indicate that those who are positive towards the normative welfare ideals are respectively 0.782 and 0.617 times more likely to live in a larger town. It is however possible to calculate the reciprocal fraction², which tells us that if the respondent believe that most people would not take advantage of him/her then the respondent is 1.279 times as likely to live in a smaller city. The same is true for the other variable, if the respondent believes that democracy is important, he or she is 1.621 times more likely to live in a smaller city. It is however important to note that the two variables are only significant on a 90% confidence level, where the normal standard is 95%, these results should therefore be interpreted tentatively.

Three variables indicating normative welfare ideals have a highly significant odds ratio on a 95% or 99% confidence level, namely; 'Government should take more responsibility to ensure that everyone is provided for', 'Democracy: governments tax the rich and subsidize the poor' and 'Democracy: people receive state aid for unemployment'. The first variable indicates that the respondents, who believe in the redistributive mechanisms of the welfare state, namely that the government has a responsibility to ensure that everyone is provided for, with 99% confidence, are 1.86 times more likely to live in a larger city. The remaining two variables both refer to democracy or more specifically what the respondent consider most important in a

² Reciprocal fractions: $1/0.782= 1.279$ and $1/0.617=1.621$

democracy. Table 4.3 show that the respondents who believe that it is important in a democracy for the government to tax the rich and subsidize the poor are, with 95% confidence, 1.438 times more likely to live in a larger city. The odds ratio is however higher and more significant for the last variable, which indicates that the respondents who believe that it is important for a democracy, that people receive state aid for unemployment, are with 99% confidence, 2.074 times more likely to live in a larger city.

The last two variables do however not relate to whether the respondent feels that the society they inhabit should possess these normative welfare ideals, it only refers to whether they feel that these values are important in a given democracy. When we compare the results of those two variables with the variable 'Democracy is important' it is however made clear that it is not necessarily the same respondents who believe that economic redistribution is important for a democracy, that also believe that democracy is important for them. While it is more likely that those who live in smaller towns believe that democracy is important, those that live in larger towns are more likely to believe that classic universal welfare ideals are important for democracy. This divide might be due to the structure of the hukou system; while people living in rural areas have been accustomed to restricted welfare, those in urban areas are in turn used to receiving comprehensive welfare benefits, why they potentially have become consumer oriented in their approach to democracy and welfare in general.

Lastly, among the variables that indicate perceptions of those that receive benefits, only one showed a significant result. We can say with 90% confidence that the respondents, who do not believe that work is a duty towards society are 1.585 times more likely to live in larger cities. This result indicates that people living in smaller cities are more likely to condemn those who do not work because they are not performing their societal duty. This result is however only significant on a 90% confidence level, this coupled with the tentative nature of the dependent variable in the 2007 module creates a very uncertain result.

The analysis of the third question has ensued some confounding results. It is not possible to find a clear result and provide an answer for the question. The results indicate that people living in larger towns are slightly more likely to possess positive attitudes towards welfare ideals and people on welfare benefits, however when the results are compared, they become somewhat ambivalent. Due to this, the questions will be elaborated further in analysis part two.

4.1.4 Final remarks

In the above, the first three questions posed in chapter 2 have been analyzed. The results will however be elaborated and substantiated in analysis part two, where I will deploy a qualitative approach to the

research question. The results presented above have created the foundation and allowed us to analyze the problem from a broader perspective, including a larger part of the population by utilizing quantitative methods. Through this method, it has been possible to examine welfare state development and social cohesion in China regardless of the hukou system, it has however not been possible to examine the core of the research question; the effects of the hukou system on welfare state development and social cohesion.

In the analysis of the first question, we found that the Chinese population in general are positive towards classic normative welfare ideals, such as economic equality and redistribution. We further found that they possess negative and/or stigmatizing perceptions of people on welfare benefits and find them *undeserving*. What we have not found, and hope to be able to elucidate in the second part of the analysis, is whether the Chinese population are positive towards the normative welfare ideals, because they do not comprehend the extent of their own involvement in the financing of set welfare system? Furthermore, we seek to establish if the perception of people on welfare benefits as undeserving is contingent on the hukou system?

In the analysis of the second question we found that the Chinese population in general has become more positive towards classic normative welfare ideals in the period from 2001-2012. It is however not possible to further examine, whether the attitudes might have been more positive had the hukou divide not influenced the population. The positive development in attitudes is to a certain degree relative; considering the Chinese development path, it is natural that attitudes and perceptions will change consequently, according to deservingness theory. However, what we hope can be clarified in the second part of the analysis is whether the institutional logic of the hukou system has influenced this change?

The analysis of the third question yielded some confounding results, while we were not able to separate urban from rural areas in the dataset, we still found significant differences in how the Chinese population perceive normative welfare ideals dependent on the size of the city they live in. People living in larger cities are slightly more likely to possess positive attitudes towards normative welfare ideals and people on benefits. However, as was the case in chapter 4.1.1, we are left wondering whether the respondents truly understand the magnitude of a universal welfare state tax system, meaning whether they are positive towards the ideals not just in theory, but also in practice?

4.2 Analysis Part Two

In order to answer the fourth question an interview-survey has been formulated and the results hereof will be analyzed qualitatively in the following chapter. The interview-survey questions are mainly formulated based on the analysis of the first three questions, in order to gain deeper insight and background

information into the answers given by the respondents in respectively WVS and ISSP. The WVS and ISSP do not ask specifically about the hukou system, rural-urban boundary or rural-urban migrants, due to this some effects are identified, as described above, which it is not possible to contribute to something specific, we therefore hope to elaborate on the answers in the following. Six of the questions, posed in the interview-survey, do not mention the hukou system specifically, in order to see if the respondents mention it as a cause for the effects or statements described in the questions. An additional two questions are asked in the interview-survey specifically regarding the hukou system, these have been asked to establish the effects and the current state of the hukou system, from the respondents' point of view.

To see a full layout of all answers provided in the interview-survey, please see appendix G.

4.2.1 To what extent has the hukou system had negative effects of welfare state development and social cohesion?

We will firstly examine the current state of the Chinese welfare state and how 'appropriate universalism' has manifested itself in the Chinese society. When faced with the statement "In China you have welfare benefits, such as healthcare or old-age pension, which are available to the entire population.", the respondents were quite ambivalent in their relation to this. Two respondents directly state that they agree with the statement, one respondent describes his/her experience with universal benefits by stating "I agree. If I hurt my foot, the X rays and a part of pharmaceutical costs can be back to me through social security.". As described in chapter 2.2, it is well known that the Chinese healthcare system has succeeded all other welfare schemes by far, in terms of coverage and generosity – the markers of universalism. It is furthermore important to note a key component of the answer, that it is "part of" the expenses that are covered, this is an important step towards universalism, however as explained earlier, the reimbursement rate varies significantly and more than half of the cost is left for the Chinese people to cover themselves. The system can therefore be perceived to be quite generous for someone needing medical attention for their foot, but for a person with a serious or chronic illness the reimbursement ceilings can make it impossible to get sufficient support. It should furthermore be noted that the respondent has lived in the district of Hebei for most of his/her life, which is, according to Huang (2012a), one of the districts with the most generous reimbursement rates. This is substantiated by another respondent that clearly do not agree that there are universal welfare benefits in China by stating: "NO, the healthcare only covers a certain percentage of the expenses. The old-age pension depends on a persons previous employer."

Three respondents remain ambivalent on the matter of whether there are universal benefits; they however disclose one major caveat. They have all brought up the difference in generosity that exists across the

country, mainly as a rural-urban boundary – but not exclusively. One respondent phrases the current state of universalism in China vaguely as “Almost now, though at different levels, in different areas.”. The remaining two respondents distinctively mention the rural-urban boundary that exists within welfare generosity as the reason why the country has not yet achieved complete universalism: “Healthcare and pension in the countryside just started not too long ago and still in primitive stage. So there are welfare in name but do not provide much benefit” and “Generally speaking, it is divided by rural scheme and urban scheme, and there is big gap between rural area and cities.”. These statements indicate that the hukou system has had a negative effect on the development of welfare schemes in rural areas by favoring comprehensive and progressive schemes in urban areas.

This ambivalence is however testimony to the Chinese comprehension of the concept of universalism. The answers given indicate that the respondents believe that for universalism to exist in China, welfare does not necessarily have to be available to the entire population. As explained in chapter 2.1, the purpose of universalism, as stated by J.G. Andersen, is to tie the citizens together and treat everyone equally within the state, to place ‘everyone in the same boat’ so to speak. It is likely that this divide, if not fostered by the hukou system, is nourished by it. The hukou divide, as explained earlier, separates the population and in a sense legalizes welfare segregation. Due to this, we will seek to establish whether it is realistic to have universal welfare benefits in China, in the following.

We have previously, in chapter 4.1.1 and 4.1.2, found indicators that the Chinese population are positive towards classic normative welfare ideals such as economic equality and redistribution mechanisms. The respondents in the interview-survey were however slightly negative regarding whether it is realistic to have universal welfare benefits in China, they mainly answered that is not realistic or “No, at least not realistic at present.”. Two respondents answered that it is realistic, however one of these further signified that major changes had to be made for it to become a reality: “Yes. Then the income tax has to be raised substantially, and the government has to use much of the tax for the development of welfare benefits.”. Meanwhile, we have not found any results indicating whether the Chinese population are willing to pay more in taxes to develop the welfare system. As explained in chapter 2.1, the Chinese population is to a large extent meritocratic by nature, it is therefore unlikely that they are willing to do so.

If we dive further into why it is not realistic to have universal welfare benefits in China, it is indicated by three respondents that it is due to the internal differences in welfare provisions. One respondent directly contributes the unrealistic nature of universalism in China to lack of welfare development in rural areas: “Some people lives in remote area has bad living condition and has no idea about welfare.”. However, as explained earlier vast differences exist within China, the country is at every development stage at once in

different parts of the country. This is only substantiated by another respondent that states that “If you live in a big city or in the poorest areas, you can easy to get benefits from universal welfare, but if you live in the small city which not poverty, the welfare was not obvious.”. Once again is welfare segregation attributed to lack of welfare development in rural areas, however this respondent indicates that for people living in big cities and the poorest areas alike, welfare benefits are easy to acquire, while in small cities where there is no poverty, welfare can be difficult to obtain. It is in this instance difficult to discern how the two respondents understand respectively ‘remote area’, ‘poorest areas’, ‘small city’ etc. Although what we gather from these statements is that there exists a ‘take-up problem’ in the Chinese welfare system. As explained in chapter 2.3.1, it is a well-known problem that influential or resourceful citizens will receive better service than the disadvantaged and that some citizens do not claim the benefits they are entitled too, which in turn makes the welfare system less universal.

This is further substantiated when we look at the respondents answers to the question ‘Is there, in your opinion, certain groups in society that are being stigmatized or discriminated?’. All of the respondents indicated that there are certain groups in society that are being discriminated against, however six of the respondents mentioned migrant workers specifically, or as one respondent phrases it “... the floating population...”. This formulation is quite telling seeing as the migrant workers quite literally are in a virtual ‘no mans-land’. As explained earlier, around 250 million rural-urban migrant workers are living in urban areas with a rural hukou. They are excluded from urban welfare schemes and make up one of the most prevalent challenges for Chinese social policymaking. The effects of this are multiple and devastating, excluding the migrants from many areas of society, as one respondent expresses it “... they have no local registration, they cannot benefit from both the welfare system, the health system and even the education system.”. It is however not merely the migrant workers that are excluded from enjoying the urban welfare schemes, but also their children, as they are restricted from attending public schools: “Migrant children are not allowed to attend the public school in cities only if their parents hold all required certificates and documents, but some documents are very difficult to get.”. This is in short due to the persistent diversity created by the hukou system, separating the rural population from the urban or, as phrased by one respondent, because “... the country is big and not yet combined together, or say, universal in system.”. The exclusion, and thereby the perception, of migrant workers are however being reproduced as migrant children are, from an institutional point of view, being excluded from exercising their human rights; they are in other words not able to take part in the common ‘identity’. As mentioned earlier, this potentially creates an ‘otherization’, which is only fostered by the exclusion from society; as we have mentioned before it was argued by T.F. Hedegaard (2014) that proximity can have a positive effect on the perception of the other group. This thought is substantiated by the answer of respondent B, who provides us with a

significant reason behind why migrant workers are being discriminated against: “They are not us”. This indicates that migrant workers are seen as a distinct and different undeserving group in society. They are barred from taking advantage of their functionings by being denied access to public welfare goods such as education and healthcare. They are furthermore severely restricted in the terms of their capabilities - they have a very low feasibility of being able to access the functionings available to the remainder of the population. The hukou system is therefore undermining the agency freedom of rural citizens because their hukou is restricting them from pursuing goals that they might value, i.e. job opportunities, education etc., and inhibits the possibility of developing their capabilities.

However, it is important to note that none of the respondents stated that ‘welfare recipients’ in their opinion are being discriminated against. This signifies that the hukou divide trumps the ‘traditional’ deservingness logic, most likely because the respondents only view welfare recipients from their own ‘group’ because the ‘others’ do not have access to the welfare system that they belong to. This indicates that the rural-urban divide, fostered by the hukou system, has divided the population on such a fundamental level that the traditional welfare-oriented deservingness logic is not valid within the Chinese welfare state, instead the Chinese society is dominated by a deservingness heuristic that is determined by an individual’s hukou, rather than whether they receive benefits.

Despite the indications that rural-urban migrant workers are being highly discriminated in urban contexts, all the respondents agree that the Chinese population is open towards the government spending more money on reducing poverty in rural areas. However, in chapter 4.1.1 we found that 60.3% of the Chinese respondents in the 2009 module of the ISSP agreed that the government should spend less on benefits for the poor. When we view the reasons given by our respondents, it becomes clear that reducing poverty is their main reason for believing that the Chinese population is open towards spending more on reducing poverty in rural areas: “It is the responsibility for the government to reduce poverty and lift poor people out of poverty.”. Two respondents also mention reducing inequality as a main factor: “Some people in China are still in extreme poverty, while in some big cities, some people are extremely rich.”. This statement correlates to the results of chapter 4.1.2, where we found that the Chinese population has become a great deal more positive towards two key normative welfare ideals: “Incomes should be made more equal” and “Government should take more responsibility to ensure that everyone is provided for”. As discussed previously, when faced with a question such as “The government should spend less on benefits for the poor”, it is possible that the respondents are confronted with a ‘tunnel effect’ as discussed in chapter 3.4. Several decades of high economic growth and not to mention, as it is pointed out by one of the respondents, that “It is both an internal and external recognition that China’s greatest contribution to global

development is the massive reduction of poverty. About 400-500 million people have been lifted out of poverty during the past three decades.”. The Chinese population might have reached a natural saturation point where they believe that both individuals and society is in a better state than before, making it difficult to comprehend and deal with the continuing poverty. Meanwhile, inequality might be easier to understand because a great part of the population is faced with the major economic inequalities in their everyday life.

In chapter 4.1.1 we found that the Chinese population is committed to reducing economic inequalities, where 93.5% agrees that ‘It is the responsibility of the government to reduce the differences in income between people with high incomes and low incomes’, ranking higher than any of the Scandinavian countries. A further 95.9% agrees that ‘People with high incomes should pay more in taxes’. Lastly, 96.8% agreed that ‘The government should provide a decent standard of living for the unemployed’, this signifies that the Chinese population is highly dedicated to reducing economic inequalities and securing basic functionings and capabilities for the entire population. However, we also found that the Chinese respondents had a more negative and stigmatizing perception of welfare recipients compared to Scandinavian respondents. Whether these attitudes and perceptions are in all actuality ‘positive’ or ‘negative’ is relative, we have therefore asked our respondents to elaborate on this.

The respondents in the interview-survey are quite uncertain on whether perceptions towards welfare ideals and people on welfare benefits/poor people are comparatively negative in China. Not only do they have conflicting opinions, several respondents also answer with indecisive statements such as “Most time, I do not think so. But sometimes, it is true.”, “...maybe yes...” and “Not exactly...”, while other respondents are quite adamant with answers such as “Not true”, “No” or “Yes”.

Historical and cultural aspects, as well as the compressed timescale at which the Chinese welfare state has developed on might explain the ambivalence expressed above. Two of the respondents that express uncertainty, one by stating “Not exactly...” and the other by stating “...Maybe yes...”, go on to explain that some people might have negative attitudes towards classic normative welfare ideals and people on welfare benefits “...because welfare in traditional Chinese society is within family. It is the family responsibility to cover the wellbeing of its members.”, we have briefly touched upon this in chapter 3.4; the Chinese people are largely inspired by the teachings of Confucius where the family is considered as the foundation for the strength of the nation. The other respondent explains that Chinese people “Esp. in the rural areas, usually take it for granted that they just depend on themselves.”. The latter respondent directly explains the ambivalence, with the difference in welfare provisions in respectively rural and urban areas. This explanation also touches on some of the methodological considerations previously discussed in chapter 3.4; China is a vast country and welfare development is at very different stages across the country, it is

furthermore a country with a rich cultural history and we must consider whether it makes sense to treat the Chinese as 'one people' in this regard or whether we should distinguish between people based on measures such as age, education, hukou etc.

Due to this, we have asked the respondents whether there, in their opinion, is a difference between how respectively people living in large cities such as Beijing, Tianjin and Shanghai or people living in poor rural areas perceive the concept of welfare. All the respondents agree that there is a remarkable difference. They mainly explain this difference as a difference in availability in welfare provisions, but they also reproduce the notion of the resilient rural citizens that provide for themselves and the 'lazy' consumer oriented urban citizens that are subject to welfare dependency, as it was seen under the 'Iron Rice Bowl'. One respondent phrases the difference as such "In big cities, people who receive welfare benefits are considered as lazy ones. Because there are more opportunities to work in cities while some people rely on welfare benefits from the governments.", this is substantiated by another respondent that state "Ppl that receive welfare in cities are very lazy". These answers are however conditional on the fact that the entire population has access to welfare benefits, one respondent however states that "There are some poor areas [that] cannot get the benefits.", while another believes that rural citizens have access to welfare benefits, but that they "...have less concept of receiving welfare. They just depend on themselves.". However, one respondent, does not solely contribute the differences between how people living in large cities and poor rural areas perceive welfare to institutional factors, but instead explains that in the past decades "... wealth accumulation has been largely taking place in the big cities, leading to the increase of higher living standard. In other words, the share of economic success is relatively smaller in the remote provinces, creating a sharp inequalities.". This development can most likely be contributed to the erosion of the 'Iron Rice Bowl', where it became the norm, as explained in chapter 2.2, to create policies that allowed some people to become wealthy first with the goal of common prosperity.

The questions posed so far in the interview-survey has not mentioned the hukou system or the rural-urban divide, neither were the respondents informed that the theme of this thesis is the hukou system. We have sought to examine whether the effects that we have found in analysis part one could be contributed to the hukou system. We have found that they cannot solely be contributed to the hukou system and that other aspects, i.e. 'tunnel effect', Confucius teachings etc. as discussed in chapter 3.4, might have had an influence on what we are measuring. Nevertheless, there has been clear indicators that the hukou system, if not mentioned by name, then expressed as a rural-urban divide in welfare provisions, have had a pronounced influence on welfare state development and social cohesion. We have seen indicators that a large group, the rural-urban migrant workers, are being excluded from society and has had a severely

limited capabilities development as a direct effect of the hukou system, furthermore has the hukou system fostered a situation where the welfare state has developed in two different directions; an urban progressive development and a rural regressive development. The thought behind the 'Iron Rice Bowl' seems to be reproduced in today's China, encouraging a system of welfare dependency in urban areas and self-providing resilience in rural areas. In the following we will ask the respondents directly about the current state of the hukou system and the influence of the hukou system on welfare in general, to gain deeper insight into the extent of the effects hereof.

We have directly asked the respondents how they believe that the hukou system has influenced perceptions of welfare recipients and welfare in general in China; their answers largely support our findings above. However, what is made even more evident is the key role that the hukou system plays in the Chinese welfare system, one respondent phrases it in quite absolute terms as "You cannot enjoy the welfare if you without hukou.". Meanwhile the majority of the remaining respondents focused their answers around the differences created by the hukou system: "Hukou registration system divided the country into two parts. In the meantime, almost all welfare is closely connected with hukou registration, including education, healthcare, housing, and etc.". The respondent's answer is an indication of the power of the hukou system, it has divided the country both physically by creating a boundary that limits migration and fragments the welfare state, and mentally fostering a situation of 'otherization' across the rural-urban divide. This is supported by another respondent who states that "The hukou system structurally creates the urban-rural differences. It is the government hukou policy that enlarges the inequities.". As we have previously discussed in chapter 2.3, the government has made several policy changes in regards to the hukou system and the welfare provisions attached to it in recent times. Great strides have been made in the attempts of harmonizing the rural-urban divide, as well as increasing coverage and adequacy of social protection within public welfare. Old divides however still persist and as indicated by the respondent, overcoming this divide will entail considerable social policy making. One respondent however indicates that he or she believes that changes have occurred and that the hukou system in the past "... did influence people perceptions of welfare, since rural hukou people were sort of second class citizens. But in recent a couple of decades, in some more developed rural areas, rural people may have more benefits since they own some land.". This indicates that the attempts at harmonizing the rural-urban divide have proven a success in some areas, however as the respondent states this development has occurred in the "more developed rural areas", it is therefore still likely that development has halted in the least developed rural areas and further fostered inequality.

Lastly, we have sought to explore the current and future state of the hukou system by presenting the respondents with the statement: "The hukou registration system has been abolished". While all the respondents disagreed with the statement, two of them however expressed gratitude for the system because they believe that the hukou system is "... good for social stability (To track down criminals). And the hukou is part of the order. With hukou to receive benefits, I don't think it has any shortcomings." and that it still works "... to separate the country people from city people.". These two statements are in a way detrimental to the points made above, that the hukou system is part of the order, and that this order is in fact a way to segregate the population into two groups speaks great volume about the Chinese welfare system. In regards to whether or not this order will be perpetuated one respondent states that "... it will still last for quite some years ahead, esp. in big cities, since development gap is still very large in China."

4.2.2 Final remarks

In analysis part two we find indications that the hukou system, from a structural, socioeconomic and societal perspective has divided the Chinese people and effected welfare state development in China. We found a great deal of ambivalence among our respondents in regards to whether there are universal welfare benefits in China at this time and whether it is realistic to have universal welfare benefits in China in general. While some respondents do believe that there are universal welfare benefits, they further state that the benefits are at different levels in different parts of the country. This statement is meanwhile testimony to the Chinese comprehension of the concept of universalism, it indicates that the respondents believe that it is not prerequisite for universalism that welfare is available to the entire population. However, other respondents do state that they do not believe that it is realistic to have universal welfare benefits in China due to the differences in welfare provisions that exist across the rural-urban divide. We have further found that the Chinese welfare state is suffering from a 'take-up problem', several of the respondents mention that the rural citizens do not have any concept of receiving welfare or that they just depend on themselves. This in itself makes the system less universal as the resourceful urban citizens receive better welfare service and the disadvantaged rural citizens do not claim benefits they are entitled to. We have moreover found indications to support our theoretical statements that the Chinese welfare state has moved in two different directions - an urban progressive development and a rural regressive development.

It is furthermore made evident that social cohesion is severely limited in China as the majority of the answers given in the interview-survey are regarding the social exclusion that is emanating from the hukou system, treating rural hukou holders as undeserving "second class citizens" and making it impossible for

them to pursue capabilities development due to severe discrimination of rural-urban migrant workers and welfare segregation. As explained in chapter 2.3.2, it has been proven that populations form a collective group with their country people bound together by social cohesion, however due to the hukou system there is a divide, which at best can be compared to the divide that exist between the national population and immigrants in other contexts. This indicates that social cohesion has not bound the people together, this is substantiated by the definitions of social cohesion presented by C.A. Larsen and T.H. Marshall in chapter 2.4; if social cohesion is contingent on the perception of a morally bound community and the principle of equality, it becomes more difficult to imagine any sense of social cohesion across the rural-urban boundary. It is however important to note, as mentioned earlier, that China is unique in many ways; culturally, historically, structurally etc., and that the studies of social cohesion by C.A. Larsen and T.H. Marshall have taken place in very different contexts. It is likely that social cohesion in a sense does exist, however one that finds its foundation in communism and the notions of collectivism and competitive solidarity. Social cohesion is, following the thought of D. Lanzi's idea of 'the dark side of social cohesion', feasibly used to hide the lack of freedom for rural hukou holders through a predetermined hierarchy created by the hukou system.

5. Conclusion

“How has the institutional logic of the hukou system influenced welfare state development and social cohesion in China?”

To answer our research question we have utilized quantitative data from respectively World Value Survey for China in 2001, 2007 and 2012, and for Finland in 2005, Sweden in 2006 and Norway in 2007, as well as the International Social Survey Programme for China, Finland, Sweden, Norway and Denmark in 2009. In order to substantiate and elaborate the quantitative findings we have further formulated an interview-survey, which has been fully answered by eight Chinese people who all grew up in China. The interview-survey consists of open questions that has been analysed qualitatively, the questions mainly relate to the theoretical statements made in chapter 2 and the results of the quantitative analysis with the aim of gaining more insight into the results hereof.

As to ‘how’ the institutional logic of the hukou system has influenced welfare state development and social cohesion in China, the effects are manifold. Below we will highlight the four main influences uncovered in this thesis, as well as the extent hereof.

Firstly, we found indications that the Chinese welfare state is developing in two diverse directions due to the institutional logic of the hukou system. The welfare system is progressive and comprehensive in urban China, while it is regressive and meagre in rural China. This development is substantiated by the inherent ‘take-up problem’ that is plaguing the Chinese welfare state; rural citizens are, from a historical institutionalist perspective, perpetuating a path dependent sense of self-providing resilience created under the ‘Iron Rice Bowl’ and thereby neglecting to claim benefits they are entitled to, while resourceful urban citizens receive better welfare service.

Secondly, we found indications that the Chinese population possess negative and/or stigmatizing perceptions of people on welfare benefits and wholly find them undeserving, in the WVS 2005-2007. However, when we asked the respondents in the interview-survey, it was made clear that migrant workers are being discriminated against to a much larger degree, seeing as all the respondents mentioned migrant workers, but none mentioned welfare recipients. This indicates that the rural-urban divide, fostered by the hukou system, has divided the population on such a fundamental level that the traditional deservingness logic is not valid within the Chinese welfare state. Despite the deservingness cues being quite strong, we find indications that a heuristic created by the rural-urban divide overrules any traditional welfare oriented deservingness heuristic that is thought to exist within a population with the same nationality.

Thirdly, we have found that there is no morally bound community based on equal social rights in China; social cohesion, as defined by C.A. Larsen and T.H. Marshall, is therefore severely limited in China, due to the social exclusion that is originating from the hukou system, treating rural hukou holders as “second class citizens”. There is however a possibility that a different kind of cohesiveness exists in China, one that is built upon the notions of communism rather than actual social cohesion. Social cohesion is conceivably used to hide the lack of freedom for rural hukou holders through a predetermined hierarchy created by the hukou system, following the thoughts of D. Lanzi’s notion of ‘the dark side of social cohesion’.

Lastly, it was made evident that the agency freedom of rural hukou holders is being undermined by the hukou system by barring them from pursuing coveted goals, furthermore is their capabilities development limited due to severe discrimination of rural-urban migrant workers and their children. It is not possible for them to take advantage of their functionings due to being denied access to public welfare goods such as education and healthcare in urban areas.

The hukou system has therefore influenced welfare state development and social cohesion from a myriad of perspectives. It has created divides within the Chinese population with a de facto dual citizenship, it has created limited institutional fusion; and on the contrary, there has been a persistent reproduction of diversification through the hukou system, fostering a situation of regional social citizenship where public welfare and social cohesion is exceedingly compartmentalized.

Due to this, the goal of building and sustaining a ‘harmonious society’ and a truly universal welfare state in China seems farfetched with overall negative perceptions of, and lack of trust in, the people on the other side of the hukou wall. It can however not be denied that the Chinese welfare state, despite the hukou system, has enjoyed an important reform impetus for the past 10-15 years and has indeed made great strides towards creating universal welfare benefits. Lastly, it is important to note that we have found indications that the Chinese population in general are positive towards classic normative welfare ideals such as economic equality and redistribution and that they have become remarkably more positive in the period from 2001-2012.

China is on a development path and building a welfare state does not happen instantaneously. Despite the hukou system being framed as abandoned by Chinese policy makers, the Chinese hukou is still registered according to residency and welfare provisions for those not holding a local hukou are as limited as they have always been. It therefore seems crucial to harmonize the rural-urban divide and truly abolish the hukou registration system to create a universal welfare state in China. Through the equalization of capabilities development, it is possible to form inclusive welfare policies and social cohesion. It is, however acknowledged by the author of this thesis, that any such development will entail a long and complicated

process due to the byzantine nature of the hukou system and the fragmented social welfare system in China.

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