
Poverty and Pacification: The Chinese State Abandons the Old Working Class, by Dorothy J. Solinger. Lanham, MD: Roman & Littlefield, 2022. xv+315 pp. £73.00 (cloth), £69.00 (e-book).

In the decade before the early 2000s, some 60 million state and collective enterprise workers were dismissed amid massive enterprise restructuring in China. *Poverty and Pacification* is an impressive long-term study of the rise of the new poor and the Chinese state's response to the growth of urban poverty over the past two decades. Dorothy J. Solinger meticulously traces the origin and

evolution of the state-administered Minimum Livelihood Guarantee program and evaluates the consequences of this welfare policy for its recipients. While emphasizing the silencing of worker protesters—the priority of policy makers—Solinger offers a “distressing appraisal” of the policy and its impact on an increasingly polarized society (6).

The ten empirical chapters and conclusion provide a fine-grained account of China’s changing class structure with the focus on the old proletariat: that is, state-sector workers who enjoyed urban citizenship. Under the state-guided market reforms, the ideological values of “equity and collectivity” were supplanted by “efficiency and competitiveness” (40). Between 1997 and 2002, China’s reformist leaders sharply reduced state-sector employment to increase flexibility and profitability. Once hailed as the masters of the nation, workers from state-owned enterprises and collective firms were characterized as “inefficient” and “less productive” than their younger counterparts, including rural migrants, who would later become the mainstay of the industrial workforce.

Xiagang or “laid-off” workers normally maintained “labor relations” with their work units. Regulations stipulated that “firms pay their laid-off workers’ medical costs, as well as some 30 to 40 percent of their salaries” (238). In truth, the employment relationship was effectively terminated, and laid-off workers seldom received incomes or health-care reimbursements from failing firms. In Shanghai, the municipal government pioneered measures to provide workers and retirees in crisis with some basic allowances. Subsequently, measures known as *zuidi shenghuo baozhang* (for short, *dibao*, meaning minimum livelihood guarantee) were formalized in 1999 to become a national policy.

The state was reacting to intense urban labor protests to the layoffs and to the declining position of state-sector workers. On the basis of fieldwork in nine cities across coastal and inland China, supplemented with an extensive analysis of both English sources and Chinese-language documents, Solinger assesses government strategies for aiding the needy. She finds that urban workers aged thirty-five and older were both the main group targeted for layoffs and the primary beneficiaries of public assistance. As of 2004, approximately 22 million qualified as *dibao* recipients, which represented only a portion of the urban poor (163). Scholarly surveys conducted between 2007 and 2011 reveal that “thirty to forty-two million people in cities were then still living in poverty, some 4.5 to 6.25 percent of the urban population” (36).

Each city’s poverty line, or *dibao* standard, “was to be set below the local minimum wage and also lower than the benefits for unemployment insurance” (95). The premise was that a high *dibao* allotment would create welfare dependency. But interviewees said that they would rather work to secure a livelihood on their own. Yet there has been little work available to them. Retrenched urban workers who are middle aged and older and who lack formal education and marketable skills have continued to face difficulties in reemployment. They are trapped in

poverty. The threshold of government subsidies, according to *dibao* recipients' comments, was "far from sufficient for subsistence" (125). This has had an effect on the next generation. When children are trapped in intergenerational poverty, they "only can get poorer and poorer" (128).

In 2006–7, to maintain social stability, social assistance schemes were extended to the rural-registered populace. In 2011, an unprecedented 75.9 million people (comprising 22.8 million in the cities and 53.1 million in the countryside) were *dibao* recipients nationwide (213, 216). That year, "the sums for the rural and urban areas were nearly equal, with 66 billion yuan going to the rural areas and 66.76 million yuan to the urban poor, a notable improvement for the countryside, even despite the numbers of recipients in the two regions being vastly different" (216). In this light, *rural* relative to *urban* poverty alleviation has drawn greater government attention.

Over the past decade, there have been dramatic cutbacks in the numbers of *dibao* beneficiaries. In 2019 "urban plus rural recipients then were 43.17 million," down by 43 percent from 75.86 million in 2011 (225). The primary cause, as Solinger demonstrates, is a tightening redefinition of eligibility criteria. Unemployment was no longer sufficient. Unless applicants are proven to be in dire need and have no prospect of finding any kind of employment, including informal work, they are usually excluded from the highly selective program.

In comparative perspective, "China was less generous" than many nations in the European Union, where the level of social assistance could be as high as 50 to 60 percent of per capita income (164–65). Between 2006 and 2019, China's urban *dibao* norm ranged from 15 to 18 percent of national average disposable income (32). Other statistical data reveal a similar pattern of "token expenditures" on *dibao*. Fiscal resources used for *dibao* as a percent of gross domestic product (GDP) "climbed from 0.016 percent for cities in 1999 up to 0.27 percent for cities and rural areas combined in 2013 at its height" and then dropped steadily in later years (177). The evidence shows that the Chinese public assistance program is not designed or deployed to lift people out of poverty.

In her conclusion, Solinger depicts China's ambition to rejoin the global economy at the turn of the new millennium as a form of "harsh state capitalism" (258). The old working class was marginalized and forgotten, parallel to the embitterment experienced by lower-class people in Europe during the great industrial transformation of the eighteenth century. The primary goal of state-administered *dibao* is at best to pacify the unemployed proletariat and preempt protests at critical junctures. A "permanent welfare class," borrowing a term from Claus Offe (259), has been born in global China. Now, in a slowing economy, the masses of the poor remain isolated, and their plight has worsened during the ongoing COVID pandemic.

Poverty and Pacification is a modern classic of welfare studies in post-socialist China and a devastating portrait of this aspect of state-society relations. The book should stimulate interdisciplinary research on poverty in wealthy and poor cities,

as well as on policy formulations to reduce urban-rural and regional inequalities. The rhetoric of growth and prosperity aside, it is urgent to reorganize work, health care, housing, and education to improve the Chinese working people's livelihoods and the lives of their children.

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