

# Analysis of Differences in Basic Public Services Provision of Chinese Megapolis

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## Abstract

*Gradually realize the equalization of basic public service has become the important content of the social development at the present stage in China. This paper analyzes the present situation and problems of the equalization of public service in Shanghai, and has found that the government provides basic public service according to their ability and willingness, rather than the public demand, and the phenomenon of analyzed the deep system background. Finally put forward the countermeasures for basic public services in Shanghai.*

**Keyword:** basic public service, equalization, provide, demand

In the early 21st century, Chinese society began to change from the survival model to development one. In this process, the contradiction between rapid growth of basic needs of the majority and inadequate supply of urban public resources has become a growing problem, especially in megapolis of rapid development. Equalization of basic public services is not only about the interest to give less or more but also a concern about fairness and justice. Thus, the equalization of basic public services has become an urgent task in China's economic development and social harmony.

## *The Present Situation and Achievement of Public Services*

Super-large city such as Beijing, Shanghai, Shenzhen in China are high-ranking on the list of China's economically developed cities. favorable material, developed Civilization ,and the particularity of demographic characteristics in this areas making them different from the general city.

### 1. The Trend of Population Growth

In a background of large-scale transfer of rural population to urban , the population of megapolis have grow fast.even in some areas migrant appeared to be more than local population .the Sixth population census showed that the proportion of migrant in Beijing is 35.9% while Shanghai 39 % . By the end of 2012 , the total number of Beijing resident population is about 20.5 million , with local population of 13 million and foreign resident population of 7.5 million ; while the total number of shanghai resident population is about 23.8 million , with local population of 14.2 million and foreign resident population of 9.6 million . In Shanghai , the ratio of the migrant and local population and is nearly 1: 1.5, thus posing heavy burden on the supply of public services . In terms of the age structure, in groups aged 17 -43 , the migrant is more than the local population in every divided group , namely the number of young migrant population is exceed that of the local household population . According to the law of population development and the combined effect of population growth in large cities , the migrant population will be close to the local household population . This indicates the megapolis 's economic strength and ability to absorb in the way, but it is bound to have some pressures on the limited public resources as well. A large migrant population is a powerful force in the construction of large cities, and how to meet the needs of public services of this people is a major issue in this society.

### 2. Establishment of Urban and Rural Social Insurance

In recent years, according to the approach of wide coverage, basic, multi-level, sustainable social insurance, Shanghai has accelerated the building of social security covering urban and rural residents. In 2011 ,shanghai introduced a reform of social insurance , that is to merge the security for the town workers, the security for migrant in to the security for the urban workers. it mean all the employees in shanghai share the same treatment of social insurance. In addition, in order to maintain the right of foreign employees in China of the participation in social insurance , foreigners in Shanghai can participate in pension, workers' compensation, and medical insurance according to the requirements of the Chinese central provisions.

This series of reforms have basically established a social security system covering urban and rural areas, breaking the limitations of urban and rural household registration, making a big step forward the integration and equalization of urban and rural social insurance.

### **3. Improvement of the Residence Permit Management**

The continuing growth of migrant population has brought giant pressure on cities resources , the reform of household registration policy of megapolis should fully consider the scientific development of cities and bearing capacity. Beijing, Shanghai, Nanjing, Guangzhou and other big cities adopt residence permit system, strictly control population size. On the carrier of residence permit, establish a sound basic public service supply mechanism by linking the living years in this city, paid years of the social insurance and tax paying situation ,and supply the population ,who temporarily do not meet the request or are unwilling to settle, with basic public services such as education, employment and health care security, reform and improve the integral locating system, to provide orderly staged channel. Residence permit management is a step in the reform of the household registration system. The reform of the migrant population expanded the scope of public services, so that the rules become relatively flexible, meanwhile promoting the equity of public services and human-based management.

### **4. Modernization of Education**

Education right is a fundamental human right. Education fairness includes the equal right and the equality of opportunity to education. The modernization of education is embodied in the education fairness. The super-large city take education as a top priority in the process of perfecting the basic public services. As to the trailing children of migrant workers in Beijing, according to the Beijing municipal government research, the number of receiving compulsory education has increased from 90 thousands in 2000 to 430 thousands in 2010, about 40% of the total number of students, and 66.9% were educated in public primary and middle school. Shanghai's full-time secondary vocational schools gradually opened to recruit migrant children since 2008. In 2010, Shanghai fully completed the “three years compulsory education action plan for trailing children of migrant workers”, 0.47million children of migrant workers in the city all went into the public schools or private elementary schools entrusted by the local government to receive free compulsory education. The government subsidized private elementary school which recruits trailing children of migrant workers, implemented policies to encourage excellent college graduates to teach in primary and secondary schools of suburban town. The input of education funds of Shanghai has increased year by year, the total fiscal expenditure on education of Shanghai in 2012 reached 64.9 billion yuan, accounting for 15.5% of the city's local fiscal expenditure, among which the basic education is about 47.3 billion yuan. That has been greatly promoting the equality of the foundation education as well as the modernization of education, protecting the education right of children of migrant workers.

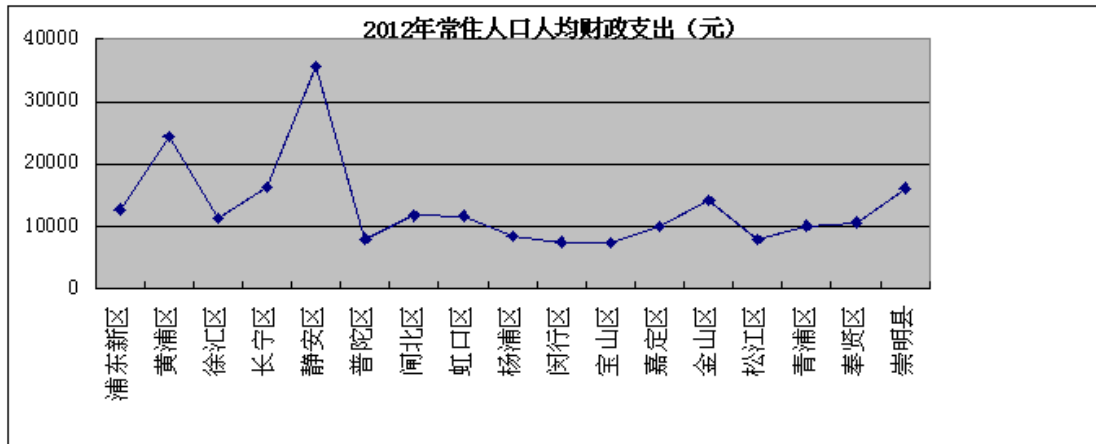
### **5. Equalization of Public Health Services Development**

Promoting equal basic public health services helps to deepen the reform of the medical and health system, and implement the goal of “everyone will have access to basic medical and health service”. Beijing, Shanghai, Jiangsu and other provinces are developing the content of the basic public health services, bringing the floating population into the scope of basic public health services. Beijing launched the pilot of equalizing the basic public services of floating population family planning .wherever the floating population coming from are qualified to family planning service, may participate in earlyl earning activities conducted in infants and early childhood, and primary prevention of birth defects, Free pre-pregnancy health checks and other items. Delayed marriage and childbearing migrants enjoy equal holidays and other treatment with household population .Shanghai closely combined the equalization of basic public health service with the characteristics of large cities .Basic public health services have covered Resident population of Shanghai, that includes household population, the foreign resident population, migrants. The public are free to enjoy twelve kinds of 42 categories in basic public health services.

### ***Analysis of Differences in the Supply of Public Services***

In an age of accelerating industrialization and urbanization, more and more foreigners especially migrant rural labor flow into the large cities , forming a new dual division structure between local population and foreign population. Although megalopolis gradually explore the equal basic public services from urban to suburban area, from the household registered employees to the foreign employees, but the difference between local household account population and floating population still exist and need to be eliminated.

### 1. The per Capita Expenditure



Source: "Shanghai Statistical Yearbook (2013)"

Financial situation reflects the ability of regional governments to provide public services. For example, from Per capita expenditure of Shanghai showed in the chart above, Shanghai has a high level of overall economy. But there are different fiscal capacity between 17 districts in Shanghai. Take the resident population into account, per capita expenditure is generally higher in central districts than in suburb districts in 2012. City center Jing'an, Huangpu, and Changning are the highest ones, while suburban Minhang, Baoshan, Songjiang districts are the lowest three areas. Jing'an District, up to a maximum of 35,665 yuan, is four times more than Baoshan District, the lowest of 7342 yuan. In fact, most of the foreign population is concentrated in the suburbs and suburban area, and Pudong. Minhang, Songjiang are three largest districts for foreign population to import. This indicates that the overall level of public services for local household account population is higher than the level of the foreign population.

### 2. Social Security

In Shanghai, minimum living guarantee only covers Shanghai local household account residents, so foreign workers can not enjoy the minimum living allowance. Migrant workers are more likely to get lower income than the of local residents, thus fall into poverty. These people are more in need the minimum living guarantee provided by the government to sustain life. In addition, and their migrant children are not entitled to many services linked to minimum living allowances, such as the Ministry of Education of Minhang district regulates that, only local children of 3-year-old to 6-year-old in Minimum living allowance families are given management fees and subsidies for food.

Our health insurance are administered by territorial management with regional overall planning. There are more than 2,700 health care co-ordinating area in the country. Policies in all regions are splited. It is difficult to have a uniform policy on the country's medical treatment in the different Places. Because health insurance is not mutual recognition between regions, Resulting that when the insured people go from his city to another city to receive medical treatment, he can not reimburse medicare expenditure and require to go back to the seat of the registered residence to tackle the reimbursed settlement. This process required for travel expenses, pain tiring, frustrating time, advance fee reimbursement let go from two people who complained.

### 3. Housing security

On one hand, there are widespread settlements inhabited by low-income migrants existing in megapolis. General ghettos have average resident population of 30,000 people, a large ghetto has population of more than 10 million people. Huge foreign population hovering at the edge of the city, Their voices are too small to hear. Their crowded housing, small living space per person, poor community sanitation situation, let them the demand groups for security housing. On the other hand, the allocation of megapolis's low-rent houses and economically affordable housing resources cover only the local residence of the city. Since the central government began large-scale construction of affordable housing, Beijing, Shanghai's stock of affordable housing increased, government has expand the group to enjoy the affordable housing.

The affordable housing applicants are required to obtain Urban Households account as prerequisite no less than three years. As a result, Local Households account owner of better economic conditions are likely to get affordable housing preferential provided by the government, migrants without local Households account are too far behind to catch up.

#### **4. Public Education**

In 2010 Beijing expanded denrollment scope of transient students, and greatly simplifies the procedure for admission. Non-Beijing students who subject to the conditions of membership can enjoy the same educational treatment with resident students in the city. But public schools have great autonomy in accepting students, many schools charge those “migrant” students sponsorship and extra fees in the actual operation. In Off-site college entrance application of their children. Migrant workers are required for continuous payment of social insurance in Beijing no less than 6 years. Such a high threshold exclude lots of candidates. In One Shanghai aim of the Residence permit system is to solve Off-site college entrance problem in this city. Residence permit card owners attained a designated standard get chance for those children to take the college entrance exam, For non-compliance of the foreign population, their children can only receive compulsory education in the city, there is no right to participate in the college entrance examination in the city. there is a considerable gap between current educational situation with identical treatment. As the foreign population is mainly gathered in the suburbs, Discrimination inherent in the regional differences. Urban and rural students 'average budget expenditure ratio is 1.69 in 2012, and 1.43 in 2013. education inequalization between local and foreign children can be seen in regional differences in education funding allocation.

#### ***The Reason of Inequalization***

In the equalization process of basic public services, there are mainly three limiting factors..

##### **1. The Household Registration System**

China is one of the only three countries which implement household registration management system in the world. Household registration system not only increased the cost of the living and development of floating population in the city, at the same time, the household registration system requires policies to be performed according to the registered permanent residence including education, social security and employment etc. That causes inequality between the local population and the migrant population, between rural and urban areas. “Outsiders” and “migrant workers” is in itself designations with identity discrimination tone, The designation inequality leads to their marginalization. So the household registration system is the basic system obstacle of rural migrant workers integrating into the urban social.

##### **2. No National Plan of the Social Security as a Whole**

Provinces and cities within them self have realized social security co-ordination. The file transfer of barrier-free between cities. But social security is not a national plan as a whole, files can't transfer across the province. The part people can transfer is only individual account, people can not transfer the part of social pool. that is the reason why migrant workers joined the wave of surrender. New trend calls for coordination of social security all over the country as on a single chessboard,, so that the migrant population can enjoy equal social security treatment. “Social Security Act” explicitly stipulate the transferring of basic pension insurance relationship, put forward Gradually realize the national pension insurance plan as a whole. Although the policy has promulgated , the key is to accelerate the implementation of the policy in practice. Real-time reimbursement in another place in medical insurance expenses also didn't get in the implementation. These are the main bottleneck to promote equal public services.

##### **3. Financial Inequality**

Since the tax-distribution financial system reform, finance income grows rapidly as the steady economic development in our country. The ability of macro-control of the central government has strengthened with the concentration of financial resources in the central government, the contradiction of public finance Balance in Counties and townships was increasingly prominent, hard to fulfill the basic responsibility of public finance. Classifying financial system lead to weak financial districts spending on public services at the corresponding level is relatively low, exert serious influence on the development of public health services, also lead to large gap in the content of public service, quantity and quality among the Counties and townships.

The lag districts in public service financial investment will become the “bucket short board” in the whole advancement of public service.

### ***Policy Recommendations***

megapolis have the characteristics of large population and large proportion of floating population .In the face of foreign population control and equalization of basic public services, need to work along both lines, adjust measures to local conditions to promote the balanced development.

#### **1. Change the Household Register Management to Personal Management**

Urban and rural household registration system is the crux of differentiation, and equalization requires to break the shackles of household register. the household registration system is with Welfare color since ancient times, behind which is the protectionism of local benefits and the vested interests. To eliminate the hukou system (household registration system) is to eliminate the interests of the local association, local government to bear the historical responsibility, to feel free to share interests. So as to provide equal basic public services and public welfare. Referencing to “education voucher” system United States proposed and implemented in multiple countries, change the tradition of government funding education school into the financial support to the educatees. Also in the social security and basic public health services can also implement “service voucher” system. firstly make three basic public service as the platform, on this foundational platform change hukou management for personal management, everyone can accept “service voucher” and benefits followed with it, and the benefits go as people flow. It is to fade out household concept, strengthen the main body residents. Finally complete the equalization of all in the field of basic public services step by step.

#### **2. Realizing the National Plan as a Whole of the Social Security**

The national social security transferring system decides the equalization of urban social security. Now many areas has taken the lead to explore all sorts of insurance of urban and rural areas as a whole, But since there is no policies of national level, The existing social security system follow the thought of “divide the area and rule”, local policy is still fragmented, making the cross-regional floating population to encounter heavy resistance. Therefore, it is suggested that our country based on the experience of the overall consideration of overall urban and rural pension, health care, make the guidance of the transferring system construction of social security to facilitate unified implementation in different region, and help to the crack the connection problem of insurance caused by the institutional barriers.

#### **3. Forming a Reasonable Fiscal Fiscal Transfer Payment System**

With large number of migrant workers import into the suburb, migrant children in compulsory education stage inflows into the suburb correspondingly. District government fully funds the compulsory education in public schools (municipal finance only gives a small financial transfer payment). In migrant children schools is funded by the municipal and district government of two levels. If fundamental problems such as national input mechanism and capital planning are not stabilized in the form of policy, and district and county financial ability can't be guaranteed, Is difficult to talk about investment balance. Governments of all levels need to straighten out financial powers and responsibilities to establish corresponding fiscal transfer payment system, regard resident population as the standard for public services planning of compulsory education resources to form a reasonable compensation mechanism.

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