

## Comparison and Reference of Public Policy on People's Livelihood Between China and the United States—Based on the Case of Chongqing

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Supported by Major Principal Project of Social Science Foundation of Chongqing: Public Policy on People's Livelihood and Constructing of Chongqing People's Livelihood (2013ZDB34).

Received 11 August 2014; accepted 20 October 2014  
Published online 30 November 2014

### Abstract

Education, health care, employment, social security and other livelihood policies related to people's vital interests and social harmony and stability, China and the U.S. government attach great importance to the formulation and improvement of people's livelihood policies. However, due to the different political systems, economic, social, cultural and other aspects between the two countries, the livelihood policies of the two countries are quite different too. Based on a brief introduction of livelihood policies of China and U.S., on the comparative analysis of the livelihood policies differences between the two countries, noting that the significant difference between China and U.S. Livelihood policies is that the market-oriented and government-led, while the laws and regulations completeness and the guidance services of policy also have a large gap. Combined Chongqing practice, Chongqing need to learn from U.S. in formulating and improving the livelihood policies, market, social policy-oriented of livelihood, while the people's livelihood policy system, guidance and services and integration of urban-rural livelihood policies also need to improve constantly.

**Key words:** People's livelihood policy; China and the U.S.; Comparison; Reference

Wang, Z. J., Chen, Y., & He, Q. F. (2014). Comparison and Reference of Public Policy on People's Livelihood Between China and the United States—Based on the Case of Chongqing. *International Business and Management*, 9(2), 32-40. Available from: <http://www.cscanada.net/index.php/ibm/article/view/6034>  
DOI: <http://dx.doi.org/10.3968/6034>

### INTRODUCTION

During the process of China's economic system's transition, social transformation and continuously deepening reform in various areas, interest and power has been rearranged between different main bodies, new interest patterns are under constant readjusting and the conflicts and contradictions of interest are continuously increasing. In this background, the livelihood problems concerning people's well-being and social harmony and stability have become a hot topic in both political and academic area. Chongqing, the only municipality directly under the Central Government and constituting big urban area, big rural area, big reservoir area and area of ethnic groups, particularly should strengthen the construction of people's livelihood while our country is in the process of building a well-off society in an all-round way and realizing Chinese nation's great rejuvenation. The U.S., as a developed western country, has a lot of advanced experiences in respect of policies on people's livelihood that are worth learning. Therefore, comparing the differences in those policies between China and the US can provide constructive references for China, Chongqing in particular, to speed up the developing of people's livelihood.

### 1. THE CONNOTATION OF PEOPLE'S LIVELIHOOD

The word of people's livelihood first appeared in the "Zuo Zhuan—Twelve Year of Xuan Gong": "People's

livelihood was build on industry, there will be no poverty with industry". About the meaning of the people's livelihood, due to the different angles researchers studied the understanding of people's livelihood is different. First, from the interest perspective to understand people's livelihood. Such as Chen Meilin (2008) considers that "livelihood problems are those concerning balancing the country's interest, i.e., the problems concerning harmonizing interest". However, Ge Hengyun (2009) believes that "the livelihood problem concerns the fundamental interest of the nation's economy, people's livelihood, survival and development". He Yuchun (2008) thinks that in "livelihood is people's survival and development, which concerns their current and future rights in area of economy, culture, society, etc.". Second, from the status perspective to definition the people's livelihood. Wu Zhongmin (2008) regards that "the so-concerning balancing the country's interest, i.e., problems concerning harmonizing called livelihood mainly means people's survival and living conditions, and the conditions of protecting their chances, abilities and rights for basic development, etc.". And Huang Keliang (2007) thinks that "the essence of livelihood has ascended from material things that provide people basic necessities for life to an overall modality that concerns non-material needs like polity and spiritual culture of people". Third, from the demand side describes the meaning of the people's livelihood. Wang Guofa (2008) believes that people's livelihood was assumed to be their subjective needs. Last, from the rule of law to define people's livelihood. Deng Huiqiang (2008) considers that "the right for livelihood is the expression of rule of law".

Scholars above from the perspectives of the rule of law, the interests, needs and the state to define the meaning of the people's livelihood and depth elaborate, but they are all focused on the livelihood from one dimension to understand, inevitably lost in the one-sided. With the development of society, the content of people's livelihood covers more and more, the connotation of livelihood has transferred from the traditional local security and relief system that carries a strong sense of charity to a systematic arrangement of general welfare which is based on social equity to secure the interest of all people and to promote the harmonious social development (Zou, 2010). The modern sense of livelihood covers not only urgent problems concerning education, labor, employment, medical care, housing, etc, but also the related rights people are entitled for survival and development as well as the fairness and justice in terms of value aspect. Therefore, in my opinion, people's livelihood as a arrangement of general welfare shall not only consider the arrangements that are most closely related to people like education, labor, employment, medical care, housing, social security, etc, but also the related rights. This essay compares livelihood policies of China and the U.S. on main aspects as education, employment, medical care and social security.

## 2. FEATURES OF THE U.S. POLICIES ON LIVELIHOOD

Policies on livelihood in the U.S. concerns aspects like education, medical care, employment, business establishment and social security. Since the political system in the U.S. is in the form of "separation of the three powers", the policies on education, medical care and social security are decentralized into legislative, executive and juridical department respectively. Meanwhile, powers of the federal government and state government are separated in accordance with the constitution, and they both have made independent policies on livelihood. The U.S. Department of Education was initiated in 1867. However, what it did was very limited, only collecting materials and doing research on development. In 1953, it became a subdivision of the U.S. department of Hygiene, Education and Welfare. And in the October of 1979, it was detached from the USDHEW and started operating on its own on May 4th, 1980. The major duties of the USDE was to coordinate with the federal government to take part in educational activities, to find out the needs for national education, to come up with plans for those needs, and to provide state and local educational institutions with technological and financial support. In terms of employment, during the period of Franklin D. Roosevelt's New Deal, the government constructed a huge scale of public works to help recovering the economy and enlarge the employment. It was a much more positive action to soften the problems of unemployment and poverty by work relief. In terms of social security, since the U.S. was a colony of the U.K., the Elizabeth Poor Law of Britain was the start of the constructing and developing of America's social security system. During the colonial period and beginning of its foundation, the U.S. depended mainly on the community and private charity to help the poor and disadvantaged group. In 1824, it was the State of New York that firstly established workhouses in every county to socially manage the poor. And the Social Security Act in 1935 built the framework of America's social security system.

### 2.1 Tend of Marketization and Differentiation in Livelihood Policies

Through the development of western societies, theories about the relations between government and market have been constantly changed. From laissez-faire capitalism by Adam Smith and state intervention capitalism by Franklin D. Roosevelt government to welfare state and "entrepreneurial government", the reach of market forces has been narrowed and then expanded. Especially after the 1980s, with the rise of the New Public Management Movement, the "entrepreneurial government" prevailed and the government services were out-sourced in great deal, which strengthened the marketization. In the U.S., services closely linked to people's survival and

development like education, medical care, employment and social security are highly marketized. Market economy is a form of resource allocation using the “invisible hand”—market. One major feature of market economy is to satisfy the diversified and differentiated needs of customers in a market-oriented approach. The value orientation of highly-marketization policy resulted in the diversity and differentiation of policies on livelihood. Taking policies on medical insurance for example, the medical insurance model in the U.S. is typical commercial insurance, which means medical care is in free trade as special commodity in accordance with market principle. Oriented to the market, the financing and supplying of medical services and the pricing were mainly determined by market regulation. And the differentiation was reflected in the U.S. system of social public medical security. In addition to the dominant commercial insurance medical insurance model outside, the U.S. government has invested multiple social public medical care systems, which includes:

- (1) Medical insurance for elder people, which is intended for people over 65 and the disabled.
- (2) Medical assistance insurance, which is intended for the poor, the unemployed and the injured.
- (3) Medical insurance for soldiers.
- (4) Management of retired soldiers, etc.

Amongst those systems, (1) and (2) are the core in terms of the system. The public health insurance system established by federal and state and city (county), the county for special populations is highly complementary to commercial health insurance market model, highlighting the fairness of health care policy, the Obama administration is currently being implemented in the country universal health insurance, which is also from the point of social equity.

## **2.2 Extra Attention on Guidance for Legislation and Services of Livelihood Policies**

One main representation of policies is laws and regulations. In the U.S., legislation is the government's most basic way of managing to promote education, medical care, social security, etc. The law, with its authority, compulsoriness and normalization, offers legal foundation for the effective complement of various policies. Taking employment for example, only employment and entrepreneur-ship training, in recent decades, the United States enacted many laws on vocational training and vocational education. Amongst which are important ones like Manpower Development and Training Act (1962), Vocational Education Act (1963), Equal Employment Opportunity Act (1973), School to Work Opportunity Act (1993), Labor Protection Act (1993), etc. In terms of employment services, first of all, the government pays great attention to the job hunters' personal employment choices and satisfies their employment needs. For those unemployed, vocational

guidance, employment information and training were provided according to specific situation. Then, great attention is also paid to the efficiency of employment services and humanistic care. “One-stop” service platforms were established, employment procedures were simplified and efficiency of services were raised. In the U.S., a lot of employment agencies have set up “child-care center”, handrails and cushions have been installed on buses for the convenience of disabled workers, which are examples of humanistic care. What's more, the content of employment service has been continuously enlarged to an extent of being linked to works of “providing unemployment compensation, carrying out vocational training and helping the unemployed form an employment organization (small businesses and informal department employment)”. Last is the socialization of employment services. Government is no longer the only organization providing employment services. During the practice formed a partnership of government, universities, training agencies, NGO, etc.

## **2.3 Extra Attention on Completeness of Policies on Livelihood**

Generally speaking, livelihood policies, mainly concerning education, medical care, employment, social security, etc., is a system constituted of multiple policies. Taking the U.S. entrepreneurship policy for example, the secret of America's economy miracle lies in its perfect entrepreneurship policy system. John Naisbitt (2009), the writer of *Megatrends*, holds the opinion that entrepreneurship is the foundation of the U.S. booming economy. Peter Drucker, a master in the study of management, holds the opinion that employment in the form of establishing business is one of the main forces pushing America's economy, and the core of the success of America's economy policy. To be specific, the system of America's entrepreneurship policy includes a complete system of entrepreneurship education, an advanced system of financing and venture capital as well as new measures to promote the development of small businesses after the financial crisis. A complete system of entrepreneurship education is a combination of multi-access financial support for entrepreneurship education, diversified organizations and institutions of entrepreneurship education, complete curriculum system for entrepreneurship education, practical activities like entrepreneurship contest, seminar, club, etc., and the reinforcement of employment and entrepreneurship training in the form of legislation. The U.S. National Science Foundation has established institutions to implement the “small business innovation research program”, which is intended to encourage entrepreneurship. Organizations promoting entrepreneurship education in the U.S. mainly includes the Small Business Administration (SBA), Youth Entrepreneur of Kansas, Kauffman Center for Entrepreneurial, etc.

It is now obvious that policies on entrepreneurship and employment are nearly perfect, and how its policies are made is worth learning.

### 3. THE DEVELOPMENT OF CHINA'S POLICIES ON LIVELIHOOD

In the most common sense, people's livelihood is people's living conditions, and livelihood policies are those concerning people's living conditions. In China, the idea of livelihood has existed since ancient times, as in "people is the most important, followed by the country, then the king" said by Mencius, "the king is just like a boat, and his people the water, the water supporting the boat can also upset it" said by Emperor Tang Taizong, the "principle of people's livelihood" of the "Three People's Principles" put forward by Sun Yatsen, etc. The implementing of "reducing the burden of taxation and cost" in the beginning of each dynasty is a main representation of livelihood policies. Ever since the founding of the Communist Party of China, every leading group has attached great importance to livelihood problems. China is currently in the critical period of building a well-off society in an all-round way and realizing the great rejuvenation of the nation. However, difficulties in school, employment and medical care, etc, such livelihood problems in respect of education, medical care, employment and society security are most closely related to people, yet still remain the most direct problems of practical interest and what people concern most about. And whether Chinese government can settle those problems will concern the harmony and stability of society, relation between the party and the masses, and validity and credibility of the party and the government.

After the establishment of People's Republic of China, especially after the reform and opening-up, great achievements have been accomplished in various areas. And major progress has been made in livelihood policies closely related to people's interest like education, medical care, employment and social security, etc. Judging from the result of the implementing of livelihood policies in recent years, China's livelihood course is developing rapidly.

**Table 1**  
**China People's Livelihood Development Index Rank**

Index	China People's Livelihood Development Index			
Area	Index values	2013 Rank	2012 Rank	2011 Rank
Beijing	0.707	1	1	1
Shanghai	0.609	2	2	2
Tianjin	0.563	3	3	3
Jiangsu↑	0.541	4	5	4
Zhejiang↓	0.515	5	4	5
Guangdong	0.471	6	6	6

To be continued

Continued

Index	China People's Livelihood Development Index			
Area	Index values	2013 Rank	2012 Rank	2011 Rank
Liaoning↑	0.464	7	8	8
Shandong↓	0.458	8	7	7
Fujian	0.404	9	9	9
Chongqing↑	0.398	10	14	16
Hebei↓	0.391	11	10	10
Hubei↓	0.391	12	11	11
Shanxi	0.383	13	12	13
Shanxi↑	0.375	14	15	19
Inner Mongolia↑	0.373	15	16	12
Jilin↓	0.372	16	13	15
Henan↑	0.357	17	18	18
Hunan↑	0.347	18	19	17
Anhui↑	0.346	19	21	23
Jiangxi↑	0.343	20	22	21
Ningxia↓	0.334	21	20	22
Heilongjiang↓	0.334	22	17	14
Hainan↑	0.332	23	26	25
Sichuan	0.328	24	24	24
Xinjiang↓	0.316	25	23	20
Qinghai↑	0.303	26	27	26
Guangxi↓	0.273	27	25	27
Yunnan	0.258	28	28	29
Gansu	0.256	29	29	28
Guizhou	0.217	30	30	30

No. Sources: Xie, Y., Zhang, X. B., & Li, J. X. (2013). *Report on Chinese people's livelihood development*. Beijing: Peking University Press.

The result of 2013 *Report on Index of People's Livelihood Development in China* shows that level of China people's overall livelihood development in 2013 presents "the advanced area keeps advancing while the backward area keeps lagging behind". With the economic development, livelihood has attracted more attention from the local government, investment for securing and improving human and financial resources has been raised, and more efforts have been made to improve the level of government's public service and social management, which further promoted the local livelihood development. The level of people's livelihood development showed a significant positive relationship with the level economic development, the highest level of people's livelihood development is eastern China, central middle, and western is relatively backward. Among 11 western provinces, Chongqing people's livelihood Development Index in 2013 ranks the first 10, while the other 8 provinces are all in the bottom 10 of the country. Main features of livelihood policies concerning specific areas like education, medical care, employment, social security, etc. are as follows:

### 3.1 Government's Leading Role in Livelihood Policies

During 2000 years of feudal period since Qing Dynasty, China had always been a country of centralized authority. The ideas of centralized authority and “official standard” have had a major impact on later generations. Today, a socialist China under the people’s democratic dictatorship is founded, and democracy and the rule of law have been unprecedentedly developed. However, the feudal conception of “official standard” and still be found in the imperative leading role of the government in it’s management, especially during the formulating, implementing and assessing of policies on livelihood. Various layers of policies on education, medical care, employment, social security, etc. are established by the country in forms of legislation, administrative laws, regulations, rules, etc., which is understandable, and that is what they do in all other countries for policies and laws express the will of a state. However, during the process of formulating and implementing policies, government’s imperative leading role will dampen the participate degree of society and market. Taking employment as example (indicated in the following Table 2), since the financial crisis in 2008, the proportion of employment in private and self-employed enterprises has increased annually, 18.1% in 2008 and 26% in 2012. However, the total percentage is still low. 3/4 of the total employments still run to state-owned and collective-owned enterprises. Even with changes of employment conception, people still show greater passion to in-system enterprises, which is resulted from problems that have long existed in policy orientation. In terms of education, non-government funded educational institutions are still in low proportion. In 2012, the number of private colleges and universities is 706. And there are a total of 2442 colleges and universities in China, 2/3 of which are public institutions established by government.

**Table 2**  
**Employment by Private and Self-Employed Enterprises from 2008 to 2012**

Contents	Year				
	2008	2009	2010	2011	2012
Total employment (million)	755.64	758.28	761.05	764.20	767.04
Private enterprises (million)	79.04	86.07	94.17	103.53	112.96
Self-employment (million)	57.764	65.854	70.076	79.453	86.283
Proportion of private and self-employment (%)	18.1	20	21.6	23.9	26.0

No. Source: National Bureau of Statistics of China.

### 3.2 Relatively Low Level of Marketization and Socialization of Livelihood Policies

*The Decision of the CPC Central Committee on Deepening the Reform of Some Major Issues* passed on the Third Plenary Session of the 18<sup>th</sup> CPC Central

Committee put forward the idea that the market should play a decisive role in allocating resources. One the one hand, it shows that the future policy orientation is to reinforce the marketization and socialization of various management. On the other hand, it reveals that the current policy orientation is highly depending on government, and the level of marketization is relatively low. In China, the formulation and implementation of people’s livelihood areas policies is weak in the level of marketization, in the field of the people’s livelihood government financial input over-whelming dominant, but the share of financial ratio is low. Major national investment in education is finance expenditure, the proportion of educational expenditure in GDP has increased annually but fairly slow. In 1993, the government proposed to raise the proportion of fiscal expenditure of education to 4% of the total GDP. However, this goal hadn’t been completed until 2012, when the proportion reached 4.28%. The aspect of socialization of livelihood policies, social organizations take lower participation in the formulation and implementation of education, health care, employment, social security policy etc. the number of Chinese social service agencies have reached to 1,366,650. In 2012, while private non-enterprise units is only 225,108, accounting for 16.47% of the total number of social service agencies. Imperfect development of social organization and lesser extent in social services, to some extent, restricted the development of people’s livelihood.

### 3.3 Deficiency in Regulations of Livelihood Policies

From the 42<sup>nd</sup> to 46<sup>th</sup> article in the Constitution, rights and obligations concerning people’s labor employment, social security, education, etc. have been stipulated. Ever since the Regulation of the People’s Republic of China on Academic Degrees passed on the 13<sup>th</sup> Meeting of the Standing Committee of the Fifth National People’s Congress on February 12<sup>th</sup>, 1980, there have been 8 educational laws, 13 educational administrative laws and regulations, 178 educational departmental regulations and 11 other related laws and regulations; and some 8 education-related laws and 32 higher educational institution statutes have also been promulgated in respect of administration. The major achievements in educational policies, laws and regulations also brought to light a notable problem, fewer laws, mostly for departmental rules, i.e. the legal status of most policies, laws and regulations are fairly low with poor authority. The same dilemma can be found in areas of employment, social security, medical care, etc., which has weakened the protection of people’s interest to a certain extent. And problems in the livelihood area like school difficulties, intense doctor-patient relationship, empty account in social security fund, etc. are somehow related to the defective legal system of China.

## 4. NEW PRACTICES OF LIVELIHOOD POLICIES IN CHONGQING

In China, local government is subordinate to the central government, which means the policy-making of Chongqing, as a local government, shall comply with relevant laws and regulations of China. Therefore, livelihood policies in Chongqing have the features of both the country and itself. Chongqing's livelihood policies will be introduced in the following three aspects:

### 4.1 Annual Increase of Investment in Livelihood

According to *2013 Report on Index of People's Livelihood Development in China*, Chongqing is ranked 10<sup>th</sup> in 2013, 16<sup>th</sup> in 2011 and 14<sup>th</sup> in 2012. The rising of Chongqing's livelihood index owes to the rapid improvement of high and new technology industrial development level, public health and safety level, employment level, quality of education, etc., and the enhancement of protecting and improving the ecosystem. In 2013, the educational expenditure in Chongqing is 7.41 billion Yuan, with a growth rate of 13.2%, the expenditure of social security and employment is 20.74 billion Yuan, with a growth rate of 16.9%, and the expenditure of medical care is 1.78 billion Yuan, with a growth rate of 15.6%. From those figures, we can see that Chongqing government has enlarged fiscal investment in livelihood area annually, and this area is becoming more favored by policies. The rising proportion of Chongqing's fiscal investment in livelihood indicates, on the one hand, as the proportion rising, the effect of implementing livelihood policies is getting better and the livelihood cause has developed greatly; on the other hand, the previous investment was insufficient, the government should further reinforce bias of policies toward livelihood area, increase investment in it and thus promoting the sustainable development of Chongqing.

### 4.2 Quantification of Livelihood Policies Goals

On August 8<sup>th</sup>, 2013, the municipal government of Chongqing puts forward the *Notice of Completing a Series of Important Livelihood Practical Works by the General Office of Chongqing*, in which 22 of to-be-accomplished works were quantified and the completion time of each was set as well. For example, the construction of 2606 merged village clinics, covering each village of more than 300 households; the add of 1000 new rural boarding schools and 15,000 make-do dormitories for teachers in rural area; the implementing of pilot work of nutrition improvement for students receiving compulsory education in 14 areas and counties, covering some 4.8 million students; the establishment of 86 nursery, primary and middle schools in newly-built communities in the main urban area; the establishment of 1000 institutions of community service for the aged, which integrates community resources, sets up 1000 community service centers and stations (nursing homes), and 200 community

service institutions for the aged. It is not hard to pin out that Chongqing's livelihood policies are putting more and more attention on quantification of policy goals, which not only makes it easier to implement and assess the policies, but also brings closer the government-masses relationship and enhances the credibility and validity of government because the livelihood policies are closer to people and have gained support from them. Chongqing's livelihood policies mainly concerns education, medical care, social security, etc. However, the area of personnel service is hardly involved, which is not supposed to be ignored when making livelihood policies.

### 4.3 Urban-Rural Coordination in Livelihood Policies

Chongqing, as the only municipality directly under the Central Government in mid-west China and the experimental zone of urban-rural comprehensive coordinated reforms, holds an important strategic position in promoting coordinated development in all regions and deepening the reform and opening-up. It spares no effort in settling important livelihood issues like labor employment, social security, education equity, medical care, housing, relocation of people from reservoir area, poverty relief, etc., and earnestly maintaining social stability. In respect of education, employment, medical care, social security, etc., Chongqing should pay more attention to narrowing down the gap between urban and rural areas, and establish relevant system of unified urban and rural area. One major step during making policies on urban-rural coordination is to break the obstacles brought by the urban-rural dual system founded since the establishment of the People's Republic of China. First of all, the government should carry out reforms on the household registration system, which can enable the rural residents to enjoy the same rights in areas like medical care, employment, education and social security as their urban counterparts. On August 1<sup>st</sup>, 2010, *Chongqing Urban-Rural Coordination Household Registration System Reform, Implementary Measures for Rural Residents Transfer (Trail)* was officially enacted, which marked the beginning of Chongqing's practical implementing of reforms on household registration system. In the process of promoting livelihood policies on the integration of urban-rural areas in Chongqing, substantial progresses have been made in respect of household registration reform and urban-rural social security system. In 2009, new rural cooperative medical system and cooperative medical insurance of urban and rural residents have been combined to form an urban-rural coordinated cooperative medical insurance system of urban and rural residents in Chongqing. In the April of 2011, Chongqing took the lead to cover all residents with social endowment insurance system in China. And till 2013, the rate of urbanization in Chongqing reached 58.34%, ranking above average level in China, which shows the achievements of livelihood development of urban-rural coordination.

## 5. INSPIRATION AND REFERENCE OF LIVELIHOOD POLICIES

From the above analysis, we can see the main difference of livelihood policies between China and the U.S. lies in the distinction of market-orientation and government-orientation and in respect of the completeness of laws and regulations, and guidance services of policies. On the Third Plenary Session of the 18<sup>th</sup> CPC Central Committee puts forward the idea of the market playing a decisive role in resources allocation. "Invigorating social organizations, properly handling the relationship between government and society, and enhancing social organizations to understand clearly their rights and liabilities". Compared with the U.S., both marketization and socialization of China's livelihood policies need to be improved. Using the U.S. livelihood policies for reference, combined with the actual development of Chongqing's livelihood policies, this essay suggests Chongqing livelihood is adjusted in following aspects:

### 5.1 Reinforcing the Marketization and Socialization Trend of Livelihood Policies

Market failure is objective reality. Nowadays, most countries in the world are managing by combining government and market, the only thing telling them apart is how they weigh between those two. Practices in public choice theory shows that the existence of market failure does not necessarily have to be the reason of reinforcing government intervention, because government can fail as well. Currently, too much intervention is a typical feature of Chinese government's management. Therefore, in the process of government management, especially social governance, it is imperative to give play to social organizations, forming a benign interactive situation where the government takes the leading role, enterprises and multiple social organizations cooperate with it. Hence under this background, one important trend of Chongqing's livelihood policy making is to reinforce the marketization and socialization. In the process of making and implementing livelihood policies concerning education, medical care, employment, social security, etc., firstly, participators in the public policy-making in people's livelihood field should be diversification. Public policy is the expression of the public interest, public policy-making should give full consideration to the interests of enterprises, social organizations and other relevant people in the field of people's livelihood, so that enterprises, social organizations can participate in policy-making; secondly, we must strive to foster and support the development of social organizations, reduce the barriers of social organizations so as to provide public goods or services entry in livelihood areas; thirdly, government must strongly encourage and support enterprises, social organizations to provide the public products or services of livelihood areas. The enterprises, social organizations that

provide public services in people's livelihood can enjoy financial subsidies and tax breaks and other preferential policies; finally, government should strengthen the supervision and service to businesses and social organizations which provide public goods or services in livelihood areas and establish a "one-stop" service platform in order to reduce administrative examination and approval procedures.

### 5.2 Perfecting the Livelihood Policy System

The effective implementing of one policy, besides the completeness of the policy itself, requires the effective cooperation of corresponding policies. In other words, any policy is related to a whole policy system. Whether a policy is effective as expected depends on whether the system is complete and whether it is easy to perform to reach the preestablished goal. Compared with the U.S. relatively complete livelihood policy system, the livelihood policy system in Chongqing still has a lot of deficiencies. Such as the disparity between livelihood policies in urban and rural areas, lack of status and authority in livelihood policy laws and regulations, etc. Therefore, first of all, in the policy-making process of the people's livelihood, government should enhance communication with the masses, listen to them attentively and truly understand their actual interest and needs in the process of policy making, in order to formulate the people's livelihood policies which is in line with public opinion; second, the government should assess the effect of the implementation of the people's livelihood scientifically, those poor implementation effect and low masses satisfaction policies should be carefully adjusted and improved continuously; third, the government must strengthen the supervision of the implementation of people's livelihood policies. The problems of NSSF empty account which is widely public concerned, partly because of policies and regulations on people's livelihood security fund supervision imperfect; the last but not the least, the government should pay attention to the convergence among people's livelihood policies. In the formulation and implementation process of people's livelihood policies concerning education, health, employment, social security etc., government should pay attention to the effective convergence and not conflict, in order to better play the role of people's livelihood policies system.

### 5.3 Improving the Service and Guidance of Livelihood Policy

In recent years, due to the vigorous advocating of service-oriented government in the administrative reform in China, the service awareness of the government has been improved considerably. During the making of livelihood policies, greater importance has been attached to improving the service and guidance of livelihood policies. However, compared with the U.S. relatively complete policy service system, service and guidance

of Chongqing's livelihood policies still need to be improved. Taking employment as example, services and guidance of Chongqing's employment policies mainly centered on areas of vocational training, employment and reemployment training, management of job-introduction agencies, professional certificates and employment access system, and management of verification of professional technical ability, etc. Therefore, Chongqing's employment policies emphasize on the macro guidance but forget to satisfy specific needs of individuals. In the light of currently prevailing people-oriented service concept, service and guidance of livelihood policies should be more specific, more target-oriented to meet diversified needs of the people. Take students employment and entrepreneurship for example, the Chongqing Municipal Human Resources and Social Security Bureau recently issued "the implementation program of Chongqing Collegiate Business Plan in 2014-2017", which is beneficial to the "the entrepreneurship customized service plan of college students in Chongqing".

#### 5.4 Increasing Investment in Livelihood Area

Even though the trend of marketization and socialization of the U.S. livelihood policy is clear, the investment the U.S. government put into livelihood area is huge. Therefore, Chongqing need to continue to strengthen financial investment to the field of people's livelihood concerning education, employment, health care and social security for providing funding for the completion of 22 practical livelihood. Take education for example, for many years, the expenditure that the U.S. spent on public education has consistently constituted more than 5% of its GDP, and in 2010, the gross enrollment rate of higher education in the U.S. reached 94.81%. While the rate of financial investment on education in China reached 4% for the first time in 2012, which happened in Chongqing in recent years as well. In 2013, Chongqing's expenditure on education is 7.41 billion Yuan, with a growth rate of 13.2%. But in the same year, the gross enrollment rate of higher education in Chongqing is only 35%, far less than that of the U.S. Thus, on the one hand, Chongqing should continue to increase financial investment to education, especially the compulsory education in remote mountainous rural, maintain educational equity, and increase financial investment to higher education and improve higher education enrollment rate continuously. Moreover, Chongqing should promote education reform, develop vocational education vigorously and improve the financial investment to vocational education in schools. On the other hand, Chongqing should formulate various preferential policies to encourage the social capital of individuals, businesses, community organizations into the field of education, continue to broaden the funding to the field of education so as to provide a solid financial security for the development of Chongqing education.

#### 5.5 Promoting the Integration of Urban-Rural Livelihood Policies

One goal of livelihood policies is to realize social equality and justice, and to maintain social harmony and stability. Chongqing is the demonstration zone of urban-rural comprehensive coordinated reforms, and one of its goals of reform and development is to promote the integration of urban and rural education, medical care, employment and social security. In 2012, the urbanization rate in the U.S. reached 83%, the gap between its urban and rural areas is fairly small. Compared with that, the urbanization rate of Chongqing is 56.98%, ranking second in western China. There is great disparity between Chongqing's urban and rural areas, which makes it urgent to promote the integration vigorously. In accordance with *Several Opinions of the State Council on Promoting the Reform and Development of Urban-Rural Coordination in Chongqing*, the government of Chongqing should establish a urban-rural integrated system of labor employment, accelerate the establishing and perfecting of a social security system covering all urban and rural residents, perfect the basic medical security system, support the pilot work of urban-rural coordinated basic medical insurance, and continually improve the security level of new rural cooperative medical system and improve the basic medical insurance to municipal level gradually. In the process of promoting the urban-rural integration and livelihood policy making, the Chongqing government should consider the fairness of polices, and more importantly, it should pay great attention to effective linkages of the systems between urban and rural areas for promoting the development of livelihood cause in urban and rural areas.

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#### CONCLUSION

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The main difference of livelihood policies between China and the U.S. lies in the distinction of market-orientation and government-orientation and in respect of the completeness of laws and guidance services of policies. Chongqing people's livelihood policy not only has the general characteristics of China, but also has more features of Chongqing in practice. The policy objectives are changing more quantitative and more emphasis on planning urban and rural areas in entirety. Taking advantages of American livelihood policies, in the formulation and implementation of Chongqing people's livelihood policies, in addition to concern the marketization and socialization trend of livelihood policy-making and increase investment in areas of people's livelihood and improve the policy itself, Chongqing should pays attention to narrowing the gap of urban and rural areas to promote the process of urbanization. The Third Plenary Session of the 18<sup>th</sup> CPC Central Committee puts forward the idea of the market playing a decisive role



in resources allocation. Therefore, Chongqing government should particularly enhance the marketization and socialization orientation of livelihood policies, and give full play to multiple forces of government, enterprises, society, etc. Therefore, Chongqing government should ceaselessly promote the development of the livelihood cause. As the national coordinating urban-rural comprehensive reform demonstration area, people's livelihood policy of Chongqing has important benchmark significance in nationwide. In this paper, from the dimension of comparing China-U.S. people's livelihood policies to provide macro reference on policy making to Chongqing, specific livelihood policy making will need to study continually in the future.

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