

**NEW REQUIREMENTS FOR POLICY
MAKING AND PROJECT PLANNING
IN CHINA**

YAN Hao

EAI Background Brief No. 1024

Date of Publication: 14 May 2015

Executive Summary

1. Social impact assessment (SIA) is a tool widely used to assess the social impacts—both positive and negative—of planned interventions (such as policies, programmes, projects or actions).
2. The practice of SIA is usually referred to as social risk assessment (SRA) or occasionally as social stability risk assessment in China. A number of regulations have been introduced in China for SRA to be conducted in advance of proposed major public policies and key investment projects to assist officials and/or managers to make decisions in a more scientific, democratic and law-abiding manner.
3. While SIA used in other countries aims primarily at the sustainability of interventions, SRA in China gives top priority to maintaining social stability.
4. China is now confronted with numerous challenges in the course of drastic socio-economic transition. As the economy grows at a high rate, so will social tension. In China, social instability is often defined as the incidence of mass petition and mass protection. In the recent years, the number of mass incidents has risen constantly, with the involvement of more people.
5. Infrastructure and investment construction projects often become a protest target. Observed are four patterns of dispute settlement: cancellation, relocation, suspension and commencement after reexamination.
6. The introduction of SRA can be seen as part of the government's efforts to push for good governance and “governing according to law” at the time of the “New Normal” as promulgated by Chinese President Xi Jinping.
7. The major processes of SRA are basically identical to SIA practices. A planned intervention is assessed by four key criteria: legitimacy, rationality, feasibility and

risk control and management. The stability risks are classified into three levels: high, medium and low.

8. SRA reports are required to not only identify potential social risks, but also put forward risk management proposals accordingly. Based on the conclusion of their SRA report, relevant authorities have the power to approve or reject a proposed policy or project.
9. A number of regional models of SRA have been developed in line with the guideline of the Party document, based on local conditions and resources. Experience so far shows that SRA can play a positive role in assisting decision-makers in improving decision-making to prevent or defuse potential social risks.
10. SRA regulations are quite new in China. There is thus room for further improvement.