



International
Labour
Organization



Social Security Policy Monitor China

April – May 2020, Issue 2

Visit ILO Resources on **SOCIAL PROTECTION RESPONSES TO COVID CRISIS**

China Social security Barometer

Participants to social insurance (millions)



Source: MOHRSS, 21 April 2020

Unemployment insurance premiums refunded to support employment

3.2 million enterprises (three times 2019 fig.)

42.3 billion yuan premiums refunded

85.13 million employees benefited.

27: average number of employees of enterprises beneficiary of premium exemptions

Source: MOHRSS, May 2020

Policy – China

The 2020 Government Work Report addresses people's basic living needs

On 22 May 2020, Premier Li Keqiang delivered the Government Work Report at the third session of the 13th National People's Congress. The Report urges a series of measures to meet people's basic living needs. Those include:

- raising government subsidies for basic medical insurance for rural and non-working urban residents by an average of 30 yuan per person;

- piloting inter-provincial on-the-spot settlement of outpatient bills through basic medical insurance accounts;
- increasing the basic pension for retirees and the minimum basic old-age pension for rural and non-working urban residents;
- extending the coverage of unemployment insurance to rural migrant workers and others out of work who are in the scheme less than a year;
- expanding subsistence allowances to cover all families in difficulty; and
- providing assistance to anyone who runs into temporary difficulty.

Creation of employment includes expansion of flexible employment opportunities

2020 Government Work Report emphasizes creation of employment, by stressing employment in platforms, eliminating unreasonable restrictions and charges related to employment, and supporting flexible employment in multiple channels.

New research to be carried out on survivors' benefit in Hubei Province

Survivors' benefits are paid as a lump sum according to China's central government guidelines for basic pensions. On 13 May 2020, MOHRSS "Opinions on targeted assistance to the work of human resources and social security in Hubei Province" includes research to be carried out for developing policies on survivors' benefits.

Action Plan (2020) to promote flexible employment, job sharing and gig-economy in the expanding digital economy.

In April 2020, the National Development and Reform Commission and Cyberspace Administration of China jointly released an action plan to promote flexible employment, job-sharing and gig-economy in the expanding digital economy. New jobs using digital platforms such as freelance designers, ride-hailing drivers, food deliverymen, online match-makers, online fitness coaches, freelancer photographers will be supported by social insurance

China stepped up support to jobless

In response to increasing unemployment during the epidemic, China issued guidelines to subsidize unemployed people ineligible for unemployment insurance, or whose unemployment insurance has expired. The policy aims to ensure that all unemployed people enrolled in the unemployment insurance scheme can be protected.

Previously

According to the Social Insurance Law, an unemployed person eligible for claiming **unemployment insurance benefits** have to meet the following criteria: (1) contribution at least 1 year; (2) employment discontinued against his/her will; (3) unemployment registered with the authority. Any of these criteria is not met, the person would not be qualified for the insurance benefit.

Now

Two groups of people benefit from the unemployment subsidies (up to six months):

- (1) the period of insurance benefit is expired but the person is still unemployed;
- (2) the unemployed person ineligible for claiming the insurance benefit e.g. contribution less than 1 year.

By the end of March, additional 2.3 million unemployed received unemployment insurance benefits through state support. Specific measures were also enacted to ensure greater coverage of migrant workers (see notice). 67,000 unemployed migrant workers received lump-sum payments (migrant do not contribute, only their employers contribute). By mid-April, eight provinces had specific rules and three provinces implemented the new policy.

Continuation of reduction of contributions to social insurances

20 March 2020. China has lowered the contribution rates for social insurances gradually since 2015. During the recent period, China pursued the reduction of employer contributions to ease employment promotion. State Council Opinions about Implementing Measures to Stabilize Employment and Counter the Impact of the Coronavirus Outbreak (CN) (Guo Ban Fa [2020] No.6) establishes the continuation of temporary reductions in employer contributions to unemployment insurance and work injury insurance.

- Since March 2019, China implemented a temporary policy for returning a certain percentage of unemployment insurance contributions (generally 50%) to companies that face temporary operational difficulties without implementing redundancies. The Notices prolonged this policy for another year until 31 December 2020, and allowed the return percentage to be increased to 100% for certain companies.
- Since April 2019, the State Council announced reductions in employer contributions to unemployment insurance and work injury insurance. The Notices further prolong the reductions for another year until 30 April 2021.

For example, in Hubei Province, for small and medium size enterprises, the company portion of their contributions to the mandatory pension, unemployment and work-related injury insurances are waived from February to December 2020. For large enterprises and others nongovernmental organizations, the company portion of their contributions to the mandatory pension, unemployment and work-related injury insurances were reduced by half from February to April 2020. The company portion of the mandatory medical insurance is reduced by half from February to June 2020. Social insurance and tax declaration and payments can be deferred to the end of June.

Subsidized commercial insurance for production losses also protects wages and medical fees

A new commercial subsidized insurance 'Comprehensive Insurance for Prevention and Control of Epidemics' protects enterprises against the financial liability incurred by COVID-19 infection. If employees are suspected or confirmed as COVID-19 cases and are placed under medical or quarantine measures, in which case the enterprises concerned shall pay normal wages according to the current law, the latter can claim compensation from insurance companies for at most 6000 RMB per person per month.

This insurance also covers the enterprise's liability to pay medical fees for its employees infected by COVID-19 as well as economic loss incurred by unfinished production. 70% of the insurance premium is subsidized by the financial department of the provincial government, with the rest assumed by enterprises themselves. Similar government subsidized commercial insurance is adopted by cities such as Beijing, Xuzhou and Ningbo.

Social security administration – China

Administration of unemployment insurance strengthened

The Ministry of Human Resources and Social Security opened a unified national platform for unemployment registration. Unemployed people can submit applications for unemployment registration through mobile phones, computers, check the progress of the review process, and handle unemployment registration without leaving the house. At the same time, unemployed people can also log on to online unemployment registration platforms in various places, or go to the local public employment service agencies.

Liaoning Province ensures mobile service payment for residence medical insurance

After more than a month of promotion and demonstration, the pilot work for mobile service payment for residence medical insurance was completed at the end of March and officially launched in early April. Since then, six payment methods are available including mobile banking, WeChat bank, personal online banking, agricultural cash point POS machine, ATM machine, self-service card issuing machine.

Policy – European Union

EU Study and forthcoming initiative on working conditions of platform workers in the EU

On 13 March 2020, the Commission published a study on working conditions of platform workers. The report provides an overview of the challenges individuals face in growing forms of labour. The Commission projected a conference in Brussels on platform work in September 2020 and, as mentioned in the industrial strategy, the Commission will propose an initiative to improve the working conditions of people working in the platform economy.

EU Commission proposes SURE, a New Temporary Instrument to help protect Jobs

The new instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) is designed to help protect jobs and workers affected by the coronavirus pandemic amongst European Union Members. It is a form of unemployment reassurance mechanism for European Union countries.

International Policy

Wide range of social protection measures implemented in the wake of Covid 19

Social protection monitors during Covid 19 are available from ILO, ISSA and WB/ILO/UNICEF and others (online monitors – More detailed ILO Spotlights available below under “Publications”. They show a wide array of measures implemented during the epidemic. See annex to this Monitor for a meta-survey of these surveys.

Inventory of Pension Reforms from January to April 2020

The inventory includes a review of exemptions of social security contributions in the world during the period affected by Covid 19.

Protection for occupational hazards arising from Covid 19

Covid has sometimes resulted in long-term casualties that reduced temporarily or permanently the ability to work or the capacity to perform a previous role. Employment injury funds may require medical proof that the worker diagnosed with COVID-19 has been exposed to SARS-CoV-2 at work and that the exposure is confirmed to be work-related. For that reason, some countries have rendered the criteria more flexible avoiding case-by-case analysis such as suspension of medical proof or introduced temporary benefits.

Standards

ILO Standards and COVID-19 (coronavirus) FAQ. This note provides a compilation of answers to most frequently asked questions related to international labour standards and COVID-19.

Statistics

Measuring gig work

2020. A digital single window for income data from platform work. Some EU countries have launched initiatives to obtain data on platform workers’ earnings directly from the platform companies. This report looks into the viability of an EU-level ‘Digital Single Window’ for the voluntary EU-wide automated reporting of earnings data from web-based platform work.

2019. EU Joint Research Centre Digital Labour Platforms in Europe: Numbers, Profiles, and

Employment Status of Platform Workers,

2019. Organization for Economic Co-operation and Development. Measuring platform mediated workers. OECD Digital Economy Papers, No. 282, OECD Publishing, Paris.

2018. International Conference of Labour Statisticians Geneva, 20th ed. Statistical definition and measurement of dependent “self-employed” workers. Rationale for the proposal for a statistical category of dependent contractors 1

Publications

ILO SP Spotlights

Sickness benefits during sick leave and quarantine: Country responses and policy considerations in the context of COVID-19; Sickness benefits: An introduction

Other publications

Shen, C. Johnson J. Chi, Z. Williamson J. B 2020. Does a universal non-contributory social pension make sense for rural China? International Social Security Review (Vol. 73, No. 2, 2020)

Cammeraat, E. 2020. The relationship between different social expenditure schemes and poverty, inequality and economic growth. International Social Security Review 73(2)

ILO. Forthcoming From Flexible Labor to “Sticky Labor”: A Tracking Survey of Workers in the Food-delivery Platform Economy of China. ILO RESEARCH

ILO Forthcoming. On Online digital labour platforms in China: Working conditions, prospects and policy issues ILO TRAVAIL

ILO Forthcoming. Digital Labour Platforms and Labour Protection in China. ILO Beijing.

Eurofound 2020. Telework and ICT based mobile work. European Foundation for the Improvement of Living and Working Conditions

Eurofound 2020 Scenarios for platform work in the digital age. European Foundation for the Improvement of Living and Working Conditions

Chen B, Liu T, Guo L, Xie Z. The disembedded digital economy: Social protection for new economy employment in China. Soc Policy Adm. 2020;1–15

Bin Chen, Tao Liu and Yingqi Wang, Volatile fragility: new employment forms and disrupted employment protection in the new economy, Int. J. Environ. Res. Public Health 2020, 17(5), 1531;27 February 2020

ILO 2019 Unemployment insurance schemes around the world: Evidence and policy options ILO RESEARCH

PWC 2019 Gig workers in national legislations EU Price Waterhouse Coopers Legal

World Press Review

On June 6 2020, The Royal Thai Government (RTG) estimated to spend THB350 billion for cash relief to 15 million informal workers and 10 million farmers (total 25 million people). The RTG approved 16 million registrants for the THB5,000 grant paid for three months (April – June). Farmers who registered will receive a lump sum of THB15,000. The RTG announced that people who were left out or missed the opportunity to register earlier will received same benefits of THB5,000, a total of approximately additional 8.5 million people.

23 May 2020 Lancet. The plight of essential workers during the COVID-19 pandemic News were outpouring in recognition of the value of workers who normally do not have proper labour protection coverage (eg. waste collectors, delivery workers, maids) and also the importance of quality and decent work to a country social and economic development.

20 April India. Government fast tracks plan to provide social security for gig workers. The government has held several rounds of discussions since the second week of March with existing social security providers, like the Employees Provident Fund Organisation and the Employees' State Insurance Corporation, sources said.

14 April 2020 Canada All emergency benefits applicants received payments. Since the Canada Emergency Response Benefit application process went live last Monday, many have remarked how easy it is to get approved. Every person who applies for the CERB are automatically approved, whether they qualify or not. The application takes minutes and those who set up direct deposit will receive funds within a few days. The catch is that if it is later determined the applicant was not eligible, they will have to repay the funds when taxes for 2020 are due next spring.

11 April 2020. Brazil, one of the countries with the largest contingents of informal workers in the world. Registrations for the emergency aid of BRL 600,00 offered by the federal government totalled 32.2 million Brazilians. Beneficiaries include self-employed, informal professionals and workers in intermittent inactive work

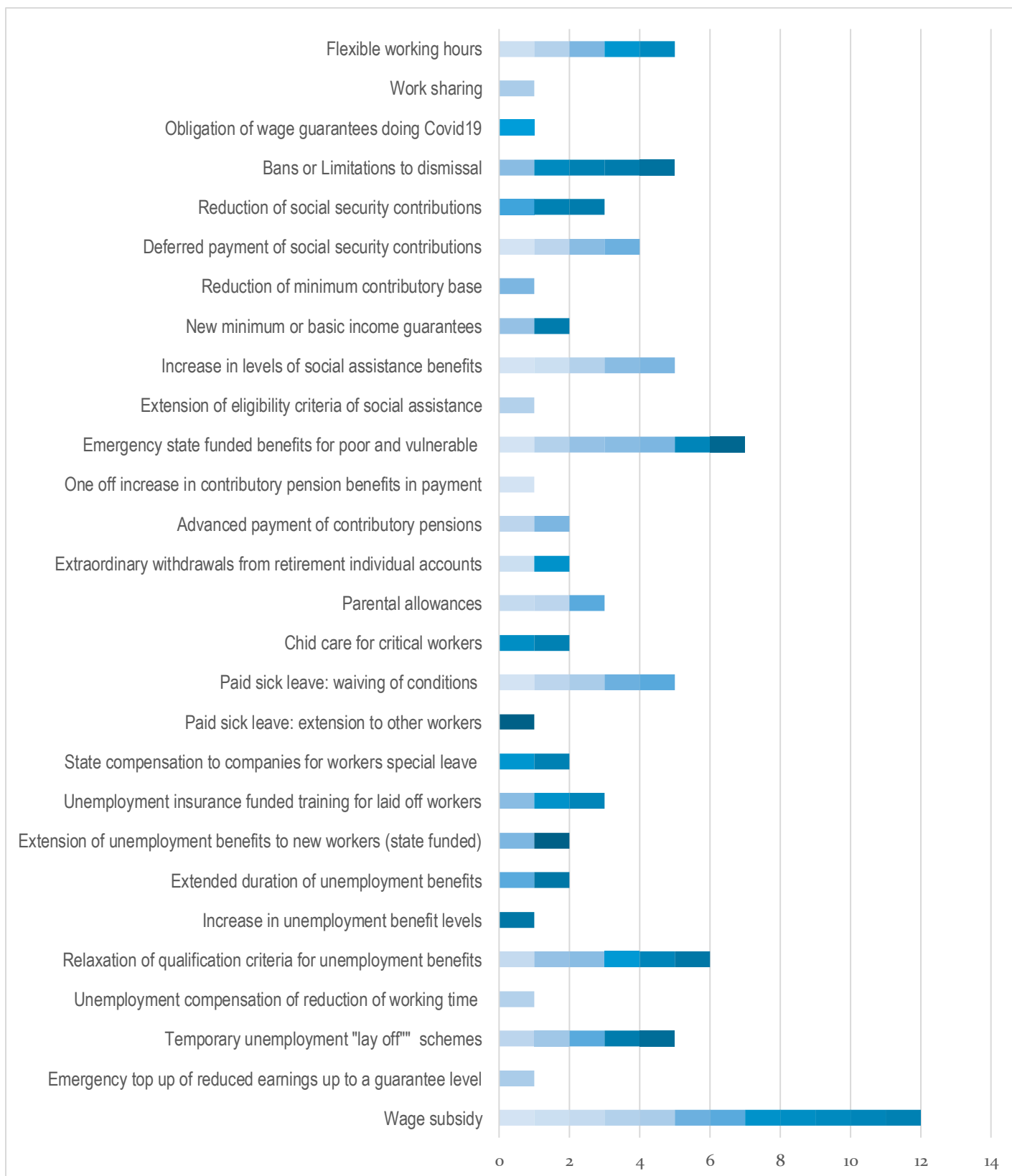
Press clips on on COVID 19 social security measures and gig workers: <https://www.business-humanrights.org/en/covid-19-highlights-lack-of-social-protections-for-gig-economy-workers>

Video

ILO Video "Adequate sickness benefits to all" (EN, FR, SP)

Examples of labour and social security Covid 19 measures

(minimum number of countries, n=27)



Sources: ILO, ISSA and WB Social protection monitors. 2020 Countries: Argentina, Austria, Australia, Belgium, Brazil, Canada, Cambodia, Chile, China, Costa Rica, France, Germany, India, Indonesia, Israel, Japan, Malaysia, Netherlands, Philippines, South Africa, South Korea, Spain, Thailand, Turkey, Italy, Pakistan, United States

Sources

<https://ww1.issa.int/coronavirus/media-monitor>

<https://www.social-protection.org/gimi/gess/ShowNewss.action?id=3>

<https://socialprotection.org/discover/news>

International Update Recent Developments in Foreign Private & Public Pensions, Social Security & Retirement https://www.ssa.gov/policy/docs/progdesc/intl_update/2019-12/index.html

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