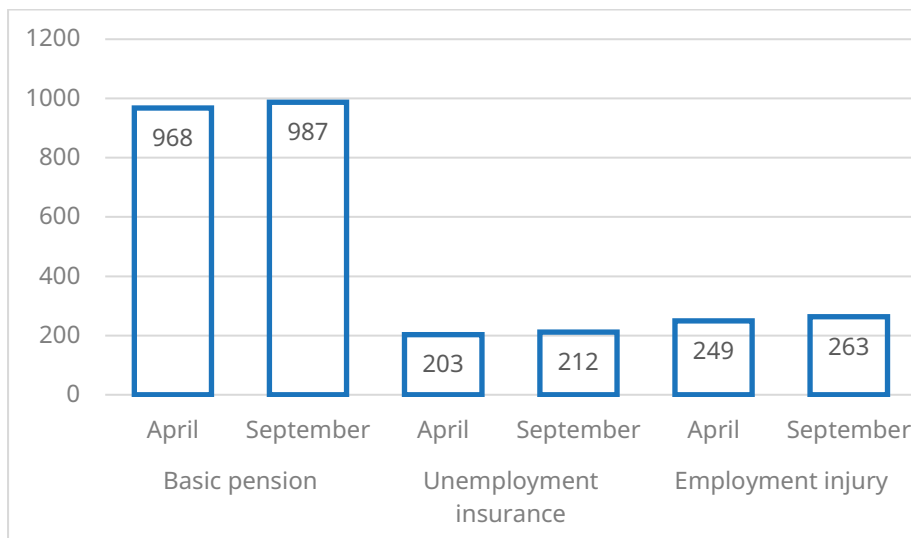# Social Security Policy Monitor China September – October 2020, Issue 4

China Social Security Barometer

Participants to social insurance (millions)

Social security cards

Source: MOHRSS, October 2020

1.325 billion holders

94.6% of the population

255 million electronic social security cards

221 regions in 27 provinces have e-social security card mobile payment

Physical social security cards include electronic chips with card holder electronic information and combine financial functions and social security functions. As an integration of social security card and bank card, the financial social security card is the identity proof for the holder to enjoy medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. More information. Electronic social security cards refer to digital, not physical social security certificates. The e-certificate contains all the digital functions of the physical card and is used for social security services online and through APPs. See more information under local policies below.

Policy – China

The 14th Five-Year Plan aims to establish a sound multi-tiered social security system

On 29 October 2020, the Fifth Plenary Session of the 19th Central Committee of the Communist Party of China approved the "Proposal on Formulating the 14th Five-Year Plan for National Economic and Social Development and 2035 Long-range Objectives". The Plan aims to:
- improve the multi-tiered social security system that covers the whole population, balances urban and rural development, and is equitable, unified and sustainable;

- promote transferability of social security and improve the mechanisms for financing and adjusting benefits of basic old-age and medical insurances;
- realize national pooling of basic old-age insurance, gradually raise the legal retirement age and develop a multi-tiered and multi-pillar old-age insurance system;
- promote provincial pooling of basic medical insurance, unemployment insurance and work-related injury insurance, improve medical insurance and social assistance system for serious diseases, implement settlement of medical expenses across regions,
- steadily establish a long-term care insurance system,
- actively develop commercial medical insurance;
- improve the social security system for workers with flexible employment;
- improve the hierarchical and classified social assistance system; and
- improve the nationwide unified social insurance public service platform.

List of supporting policies for the employment and entrepreneurship of registered unemployed persons

In October, the Ministry of Human Resources and Social Security (MOHRSS) published a list summarizing supporting policies for the employment and entrepreneurship of registered unemployed persons. The policies include employment, skill upgrading, business start-up, and basic living security (unemployment insurance and subsidies, basic social assistance, and temporary living allowance).

Expansion of the pilot program for long-term care insurance

On 10 September 2020, the National Healthcare Security Administration (NHSA) and the Ministry of Finance jointly issued the "Guiding Opinions on Expanding the Pilot Program of the Long-Term Care Insurance System", which officially launched the second round of the pilot program of the long-term care insurance system, following the first round started in June 2016. Except for Ningxia, Qinghai, Tibet, and Hainan, every province (autonomous region, municipality) has at least one pilot city for the long-term care insurance. The pilot is now extended to 49 cities. The long-term care insurance system raises funds through mutual assistance and provides services or financial guarantees for basic living care and closely related medical care for people who have long lost the ability to take care of themselves. It is regarded as the "sixth social security insurance".

Elderly care services expanded in China

China has been actively responded to aging and accelerate the development of the elderly care service industry ["13th Five-Year Plan" Achievements Tour]. There are nearly 220,000 elderly service institutions and facilities in China. "Elderly competency evaluator" becomes a new profession recently released by MOHRSS.

Proposed basic medical insurance reform will channel funds from individual accounts to communal pool

The Chinese government's plan to reform the Urban Employee Basic Medical Insurance (UEBMI) scheme will redirect half of the contributions in the scheme's individual accounts-that amount to around CNY300bn annually-to the social accounts to reimburse more outpatient cost.

Social Security Administration – China

National Social Insurance Public Service Platform

According to MOHRSS, the National Social Insurance Public Service Platform has opened up 27 social security public service items in 9 categories, including social security inquiry, unemployment insurance benefit claims, pension calculation, qualification certification etc.

"Internet +" medical services will be included in medical insurance

On 2 November 2020, NHSA issued Guiding Opinions to specify content of "Internet +" medical services that can be included in medical insurance payments. Medical institutions that provide "Internet +" medical services can apply to become designated medical institutions for medical insurance. A fair medical insurance payment policy for online and offline medical services will be implemented.

Third-generation social security cards with financial functions promoted

On 23 October 2020, MOHRSS and the People's Bank of China jointly issued a Notice to fully launch the application of the third generation of social security cards. Starting from 2021, all regions of the country will adopt the third-generation social security cards that support the SM series algorithm when issuing, reissuing, and renewing social security cards, and speed up the issuance of electronic social security cards, realizing online and offline unified services. The Notice also urged inter-departmental cooperation to explore the establishment of an "all-in-one card" for residents' services using social security cards.

Coordination between poverty alleviation efforts and basic residence pensions administration to cover 30 million poor elderly people

MOHRSS and the Poverty Alleviation Office of the State Council have established a social security poverty alleviation information sharing mechanism, which regularly compares the filed information of poor people with basic endowment insurance network data and universal participation data to provide support for accurate social security participation.

Expansion of direct settlement of outpatient expenses across provinces

On 28 September 2020, NHSA and the Ministry of Finance issued a Notice on promoting pilot work of direct settlement of outpatient expenses across provinces. It is decided to expand the coverage of pilot areas, designated medical institutions and scope of outpatient settlement.

National basic medical insurance participation information will be interconnected from 2021

On 24 August 2020, NHSA, the Ministry of Finance, and the State Administration of Taxation jointly issued the "Guiding Opinions on Strengthening and Improving Basic Medical Insurance Participation Work". It proposes the objective to significantly improve the quality of information of basic medical insurance through national interconnection, dynamic update, and real-time inquiries.

Local Policies

Hainan Province: Support the innovative development of human resources and social security

On 23 October 2020, MOHRSS officially issued the "Implementation Opinions on Supporting the Innovative Development of Human Resources and Social Security in Hainan Free Trade Port",

highlighting the integration and innovation of policies, and supporting Hainan's experimental policy measures. In terms of social security, the opinions put forward:

- Explore the establishment of an automatic enterprise annuity joining mechanism. Innovate the collective plan model of enterprise annuity, and unblock an enterprise annuity mechanism for high-level and skilled talents.
- Include the entire province of Hainan in the initial implementation scope of the third pillar of pension insurance.
- Guide Hainan to explore a new model of unemployment insurance and an occupational injury protection system for flexible workers.
- Increase financial support for Hainan's enterprise pension insurance.

Henan Province standardizes and improves provincial pooling of pension insurance

From 1 October 2020, Henan Province will realize a standardized and unified pension insurance system across the province. Pension insurance policies, fund revenue and expenditure management, fund budget management, responsibility sharing mechanisms, information systems, administrative services and incentive and restraint mechanisms will be unified across the province.

Yangzhou, Jiangsu Province guarantees the rights and interests of migrant workers

Yangzhou is exploring to establish a cooperation mechanism between work injury identification and labour inspection to protect the rights and interests of migrant workers.

Beijing started using the electronic social security card

In September, Beijing officially opened the application for electronic social security cards. With an electronic social security card, people can enjoy more than 30 national "one-network-operated" human resources and social security services. The first digital social security card was put into use in April 2018 and built on an earlier pilot program in Chinese cities such as Fuzhou and Qingdao, where local governments allowed users of Alipay, Alibaba's third party online payment service platform, to pay for social security. E-social security certificates have become popular.

Policy – European Union

EU Council conclusions on strengthening minimum income protection in the COVID-19 Pandemic and beyond

The Council adopted conclusions on strengthening minimum income protection in the EU with the aim to combat poverty and social exclusion during and after the COVID-19 pandemic. The Council recognises that minimum income schemes contribute to the social protection of the most disadvantaged groups in society, including people hardest-hit by the COVID-19 crisis. They also have a stabilising effect for the economy as a whole. The Council also acknowledges that such schemes help peoples' inclusion in employment and society. The conclusions invite the member states and the Commission to work together to implement the European Pillar of Social Rights which highlights the principle that everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring dignity at all stages of life.

The European Labour Authority coordinates its very first concerted inspection

On 21 September 2020, marks a historic moment for the European Labour Authority (ELA) – an EU

agency created in 2019 to help EU countries ensure that EU rules on labour mobility are respected.

A joint operation saw three EU countries fighting arm in arm against undeclared work in the construction sector. It kicks off the Week of Action of the very first European campaign on the benefits of declared work.

For the very first time, the European Labour Authority has supported a concerted inspection, investigating construction companies in Belgium, Lithuania and Portugal. After months of preparation and unexpected setbacks posed by the Covid-19 pandemic, ELA staff has joined labour inspectors on the field. This concerted action represents a turning point in labour inspections across Europe. The inspectors have tested shared tools and procedures developed with the European Labour Authority, thus inaugurating a new course of action in the fight against undeclared work. In the context of an increasingly interconnected European labour market, it is crucial that EU countries are united in tackling this common challenge.

EU Fair Week of Action – highlights

From 21 to 25 September, during the EU Fair Week of Action, a wide range of online events and activities promoted a culture of fair working conditions. From awareness raising activities to cross-border inspections, the message was clear: undeclared work does not pay – it's time to make the transition. Labour inspectorates, social partners and other organisations across Europe created informational videos and brochures, launched dedicated webpages, reached out to the media, organised webinars and collaborated across borders through staff exchanges and concerted inspections. #EU4FairWork campaign Online game Success stories

International Policy

Asia-Pacific Countries Endorse Action Plan To Strengthen Social Protection

On 22 October 2020 Countries in the Asia-Pacific region endorsed an action plan pledging to collectively step up regional cooperation for social protection – a timely move as governments are striving to protect people from unprecedented economic and social development setbacks wrought by the COVID-19 pandemic. The action plan was endorsed at the Sixth Session of the Committee on Social Development, hosted by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). It serves as an overarching framework for action at the national level and develops a regional platform to strengthen knowledge and capacity for broadening effective social protection coverage.

Results of Basic income trial in South Korea

South Korea's Gyeonggi Province's Youth Basic Income program reports its first results. A 2020 Basic Income Exhibition, led by the Gyeonggi Provincial Government, will be held online from 10-11 September 2020.

Vietnam increases the normal retirement age

On 20 November 2020, Vietnam's parliament adopted an amendment to the labor code that will gradually increase the normal retirement age from 60 to 62 for men and from 55 to 60 for women, starting in January 2021. The rate of the increases will be 3 months a year for men (through 2028) and 4 months a year for women (through 2035). As under the current rules, certain workers will be

able to retire up to 5 years before the normal retirement age.
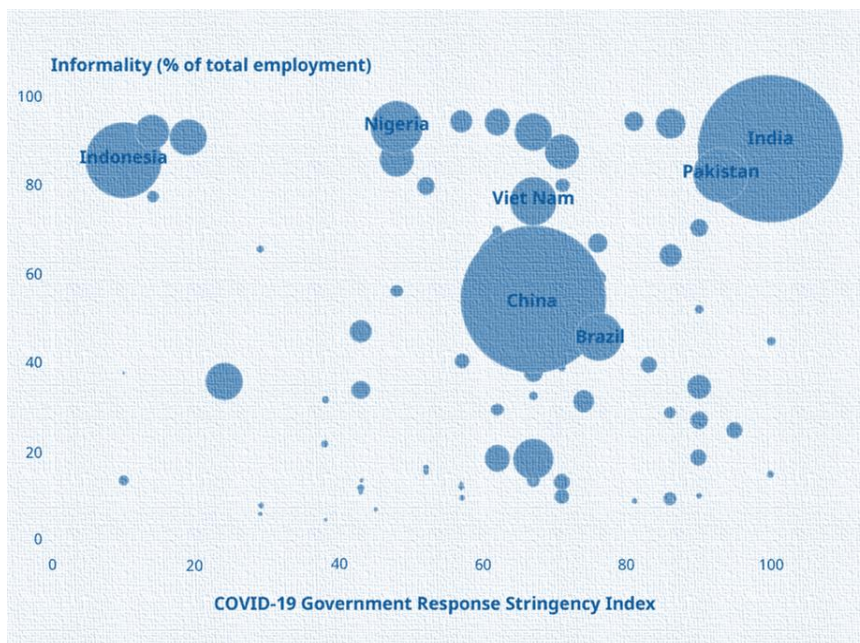
United Kingdom increases state pension age

On 6 October 2020, the United Kingdom increased the state pension age (SPA) under the country's social insurance program to age 66. Previously, the SPA for women gradually increased from age 60 in April 2010 to age 65 in November 2018 so that it matched the SPA for men. Going forward, the SPA for both men and women will gradually increase to age 67 from 2026 to 2028 and then to age 68 from 2044 to 2046. According to the government, SPA increases are necessary to ensure the economic security of pensioners and the financial sustainability of the pension system in the face of rising life expectancy. An SPA review is mandated by law at least once every 6 years to determine if additional changes are needed (with the next review due in 2023).

Estonia enacts individual account program reforms after Court Ruling

On 20 October 2020, Estonia's president enacted a law that reforms the country's individual account program after the Estonian Supreme Court ruled earlier in the day that the law was constitutional. Among other things, the law will make participation in the program voluntary for all workers, allow participants to manage their own investments, and introduce a lump-sum payment option.

Statistics

COVID-19 lockdown and other containment measures affected tens of millions of informal workers in the world since March this year. In India about 400 million workers in the informal economy are at risk of falling deeper into poverty. Lockdown measures in India, were at the high end of the University of Oxford's COVID-19 Government Response Stringency Index

Source : ILO COVID-19 Policy Monitor (7/04/20)

Note: The bubble depicts the relative size of informal workers of each country to global count, whilst y axis shows the level of informal employment in each country.

2019 Statistical Bulletin of China's Medical Security Development

http://www.nhsa.gov.cn/art/2020/6/24/art_7_3268.html

People's Republic of China's 7th national population census started

http://english.www.gov.cn/news/topnews/202011/04/content_WS5fa1fcf6c6d0f7257693ee20.html

The World Social Protection Data Dashboards (WSPDD) launched

The WSPDD provides in-depth country-level statistics on various dimensions of social protection systems, including key indicators of great interest to national policy-makers, officials of international organizations and researchers, including for the monitoring of the SDGs. Most of the data in the ILO World Social Protection Database are collected through the ILO Social Security Inquiry (SSI), the ILO's periodic collection of administrative data from national ministries of labour, social security, welfare, social development, finance, and others, complemented by existing international and national data sources, notably from the International Social Security Association (ISSA) Social Security Programs Throughout the World country profiles https://ww1.issa.int/country-profiles.

Publications

ISSA 2020 China's COVID-19 response and lessons for social cohesion and inclusive economic development International Social Security Review, Vol. 73, 3/2020

Fairworkproject 2020 The Gig Economy and Covid-19: *Looking Ahead*

EU 2020 Annual report of the Social Protection Committee

ILO 2020 Fiscal space for social protection: a handbook for assessing financing options

ILO and UNESCAP 2020 The Protection We Want: Social Outlook for Asia and the Pacific

UN 2020 United Nations Comprehensive Response to COVID-19 Saving Lives, Protecting Societies, Recovering Better

UN 2020 Social protection responses to COVID-19 in Asia and the Pacific: The story so far and future considerations (English/Chinese).

OECD 2020 Policy brief on social housing

Socioeconomic Impacts of COVID-19 in the EU

ILO 2020 Digital Labour Platforms and Labour Protection in China

OECD 2020 The territorial impact of COVID-19: Managing the crisis across levels of government

UNICEF ODI Universal child benefits: policy issues and options

UNDP 2020 Addressing the COVID-19 economic crisis in Asia through social protection

Social Protection Spotlight COVID-19 Unemployment protection in the COVID-19 crisis. Country responses and policy considerations

UNAIDS <u>UNAIDS calls on governments to strengthen HIV-sensitive social protection responses to the COVID-19 pandemic</u>

<u>Disability inclusive social protection response to COVID-19 crisis</u>

ILO Policy Brief 2020 <u>Digital channels improve access to employment support</u> to people whose jobs have been affected by COVID-19.

IDB 2019 <u>Cash transfers for pro-poor carbon taxes in Latin Amercia and the Caribbean</u>

<u>Prevent, detect, respond: How community health workers can help in the fight against covid-19</u>

Meituan 2020 <u>Report</u> on new forms of business and new professional practitioners in the life service industry

World Press Review (including China)

Uber and Lyft Drivers in California, United States of America will remain contractors

California voters carried Uber and Lyft to victory, overwhelmingly approving a ballot measure that allows gig economy companies to <u>continue treating drivers as independent contractors</u>. This has consequences for regulations across the United States.

Brazil Covid Cash Programme results in historic Poverty Low

Brazil, which has suffered one of the world's worst pandemic tolls, has responded to the crisis by carrying out <u>generous cash transfers</u> to citizens. Some 66 million people, 30% of the population, have been getting 600 reais ($110) a month, making it the most ambitious social program ever undertaken in Brazil. As a result poverty and inequality are approaching national historic lows.

Flexible work conditions and work injury 外卖骑手困于系统，系统又困于谁？

New Unemployment policies under study in South Korea

The <u>Emergency Relief Allowance (ERA), a variant of basic guarantee scheme</u> was introduced for the entire population during the April 2020 general election amid the COVID-19 crisis. The ERA was initially proposed by the government to protect those not covered by the contributory Employment Insurance Scheme (EIS). The government paid out 1 million won (US$900) to households with four members and 400,000 won (US$350) for single-person households in May. It was the first time in South Korean history that the government provided benefits regardless of social risks and needs. The one-time ERA cost 14.3 trillion won (US$12 billion) — far exceeding the total unemployment benefit outlay of 9 trillion won (US$7.6 billion) in 2019. The government also passed a law to provide means-tested unemployment allowances for six months to job seekers who are not covered by the EIS. The government is now preparing a roadmap for a universal employment insurance scheme by which all people engaged in economic activities can file for unemployment benefits if they have lost income. Whether it would follow the Danish or German system is yet undecided.

Post-COVID prognosis for gig workers in China: slow and steady improvement

With the support of MetLife Foundation, BFA Global and the China Academy of Financial Inclusion conducted <u>research to evaluate the state of economic recovery in China, particularly among gig</u>

workers, who represent one of the most vulnerable demographics due to lack of dependable incomes and benefits. We looked specifically at food delivery drivers, who represent one of the largest segments of gig workers, at 3 million people.

Video

European Labour Authority series on tackling undeclared work

https://soundcloud.com/user-176034432-237442983

Employees social security: benefits, returns, right and responsibilities

This video focuses on the benefits offered by social security institutions; advantages of social security for businesses and returns for employers in the shape of productivity of workers and improved company image; it also focuses on the registration process and ease of registration and the rights of workers to registration under Social Security law for Pakistan. https://youtu.be/J0Z0BhnGQ-4

Safe health workers, safe patients Millions of health workers risk their own health doing their daily work during the COVID-19 pandemic. Their safety affects the safety of the patients in their care. Respect for labour rights and decent conditions of work are crucial to give these frontline workers the protection they need to save lives and keep their patients safe. https://www.ilo.org/global/about-the-ilo/multimedia/video/institutional-videos/WCMS_755512/lang--en/index.htm

COVID-19 exposes food retailers as frontline workers Food retail and grocery store workers have become essential to the economy's survival and to guaranteeing food security and safety for the population. These workers, working in a labour-intensive sector now considered essential, are in many cases low-skilled workers receiving low wages and inadequate social security benefits. https://www.ilo.org/global/about-the-ilo/multimedia/video/institutional-videos/WCMS_758036/lang--en/index.htm

Disability inclusive social protection response to COVID-19 Crisis

https://www.youtube.com/watch?v=FBoUDA3FnFY

COVID-19: Protecting workers in the workplace Investment in care workers is critical now and beyond COVID-19

The home and institution-based care sector is facing severe challenges in many countries due to the COVID-19 pandemic. Sustainable investments in health and social care systems, workforces, and in decent working conditions are needed to ensure preparedness and resilience in times of crisis and beyond. https://www.ilo.org/global/about-the-ilo/multimedia/video/institutional-videos/WCMS_760090/lang--en/index.htm

The Protection We Want: Social Outlook for Asia and the Pacific https://youtu.be/a8DzfHwPpR0

UN: Temporary Basic Income for the Poorest Could Slow Pandemic

Kanni Wignaraja, Asia-Pacific director at the United Nations Development Programme, explains why an introduction of a temporary basic income for the world's poorest people could slow the surge in coronavirus cases. She speaks with Bloomberg's Yvonne Man and Rishaad https://www.bloomberg.com/news/videos/2020-09-02/un-temporary-basic-income-for-the-poorest-

could-slow-pandemic-video

South Korea's Universal Basic Income Experiment to Boost the Economy

To stimulate its pandemic-hit economy, a province in South Korea has been underlined experimenting with universal basic income programs by regularly giving out cash, no questions asked. Now, some politicians want to go national with the concept.

Sources

https://www.eastasiaforum.org/

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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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