



Developing an universal social security system in China

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Introduction

- **ILO “*WORLD SOCIAL SECURITY REPORT 2010/11*” (2011) :**
Almost all countries around the world provides a certain degree of social security service , but only a few countries set up an comprehensive social security system, social security in many countries are limited to a few projects.
- Only one-third countries of the world's, representing 28% of the population, has established a comprehensive social security system that covers all kinds of branch project in “*Social Security (Minimum Standards) Convention, 1952 (No. 102)*”
- It is estimated that only 20% of the world's working-age population (and family) really covered by a comprehensive social security system.
- China is a developing country with 1.36 billion population. Currently, China has established the world's largest and comprehensive social security system, have all branch project which defined in “*Social Security (Minimum Standards) Convention, 1952 (No. 102)*”,and achieved a universal coverage of basic medical insurance.



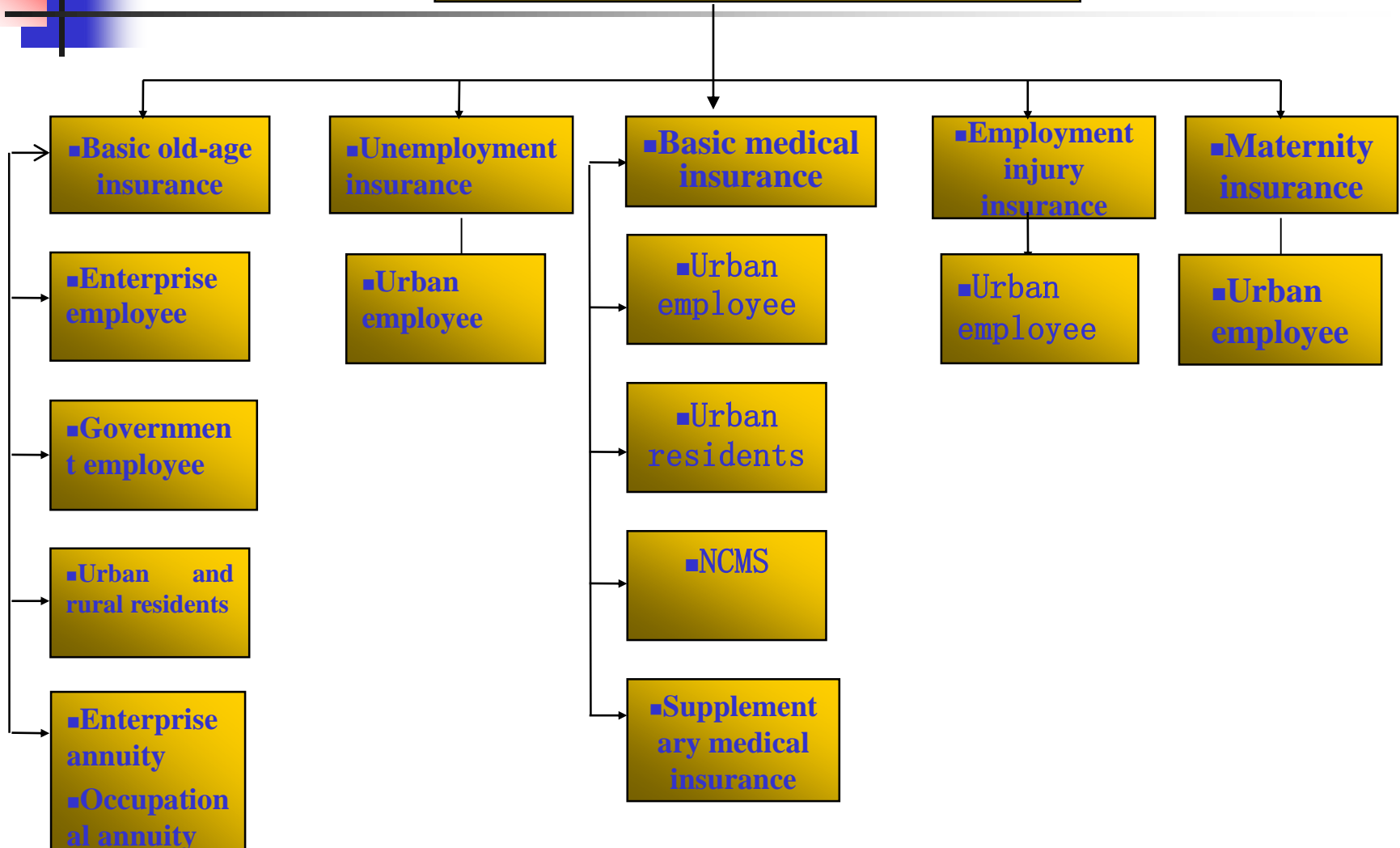
I . towards a new era of universal social security coverage

Abstract:

- At present, China has formed a comprehensive social security system which based on all kinds of social insurance, social relief and social welfare projects. Basic endowment insurance ,basic medical insurance, subsistence allowances as the fundamental part; supplemented by charity and commercial insurance, and also include Social Special Care ,military insurance, housing guarantee system .
- Among them ,the Social insurance system, which include endowment insurance, medical insurance, unemployment insurance, industrial injury insurance, maternity insurance, is the core of social security system.
- At the end of 2015,national insured number in basic medical insurance is 1.33 billion , basic endowment insurance is 840 million; the number of unified social security card is 884 million。
- In 2015,social insurance fund revenue is 4.7 trillion yuan, fund expenditure is 3.9 trillion yuan, total accumulated balance more than 5 trillion yuan.

图2

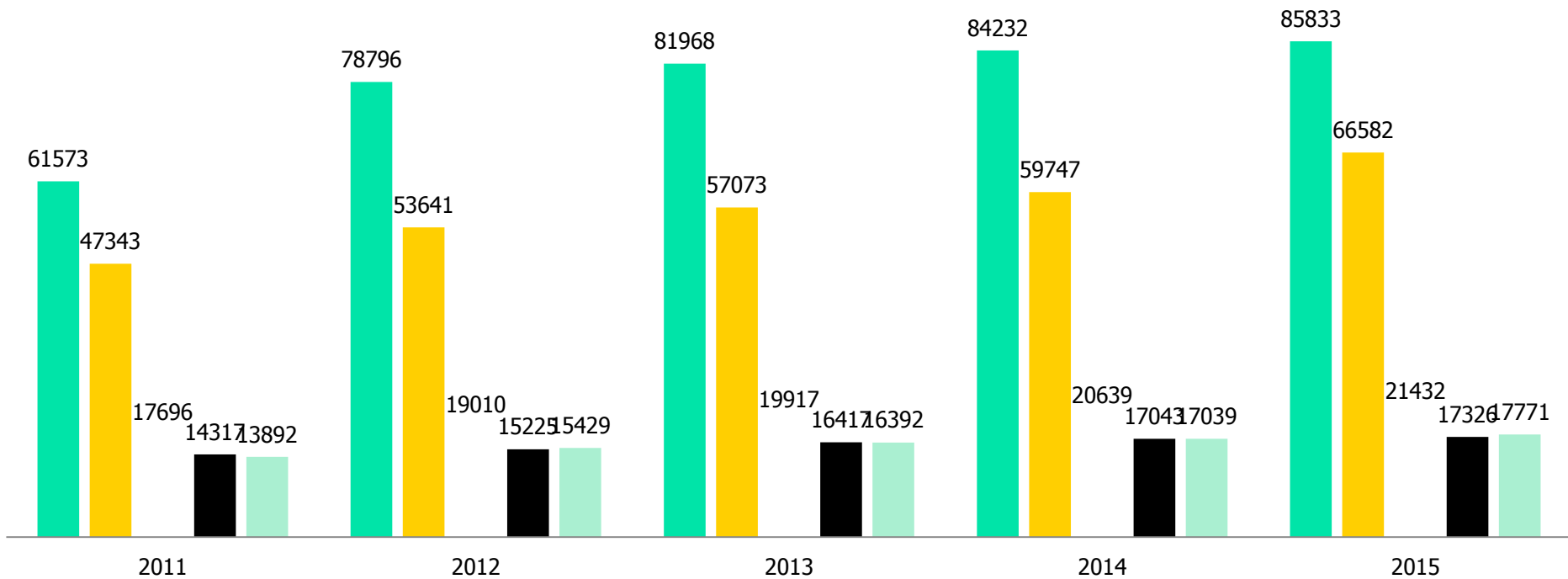
■ Social insurance system



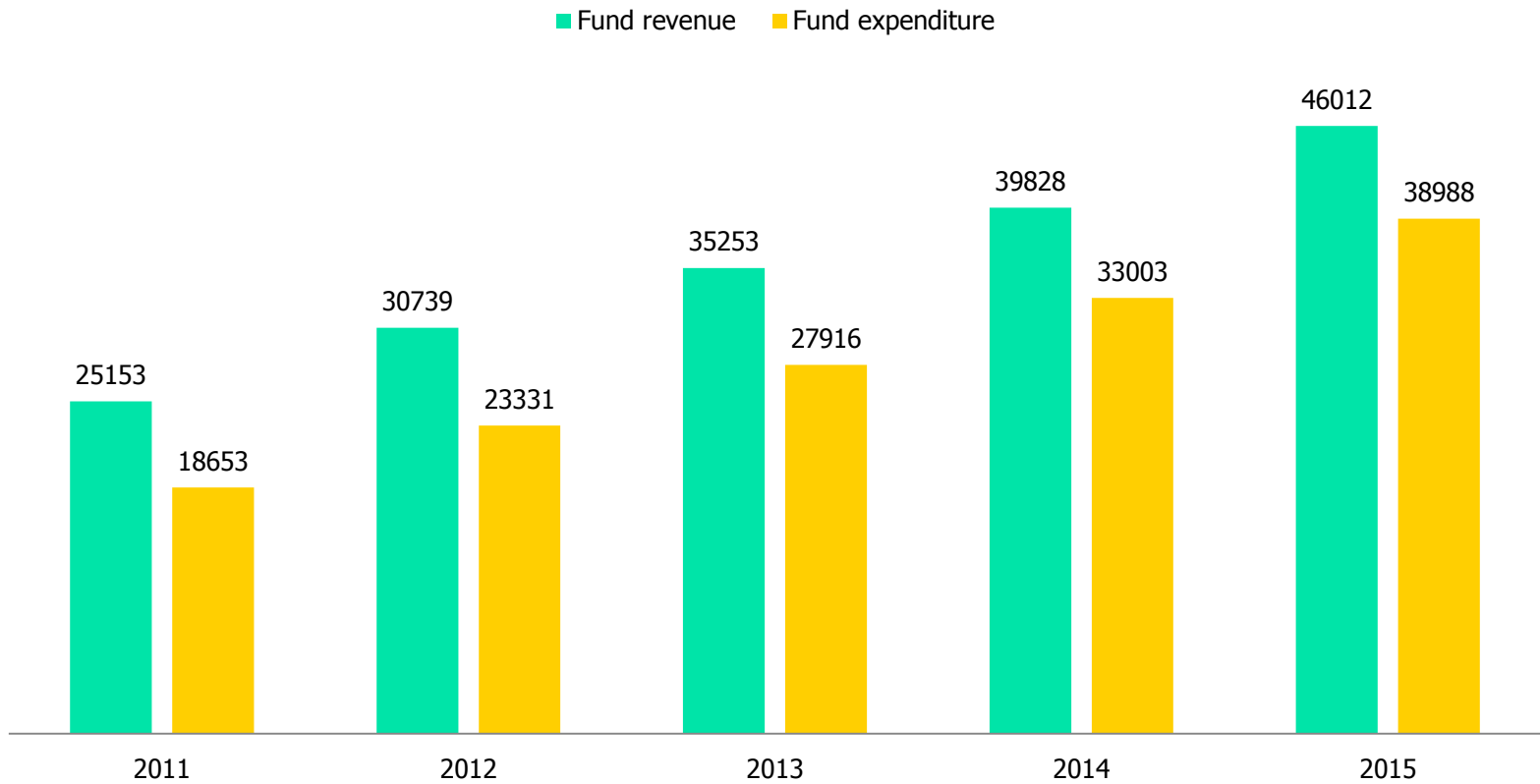
Insured number of different social insurance project(2011-2015)

unit: ten thousands

- Basic endowment insurance
- Basic medical insurance(without NCMS)
- Employment injury insurance
- Unemployed insurance
- Maternity insurance



Social insurance fund revenue and expenditure (2011-2015) (without:NCMS) unit:One hundred million yuan





(a) Current status of Basic Endowment Insurance(2015)

- **Insured number:** 858 million, coverage rate is 82%. In urban employee project is 354million; in urban and rural resident project is 505million.
- **Fund revenue :** 3.22 trillion, an increase of 16.6% over the previous year. In urban employee project is 2.93 trillion; in urban and rural resident project is 295.2 billion.
- **Fund Expenditure:** 2.8 trillion, an increase of 20.2% over the previous year. In urban employee project is 2.58 trillion; in urban and rural resident project is 223 billion.
- **Benefit standard:** In urban employee project, retiree monthly pensions per capita in 2015 reached 2270 yuan. In urban and rural resident project , beneficiary benefit is 133 yuan a month, including 117 yuan fiscal subsidies
- **Fund cumulative balances:** 3.98 trillion, an increase of 11.8% over the previous year. In urban employee project is 3.52 trillion; in urban and rural resident project is 456.4 billion.



(b) Current status of Medical Insurance

1. Universal Basic Medical Insurance coverage for urban and rural residents

- Since 2009, China achieved an universal coverage in Basic medical insurance .At the end of 2015, insured in the Basic medical insurance system more than 1.3 billion people, coverage rates more than 95%, universal health care continue to be consolidated and developed.。
- In 2015, Basic medical insurance for urban employee and resident covered 666 million, in which ,in-service employee is 214 million, retiree is 75.33 million, urban residents is 377 million。 And, New rural cooperative medical service covered 670 million。 The total insured number is 1.338 billion , coverage rate more than 98%.
- In 2015, Urban basic medical insurance total revenue is 1.11 trillion yuan, in which 920.4 billion yuan from contribution; Fund expenditure is 930.9 billion yuan; Accumulated fund is 1.25 trillion yuan.
- In 2015, New rural cooperative medical service total revenue is 328.7 billion yuan, fund expenditure is 299.4 billion yuan.



(c) Current status of Employment Injury Insurance

- Expanding coverage. Insured people from mainly state-owned enterprise employees gradually expanded to all kinds of enterprises, institutions and individually-owned business who hired workers, coverage rate of institutions over 80%.there are more than 10 provinces their civil servants join employment injury insurance. By the end of 2015, insured number is 214 million ,in which 74.89 million are migrant workers
- Guarantee capability markedly enhance: typically, employment injury insurance use a whole city insured as a risk pool, some province use a hole province insured as risk pool.In 2015, the fund revenue is 75.4 billion yuan, fund expenditure is 59.9 billion yuan, an increase of 8.6% and 6.8% respectively. At the end of 2015, the Accumulated balance is 128.5 billion yuan.
- Benefit gradually improving. In 2015, the number of identified injured is 1.076 million, finish impairment class assessment is 542000, 2.02 million people enjoy the benefit, treatment standards also increase accordingly.
- Strengthen the construction of work-related injury rehabilitation.



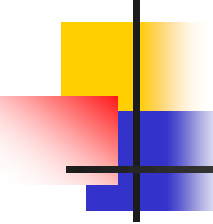
(d) Current status of Unemployment Insurance(2015)

- Insured number is 173.26 million people, an increase of 2.83 million. Among them, the number of migrant workers is 42.19 million, an increase of 1.48 million.
- At the end of 2015, beneficiary number is 2.27 million, an increase of 200000. In 2015, total beneficiary number is 4.568 million who get different period of unemployed insurance benefit, an increase of 348000 people.
- pay a one-time extra allowance for living expenses to 710000 migrant workers, who did not renew or terminate the labor.
- Fund revenue is 136.8 billion yuan, down by 0.9% over the previous year; fund expenditure is 73.6 billion yuan, an increase of 19.8% over the previous year
- Accumulated fund is 508.3 billion yuan



(e) Current status of Maternity Insurance(2015)

- Insured number is 178 million, an increase of 7.32 million over the previous year.
- Beneficiary number is 6.42million, an increase of 290000 over the previous year.
- Fund revenue is 50.2 billion yuan, expenditure is 41.1 billion yuan, an increase of 12.5% and 12.5% respectively.
- Accumulated fund is 68.4 billion yuan.



(f) Social assistance system has been covering urban and rural vulnerable group (2015)

Social assistance system has achieved legal group universal coverage 。

- **Minimum living allowance for urban residence:** Beneficiary number is 17.01 million, Average monthly benefit standard is 451 yuan/person, an increase of 9.5% over the previous year. Monthly Subsidies per capita is 317 yuan, an increase of 10.9% over the previous year. Expenditure is 71.9 billion yuan.
- **Minimum living allowance for rural residence:** Beneficiary number is 49.036 million, Average annual benefit standard is 3178 yuan/person, an increase of 14.4% over the previous year. Annual subsidies per capita is 1767 yuan, an increase of 13.8% over the previous year. Expenditure is 93.2 billion yuan.
- **Rural vulnerable group support program:** Beneficiary number is 5.17 million people, fell by 2.3% over the previous year. Government expenditure is 21 billion yuan, an increase of 10.6% over the previous year
- **Medical assistance:** number of contribution subsidy beneficiary is 66.35 million, expenditure is 6.2 billion yuan. Fiscal directly provide medical aid is 28.89 million, expenditure is 23.7 billion yuan. Entitled groups got subsidy accumulative total about 4.365 million person-time, expenditure is 3.5 billion yuan.

II . major experience on universal social security system development in China



(a) China established the national social security system development goals and action plan

- As early as 2006, China proposed the development goal of universal social security system, and plan to achieve it by 2020, which formulated and implemented “universal coverage, protect the basic benefit , multi-level, sustainable" approach, and emphasis on enhance the fairness, adapt the mobility, ensuring sustainability .
- “13th Five-Year Plan " period (2016-2020) to comprehensively promote the implementation of the social security reform measures, improve and perfect the social security system, the basic realizing a complete coverage of legal target groups, to build a more fair and more sustainable social security system, make every citizen can enjoy social security equally and legally.



(b) promote reform, improve social security system

To establish a more fair and more sustainable social security system, a series of reform measures were taken:

- Integration of social security policy and management for urban and rural residents, establishment of a unified endowment insurance system and basic medical insurance ; Fully implementation serious illness insurance.
- Reform the pension system for government employee, make an unified basic endowment insurance system for urban employee.
- Reasonable definition responsibility among the government, enterprises and individuals, perfecting the financing mechanism; Appropriate to reduce social insurance rates.
- Gradually improve the pooling level, fundamental annuities for urban employee will gradually realize the national pooling; Medical insurance, employment injury insurance, maternity insurance will gradually achieve provincial pooling.
- Establish a reasonable social security benefit definition and adjustment mechanism.
- Will operate and investment of basic endowment insurance fund.
- Reform of medical insurance payment methods, promote fund balance.
- Encourage the development of supplementary insurance, including enterprise annuity, occupational pension, supplementary medical insurance, commercial endowment insurance and health insurance, etc.



(c) implement the universal coverage scheme

- In July 2014, China launched a universal coverage plan, carry out pilot projects in some areas.
- Extended their pilot projects to around 50% regions in 2015, full implementation in 2017 .
- From 2016to 2020, it will increase 100 million insured in basic endowment insurance; By 2020, the endowment insurance coverage rate will reach 90%.
- Under the universal medical insurance coverage , focus on dual-insured and leakage problems.
- promote high-risk enterprises participate employment injury insurance , especially the migrant workers in construction enterprises, medium small and micro enterprises and self-employed who hire employees, explore to extend coverage in family oriented service enterprise, network service enterprises and the rural enterprises
- In unemployment insurance will further expand coverage, gradually achieve universal coverage.
- To further standardize the maternity insurance policy, expand coverage to all kinds of enterprises and institutions and its employees.
- Through the full implementation of universal coverage plans, promote all kinds of legal target groups universal coverage.



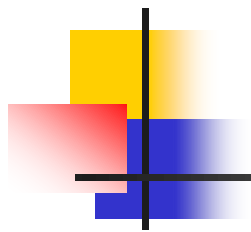
(d) more government spending on social security

- In 2015, in the national fiscal expenditure, social security and employment expenditure is 1.9 trillion yuan, accounting for 10.8% of the (\$17.6 trillion) fiscal expenditure.
- Among them, governments subsidies for the basic endowment insurance is 471.6 billion yuan, accounting for 2.68% of the financial expenditure; In recent years, the annual growth rate of financial subsidies to basic endowment insurance for urban employee is about 17%.
- Including financial subsidies for basic medical insurance more than 200 billion yuan (including 158.5 billion yuan for urban and rural residents medical insurance, Fiscal subsidies reached 380 yuan per capita.
- Fundamental annuities treatment is paid by governments ,which account for more than 85% expenditure in insurance. In addition, local government pay subsidies to insured not less than 30 yuan per insured.



Conclusion:

- China is advancing a series of reforms in social security, and constantly improve and perfect the system, gradually shift from largest system to more effective and sustainable social security system, endeavor to realize the ideal of fairness for all to enjoy social security!



Thank you !