



**Component One**

**A Research Report on  
The Situation of Female Employment and Social  
Protection Policy in China  
(Guangdong Province)**

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October, 2017

### **Abstract**

This study aims to objectively reflect the gender differences in employment and social protection policies in China. In this research, the social protection policy mainly refers to the basic old age insurance policy. The main concern of the research is female workers, especially female migrant workers. To have an in-depth understanding of the current situation of female employment and social protection policy, this project provides a detailed description and analysis based on the case of Guangdong Province.

This study report consists of four parts.

The first part introduces the framework of the current social protection system in China and the main factors that influence the rights of the old age insurance for both working men and working women.

The second part analyses the female employment, social security and old age insurance system in China. It mainly includes two sections: Firstly, on the basis of wide-ranging collection of the latest and the most comprehensive authoritative public data related to employment and social protection, particularly those involve gender

differences, this part aims to objectively present the gender differences in employment and social protection. Secondly, this part also comprehensively sorts out and analyses the basic pension insurance system at the national level in China and examine the current institutional arrangements from the perspective of gender, hoping to reveal the institutional factors that cause the gender differences.

The third part analyses the situation of female employment, the social security and the old age insurance system in Guangdong Province. It consists of two sections: Firstly, it shows the current situation of employment and the social security in Guangdong Province with descriptive statistics of data ,which would be analysed from two levels of both Guangdong Province and Guangzhou City. On the one hand, the situation of Guangdong and that of the country were compared based on the extensive collection of authoritative public data; on the other hand, a probability sampling of the data of the urban employees basic pension insurance system (UEBPIS) in Guangzhou was carried out and the current situation of urban workers' (especially migrant workers' and female migrant workers') rights to the basic pension insurance was described by gender through data analysis. Secondly, it points out the institutional characteristics and advantages of the basic pension insurance system in Guangdong comparing to the basic pension insurance system on the national level.

The fourth part is the conclusion of the study and policy suggestions.

The main conclusions of this project are as follows:

1. There are gender differences and urban-rural differences among workers in terms of employment rate, unemployment rate and wage level.

At the national level, firstly, the employment rate of urban women and rural women are lower than that of men. In recent years, the drop of employment rate of women is greater than that of men in urban areas, and the gap of employment rate between two genders in rural areas is smaller than those in urban areas. Secondly, the unemployment rate of urban female is higher than that of both rural female and urban male, and the impact of housework on women losing jobs is much bigger than on men. Thirdly, there are some gender differences and urban-rural differences in terms of labour income and self-owned asset. Data analysis indicates that men enjoy more labour

income and assets than women and generally rural women have less income than urban women. In Guangdong province, gender differences as well as urban-rural gap also exist. Data shows that the overall unemployment rate of Guangdong is at a relatively low level. The employment rate of urban residents (both genders) in Guangdong province is above the average national level, while the employment rate of rural people (both genders) is lower than the average level. Moreover, the provincial income level in Guangdong is higher than the national level, but its gender disparity is also greater than the national average level.

2. There are gender differences and urban-rural divides in terms of the coverage of social insurance and benefit levels as well. At the national level, firstly, the study analyses the general coverage rate of the social insurance programs. From 2014 to 2016, the coverage of each type of social insurance has expanded to different extent, and the coverage of the basic health insurance for urban residents has witnessed the fastest expansion. At present, the basic pension insurance and the basic health insurance cover the largest amount of people among the five social insurance programs in China and their insured population are much bigger than other insurance programs. The number of insured people of the pension insurance for urban and rural residents and the health insurance for urban and rural residents is much greater than that of the pension insurance and health insurance for urban workers. Secondly, the study analyses the coverage rate and benefit level of social insurance by gender as well as urban-rural division. The pension benefits for senior women, no matter in either urban or rural areas, are far lower than men from the same region. The health insurance covers slightly more men than women and its coverage rate is higher in rural areas than in cities. Both the work-related injury insurance and unemployment insurance also cover more men than women. In the case of Guangdong Province, the proportion of women with non-agricultural household registration status covered by both the social pension insurance and the social health insurance is higher than that of the whole country. However, the percentage of women with agricultural household registration status covered the above-mentioned two insurances is lower than that of the whole country. According to the micro data of the UEBPIS in Guangzhou, more men than women are covered while

more women than men are enjoying the pension benefits. Nevertheless, the contribution bases of women and their pension benefits level are much lower than those of men's.

3. There are gender differences and urban-rural divisions among migrant workers in terms of contribution bases and pension benefit levels.

The growth rate of migrant workers is higher than that of the whole employment workers, and the increase of female migrant workers is notable. The data of Guangzhou indicates that half of the insured population of the social pension insurance for urban workers are migrant workers but they only account for less than 2% of the pension beneficiaries. The contribution base and benefit level of migrant workers are generally lower than those of the urban counterparts. On average, female migrant workers are lower than male migrant workers in terms of contribution base and benefit level.

4. The institutional characteristic that the benefit level of the old age insurance is linked to the contribution base may cause female migrant workers to suffer double rights damage.

Although the current old age insurance seems to be gender neutral, it's unfavourable to low-income groups (including female, migrant workers, etc.). Since it follows the incentive mechanism of linking contribution base to benefit level and the regulations relating to the inter-institutional as well as inter-regional insurance transfer are not sound, women's rights to the old age insurance are damaged and female migrant workers rights are even double damaged.

The main policy suggestions of this project are as follows:

1. A universal public pension system should be established to provide equal basic old age security for all residents regardless of regions and gender.

2. The national unified management of the basic pension schemes should be achieved so as to solve the pension loss problem caused by the transfer and continuity of social insurance relationship. Before the national integration of basic pensions is realized, when the insured people in the urban areas transfer their basic pension insurance across provinces, it is suggested to make reference to the experiences of the European Union, and follow the principle of "totalling insurance periods and apportioning benefits" when calculating the pension benefit instead of transferring the

fund from the social pooling account.

3. The coverage of the social pension insurance system for low-income population (women and migrant workers) should be expanded, the entry threshold of the UEBPIS should be reduced, and the requirements of eligibility for pension benefits should be lowered.

4. The government should provide compensation for women taking care of the family by social protection policy.

5. The coverage rate of the maternity insurance should be enlarged especially for migrant workers and rural women.

6. A flexible retirement system for women should be established.

7. The statistical data should be collected and reported by gender.

8. The government should improve publicity to guide female workers, especially female migrant workers to participate in the social insurance programs, encourage more women who are eligible to join the UEBPIS at the place where they work (first choice) or at the place of their household registration (second choice), and try to be insured in one city for at least ten years.

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## **Introduction**

### **The Origin of the Study**

Gender equality itself is a social goal, and many measures used to pursue it have actually contributed to the realization of other objectives of social and economic development. Though the social and economic development would help in the long term to achieve gender equality, their short-term impacts are not always positive. The gender mainstreaming strategy regards social gender as a vital element in the evaluation of social policy and sets the realization of gender equality as one of the objectives of social policy. Gender awareness should be maintained through the whole process of policy making, implementation and evaluation. In the report of the 19th National Congress of the Chinese Communist Party held in 2017, General Secretary Xi stressed that "We must adhere to the fundamental national policy of gender equality, and protect the legitimate rights and interests of women and minor."

The Beijing Declaration adopted by the World Women Congress in Beijing in 1995 put forward the global gender mainstreaming strategy for gender equality. China is one of the 49 countries committed to social gender mainstreaming after the World Women Congress. In the past 60 years, the status of women in China is greatly improved. Promoting gender equality becomes a fundamental development goal of the Chinese government and it has been achieved in many aspects and places. Chinese national laws such as the *Constitution*, the *Women's Rights Guarantees Law*, the *Marriage Law*, the *Law of Succession* and other related policies and measures protect women's rights and interests from both legal and practical aspects. Meanwhile, various socio-economic development initiatives have also contributed to the improvement of women's status. Women's social status in China is relatively high according to the international standard, which can be demonstrated by the gender related Human Development Index (HDI) estimated by the United Nations Development Programme (UNDP) and supported by China's higher female participation rate of economic activities, higher women's life expectancy and women's marital autonomy. The gender equality and women's

development indicators research and application group of the All-China Women's Federation compiled a comprehensive evaluation index of China's gender equality and women's development based on the six aspects of health, education, economy, politics and policy participation, family and environment to evaluate the situation of gender equality and women's development of different regions in China. Its third evaluation (2005-2010)<sup>1</sup> shows that with the sustained and stable social and economic development, the overall situation of China's gender equality and women's development has showed a gradual increase and improvement trend. The total index increased by 7 points from 2005 to 2010 and health sector contributed most to the enhancement. In all these six areas, the index in health and education is far ahead of other areas.

However, at the same time, it should be noticed that the process of achieving gender equality is long and difficult. First, the social roots of gender inequality have not yet been eradicated. Gender prejudice and discrimination rooted in traditional Chinese culture for five thousand years still exist, and has changed its form of expression in different social, economic and political systems. Second, the great changes caused by the reform and open-door policy in Chinese society have led to a widening gap between genders in the field of employment and primary distribution. People have gradually realized that rapid economic growth is often accompanied by poverty and inequality and it's proved unrealistic to eliminate poverty and unequal distribution simply through economic growth. The social security system thus plays an important role in the whole development strategy since it enhances social integration, promotes social stability and the accumulation of social capital, and ultimately contributes to economic growth. International comparisons show that the late developing countries often begin to build a wide-ranging social security system at a relatively backward stage of the economic development compared with developed countries.

Social security based on risk logic is bound to formulate social policies in accordance with the logic of insurance and to assure people of their help in the event of various predictable risks. Social policy is usually designed according to the dominant

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<sup>1</sup> The first evaluation period is 1995-2004 and the second evaluation period is 2005-2006.

social gender structure. International comparisons shows that the welfare system of western countries is established based on the traditional gender division of labour, which indicates female being mother, wife and the provider of household works as well as family care while male being the source of family income. The foundation of the social policy is based on the family as the basic unit, and male higher income and favourable income tax relief are rationalized from this gender division of labour. In other words, social gender inequality has been institutionalized.

A number of social policies that China has implemented have played a very positive role in overall economic growth and social development, but the negative effects of some policies on women are often neglected or not received due attention. At present, the government has realized that social policy, especially social insurance, plays an equally significant part in socio-economic development compared to economic policies and the perception of gender equality is also gradually entering the mainstream of decision-making. In this context, systematically reviewing and analysing social protection policies, mainly gender issues in social insurance is urgent and important in order to provide an objective and useful reference for the reform and development of the institutional system and the promotion of gender equality.

## **Research Purpose and Main Contents**

1. The research purpose of this project is to objectively reflect the current gender situation in China's employment and social protection policies. In the aspect of social protection policy, this project focuses on the basic social pension insurance policy and highlights the analysis of migrant workers, especially female migrant workers as concerned group. Meanwhile, the project will highlight the specific description and analysis of the situation in Guangdong Province.

2. This study consists of four parts:

The first part introduces the framework of the current social protection system in China and the main factors that influence the pension insurance rights of both genders.

The second part analyses the female employment, social security and old age insurance system in China. It mainly includes two sections: Firstly, on the basis of wide-

ranging collection of latest and the most comprehensive authoritative public data related to employment and social protection, particularly those involve gender differences, this part objectively presents the gender differences in employment and social protection by description and analysis of the authoritative data. Secondly, this part also comprehensively reviews and analyses the basic old age insurance system at national level in China and examine the current institutional arrangements from the perspective of gender, hoping to reveal the institutional factors that cause the gender differences.

The third part analyses the situation of female employment, social security and pension system in Guangdong Province. It consists of two sections: Firstly, this part shows the current situation of employment and social security in Guangdong Province with descriptive statistics of data. On the one hand, the situation of Guangdong and that of the whole country were compared based on the extensive collection of authoritative public data; on the other hand, a probability sampling of the data of the urban employee basic pension insurance system in Guangzhou was carried out and the current situation of urban workers' (especially migrant workers' and female migrant workers') rights of basic pension insurance was objectively described by gender through data analysis. Secondly, by analysing the old age insurance in Guangdong Province, this part points out the institutional characteristics and advantages of it according to the laws and regulations at the national level

The fourth part is the conclusion of the study and provides some relevant policy suggestions.

## **Data Sources**

China has not yet included the key indicators by gender in various areas into the regular statistics of the government departments so it's difficult to obtain authoritative and comprehensive data on employment, wages and social insurance participation classified by gender through official channels. Firstly, this project widely collects the latest and most comprehensive official authoritative data in China nowadays to present the reality as objectively as possible. Secondly, this project conducts an in-depth analysis of social basic pension insurance, especially the current situation of migrant

workers and female migrant workers joining the basic pension insurance for urban workers. The main data sources of this project are as followed:

1. Public official authoritative data. The main sources of the official authoritative data consulted and used by this project include: *China Statistical Yearbook*, *China Labour Statistical Yearbook*, *China Human Resources and Social Security Yearbook*, *Statistical Bulletin on the Development of Human Resources and Social Security*, data from the Fifth National Census in 2000 and the Sixth National Census (Census data for short) in 2010, data from the Second Survey on the Status of Chinese Women in 2000 and the Third Survey on the Status of Chinese Women (SSCW data for short) in 2010, *Report of Migrant Workers Monitoring Survey*, *Guangdong Statistical Yearbook*, *Guangzhou Statistical Yearbook* and data from the Third Survey on the Status of Women in Guangdong. Besides, this study also refers to and uses the survey data of the *Women's Rights Guarantees Law* conducted by the Legal Department of the All-China Women's Federation in 2002 and the data from the National Survey on the Situation of Rural Women's Rights and Needs of Rights Protection conducted by the National Coordinating Group for the Protection of Women and Children in 2006.

Specifically, first, the Census data and the SSCW data have the most comprehensive data on employment and social insurance participation categorized by gender, but the data are slightly out-of-date since they are conducted every 10 year and the latest data is only updated to 2010. Second, the data from *China Statistical Yearbook*, *Guangdong Statistical Yearbook*, *Guangzhou Statistical Yearbook* and *China Labour Statistical Yearbook* is updated every year, where overall data on population and employment and employment data classified by gender and sectors can be obtained. Third, data and information on social insurance participation can be obtained from *China Human Resources and Social Security Yearbook* and *Statistical Bulletin on the Development of Human Resources and Social Security*, and the data of the later one is updated to 2016. However, these data do not differentiate gender. Fourth, the *Report of Migrant Workers Monitoring Survey*, updated to 2016, can provide data on total employment and employment in each sector, but without gender division neither.

2. Macro-data of the operation of the old age insurance fund in Guangzhou and

micro-data provided by the Information Centre of Guangzhou Municipal Human Resources and Social Security Bureau. Guangzhou has a large foreign population and thus complex population structure and labour structure, which is very typical. With the strong support of Guangzhou Municipal Human Resources and Social Security Bureau, a large number of micro-data have been obtained through professional sampling methods. The biggest advantage of the data is the availability of the insurance participation situation of migrant workers by gender, which is not available in the official public data.

## **Research Methods**

Both quantitative and qualitative research methods are applied in this study. From the quantitative point of view, this study carries out a descriptive statistical analysis of the secondary data, in order to objectively reflect the gender division in employment, wages and social insurance in the reality. From the qualitative point of view, this paper reviews the policy documents from the national government and Guangdong provincial government, sorts out the policy documents and development path of social insurance, especially of social old age insurance, and qualitatively analyses the institutional factors affecting gender equality.

## **Part One**

### **Framework of the Social Protection System in China and Influencing Factors of the Basic Pension Insurance Rights**

Promoting equality between men and women is a fundamental development goal of the Chinese government, which can be found in national laws such as the Constitution, the *Women's Rights Guarantees Law*, the *Marriage Law*, the *Law of*

*Succession* and other related policies and measures. As a matter of fact, since the founding of the People's Republic of China, the status of Chinese women has been significantly improved. According to the international comparison, Chinese women also have a high participation rate of economic activity and higher life expectancy, which can be proved by the gender-related Human Development Index estimated by the United Nations Development Program (UNDP).

Social insurance is the major component of the modern social security system and the main constitutional support for modern industrial society to cope with risks. Although the issue of gender interests in China's social insurance system has attracted much attention, the current social insurance system has not yet distinguished the gender differences because it is established on the assumption that male and female populations are homogeneous and have the same demand. However, the gender differences naturally exist. Any economic structure itself must have its gender structure and the characteristics of gender division of labour, the trend of gender concentration in industry, and the gender difference in income are the main contents of it. It's an objective fact that women, as a relatively vulnerable group, require to enjoy equal rights of security and equal status with men in all aspects. If this fact is ignored, then the social policy which seems to be fair to all people (regardless of men and women) might probably be unfair to women.<sup>2</sup>

The study intends to analyse and examine the current social insurance system in China from the perspective of gender. This part will give a brief introduction to the composition of China's current social insurance system, and then an analysis and explanation of the premise factors affecting the rights and interests of social insurance, especially the old age insurance, for both genders will be carried out.

## **Framework of the Social Protection System in China**

Since the 1990s, the concept of social protection has become popular in social policy research in Western developed countries, and many international organizations

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<sup>2</sup> Peng, X. Z. (2003). Social policy and gender equality: taking the analysis of China's pension system as an example. *Journal of Chinese Women's Studies*, 3.

and scholars tend to use this concept. But in China, compared to the concepts of social security, social insurance and social welfare, social protection is a concept of low utilization. It's generally accepted that social protection is a broader concept than social security that can encompass a wide variety of formal and informal forms of protection, highlighting the policy objectives to support disadvantaged groups. In short, social protection policies aim to protect individuals from the consequences of market contingencies. With China's transition to a market economy, the Chinese government has established a social insurance system as the main body of the social protection system. Therefore, the social protection system mentioned in this report mainly refers to the social insurance system. The social insurance system is a system that provides economic support to the workers who are insured when they lose or temporarily lose labour. In 2010, China introduced the *Social Insurance Law*, which clarifies the responsibility of the state to establish the basic social insurance system including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance.

The social pension (old age) insurance is a system mode that the State provides basic living guarantee for retired old people according to certain laws and regulations. At present, the main systems of the social pension insurance in China include the urban employee basic pension insurance system (UEBPIS) and the urban and rural resident basic pension insurance system (URRBPIS).

## **Influencing Factors of the Pension Insurance Rights for Both Genders**

### **Objective Factors Affecting the Rights of the Pension Insurance for Both Genders**

Before the analysis of this section, it's necessary to explain the objective factors affecting workers' rights and interests of pension insurance, so as to further analyse the system from the perspective of gender. Due to the objective differences between the sexes in biological and social aspects, the following factors have certain influence on the rights of the old age insurance for both genders:

The first is the difference of life expectancy. The average life expectancy of male is lower than that of female. According to the *World Health Statistics 2016*, in 2015,

Chinese men reached a life expectancy of 74.6 years, while women had a life expectancy of 77.6 years, with a difference of 3 years.

The second is the difference of labour participation rate. On the one hand, men's labour participation rate is generally higher than women's. In recent years, the employment rate of men and women has showed a downward trend, but the decline of female employment rate is significantly higher than that of male. On the other hand, women are more engaged in informal employment and there is occupational isolation.

The third is the difference of labour remuneration (including working hours and wage rate). Women's working hours are lower than men's, so as their wage rate. As a result, women's wage income is much lower than men's.

The fourth is the differences of retirement age. According to the current retirement policy in China, under normal circumstances, the retirement age of women is 50 years old (female workers) or 55 years old (female cadres) and men is 60 years old.

## **Institutional Factors Affecting the Rights of the Pension Insurance for Both Genders**

### **1. Institutional pattern of the pension insurance**

At present, there are mainly three kinds of institutional pattern of the pension insurance in the world, including the pay-as-you-go (PAYG) system, the total fund accumulation system and the partial fund accumulation system which is implemented in China. Generally speaking, the income redistribution function of the pay-as-you-go system is stronger, which is more favourable for the low-income female while the total fund accumulation system tends to adopt the form of 'individual account' based on the defined contribution (DC), which is more favourable for the high-income male.

## **2. Calculation and providing methods of the pension benefits**

There are basically two kinds of calculation and providing methods of the pension benefits: one is not associated with employment income (also called as national universal pension, minimum living pension), the other is associated with employment income (also named as employment-related pension, income-related pension and contribution-related pension). The national universal pension means that the amount of pension is the same regardless of the employment income level of the pensioners and the length of their employment. The minimum living pension refers to the benefits of pension based on the poverty line, and anyone under the poverty line can get the allowance. The employment-related pension, income-related pension and contribution-related pension refer to pension benefits related to the length of employment, wage income and premium respectively, which means that the longer you have been employed, the higher your income and premium and the longer you pay the premium, the more pension you can get. However, "Women are disadvantaged in any old age security arrangements based on income and employment."<sup>3</sup> Generally speaking, the positive income redistribution function of the calculation and providing method not associated with employment income is relatively strong, which is comparatively beneficial to the female insured groups with low income and short seniority while the calculation and providing method associated with employment income is comparatively beneficial to the male since they have high income as well as long seniority.

## **3. Regulations on pension eligibility requirements**

Different countries have different regulations on the requirements for workers to obtain pension benefits. In general, the eligibility requirements mainly include age, seniority, years of contribution, years of residence and other factors. Generally speaking, it is more favourable for women if the eligibility requirements are age and years of residence while more adverse to women if the eligibility requirements are seniority and years of contribution.

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<sup>3</sup> World Bank. (1996). *Averting the Old-Age Crisis*. Beijing: Chian Financial and Economic Publishing House

#### **4. Others**

Some other regulations on the social pension insurance would also affect the rights for both genders. For example, the design of the survivor annuity will be beneficial to women because the 'survivor annuity' often appears as widow annuity and the survivor annuity are approximately 60% of the original spouse's annuity. Another example is that the regulations on keeping the pension benefit increase in line with the wage level of the serving employees are beneficial to women who retire earlier.

## Part Two

# Analysis of Women's Employment, Social Security and the Pension Insurance System in China

## Gender Differences in Employment and Social Security in China

### Employment

In 2016, the national employment personnel reached 776 million, among them the urban employment personnel was 414 million. Since 2014, the average annual growth rate of national employment and urban employment in China is 0.2% and 2.7% respectively.

**Table 1: The situation of employment in China from 2014 to 2016 (Unit: million people)**

Subject	By the end of 2014	By the end of 2015	By the end of 2016
National employment	77253	77451	77603
Urban employment	39310	40410	41428

Sources: Statistical Bulletin on the Development of Human Resources and Social Security 2014, 2015, and 2016

### 1. Employment

Firstly, the data from the Sixth National Census shows that in 2010, among the employees aged 16 and above in China, women accounted for 44.7% and the female employment rate (the proportion of female employees to the population at their working age) is 61.7%. The following information can be found in Table 1 and Table 2:

a. The overall situation of employment rate. In 2010, women's employment rate was 69.9%, 13.8% lower than men's employment rate which was 83.7%. Compared with 2000, the employment rate of both genders had declined, but the decline of women's employment rate in recent 10 years (7%) has been greater than that of men's (4%).

b. The employment rate of urban female. The employment rate of urban female aged 16-59 in 2010 was 60.1%, 1.3% lower than that in 2000. According to the data

from the Sixth National Census, Table 2 presents the employment situation of three age groups. In 2010, the employment rates of urban men and women aged 16-49 were 79.4%, 65.3% respectively, aged 16-54 is 79.5%, 63% respectively and aged 16-59 were 78.2%, 60.1% respectively. Meanwhile, the employment rate of urban women aged 16-59 was 5.2% lower than that of 16-49 years old, and the gender difference in employment rate was expanded from 18.1% to 14.1% at the age of 16-49 to 16-59. According to China's retirement policy, in general, the statutory retirement age for women is 50 or 55 years old, while statutory retirement age for the male is 60 years old, so it can be seen that the largest gender gap in urban employment rate was 18.1% in the age group of 16-59, and the minimum was 14.1% in the age group of 16-49.

**Table 2: Urban employment rate categorized by age and gender**

	16-49 years old	16-54 years old	16-59 years old
Urban male	79.4%	79.5%	78.2%
Urban female	65.3%	63%	60.1%
Gender difference (male- female)	14.10%	16.50%	18.10%

Sources: The original data comes from the Sixth (2010) National Census data

c. The employment rate of rural female. In 2010, the employment rate of rural female aged 16-59 was 81.3%, 8.2% lower than that of rural male of the same age (89.5%). Compared with 2000, the employment rate of rural female aged 16-59 fell by 4.1%.

Secondly, the data from the Third Survey on the Status of Chinese Women (see Table 3) shows that in 2010, among the population aged 16-64, the employment rate of all female was 71.1%, urban female was 60.8% and rural female was 82% while the employment rate of all male was 87.2%, urban male was 80.5% and rural male was 93.6%.

**Table 3: Employment rate categorized by gender in 2010**

	Employment rate of population aged 16-59 categorized by gender			Employment rate of population aged 16-64 categorized by gender		
	Average	Urban	Rural	Average	Urban	Rural
Female	69.9%	60.1%	81.3%	71.1%	60.8%	82%
Male	83.7%	78.2%	89.5%	87.2%	80.5%	93.6%
Gender difference (male-female)	13.80%	18.10%	8.20%	16.10%	19.70%	11.60%

Sources: the employment rate data of population aged 16-59 comes from the Sixth National Census data; the employment rate data of population aged 16-64 comes from the Third Survey on the Status of Chinese Women.

## 2. Unemployment

According to the data from the Statistical Bulletin on the Development of Human Resources and Social Security, by the end of 2016, the total registered unemployment population in urban China reached 9.82 million and the urban unemployment rate was 4.02%. From 2014 to 2016, the number of unemployed persons increased by an average percentage of 1.6% annually. However, as the urban employment population grew faster, the registered urban unemployment rate dropped year by year, with a decline of 0.07% in 2014-2016.

**Table 4: Registered unemployment population and unemployment rate in urban China from 2014 to 2016 (Unit: 10 thousand people)**

Subject	By the end of 2014	By the end of 2015	By the end of 2016
Urban registered unemployment	952	966	982
Urban registered unemployment rate	4.09%	4.05%	4.02%

Sources: Statistical Bulletin on the Development of Human Resources and Social Security 2014, 2015, 2016.

a. Overall unemployment rate (the proportion of unemployed persons in the population of labour participation). The Sixth National Census data<sup>4</sup> shows that in 2010, the unemployment rate of Chinese women aged 16-59 was 3.4%, 1.2% higher than the male unemployment rate (2.2%). Meanwhile, the unemployment rate of urban women, which was 5.6%, was higher than that of rural women, which was 1.4%.

b. Urban unemployment rate categorized by age. As can be seen from Table 5 and

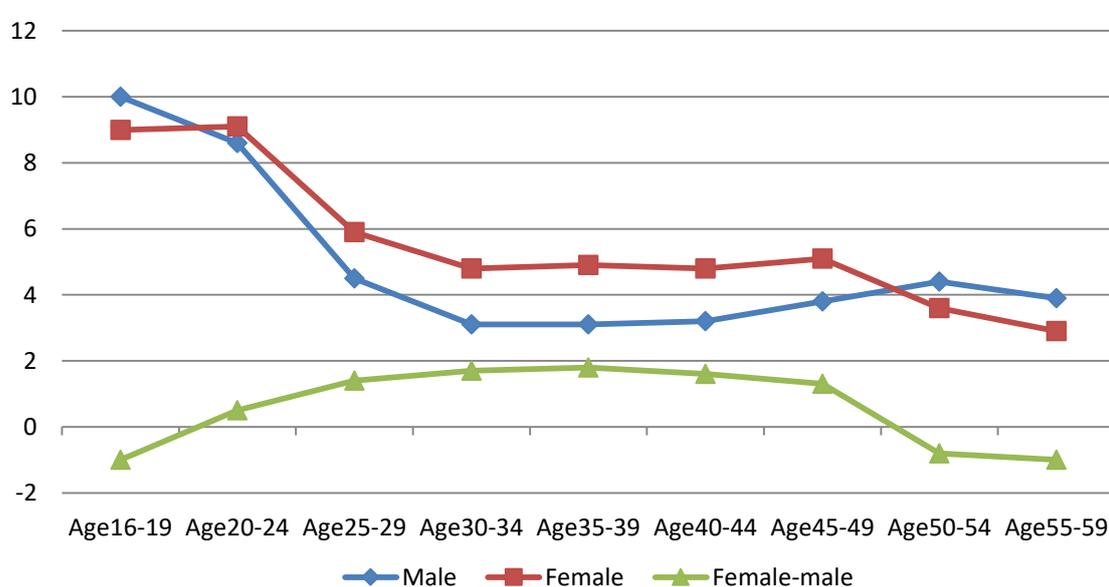
<sup>4</sup> The unemployed in the Sixth National Census refers to people who have no jobs, have been looking for jobs in the past 3 months, and are able to start their work within two weeks if there is a proper job.

Figure 1, the unemployment rate of women aged 20-49 was higher than that of men in urban areas, and the gender gap in unemployment rate increased with age, maximizing at the age group of 20-49 and then gradually declined. For the 16-19 and 50-59 age groups, urban women's unemployment rate was lower than men's. One possible reason for the fast falling unemployment rate of these two age groups is that the 16-19 age group of female, who have not yet reached the marriage age, is more popular in the labour market and the women aged over 50 begin to retire and have less family burden since their children have grown up.

**Table 5: Urban unemployment rate categorized by age and gender in 2010 (Unit: %)**

	Age 16-19	Age 20- 24	Age 25- 29	Age 30- 34	Age 35- 39	Age 40- 44	Age 45- 49	Age 50- 54	Age 55- 59
Male	10	8.6	4.5	3.1	3.1	3.2	3.8	4.4	3.9
Female	9	9.1	5.9	4.8	4.9	4.8	5.1	3.6	2.9
Female- male	-1	0.5	1.4	1.7	1.8	1.6	1.3	-0.8	-1

Sources: the Sixth (2010) National Census data



**Figure 1: Urban unemployment rate categorized by age and gender and gender differences in 2010**

### 3. Industry distribution and occupation distribution of employed population

#### a. Industry distribution

The information on industry distribution of employed population can be obtained from the Sixth National Census data (see Table 6).

First, from the perspective of industry composition, firstly, it reflects that China is a big agricultural country. Agriculture, forestry, animal husbandry, fishery and water conservancy are the major industries that attract female and male employment. In 2010, 53.2% of women and 44.4% of men were working in these industries. Secondly, it reflects that China is a big manufacturing country with 16.6% of women and 17.1% of men occupied in manufacturing industry. Lastly, women have a higher industry concentration than men. The population of men and women in their top three major employment industries was 70% and 80.8% of the total employed population of men and women respectively. Second, from the perspective of gender composition, the sectors that dominated by male employees mainly are construction (85.6%), transportation, warehousing and postal services (83.7%), mining (82.3%), supply of electricity, heat, gas and water production (71.4%). On the contrary, sectors such as health, social security and social welfare (59.6%), education (55.5%), accommodation and catering (53.8%) and wholesale and retail trade (52.8%) are dominated by female employees.

**Table 6: Industry distribution of employed population categorized by gender in 2010**

(Unit: %)

The sixth National Census data Industry	Gender composition		Gender composition	
	Female	Male	Female	Male
Agriculture, forestry, animal husbandry, fishery and water conservancy	53.2	44.4	49.2	50.8
Mining	0.4	1.7	17.7	82.3
Manufacturing	16.6	17.1	44	56
Supply and production of electricity, heat, gas and water	0.4	0.9	28.6	71.4
Construction	1.8	8.5	14.4	85.6
Wholesale and retail trade	11.0	7.9	52.8	47.2

Transportation, warehousing and postal services	1.3	5.4	16.3	83.7
Accommodation and catering	3.3	2.3	53.8	46.2
Information Transmission, Computer Services and Software Industry	0.6	0.7	40.2	59.8
Financial industry	0.9	0.7	49.6	50.4
Real estate industry	0.5	0.8	36.4	63.6
Leasing and business services	0.6	0.8	38	62
Scientific research, technical services and geological prospecting industry	0.2	0.4	34.3	65.7
Water conservancy, environment and public facilities management	0.3	0.4	41.5	58.5
Residential services and other services	2.0	1.9	46.5	53.5
Education	2.9	1.9	55.5	44.5
health, social security and social welfare	1.6	0.9	59.6	40.4
Culture, sports and entertainment	0.5	0.4	46.1	53.9
Public administration and social organization	1.9	3.1	32.3	67.7
Total	100	100	49.2	50.8

Sources: The original data comes from the Sixth (2010) National Census data

The data on the industry distribution<sup>5</sup> of employed population in urban work units can be obtained from *China Labour Statistical Yearbook* (see Table 7).

First, from the perspective of industry composition, among the 19 industries, the sectors that attract most of the female urban workers are manufacturing (32.4%) and education (13.9%), which absorbed 46.3% of urban employment women. Second, from the perspective of gender composition, among the 19 industries, the sectors that dominated by female employees are health and social work (62.4%), accommodation and catering (56.1) and education (52.5%) while the sectors that dominated by male employees are construction (81.5%), transportation, warehousing and postal services (73.9%) and mining (81.5%).

<sup>5</sup> The industries are categorized differently in the Sixth National Census data and *China Labour Statistical Yearbook* and the differences are marked with italics in the table.

**Table 7: Industry distribution of employed population in urban units categorized by gender in 2014 (Unit: %)**

The Yearbook data Industry	Gender composition		Gender composition	
	Female	Male	Female	Male
Agriculture, forestry, animal husbandry, fishery and water conservancy	1.6	1.5	36.8	63.2
Mining	1.7	4.1	18.5	81.5
Manufacturing	32.4	26.6	40.4	59.6
Supply and production of electricity, heat, gas and water	1.7	2.5	27.8	72.2
Construction	4.8	22.2	10.8	89.2
Wholesale and retail trade	6.9	3.7	50.7	49.3
Transportation, warehousing and postal services	3.4	5.4	26.1	73.9
Accommodation and catering	2.5	1.1	56.1	43.9
Information transmission, software and information technology services	2.0	1.7	39.4	60.6
Financial industry	4.4	2.4	50.8	49.2
Real estate industry	2.3	2.2	37.1	62.9
Leasing and business services	2.3	2.6	32.9	67.1
Scientific research, technical services and geological prospecting industry	1.9	2.4	30.5	69.5
Water conservancy, environment and public facilities management	1.7	1.4	40.3	59.7
Residential services, repairs and other services	0.5	0.4	40.5	59.5
Education	13.9	7.0	52.8	47.2
Health and social work	7.7	2.6	62.4	37.6
Culture, sports and entertainment	1.0	0.7	44.7	55.3
Public administration, social security and social organization	7.4	9.5	30.2	69.8
Total	100	100	35.8	64.2

Sources: The original data comes from the *China Labour Statistical Yearbook 2015*

#### b. Occupation distribution

First, the Sixth National Census data reveals a situation that the overall

occupational level of Chinese women is generally lower than men. In the composition of the Chinese female occupations, the heads of state organs, party and mass organizations, enterprises and institutions accounted for 1%, professional technical staff accounted for 7.8% and other staff and related personnel accounted for 3.2%, which means Chinese 'white-collar' women only accounted for 12% of the whole female employed population if the above 3 types of occupations are regarded as 'white-collar'. The proportion of 'Blue-collar' including agricultural, forestry, animal husbandry, fishery, water conservancy production personnel (53.2%), production and transport equipment operators and related personnel (15.9%) and commercial service personnel (18.7%) was up to 87.9% in total while others which are hard to be classified accounted for 0.1%. The proportion of women who are white-collar workers was lower than that of male (13.6%), whilst the proportion of 'blue-collar' was higher than that of male (86.2%).

Second, the data from *China Statistical Yearbook* (see Table 8) shows that the proportion of women employed in urban work units was relatively low, and in state-owned units was low as well. In 2014, women accounted for 48.8% in China's total population and 35.82% in urban employment. Besides, 39.75% of employees of the state-owned units were women.

**Table 8: Gender composition of population and employment in China in 2014**

(Unit: 10 thousand people)

Subject	Total	Female	Proportion of female to total
Total population	136782	66703	48.80%
Employment in urban units	18277.8	6546.2	35.82%
State-owned units	6312.3	2509	39.75%
Urban collective-owned units	536.7	173.1	32.25%
Other units	11428.8	3864.1	33.81%

Sources: *China Labour Statistical Yearbook 2015*

c. Female non-agricultural employment. Non-agricultural employment has higher economic returns and better social security. 'Narrowing the gap between non-

agricultural employment of men and women, guiding and supporting the orderly transfer of rural women to non-agricultural industries' is one of the important objectives of the *China National Program for Women's Development (2011-2020)*. First, from 1990 to 2010, the non-agricultural employment rate of both men and women has been significantly improved but the non-agricultural employment rate of men has always been higher than that of women, and the gender gap was expanded more significantly in 2010. According to the Fourth, Fifth and Sixth National Census data (see Table 9), the non-agricultural employment rates of men and women were 33.5%、39.4%、55.7% and 25%、31.1%、46.8% in 1990, 2000, 2010 respectively.

**Table 9: Non-agricultural employment rates categorized by gender in different years**

	1990	2000	2010
Male	33.5%	39.4%	55.7%
Female	25%	31.1%	46.8%
Gender difference (male-female)	8.50%	8.30%	8.90%

Sources: The original data comes from the Fourth (1990), Fifth (2000) and Sixth (2010) National Census data.

Second, in the rural employed population, the proportion of male non-agricultural population is higher than that of female, and the experience as migrant workers has a positive impact on the proportion of female non-agricultural labour. Data from the Third Survey on the Status of Chinese Women shows that among the rural employed population, the proportion of male engaged in non-agricultural work (36.8%) was higher than that of female (24.90%) in 2010. Experience as migrant workers has a significant impact on the percentage of women being engaged in non-agricultural work. The proportion of female migrant workers returning home to be engaged in non-agricultural work (37.8%) was 16.3% higher than that of women without migrant experience (21.5%).

#### **4. Situation of unemployed population**

a. Overall situation. The Sixth National Census data indicates that among the

female population aged 16 and above, 36.3% were unemployed<sup>6</sup>, which was 14.4% more than men. Data from the Third Survey on the Status of Chinese Women shows that the composition of urban unemployed women included housewives (69.30%), the unemployed (13.30%) and students (6.40%).

#### b. Reasons of urban unemployment

First, in terms of the overall population, the proportion of unemployment caused by housework was 24%. Only 3.8% of men were unemployed due to this reason while up to 37.9% of women were out of work due to housekeeping. According to *China Labour Statistics Yearbook*, the classification of the reasons that led to the urban unemployment includes retirement, housework, no work after graduation, loss of work due to the unit, loss of work due to personal reasons and the expropriation of contracted land etc. Among all these reasons, housework has the greatest influence on the differences of unemployment between male and female. Table 10 lists the unemployment caused by housework in each age group in 2014.

Second, in terms of each age group, the age groups of unemployed women affected most by housework are age 35-39 (53.3%), age 30-34 (45.8%), age 40-44 (45.5%) and age 45-49 (44%) successively. It is easy to see that, on average, women aged 30-49 bear rather heavy housework. The age group of unemployed men affected most by housework is 65 and above, which is merely 10%.

**Table 10: Urban unemployment caused by housework categorized by age and gender**  
(Unit: %)

Age group	Proportion of unemployment caused by housework			Age group	Proportion of unemployment caused by housework		
		Male	Female			Male	Female
Total	24	3.8	37.9	40-44	32.9	5.7	45.3
16-19	2.8	1.4	5.4	45-49	32	7.6	44
20-24	7.5	0.7	14.9	50-54	18	4.3	32
25-29	21.6	2.6	33.3	55-59	14.9	5.7	31
30-34	33.7	3.6	45.8	60-64	18.9	7.1	41.2
35-39	40.3	4.9	53.3	65+	17.8	10	36

Sources: China Labour Statistical Yearbook 2015

<sup>6</sup> Unemployed population refers to the population who is not engaged in social labour work, including students, no work after graduation, job loss, housework, incapacity and retirement.

Third, whether there is a child is an important factor affecting the mother's employment, and the conflict between work and child care affects young mothers' participation in social labour with income. Data from the Third Survey on the Status of Chinese Women presents that in urban and rural areas, mothers aged 25-34 with children under 6 years old are 72% and 79.7% respectively, which is 10.9% lower than those in urban areas (82.9%) and 6.7% lower than those in rural areas (86.4%) who are at the same age and have no young children (Table 11). The data reveals that raising a child has a strong negative impact on urban women's employment.

**Table 11: Employment rate and differences of women aged 25-34 with/without children aged 6 and under**

	With young children	Without young children	Difference of employment rate
Urban female	72%	82.9%	10.9%
Rural female	79.7%	86.4%	6.7%

Sources: the Third Survey on the Status of Chinese Women

## 5. Migrant workers status

a. Population of migrant workers. *The Report of Migrant Workers Monitoring Survey* shows that the total number of migrant workers is increasing, and its proportion of the national employment also continues to increase, with growing percentage of female migrant workers.

As shown in Table 12, by the end of 2016, there were 281.71 million migrant workers, accounting for 36.6% of the employed nationwide. During 2014-2016, the increment of migrant workers reached 7.76 million, with an average annual growth rate of 1.41% while the national employment increased by only 3.5 million, with an average annual growth rate of merely 0.23% over the same period. The proportion of migrant workers in the national employment increased from 35.5% in 2014 to 36.3% in 2016, reaching an increment of 0.8%. Meanwhile, the proportion of women in the migrant workers increased from 33% in 2014 to 34.5% in 2016, reaching an increment of 1.5%. The situation mentioned above is due to the continued increase in the proportion of local migrant workers in the whole migrant workers population and the relatively high

percentage of local female migrant workers.

**Table 12: Employment of migrant workers (10 thousand people) and the proportion of female migrant workers (%) in 2014-2016**

	2014	2015	2016
National employment	77253	77451	77603
Migrant workers employment	27395	27747	28171
Female	33%	33.60%	34.5%
Local migrant workers	10574	10863	11237
Female	34.9%	35.90%	37.2%
Foreign migrant workers	16821	16884	16934
Female	31%	31.20%	31.7%

Sources: The Report of Migrant Workers Monitoring Survey 2014, 2015, 2016

b. Industry distribution of migrant workers' employment. According to data from 2016, more migrant workers were employed in the secondary industry than in the tertiary industry. However, since 2014, the proportion of migrant workers' employment in the second industry continued to decline, while the proportion of employment in the tertiary industry continued to rise.

Since 2014, the proportion of migrant workers engaged in the secondary industry dropped from 56.6% in 2014 to 52.9% in 2016, with a decrease of 3.7% whilst the proportion of migrant workers engaged in the tertiary industry rose from 42.9% in 2014 to 46.7% in 2016, with an increase of 3.8%. Thereinto, employment of migrant workers in the secondary industry is mainly concentrated in the manufacturing and construction industries. In the employment of the tertiary industry, the share of migrant workers in the fields of wholesale and retail trade and residential services is on the rise while the share in the fields of transportation, warehousing and postal services and accommodation and catering industries is on the decline (Table 13).

**Table 13: Industry distribution of migrant workers' employment (Unit: %)**

Industry	2014	2015	2016
Primary industry	0.5	0.4	0.4
Secondary industry	56.6	55.1	52.9

Manufacturing	31.3	31.1	30.5
Construction	22.3	21.1	19.7
Tertiary industry	<b>42.9</b>	<b>44.5</b>	<b>46.7</b>
Wholesale and retail trade	11.4	11.9	12.3
Transportation, warehousing and postal services	6.5	6.4	6.4
Accommodation and catering	6.0	5.8	5.9
Residential services , repairs and other services	10.2	10.6	11.1

Sources: The Report of Migrant Workers Monitoring Survey 2014, 2015, 2016

c. Industry distribution and intention to stay in city of female migrant workers. Data from the Third Survey on the Status of Chinese Women shows that 87.9% of migrant women are engaged in paid jobs, and their working industries are mainly manufacturing and service industries at present. 46.9% of these female migrant workers hope to stay in the city, and among them, 48.8% of those who are 30 years old and under prefer to seek personal development opportunities in towns. Besides, 74.3% of those women return to their hometown because of marriage and children while only 30% of men return out of the same reason.

In general, first of all, in terms of the overall situation of employment rate and unemployment rate, firstly, the employment rate of both sexes declined from 2000 to 2010, but the decline of women was greater than that of men. Secondly, male employment rate is generally higher than women while unemployment rate is generally lower. The employment rate in rural areas is generally higher than that in urban regions while the unemployment rate is lower. In addition, the gap between the employment rate of urban women and men is greater than the gap between the employment rate of rural women and men.

Second, in terms of urban women by age group, without consideration of retirement policy, the employment rate of urban women is lower than that of men and the retirement policy factors actually even exacerbate the gap between the employment rate of women and men. Over the marriage age (20-24 years old), the unemployment rate of women has always been higher than that of men, and the unemployment rate of women becomes lower until reaching the retirement age.

Third, Chinese women have a higher concentration of industry than men and the female occupational level is generally low, which is also lower than men's. The proportion of women employed in urban units and state-owned units are both relatively low. The non-agricultural employment rate of men is higher than that of women, and the experience of migrant workers has a positive impact on the percentage of female engaged in non-agricultural labour.

Fourth, nearly seven out of ten women are household chores and housework causes more female unemployment than male unemployment. Besides, having a child has a negative effect on mothers' participation in paid social labour.

Fifth, in terms of migrant workers, the total number of migrant workers is increasing, and its proportion of the national employment also continues to increase, with growing percentage of female migrant workers since 2014. At present, the second industry is still the main area of employment of migrant workers but since 2014, the proportion of migrant workers' employment in the second industry continued to decline, while the proportion of employment in the tertiary industry continued to rise. Nearly half of the female migrant workers would like to stay in city for self-development while seven out of ten women choose to return to their hometown because of marriage and children.

## **Social Insurance Coverage**

### **1. Insurance participation in 2016**

As seen in Table 14, first, the population covered by the basic pension insurance and the basic medical insurance is much larger than that of other insurances. The coverage of the UEBPIS is bigger than that of the medical insurance for urban workers. Specifically, by the end of 2016, the covered population of the basic old age insurance and the basic medical insurance for urban residents were 887.77 million and 743.92 million respectively, among them, the insured persons of the UEBPIS and the medical insurance for urban workers were 379.3 million and 295.32 million respectively. In addition, the differences in the number of insured persons by other social insurance schemes were relatively small, with a total of 218.89 million for work-related injury

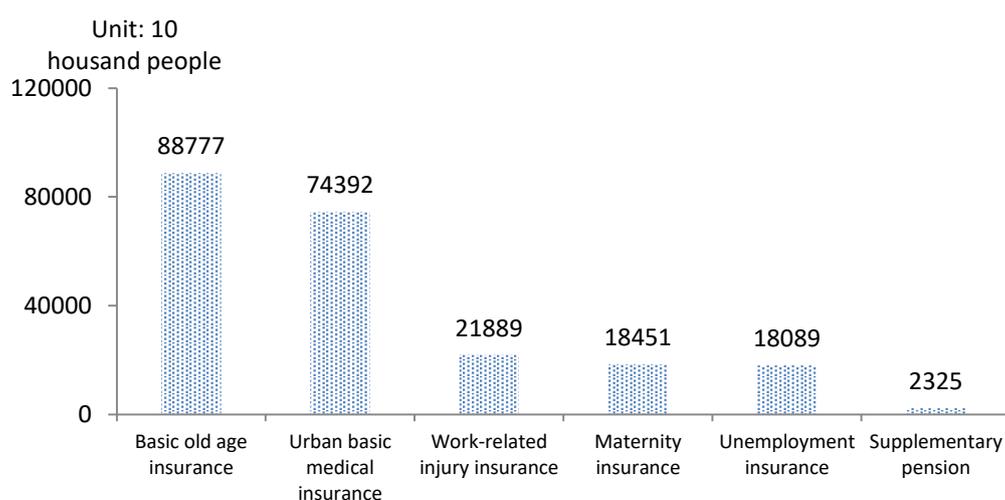
insurance, 184.51 million for maternity insurance and 180.89 million for unemployment insurance. The coverage of enterprise annuity was the smallest, which covered only 23.25 million persons.

**Table 14: Basic situation of social insurances in China in 2014-2016**

(Unit: 10 thousand people)

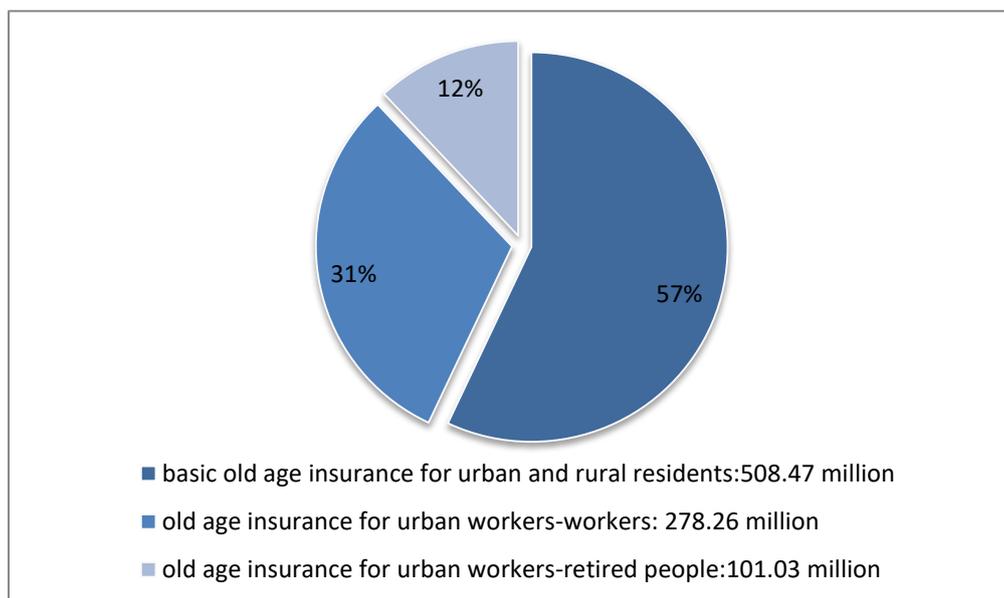
Subject	By the end of 2014	By the end of 2015	By the end of 2016	Absolute increase from 2014 to 2016	Average annual growth rate
Basic pension insurance	84232	85833	88777	4545	2.7%
UEBPIS (Urban employees basic pension insurance )	34124	35361	37930	3806	5.4%
Workers	25531	26219	27826	2295	4.4%
Retired	8593	9142	10103	1510	8.5%
URRBPIS (Urban and rural residents basic pension insurance )	50107	50472	50847	740	0.7%
Basic medical insurance for urban workers	59747	66582	74392	14645	11.6%
Basic medical insurance for urban workers	28296	28893	29532	1236	2.2%
Basic medical insurance for urban residents	31451	37689	44860	13409	19.4%
Unemployment insurance	17043	17326	18089	1046	3.0%
Work-related injury insurance	20639	21432	21889	1250	3.0%
Maternity insurance	17039	17771	18451	1412	4.1%
Supplementary pension	2293	2316	2325	32	0.7%

Sources: Statistical Bulletin on the Development of Human Resources and Social Security 2014, 2015, 2016



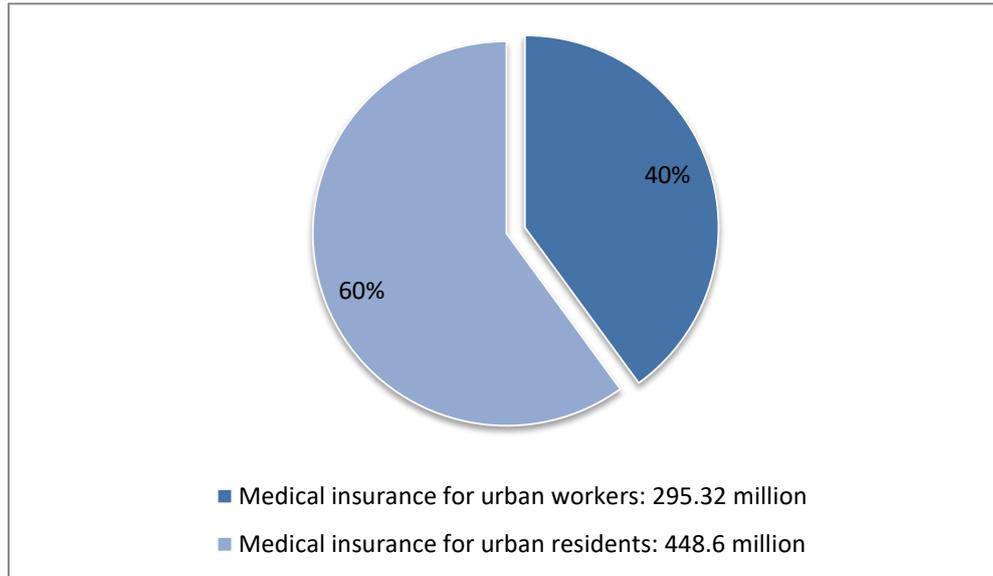
**Figure 2: Participation situation of each social insurance system by the end of 2016**

Second, the participation situation of the basic old age insurance is shown in Figure 3. The insured population of the URRBPIS is more than that of the UEBPIS. Among those who have joined the UEBPIS, the proportion of on-the-job workers is bigger than that of retired people. As shown in Table 14, by the end of 2016, among the basic old age insurance systems, the population of the URRBPIS was 508.47 million, reaching a proportion of 57% while the population of the UEBPIS was 379.3 million, reaching a proportion of 43%. Meanwhile, 31% of those covered by the UEBPIS, that is, 278.26 million people, were active workers and 12% of them, that is, 101.03 million people, have already retired.



**Figure 3: Participation situation of the basic old age insurance in 2016**

Third, the participation situation of the basic medical insurance is shown in Figure 4. People who participated in the medical insurance system for urban residents are more than those who participated in medical insurance for urban workers. In 2016, in the basic medical insurance systems, the population covered by the medical insurance system for workers was 295.32 million, accounting for 40%, and that covered by the medical insurance system for urban residents was 448.6 million, accounting for 60% (Figure 4).



**Figure 4: Participation situation of basic medical insurance for urban residents in 2016**

## **2. Changes in social insurance participation from 2014 to 2016**

First, since 2014, the insurances which have the most obvious increase in participation are the medical insurance for urban residents and the UEBPIS while the insured population of other insurances also have varying degrees of increase (Table 14). Particularly, the growth rate of the medical insurance for urban residents is far ahead of the others. From 2014 to 2016, the number of people participating in the medical insurance for urban residents increased by 134.09 million, with an average annual growth rate of 19.4%. The number of people participating in the UEBPIS was increased by 38.06 million, with an average annual growth rate of 5.4%.

Second, there are some changes in basic old age insurance participation. During 2014-2016, the increase in the population of the UEBPIS is far greater than the increase in the population of the URRBPIS (Table 15). Among the people who joined the UEBPIS, the proportion of insured workers shows a downward trend while that of retired people is increasing.

a. From 2014 to 2016, the development of the UEBPIS was faster than that of the URRBPIS, and its proportion of the total number of persons covered by the basic pension insurances increased from 40.5% in 2014 to 42.7% in 2016. The absolute growth of the UEBPIS is 38.06 million people with an average annual growth rate of 5.4% whilst the absolute growth of the URRBPIS is 7.4 million people, only with an

average annual growth rate of 0.7%. The data above indicates that the absolute increase of the UEBPIS is 5 times of the absolute growth of the URRBPIS, and the average annual growth rate of the former is 7.7 times of that of the latter.

b. From 2014 to 2016, in terms of the UEBPIS, although the absolute increase of insured workers (22.95 million) is bigger than that of insured retired people (15.1 million), the average annual growth of insured workers, which is 4.4%, is 4.1% lower than that of insured retired people which is 8.5%. The proportion of the insured workers in the whole population of the UEBPIS declined from 74.8% in 2014 to 73.4% in 2016 while the proportion of the insured retired people in the whole population of the UEBPIS rose from 25.2% in 2014 to 26.6% in 2016.

**Table 15: Changes in participation of basic pension insurance and basic medical insurance for urban residents in 2014-2016 (Unit: %)**

Insurance scheme	2014	2015	2016	Insurance scheme	2014	2015	2016	Insurance scheme	2014	2015	2016
UEBPIS	40.5	41.2	42.7	On-the-job Workers	74.8	74.1	73.4	Medical insurance for urban workers	47.4	43.4	39.7
URRBPIS	59.5	58.8	57.3	Retired workers	25.2	25.9	26.6	Medical insurance for urban residents	52.6	56.6	60.3
Basic old age insurance	100	100	100	UEBPIS	100	100	100.0	Basic medical insurance for urban residents	100	100	100

Third, the changes in participation of basic medical insurance for urban residents are shown in Table 15. During 2014-2016, due to the rapid development of the medical insurance for urban residents, the proportion of basic medical insurance for urban residents has been expanding. In this period of time, the proportion of population of the medical insurance for urban workers and for urban residents in the population of basic

medical insurance for urban workers declined from 47.4% to 39.7% and increased from 52.6% to 60.3% respectively.

In general, the growth of the medical insurance for urban residents has been very rapid since 2014. However, currently, the participation of basic old age insurance is still more than that of basic medical insurance for urban workers while the population of other insurances is far more less than the two insurances mentioned above. In terms of old age insurance, since 2014, the growth of the UEBPIS is much bigger than that of the URRBPIS. The proportion of insured workers in the whole population of the UEBPIS is decreasing while the proportion of insured retired people is increasing. At present, the proportion of the URRBPIS is bigger than that of the UEBPIS. Meanwhile, the proportion of insured workers is bigger than that of insured retired people in the whole population of the UEBPIS.

## Coverage of Migrant Workers

### 1. Insurance participation in 2016

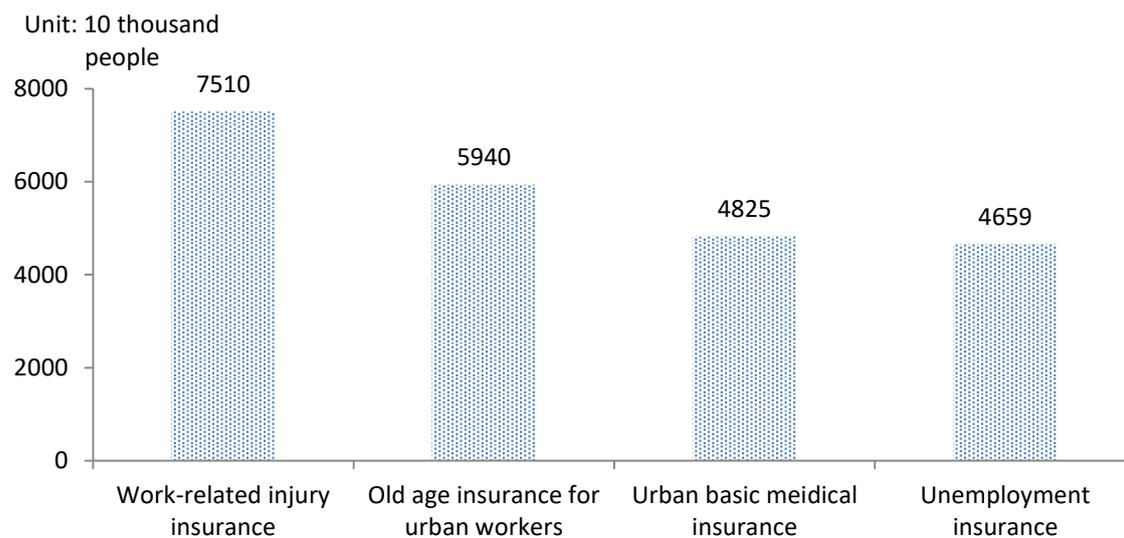
Public data show that currently the largest number of migrant workers insured by the work-related injury insurance, followed by the UEBPIS, the urban medical insurance and the unemployment insurance. As shown in Table 16, in 2016, the number of migrant workers participating in the work-related injury insurance, the UEBPIS, the basic medical insurance for urban workers and unemployment were 75.1 million, 59.4 million, 48.25 million and 46.59 million respectively and their participation rate of each insurance were 26.7%, 21.1%, 17.1% and 16.5% accordingly. Nationally speaking, the work-related injury insurance scheme has the biggest number of the insured migrant workers and the highest participation rate of migrant workers rather than the UEBPIS or the medical insurance scheme for urban workers.

**Table 16: Number of migrant workers participating in social insurance and participation rate in 2014-2016 (Unit: 10 thousand people)**

Social insurance schemes	2014	2015	2016	Growth	Average
				from 2014 to 2016	annual growth rate
UEBPIS	5472	5585	5940	468	4.2%
Basic medical insurance for urban workers	5229	5166	4825	-404	-3.9%
Unemployment insurance	4071	4219	4659	588	7.0%

Work-related injury insurance	7362	7489	7510	148	1.0%
Participation rate of the UEBPIS	20.0%	20.1%	21.1%	1.1%	—
Participation rate of the basic medical insurance for urban workers	19.1%	18.6%	17.1%	-2.0%	—
Participation rate of the unemployment insurance	14.9%	15.2%	16.5%	1.6%	—
Participation rate of the work-related injury insurance	26.9%	27.0%	26.7%	-0.2%	—

Sources: Statistical Bulletin on the Development of Human Resources and Social Security 2014, 2015, 2016



**Figure 5: Social insurance participation situation of migrant workers in 2016**

## 2. Changes in social insurance participation from 2014 to 2016

In the past three years, the numbers of migrant workers insured by the unemployment insurance, the UEBPIS, the work-related injury insurance have increased in varying degrees, with an absolute increase of 5.88 million, 4.68 million and 1.48 million respectively. The annual growth rate of insured persons by the unemployment insurance is as high as 7%, followed by 4.2% for the UEBPIS and 1% for the work-related injury insurance. It is worth noting that the number of migrant workers covered by the basic medical insurance for urban workers was decreasing continuously and the absolute number of the insured people in the past three years decreased by 4.04 million. Based on the above data analysis, the development of the medical insurance for urban residents is very rapid, and its coverage is expanding rapidly as well. However, the participation of migrant workers in the basic medical

insurance for urban workers is contrary to the situation.

Generally speaking, since 2014, the population of migrant workers covered by the basic medical insurance for urban workers kept falling while in the unemployment insurance and the old age insurance for urban workers grew quite a lot. But until 2016, the work-related injury insurance has the biggest number of migrant workers insured and the highest participation rate of migrant workers insured.

### **Social Insurance Coverage in Urban and Rural Areas Categorized by Gender**

From the perspective of gender differences, the data in Table 17 indicates that the proportion of women enjoying the social security system is less than that of men no matter they are non-agricultural household or agricultural household registration. Besides, the gender gap in the old age insurance is slightly larger than in the medical insurance.

In addition, the data from the Third Survey on the Status of Chinese Women conducted in 2010 shows that on the one hand, there was a large difference between urban and rural regions in terms of the participation rate of social insurance, which is that the participation rate of the pension insurance was higher in urban area while the participation rate of the medical insurance was higher in rural area. On the other hand, the participation rate of the social medical insurance was significantly higher than that of the social pension insurance. But what should be paid attention to is that the new type of pension insurance for rural residents has been developing rapidly in China since it was implemented in 2009. As mentioned above, the data in 2016 shows that the URRBPIS covers the largest number of insured population compared with other insurances.

**Table 17: Participation rate of social pension insurance and medical insurance in urban and rural regions categorized by gender**

	Women with non-agricultural household registration	Men with non-agricultural household registration	Women with agricultural household registration	Men with agricultural household registration
Social pension insurance	73.3%	75.9%	31%	32.7%

Social medical insurance	87.6%	88%	95%	95.6%
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Sources: the Third Survey on the Status of Chinese Women

## **Pensions-Retirement Age**

The retirement age for male and female employees in urban areas is somewhat different. The retirement policy has resulted in a gap between men and women in the statutory retirement age, which has a direct impact on the years of service (the length of payment) and therefore on the level of pensions in the old age insurance for urban workers. Besides, the length of the payment is also an important qualification for getting the pension benefits and has a significant impact on the inter-system transfer of insurance relationship, which would be analysed in detail in policy review section later.

## **Gender Differences on the Levels of Income and Pension benefit**

The two main components of the current social pension insurance system in China are the UEBPIS and the URRBPIS. Both of these two insurance schemes adopt the mode of “combination of social pooling and individual account”, that is, the pension benefit consists of the basic pension and the individual account pension, and requires the establishment of a positive relationship between pension benefits and contributions. Both require the establishment of a positive relationship between pension entitlements and contributions. While the principle followed by the UEBPIS is "to establish the incentive and restraint mechanisms of the payment of contributions", the URRBPIS follows the principle of "pay longer, get more and pay more, get more". Their differences lie only in the specific measures and the relative degree of difference (See the analysis in the policy review section).

### **1. Gender differences in labour income and property**

a. Gender differences in labour income. The data from the Third Survey on the Status of Chinese Women shows that the average annual labour income of female workers in the country was 13388.6 RMB in 2010, which was 63.4% of the average annual labour income of men. In terms of urban and rural areas, the income gap between men and women in rural areas was even bigger than that in urban areas. The average

annual labour income of female workers in urban areas was 67.3% of the average annual income of male workers, 11.3% smaller than the gap in rural areas (56%). Data of income quinquesection in urban and rural areas categorized by gender (see Table 18) further reveals that in urban and rural low-income groups, women accounted for 59.8% and 65.7% respectively, while in urban and rural high-income groups, women accounted for 30.9% and 24.4% respectively. Although both of them were worse than that of men, the labour income of urban women was better than that of rural women.

**Table 18: Data of income quinquesection in urban and rural areas categorized by gender**

		Low income	Lower-middle income	Middle income	Higher-middle income	High-income
Urban areas	Male	40.2%	45.4%	58%	64.4%	69.1%
	Female	59.8%	54.6%	42%	35.6%	30.9%
Rural areas	Male	34.3%	47.9%	57%	60.8%	75.6%
	Female	65.7%	52.1%	43%	39.2%	24.4%

Sources: data from the Third Survey on the Status of Chinese Women

b. Gender differences on property. As shown in Table 19, in terms of the possession rate of the family's major property, men's is significantly higher than women's. The proportions of women owning real estate, savings and motor vehicles were 37.9%, 58.5% and 12.6% while those of men were 67.1%, 67.4% and 35.6%, reaching a difference of 29.2%, 8.9% and 23% respectively.

**Table 19: Possession rate of the family's major property categorized by gender**

Subject	Female	Male
Proportion of owning real estate	37.90%	67.10%
Proportion of owning savings	58.50%	67.40%
Proportion of owning motor vehicles	12.60%	35.60%

Sources: the Third Survey on the Status of Chinese Women

## **2. Gender differences in labour income and pension benefits of elderly population (aged 65 and above)**

a. The income gap between different genders of elderly population is widening. In both urban and rural areas, the gender income gap of the elderly group is greater than

the gender income gap in the working group, and the changes in urban area are more obvious. Data of the elderly population from the Third Survey on the Status of Chinese Women indicates that the average annual income of urban and rural elderly women was 49.6% and 51.8% of that of the men in the same regions respectively, which were 17.7% and 4.2% lower than the gender income differences of the employed population aged 16-64 in urban and rural areas, which were 67.3% and 56% respectively.

b. Gender differences in the primary sources of life of elderly population. As shown in Table 20, the primary sources of life for 54.1% of urban elderly women, as same as 79.3% of urban elderly men, is their pension benefits while that for 59.1% of rural elderly women and 38.8% of rural elderly men is the financial support from other family members.

**Table 20: Gender differences on primary sources of life of elderly population (aged 65 years old and above)**

Subject	Male	Female
Urban elderly population whose primary source of life is their pension	79.3%	54.1%
Rural elderly population whose primary source of life is the support from other family members	59.1%	38.8%

Sources: the Third Survey on the Status of Chinese Women

## Medical Insurance

As mentioned above, the coverage of the social medical insurance is higher in rural areas than in urban regions. Meanwhile, it covers more men than women. The overall coverage of the social medical insurance is relatively high, and the coverage rate of the medical insurance for female in all areas exceeded 80% in 2010, with 25 regions even reaching 90% or above. However, urban women pay more attention to health than their counterpart in rural area. The data from the Third Survey on the Status of Chinese Women in 2010 (Table 21) shows that 42.2% of women had physical examinations in the last 3 years, of which 53.7% were in urban areas and 29.9% in rural areas. 54.9% of women had gynaecological examinations, of which 62.8% were in urban areas and 46.5% in rural areas. For elderly women aged 65 and above, 38.9% of them had

physical examinations in past 3 years, of which 50.1% were in urban areas and 30.1% in rural areas.

**Table 21: Physical examination situation of women in urban and rural areas**

Items	Average	Urban areas	Rural areas
Women who have had physical examinations in last 3 years	42.2%	53.7%	29.9%
Women who have had gynaecological examinations in last 3 years	54.9%	62.8%	46.5%
Women aged 65 and above who have had physical examinations in last 3 years	38.9%	50.1%	30.1%

Sources: the Third Survey on the Status of Chinese Women

### **Work-related Injury Insurance**

Work-related injury insurance refers to a social security system which the state or the society would provide workers themselves or their survivors with material help when the workers suffer accidental injury or occupational disease at work or under formulary special conditions, resulting in temporary or permanent loss of labour capacity or death. The object of work-related injury insurance is the workers in the productive labour process. According to the survey data of the Women's Rights Guarantees Law conducted by the Legal Department of the All-China Women's Federation in May 2002, the coverage rate of female workers by the work-related injury insurance was only 39.2%, 9.2% lower than that of men. *The Opinions on Further Improving the Work-related Injury Insurance in Construction Industry* issued by the Ministry of Human Resources and Social Security in 2014, stipulated that construction enterprises should participate in the work-related injury insurance in accordance with the project, and the way of payment shall be adjusted according to total wages to a certain proportion.

### **Unemployment Insurance**

The *Labour Law of the People's Republic of China* stipulates that employers must

apply for unemployment insurance for relevant personnel. Data of the Second Survey on the Status of Chinese Women shows that the coverage rate of unemployment insurance for male employees was 6% higher than that for female employees. In addition, the survey data of the Women's Rights Guarantees Law conducted by the Legal Department of the All-China Women's Federation in May 2002 shows that the coverage rate of the unemployment insurance for women was 43%, 5.9% lower than that for men, which means that nearly 60% of female workers were not covered by the unemployment insurance.

### **Maternity Insurance**

Data of the Third Survey on the Status of Chinese Women (see Table 22) indicates that in recent 10 years, 87.3% of urban female working in units enjoyed a statutory maternity leave in full when they gave birth to their last child, and 73.6% of urban female working in units had the same or similar basic salary as the one before birth when they were having maternity leave. The proportion of women under 35 years old having had prenatal examination before giving birth to their last child in urban areas was 94.8% while in rural areas was 89.4%. Besides, 97.2% of urban women under 35 years old chose to deliver in the hospital while only 87.7% of rural women chose to do so.

**Table 22: Maternity leave and birth examination situation of urban and rural women**

Items	Urban areas	Rural areas
Urban female working in units who enjoy a full stipulated maternity leave when they give birth to their last child in recent 10 years	87.30%	
Urban female working in units who have same or similar basic wage as the income before birth when they are having maternity leave in recent 10 years	73.60%	
Women aged 35 and under who having had prenatal examination before giving birth to their last child	94.8%	89.4%
Delivered in the hospital	97.20%	87.7%

Sources: the Third Survey on the Status of Chinese Women

Based on the data of the National Survey on the Situation of Rural Women's Rights and Needs of Rights Protection conducted by the National Coordinating Group for the

Protection of Women and Children in 2006, there are only 36.4% of units that can provide female employees with a maternity leave for more than 90 days and 12.8% of units that can pay for female employees' medical expenses caused by maternity. Also, not all of the female migrant workers who enjoyed maternity leave actually got their salary during the leave. Only 14.4% of the units paid full salary to female employees during their maternity leave, 21.2% paid part of the salary while 64.5% paid no salary at all<sup>7</sup>.

Judged from the coverage of the system design, maternity insurance is basically consistent with the basic old age insurance for urban workers and the basic medical insurance for urban workers. Taking the maternity insurance regulations in Guangdong Province as an example, it's applicable to the state organs, enterprises, institutions, social organizations, private non-enterprise units, foundations, law firms, accounting firms and other organizations in the administrative regions of the province as well as individual industrial and commercial households with employees and all their workers and employees. However, the data from the Statistical Bulletin on the Development of Human Resources and Social Security in 2014, 2015 and 2016 shows that the proportions of insured population in maternity insurance were just 66.7%, 67.8% and 66.3% of the insured population of the old age insurance for urban workers respectively, and 60.2%, 61.5%, 62.5% of the insured population of the medical insurance for urban workers. Obviously, there is still room for improvement in the maternity insurance system to give full play to its role in safeguarding the rights and interests of female workers. At present, China's maternity insurance and medical insurance adopt a unified operation mode in terms of insurance participation, contribution, management and account separation, and the administration of the insurance schemes in most areas is at the level of prefectural city.

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<sup>7</sup> National Coordinating Group for the Protection of Women and Children (2007). *The national survey report on the situation of rural women's rights and needs of rights protection*. Chinese Women's Movement

## **Analysis of China's Social Basic Pension Insurance System and the Interests of Both Genders**

Since the 1990s, China has established and improved the basic pension insurance system for urban workers (1997 and 2005), the new type of old age insurance system for rural residents (2009) and the social old age insurance system for urban residents (2011). In order to adapt to the cross-region movement of labour force including migrant workers, China has issued the *Interim Measures for Transfer of the Urban Employee Basic Insurance* (2009). In February 2014, the state decided to combine the new type of the pension insurance system for rural residents and social pension insurance system for urban residents, and establish a unified basic pension insurance system for both urban and rural residents throughout the country. Later on February 24, 2014, the Ministry of Human Resources and Social Security put forward the *Interim Measures on the Convergence of Urban and Rural Old Age Insurance System*, which is mainly applicable to those who have participated in the URRBPIS and the UEBPIS, and migrant workers will be the biggest beneficiary group of this system.

This report intends to sort out the current system from the national level, but since some of the specific institutional provisions are determined by the provinces themselves, the institutional provisions of Guangdong Province would be analysed in the third part. It would be divided into two parts to review the current system. Firstly, we will review the UEBPIS and the URRBPIS, mainly focusing on the institutional regulations on the static participation of insured population (which means that insured persons only stay in one of the insurance system mentioned above without insurance transfer). Secondly, we will review the inter-regional and inter-institutional insurance transfer of the two insurance systems, that is, the institutional regulations on the dynamic participation of insured population.

### **Static Participation Situation: Reviewing and Analysing the Two Main Systems of Social Basic Pension Insurance**

In this part, only the situation that insured persons only stay in either the UEBPIS or the URRBPIS without insurance transfer would be considered and it would be

analysed from the perspective of gender.

## **1. UEBPIS**

a. Principles and object of the UEBPIS. According to the No.[2005]38 Document released by the General Office of the State Council, the principle of the old age insurance system for urban workers is 'broad coverage, appropriate level, reasonable structure and balanced funds', and to establish an incentive and restraint mechanism for insurance contribution. The system stipulates that all kinds of enterprise employees, individual industrial and commercial households and flexible employment personnel in urban regions should participate in the system.

b. Regulations on contribution. The current pension insurance system includes social pooling account and personal account. The social pooling accounts are paid by enterprises, but the proportion of enterprise contribution should not exceed 20% of the total salaries of the enterprise (including the part that goes into the individual account) and the specific proportion is determined by local governments, as stipulated by the No.26 Document. Besides, the No.[2005]38 Document stipulates that the contribution from enterprises no longer goes into the individual accounts and makes clear that the proportion of personal contribution is 8% of their wage, but there is no adjustment of the proportion of enterprise contribution.

c. Regulations on calculation of pension benefits. National regulations stipulate that the monthly benefit standard of basic pension is based on the mean of the local average monthly salary of all on-the-job employees in the previous year and the insured individual's indexed average monthly pay cost wage, and every one full year of contribution can get 1% of the basic pension. It can be formulated as: basic pension= (local average monthly salary of employees in the previous year + the insured individual's indexed average monthly pay cost wage \*1%. The monthly standard for the personal account pension is the accumulated value of the personal account divided by division factor (the amount of months which will be counted for pension benefit). The division factor is negatively related to the retirement age and not related to gender.

d. Adjustment mechanism of pension benefits. A normal adjustment mechanism of the basic pension should be established. The State Council timely adjusts the basic

pension benefits of retirees according to the changes in employees' salary and price fluctuation and the adjustment rate is a certain percentage of the annual growth rate of the average salary of employees in local enterprises.

e. Entry threshold of the UEBPIS. Intuitively, the entry threshold of the UEBPIS is 8% of the employees' pay cost wage. For low-income people, the contribution base regulation (mainly the lower limit of the pay cost wage) is the decisive factor of its entry threshold. The No.[2016]56 Document released by the General Office of the State Council stipulates that the average salary of the employees in the private sector in urban areas should be included in the statistical calibre of the social insurance contribution base. Before this reform, the statistical calibre is the average salary of the employees in urban non-private units. However, since the average wage of private units in China is lower than that of non-private units, the reform has lowered the entry threshold.

f. Attitudes towards disadvantaged groups. At the national level, it is proposed that 'we should further implement the state's social insurance subsidy policy and help those people who have difficulties in finding a job be able to join and contribute to the social insurance.

g. Regulations on qualifications of pension benefits. After the implementation of the No. 26 [1997] Document released by the General Office of the State Council, people who have worked and contributed to the pension insurance system for more than 15 years will be entitled to monthly basic pension after retirement. The retirement age is confirmed by related national laws and regulations.

h. Regulations for those who are not eligible for pension benefits. People who have reached the retirement age but have contributed for less than a period of 15 accumulated years after the implementation of the policy are not entitled to the basic pension. Their personal account storage would be returned to them once forever and their basic pension insurance status would be terminated.

## **2. URRBPIS**

The predecessors of the URRBPIS were the new type of pension old age insurance system for rural residents and the pension insurance system for urban residents.

a. Principles and objects of the URRBPIS. According to the No. 8 [2014]

Document released by the General Office of the State Council, the principle of the old age insurance for the urban and rural residents is to make the system 'full coverage, basic protection, flexible and sustainable'. Meanwhile, the incentive mechanism of 'pay longer, get more and pay more, get more' is strengthened. The system stipulates that that the urban and rural residents aged over 16, covered by the basic pension insurance system for non workers, can join the insurance system in their registered permanent residence. The No.37[2014] Document released by the Guangdong Government points out that the URRBPIS is guided by the government and combined with voluntary participation of residents, and rural residents and urban non-employed residents with local household registrations who are over 16 years old (excluding students) and not covered by the UEBPIS can voluntarily participate in the insurance.

b. Regulations on contribution. The contribution is made up of contribution by individual, assistance from the collective and subsidy from the government. The standard of individual contribution is currently set at 12 grades, which are RMB 100 *yuan*, RMB 200 *yuan*, RMB 300 *yuan*, RMB 400 *yuan*, RMB 500 *yuan*, RMB 600 *yuan*, RMB 700 *yuan*, RMB 800 *yuan*, RMB 900 *yuan*, RMB 1000 *yuan*, RMB 1500 *yuan* and RMB 2000 *yuan* per year. The minimum subsidy by local government is RMB 30-60 *yuan*. In principle, individual contributes more, the government provides more subsidies. Assistance from the collective is not mandatory but regions with conditions can choose to provide.

c. Regulations on pension benefits. Pension benefits consist of basic pension and personal account pension. The central government determines the minimum standard of basic pension, and the local government can raise the standard according to the actual situation. To those who make long-term contributions, their basic pension can be appropriately increased.

d. Adjustment mechanism. The government has stipulated some adjustment principles. For example, adjustment of contribution grade standards should be made timely according to the income growth of urban and rural residents; adjustment of the national basic pension minimum standards should be made timely according to the economic development and price changes. However, no specific adjustment rules have

been formulated.

e. Entry threshold of the URRBPIS. At the national level, the central government stipulates that the individual contribution to the insurance system shall not be less than 100 RMB per year.

f. Attitudes towards disadvantaged groups. According to the No. 8 [2014] Document released by the General Office of the State Council, for those who have difficulties in making contribution, the local government shall subsidize the minimum standard of their contribution partially or in full.

g. Regulations on qualifications of pension benefits. People who are aged 60 and above and have contributed for an accumulated period of at least 15 years are entitled to pension benefits.

h. Death allowance. Local governments can explore to establish the funeral subsidy system in light of local realities.

Table 23 summarises the main regulations on the above-mentioned two main pension insurance systems at both national and provincial level (Guangdong Province).

**Table 23: Main regulations on the UEBPIS and the URRBPIS in China and in Guangdong Province**

		UEBPIS	URRBPIS
Object of the system		Employees in all kinds of enterprises, individual industrial and commercial households and flexible employment personnel in urban regions.	Rural residents and urban non-employed residents with local household registrations who are over 16 years old (excluding students)
Principle of the system		'Broad coverage, appropriate level, reasonable structure and balanced funds', and to establish an incentive and restraint mechanism for participation and contribution	'Full coverage, basic protection, flexible and sustainable' contribute longer, get more and contribute more, get more
Social pooling account	Contribution	Contribution by enterprises, but the proportion of enterprise contribution should not exceed 20% of the total wage of enterprises.	None

		In Guangdong Province, the proportion is 13%-15%.	
	pension benefit	<p>Based on the local average monthly salary of employees in the previous year and the average indexed monthly pay cost wage of the individual employee, one full year of contribution can get 1%</p> <p>In Guangdong Province, it can be formulated as: basic pension= (local average monthly salary of employees in the previous year*(1 or a) + the average indexed monthly pay cost wage of the individual employee)/2* contribution years*1%; a=individual average contribution index/0.6 (applicable for those insured workers whose average indexed monthly pay cost wage is less than 60% of the monthly average wage of the workers last year in the whole province)</p>	<p>The central government determines the minimum standard of the basic pension, and the local governments can raise the standard according to their actual situation.</p> <p>To those who afford long-term contribution, their basic pension can be appropriately increased.</p> <p>In Guangdong Province, for those insured people who have contributed for more than 15 years, each one year of full contribution can get extra RMB 3 <i>yuan</i> of basic pension every month.</p>
Personal account	Contribution	Personal contribution which is 8% of their pay cost wage	<p>The contribution is made up of contribution by individual, assistance from the collective and subsidy from the government.</p> <p>In Guangdong Province, minimum government subsidies are RMB 30 <i>yuan</i> ( for lowest three grades of contribution) and RMB 60 <i>yuan</i> (for the highest seven grades of contribution)</p>
	pension benefits	Personal account storage divided by the number of counted pensionable months (division factor)	Personal account storage divided by 139.
Adjustment mechanism		Basic pension of retirees is adjusted according to the changes in employees' salary and price fluctuation and the adjustment rate is a certain percentage of the annual growth rate of the average salary of employees in local enterprises.	Contribution standard should be timely adjusted based on actual situation such as income growth of urban and rural residents and social economic development. The standard of the subsidy for

	In Guangdong Province, annual adjustment amount of basic pension = the average basic pension of the city in the last year* the monthly average wage growth rate of the employees in the enterprises in the whole province*(40%~60%).	contribution and the minimum standard of national basic pension should be timely adjusted based on economic development and price fluctuations.
Entry threshold of the system	The No. 56 [2016] Document released by the General Office of the State Council stipulates that the average salary of the employees in the private sector in urban areas should be included in the statistical calibre of the base pay the social insurance.. In Guangdong Province, since 2014, the minimum pay cost wage is 60% of the average wage of the province in the previous year.	RMB 30 <i>yuan</i> per year per person
Attitudes towards disadvantaged groups	The government should help those who have difficulties in finding a job participate in and make contribution to the system.	For those who have difficulties in making contribution, the local government shall pay the minimum standard of their contribution partially or in full
Qualifications of pension benefits	People who have reached their legal retirement age (male aged 60, female cadres aged 55 and female workers aged 50 while separate provisions for special work types) and contributed for the insurance system for at least 15 years are entitled to monthly basic pension after retirement.	People who is aged 60 and above and have an accumulated period of contribution for at least 15 years are entitled to pension benefits
Remedial measures	In Guangdong Province, for those insured people with local household registrations, they can choose to make a supplementary contribution to meet the conditions of pension benefits. The contribution period will be calculated but no basic pension insurance benefits will be given during the time of supplementary contribution. On the other hand, they can choose not to	In Guangdong Province, if the insured person is 60 years old but contributed less than 15 years, they can continue to pay until the requirement of 15 years is fulfilled. If the insured person is 65 years old but contributed less than 15 years, they can make a lump sum supplementary contribution in one

	contribute any more.	time but can't enjoy the contribution subsidy from the government.
People who are not eligible for pension benefits	They have no basic pension, but surplus of their personal account would be returned to them in one lump sum. In Guangdong Province, for those who were insured before the implementation of the system and those who were insured after the implementation of the system and have made contribution all by their own, they can enjoy an additional one-time pension benefits.	Not mentioned in the national documents. In Guangdong Province, not basic pension for them, but the insured person can apply for a monthly pension from their personal account until the surplus of their account runs out.
Death allowance	In Guangdong Province, death allowance of retired people should be given according to related regulations and the base pay is the monthly average wage of the workers in the same city in the previous year.	In Guangdong Province, if the insured person dies, funeral subsidies may be given.

### 3. Analysis of the Two Main Insurance Systems from a Gender Perspective

a. Principles of the system. From the system principle, the two systems are based on the design principle of the incentive and constraint system between the contribution and benefits, so women's pension benefit level is inevitably at a disadvantageous position because of their disadvantage in the contribution.

b. Entry threshold. The current design of the system threshold is unfavourable to women. The reason is that the old age insurance for urban workers is not conducive to the participation of the low-income workers since the entry threshold of it is relatively high, and women account for a larger share of the low-income workers. The system entry threshold of the old age insurance for urban workers is a certain proportion of the pay cost wage, which means that for those whose actual wage is lower than the pay cost wage, their actual payment rate is higher than workers with normal wages and they would face a much higher institutional entry threshold.

c. Regulations on pension benefits. On the one hand, since the pension benefits are related to the contribution made by workers, it's unfavourable to women who are at a

disadvantage in terms of contribution. Specifically, firstly, in the old age insurance for urban workers, the main factors affecting the basic pension and personal account pension are the pay cost wage, the length (years) of contribution and the retirement age. Pay cost wage and payment length are positively related to the basic pension and retirement age is negatively related to the basic pension. Although the social pooling account has certain income redistribution function, it will weaken the redistribution to a certain extent because these factors also have an important influence on the basic pension. Secondly, in the URRBPIS, the personal account pension depends entirely on the accumulated amount of individual contribution, while the government's dominant subsidies follow the principle of 'the more and longer you pay, the more subsidies you can get'. Because of the relatively low pay for women and shorter paid working hours, the overall average level of pension for women is low. On the other hand, the current system completely covers the longevity risk of insured persons without consideration of gender, which is beneficial for women with longer life expectancy. Generally speaking, on average, it's more difficult for women to participate in the UEBPIS and reach the qualifications of getting the pension, and their current protection level will be lower either.

d. Regulations on qualifications of pension benefits. The provision of the minimum payment period of 15 years is more detrimental to women. On the one hand, women's statutory retirement age is earlier. On the other hand, female employment rate is low and informal employment proportion is relatively high, making them more vulnerable to disruption of employment due to parenting and family care.

e. Measures for those who are not eligible for pension benefit is more unfair for women. According to the regulations of the system, if insured people can't meet the qualifications of benefits, they will not only lose the basic pension completely, but also lose the government's hidden subsidy on the longevity risk. Therefore, this kind of insured persons will suffer a huge loss and as mentioned above, women are more likely to be this kind of insured population.

f. The objectives and objects of the two systems are different, and there is also a big gap between the two system in terms of contribution and benefits. Under the same

contribution conditions, the benefit level of the URRBPIS is relatively low; however, women are more likely to be covered by the old age insurance for urban and rural residents. The system objective of the UEBPIS is 'broad coverage'. The system objective of the URRBPIS is 'full coverage' and the method is to guide 'voluntary participation of the insurance' by dominant government subsidies. Moreover, for disadvantaged groups, the local government are required to subsidize partially or fully the minimum standards of the premium for them. As a result, more disadvantaged people (including female) will join the URRBPIS. However, some research have found out that at the same level of payment, the level of pension, replacement rate and input-output ratio of the UEBPIS are higher than that of the URRBPIS .<sup>8</sup>

### **Dynamic Participation Situation: Reviewing and Analysing the Transfer and Continuation System of the Pension Insurance Relations**

Since China's current basic pension insurance mainly consists of the UEBPIS and the URRBPIS and the fund administration level remains at province or city, the movement of insured persons between different cities and between urban and rural areas involves the transfer and continuation of their pension insurance relationship. That is to say, two kinds of situations will arise in terms of the transfer and continuation of pension relations. First, the transfer and continuation of social insurance relations between different social pension insurance schemes (Trans-system TC). Second, the transfer and continuation of social insurance relations between different localities (Trans-regional TC)

#### **1. Reviewing and analysing the trans-regional TC of the UEBPIS**

In order to solve the trans-regional transfer and continuation problem of the UEBPIS, China has promulgated the *Interim Measures for the Transfer and Continuation of the Urban Employee Basic Pension Insurance* (No. 66 [2009] from the General Office of the State Council) at the end of 2009. This document stipulates that the pension insurance relations of all people who have joined the UEBPIS including

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<sup>8</sup> Xue Huiyuan and Deng Dasong, 2015, Social Pension Insurance System Reform in China: The Salient Problems and Their Solutions, *Economic Review*, no.5.

migrant workers should be transferred when they choose trans-regional employment. When the insurant gets employed in another province and transfers his or her pension insurance relations to the new place, a portion of the pooling funds (contribution made by their employer) should be transferred. The years of contribution made by the insured people in all places and the money in their personal account will be calculated accumulatively and respectively. This works equally to migrant workers. Some important contents are as followed:

a. The document determines the proportion of the pooling fund which will be transferred at the same time. When insured people transfer their basic pension insurance relation because of employment in another province, 12% of their pooling fund should be transferred according to the actual contribution base.

b. The document has set some regulations on the transfer of the basic pension insurance. For men over the age of 50 and women over 40, who are not back to their registered permanent residence to work and join the insurance, their pension insurance relation are not allowed to be transferred but have to be set in original insured places (except for those people who are approved to transfer by the Organization Department of the Party and the Department of Human Resources and Social Security at or above county level). In addition, the basic pension insurance relation can be transferred with the changes of employment places.

c. The principle of determining the place where the pension benefit should be received. If the pension insurance relation of an insured person is not in his registered residence but has made contribution for at least 10 years accumulatively in a non-registered permanent residence, the non-registered permanent residence is the place where he/she should receive their pension benefits. Otherwise, the registered permanent residence is the place where he/she should receive his or her pension benefits.

d. The calculation method of basic pension has been worked out. After insured persons having transferred their basic pension insurance relation and if they meet the qualifications for pension benefits, according to the No. 38[2005] Document released by the State Council, their basic pension is calculated based on their pay cost wage in each year, length of contribution and the average wage of employees in each year in the

place where they can receive their pension benefits.

e. The document have standardized the procedures of handling the transfer and continuation problem. According to the regulations, although the introduction of the *Interim Measures* has promoted the reasonable flow of labour force to some extent, its policy effect is still constrained by the objective factors such as the household registration system, the low overall pooling level and the fiscal constraints of decentralization, causing the 'wealth-preference' effect of transferring the pension insurance relations to affluent areas with higher level of economic development. There are three main reasons for this phenomenon.

First, the Interim Measures does not objectively and rationally calculate pension entitlements of insured persons in different sections. For the insured person himself, their pension benefit is highly related to the place where they can receive their pension benefits. For example, if an insured person moves from place A with a higher salary level to place B with a lower salary level and gets his pension in place B, according to the *Interim Measures*, his basic pension benefit should be calculated based on their pay cost wage in each year, length of contribution and the average wage of employees in place B in each year. Therefore, if the average wage of employees in place B is lower, the insured person will suffer the loss of his pension rights in the process of transfer and continuation (compared with the pension benefits calculated according to the principle of "totalling insurance periods and apportioning benefits").

Second, the trans-provincial migrants with rural household registration often encounter difficulties in transferring their pension insurance relations to their registered permanent residence. For those who have reached the age of receiving pension benefits, if they have contributed accumulatively for more than 15 years in various places in other provinces but less than 10 years in each place, their pension insurance relations need, according to the regulations, to be reversed back to their registered permanent residence. However, since they are rural household registration holders, and are not allowed to join the UEBPIS, thus they have no local UEBPIS account. In this case, their pension insurance relation will not be accepted by their registered permanent residence. This barrier of migrant workers' pension insurance relation transfer results in a situation

that many migrant workers are unwilling to participate in the insurance when they are employed.

At last, in the document, gender differences have occurred for the first time, which is the basic pension insurance relation of men over 50 years old and women over 40 cannot be transferred as their employment have changed (except for transferring back to registered permanent residence). This stipulation imposes a constraint on the middle-aged and elderly migrant workers. Judging from the differences on the age between both genders, it is unfair to female migrant workers.

## **2. Reviewing and analysing the transfer and continuation system of the urban and rural pension insurance schemes**

In order to solve the transfer and continuation problem of the basic pension insurance between urban and rural areas, on February 24, 2014, the Ministry of Human Resources and Social Security released the *Interim Measures for the Linking of the Urban and Rural Pension Insurance Systems* (No. 17 [2014] Document from the Ministry of Human Resources and Social Security). The *Interim Measures* mainly apply to people who had participated in the UEBPIS and the URRBPIS and migrant workers are the main targets. According to the current provisions in most places, migrant workers should take part in the UEBPIS when they work in urban areas and should join the URRBPIS when returning to rural areas. According to the *Interim Measures*, the insured people who have contributed to the UEBPIS for at least 15 years (including extend their contribution to 15 years), their insurance relation can be transferred into the UEBPIS. Otherwise, their insurance relation should be transferred to the URRBPIS. When the insured people transfer their insurance relation from the URRBPIS to the UEBPIS, only the total surplus of their personal account of the URRBPIS can be transferred while their length of contribution are not merged or converted. On the contrary, when insured people transfer their insurance relation from the UEBPIS to the URRBPIS, the total surplus of their personal account of the UEBPIS can be transferred and their length of contribution can be merged as well. Table 24 summarizes the above contents.

**Table 24: Conditions and specific measures of the transfer and continuation of the basic pension insurance between urban and rural areas**

	From the URRBPIS to the UEBPIS	From UEBPIS to the URRBPIS
Qualifications	Length of contribution to the UEBPIS for at least 15 years(including extended contribution to 15 years)	Length of contribution to the UEBPIS for less than 15 years
Specific measures	The pension fund in individual accounts will be transferred totally; The contribution years in URRBPIS will not be calculated accumulatively.	The pension fund in individual accounts will be transferred totally, but the social pooling funds are not transferred; The contribution years in UEBPS are combined to URRBPS for accumulative calculation.
Special items	If an insured person has joined the two insurance schemes in the same year, repeated periods are only calculated as the contribution length of the UEBPIS. The contribution of the repeated periods of the URRBPIS will be cleared up and their individual contribution (including subsidies from the collective) will be paid back to the insured person himself.	

Theoretically, the effective connection between different social pension insurance systems is conducive to the integration of urban and rural labour markets, to solving the problem of repeated insurance participation, and to promoting the integration of different systems. However, great controversy has been aroused with the introduction of the *Interim Measures*. The main reason for this is that the current transfer and continuation conditions are not conducive to protecting the insured, especially the pension rights of migrant workers. The controversy focused on two aspects: the first is the calculation of contribution years when transferring the basic pension insurance relations between urban and rural areas; the second is the problem of the pooling fund transfer when transferring the insurance relation from the UEBPIS to the URRBPIS. The Ministry of Human Resources and Social Security conducted a detailed explanation on the *Interim Measures*, believing that since there is a big difference at the level of contribution between the UEBPIS and the URRBPIS and the nature of the pooling fund, which is not owned by individuals, is also different from that of individual accounts, the contribution length of the URRBPIS are not merged with or converted into the

contribution length of the UEBPIS when transferring. Meanwhile, as a result, the pooling fund of the UEBPIS can't be transferred to the URRBPIS as well. But this explanation has been questioned by many experts and scholars, whose main point is that the *Interim Measures* have not enough protection for the rights of migrant workers, especially the female migrant workers, and need to be improved.

The government should strengthen the protection of pension rights of female migrant workers and the reasons are as follows. First, since migrant workers, especially female migrant workers, are more difficult to meet the requirements of 15 years' contribution to the UEBPIS, they are more likely to transfer from the UEBPIS to the URRBPIS, compared with transferring from the URRBPIS to the UEBPIS. Moreover, the situation is even worse for the trans-provincial migrant workers, especially female migrant workers because they don't even have an opportunity to make a supplementary contribution. Second, there is a big change of pension benefits during the transfer process, especially when transferring from the UEBPIS to the URRBPIS. The social pooling account funds are not transferred together, while the basic pension benefit level of the URRBPIS is far lower than that of the UEBPIS, so their basic pension benefit will suffer huge losses.

## **Institutional Analysis of (Female) Migrant Workers**

### **1. Institutional analysis of migrant workers' insurance participation**

Migrant workers leave agriculture and rural areas, enter urban areas for employment and livelihood, and engage in non-agricultural employment. Accordingly, it's reasonable to establish a suitable social security system for them. From the perspective of the current institutional framework, migrant workers are included in the social security system for urban workers and can participate in the UEBPIS. Their rights and interests of pension insurance can be transferred between different systems and different regions through certain institutional design and this is a significant progress in the development and improvement of China's social security system. According to the current policy, migrant workers may choose to participate in the UEBPIS or to join the URRBPIS in the place where their permanent residences are located. In order to

meet the mobility of migrant workers, specific measures have also been designed to realize the transfer of pension insurance relation between different systems and between different regions. These policies help to provide migrant workers with reasonable old age security and provide conditions for establishing a fair market competition environment. However, under the current insurance system, it is very easy for migrant workers to encounter the loss of pension rights.

By reviewing the existing system, the insured situation of all groups can be summarized as the following five scenarios. In Scenario One, people who have joined the UEBPIS for at least 15 years and kept their pension relations staying in one administrative area for at least 10 years, can get the UEBPIS benefits in this administrative area. In Scenario Two, people who have joined the UEBPIS for at least 15 years but haven't kept their pension insurance relations in one administrative area (normally a city) for at least 10 years, can get their pension benefits of the UEBPIS in their place of domicile. In Scenario Three, people who have joined the UEBPIS for less than 15 years but have insured in the URRBPIS for an accumulated period of more than 15 years, can enjoy their pension benefits of URRBPIS in their place of domicile. In Scenario Four, people who have joined the URRBPIS for more than 15 years, can enjoy their pension benefits of the URRBPIS in their place of domicile. In Scenario Five, people who haven't insured in both UEBPIS and URRBPIS for an accumulated period of more than 15 years, are not qualified to pension benefits. In general, migrant workers moved from underdeveloped areas to developed areas for employment and the average salary of workers in the place where they joined the UEBPIS is generally higher than that of the place of their registered permanent residence. Once they choose to go back to their hometown, they will suffer a cliff loss of their pension benefits. The root cause of this situation is that basic pension is not nationally pooled and there are big differences between regions. As migrant workers, especially female migrant workers are hard to meet the requirements of contribution length of the UEBPIS, they are more likely to be transferred from the UEBPIS to the URRBPIS, in this way they will also suffer a cliff loss of their pension benefits. The root cause of this situation is the lack of smoothing mechanism in the design of the transfer and continuation system. In the

current system, the disadvantaged groups, mainly migrant workers and women are faced with greater risk of being unable to meet the qualifications of receiving pension benefits.

## **2. Further analysis of female migrant workers' insurance participation**

As mentioned above, in recent years, the feminization of migrant workers is even more evident. The *Report of Migrant Workers Monitoring Survey 2014* released by National Bureau of Statistics shows that the total number of migrant workers nationwide was 273.95 million, of which 33% were women. Later, the *Report of Migrant Workers Monitoring Survey 2016* shows that the total number of migrant workers nationwide was 281.71 million, of which 34.5% were women. How to protect their pension rights, especially considering their characteristics in the process of designing and improving the social insurance system, is not only an important part of promoting gender equality, but also a necessity of preventing old age poverty and realizing social equity.

In the current system, female migrant workers are not only facing the problems faced by women in general, such as short-term employment, low income and low pension benefit level, but also facing some special obstacles compared with urban female employees as follows:

First, female migrant workers have shorter employment years in cities, which is not only lower than urban female employees but also male migrant workers. Based on the data of the National Floating Population Survey, the employment age of female migrant workers in urban areas is only about 11 -13 years, which is lower than the minimum contribution length (15 years) of the pension insurance. This means that they will withdraw from the urban labour market earlier, and even if they've participated in the UEBPIS, it is still difficult for them to meet the minimum contribution period. These female migrant workers can only get the lower pension benefit from the URRBPIS in their place of domicile instead of the higher one from the UEBPIS.

Second, a large number of female migrant workers have not been covered by the UEBPIS, which means although they are working in urban areas, they can't accumulate effective pension benefits at all during their employment. One important reason for this

is that the UEBPIS mainly covers regular workers with formal labour contracts with enterprises while female migrant workers are more informal workers.

Third, female migrant workers' wage is low, which is lower than that of male migrant workers, and also significantly lower than that of urban female workers. This not only means that their future pension accumulation is low, but also means that they also face the conflict between current living and contribution. At present, the total contribution rate of the UEBPIS is 28% of the total payroll, of which employers afford 20% and individuals afford 8%. The wage of female migrant workers is very low and after the payment part is removed, it is almost impossible for them to afford current living expenses, leading a large number of female migrant workers to 'voluntarily' choose not to participate in the UEBPIS.

## **Conclusion**

There are two types of pension distribution mode or pension benefit mode that embody gender differences. One is the benefit-defined type, which defines the amount of pension based on the employment years and salary level of the insured person. Another is the contribution-defined type, which defines the amount of pension based on the actual contribution that the insured person has accumulated during his/her employment. But in any case, it is more or less related to the years of employment, salary and income level during employment of the insured persons. Women's actual employment years in the labour market and average wage are all lower than men's, which leads to the lower level of pension benefits after retirement for women than men. Moreover, women have higher life expectancies than men, which means that they need to rely longer on pension for living. Fewer pension funds are spread over a longer period of time, resulting in even lower average monthly pension benefit and this is one of the main reasons why older women in the world have higher poverty rates than men. Although there are many reasons for women's short employment period and low wage, the responsibility of women to bear childbearing, nursery and family care is obviously one of the main reasons. In this regard, the government should take full consideration of the characteristics of women in the pension insurance system design to make up for

the loss of pensions for women due to family responsibilities.

The analysis of social basic pension insurance system in China at the present stage shows that first, the social pension insurance system in China has not been distinguished by gender and both of two main systems are dominated by contribution incentive. Regardless of the wage level or the duration of employment or payment, the disadvantage of women in the labour market will inevitably extend to the disadvantage of social pension insurance. This disadvantage is reflected in the level of pension benefit on the one hand and in the qualifications of pension benefit on the other hand, while the gender differences in retirement policies will even exacerbate the disadvantage of women in terms of eligibility. Second, the design of the transfer and continuation system can easily damage the pension rights of migrant workers, especially the female migrant workers. Female migrant workers may experience the largest loss of pension rights due to their dual disadvantage in the current system because they are not only facing a higher institutional threshold but also more vulnerable to fail to reach the payment years stipulated by the system.

## **Part Three**

### **Analysis of Women's Employment, Social Security and the Pension Insurance System in Guangdong Province**

#### **Data and Analysis of Employment and Social Security in Guangdong Province**

##### **Comparative Analysis of the Situation in Guangdong Province and the Whole Country<sup>9</sup>**

###### **1. Employment**

In Guangdong Province, male employment rate is generally higher than that of women. Compared with the whole country, the employment rate of men and women in

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<sup>9</sup> If there is no special explanation, data sources of this part are the Third Survey on the Status of Chinese Women and the Third Survey on the Status of Women in Guangdong Province.

urban areas are generally above the national average, but that of men and women in rural areas are generally below the national average, as shown in Table 25.

**Table 25: Employment rate of people aged 16-64 categorized by gender in both China in general and Guangdong in particular in 2010**

	China			Guangdong		
	Average	Urban	Rural	Average	Urban	Rural
Female	71.1%	60.8%	82%	68.70%	62.80%	81.9%
Male	87.2%	80.5%	93.6%	87.40%	85.30%	91.10%

Sources: the Third Survey on the Status of Chinese Women

## 2. Unemployment rate

According to the data from *China Labour Statistical Yearbook*, by the end of 2014, registered unemployed population in Guangdong Province was 368,000, of which 153,000 were women and the registered unemployment rate was 2.4%, which is a relatively low level in the country, only slightly higher than those of Beijing (1.3%), Gansu (2.2%) and Hainan (2.3%). Based on the local statistical yearbook data, the number of registered unemployed people in Guangdong and Guangzhou by the end of 2015 was 369,700 and 53,000 respectively.

## 3. Gender Differences on labour income

Generally speaking, Guangdong's income level is higher than the national average, but the income gap between different genders is also larger than the national average, as shown in Table 26.

**Table 26: Gender differences on labour income level, National and Guangdong**

	Average annual labour income		Average annual income
National female employees	13388.6	Guangdong female	17517
National male employees	21117.7	Guangdong male	29108
Female/male	63.4%	Female/male	60.2%

Comparison of the data of income in five levels in urban and rural areas categorized by gender reveals that compared with the national average situation,

women in Guangdong are more at lower income levels and this situation is even more severe for rural women. Regardless of urban or rural areas, the proportion of women in low and lower-middle income groups in Guangdong is far higher than the national average while the proportion of men in low and lower-middle income groups in Guangdong is much lower than the national average. Table 27 shows that the percentage of women in low-income group and lower-middle income group in urban Guangdong was 70.8% and 62.4% , 11% and 7.8% higher than the national average (59.8% and 54.6%) respectively. In rural Guangdong, the percentage of women in low-income group and lower-middle income group was 88.5% and 75.4%, 22.8% and 23.3% higher than the national average (65.7% and 52.1%) respectively.

**Table 27: Data of income in five levels in urban and rural areas categorized by gender, National and Guangdong**

			Low income	Lower-middle income	Middle income	Higher-middle income	High income
China	Urban	Male	40.2%	45.4%	58%	64.4%	69.1%
		Female	59.8%	54.6%	42%	35.6%	30.9%
	Rural	Male	34.3%	47.9%	57%	60.8%	75.6%
		Female	65.7%	52.1%	43%	39.2%	24.4%
Guangdong	Urban	Male	29.2%	37.6%	59%	59.6%	70.6%
		Female	70.8%	62.4%	41%	40.4%	29.4%
	Rural	Male	11.5%	24.6%	33%	54.5%	58.2%
		Female	88.5%	75.4%	67%	45.5%	41.8%

Sources: the Third Survey on the Status of Chinese Women

#### **4. Social insurance participation rate**

Data of the Third Survey on the Status of Chinese Women and the Third Survey on the Status of Women in Guangdong Province in 2010 shows that urban female

participation rate of social pension insurance and social medical insurance in Guangdong were higher than the national average level and were close to urban male participation rate in Guangdong. The participation rate of the medical insurance of urban women was even slightly higher than that of urban men in Guangdong. But for other groups, the participation rate of social pension insurance and medical insurance categorized by gender in Guangdong were lower than that in the country respectively as shown in Table 28.

**Table 28: Participation rate of social old age insurance and medical insurance in urban and rural areas categorized by gender, National and Guangdong**

Social security subject	Female in China	Male in China	Female in Guangdong	Male in Guangdong
People with non-agricultural household registration				
Social old age insurance	73.3%	75.9%	74.40%	74.50%
Social medical insurance	87.6%	88%	89.90%	87%
People with agricultural household registration				
Social old age insurance	31%	32.7%	19.3%	25.50%
Social medical insurance	95%	95.6%	88.40%	90.90%

Sources: the Third Survey on the Status of Chinese Women

According to *China Human Resources and Social Security Yearbook 2015*, participation rate of the URRBPIS remains stable above 99%. Since July 2014, the minimum standard of basic pension of Guangdong Province has been raised from RMB 65 *yuan* per person per month to RMB 95 *yuan* while that of the whole country has only risen to RMB 70 *yuan* at the same time.

## 5. Medical insurance

Women in Guangdong pay less attention to health. Specifically, the percentage of women having physical examinations and gynaecological examinations in urban and rural areas in Guangdong was lower than the average level of the same kind of people in the country as shown in Table 29.

**Table 29: Attention to Health, National and Guangdong**

Subject	National urban areas	National rural areas	Guangdong urban areas	Guangdong rural areas
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Women who have had physical examinations in last 3 years	53.7%	29.9%	49.20%	19.5%%
Women who have had gynaecological examinations in last 3 years	62.8%	46.5%	59.10%	34.60%

## 6. Maternity insurance

According to *China Human Resources and Social Security Yearbook 2015*, the government of Guangdong Province revised the local maternity insurance regulations in the form of provincial government orders in November 2014, including all employment units in the coverage of maternity insurance and standardizing the payment items and standards for the benefit of childbearing. The number of people participating in the maternity insurance in the country was 17.039 million while Guangdong Province ranked the first in the country with a total of 2.801 million people insured.

Data from the Third Survey on the Status of Women in Guangdong Province in 2010 indicates that in some aspects related to the maternity insurance, in both urban and rural areas, the situation in Guangdong is generally worse than the national average.

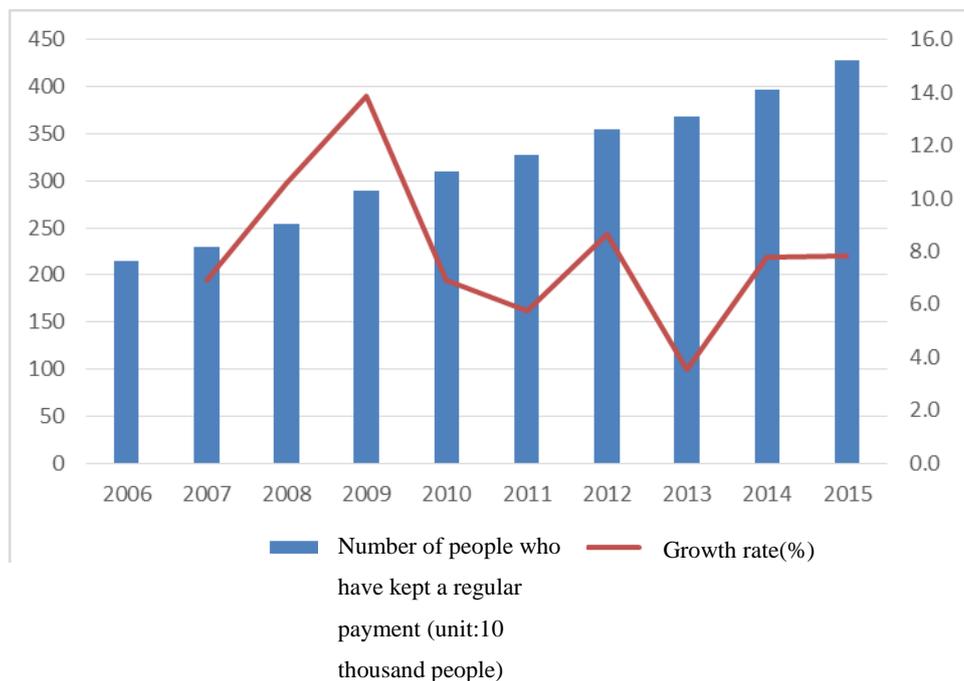
**Table 30: Maternity leave, wage level and birth examination situation of urban and rural women, National and Guangdong**

Subject	National urban areas	National rural areas	Guangdong urban areas	Guangdong rural areas
Urban female working in units who enjoy a full stipulated maternity leave when they give birth to their last child in recent 10 years	87.30%	--	64.40%	--
Urban female working in units who have same or similar basic wage as the income before birth when they are having maternity leave in recent 10 years	73.60%	--	67.30%	--
Women aged 35 and under who having had prenatal examination before giving birth to their last child	94.8%	89.4%	93.5%%	87.60%
Deliver in the hospital	97.20%	87.7%	95.9%%	81.40%

## Analysis on the Data of the UEBPIS in Guangzhou City

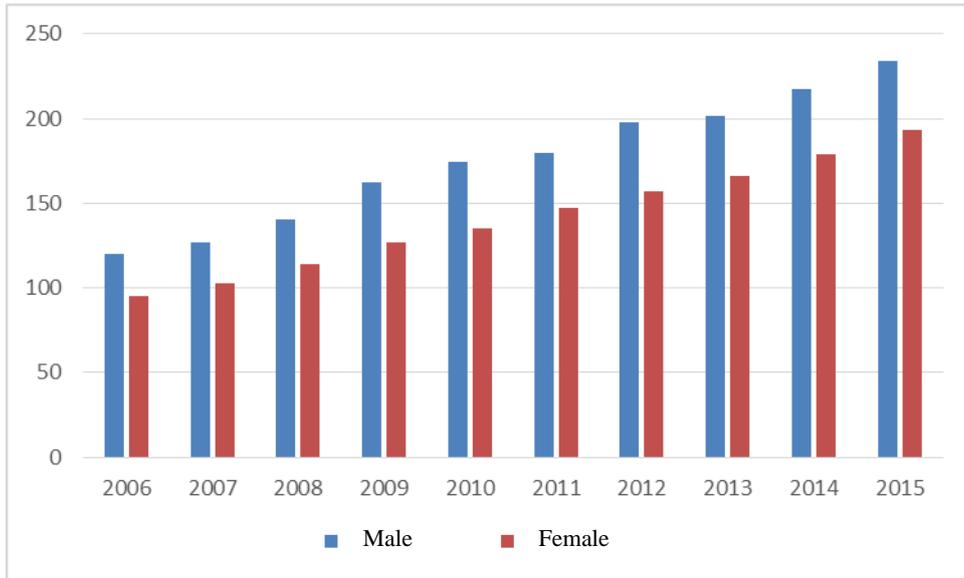
### 1. Population structure of the insured people, 2006-2015

In 2015, the number of people participating in the social basic pension insurance in Guangzhou was 9.21 million, and the average annual growth rate of the insured level in the past 10 years was 19%. Besides, the number of people who have made regular contribution to the insurance was 4.28 million with an average annual growth rate of 8%. As shown in Figure 6, the number of regular contributors in the last 10 years has maintained a relatively steady growth trend.



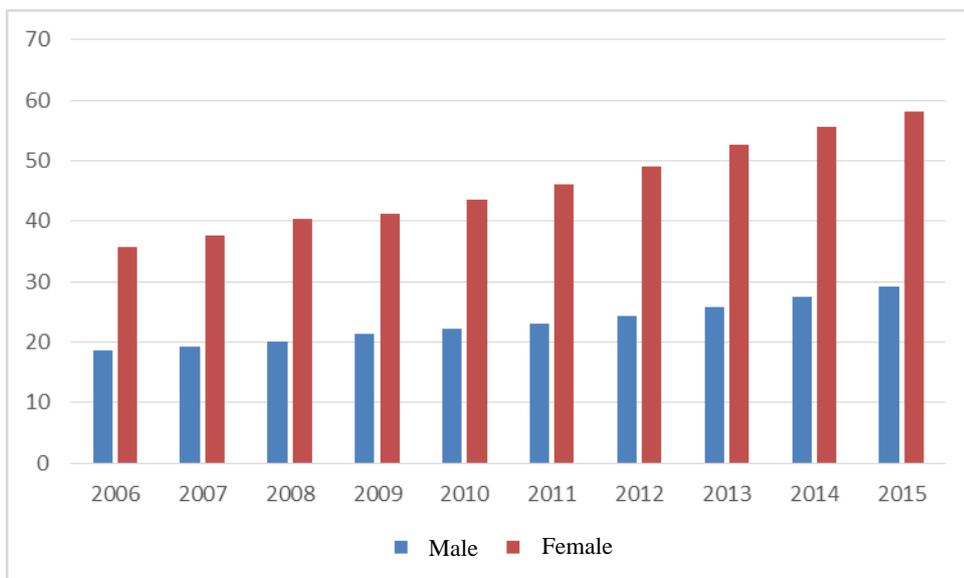
**Figure 6: Population structure of the insured people, 2006-2015**

Among those regular contributors, the number of women was 1.93 million while men 2.34 million in 2015, which means women only accounts for 45%. As can be seen in Figure 7, in the past years, the number of male regular contributors was significantly more than that of female regular contributors, and there is a tendency of widening gap between men and women.



**Figure 7: Number of people made regular payment categorized by gender in Guangzhou, 2006-2015 (Unit: 10 thousand people)**

In 2015, the number of retirees was 870 thousand, with an average annual growth rate of 5%, and the fluctuation is small. Besides, among these people, 580 thousand were women, accounting for 66%, which is much higher than men. Figure 8 also clearly shows the changes in the number of retired men and women over the years. The number of female retirees in the past ten years is much higher than that of male retirees since on the one hand, women's retirement age is lower than men's and on the other hand, women have higher life expectancy than men.

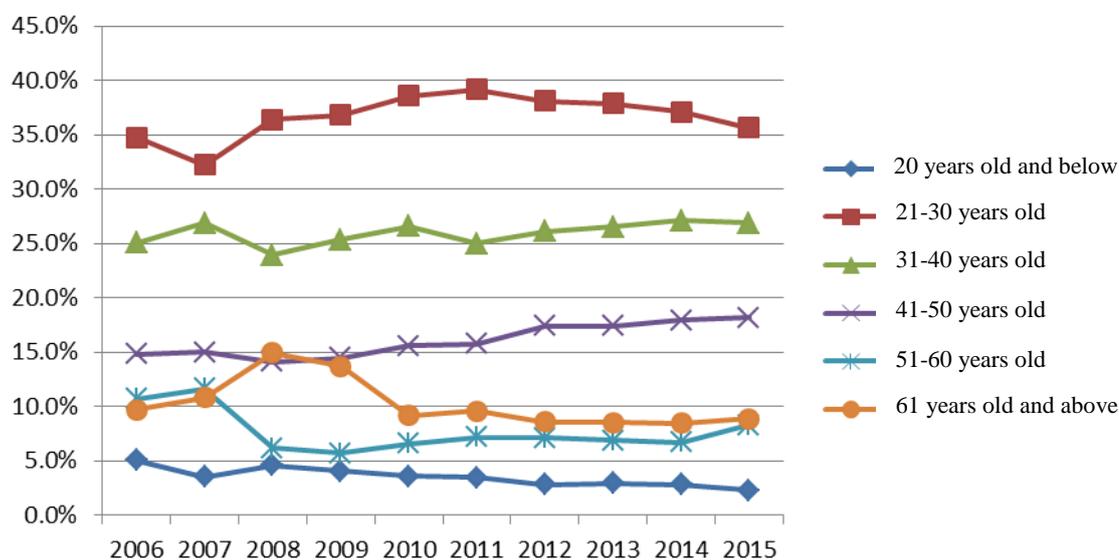


**Figure 8: Retirement situation of men and women in Guangzhou, 2006-2015**

## 2. Sample analysis on people with regular contribution to the UEBPIS in Guangzhou

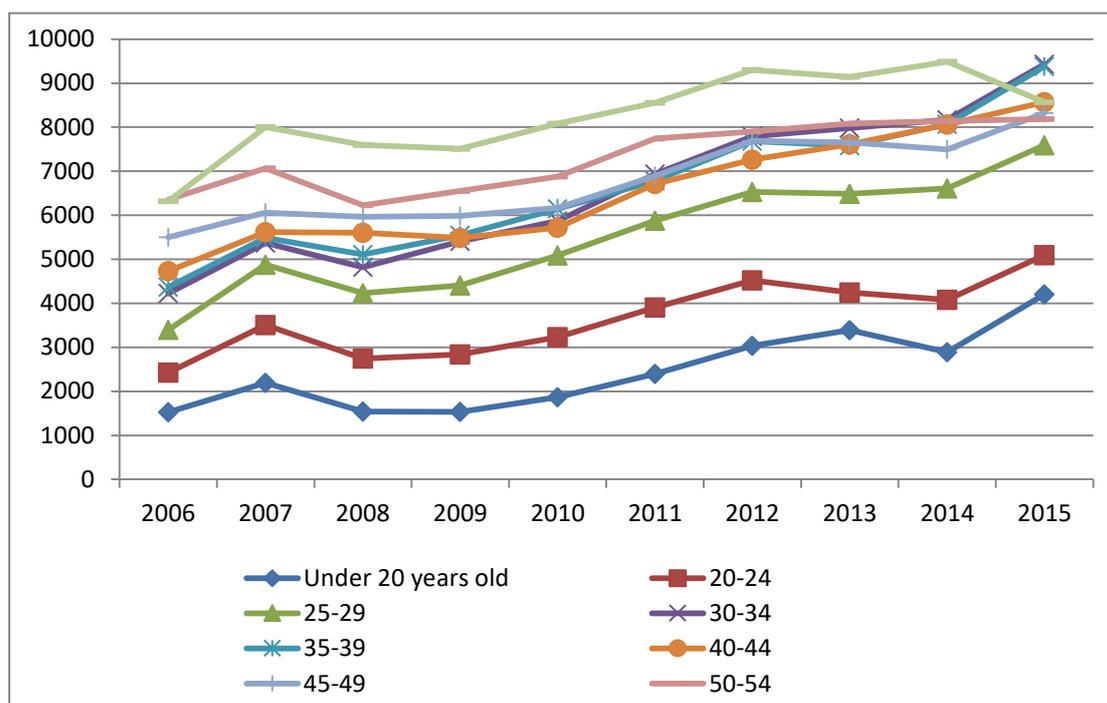
### a. Analysis on population structure of the insured people

In terms of age structure, as shown in Figure 9, the proportion of people in different age groups from high to low in the last 10 years are as follows: 21-30 years old, 31-40 years old, 41-50 years old, 60 years old and above, 51-60 years old, and 20 years old and below. Although the overall age structure of Chinese society is aging, Guangzhou's young workforce still accounts for the absolute majority. One of the reasons is that between 2006 and 2015, the population with local household registration in Guangzhou increased from 7 million to 8 million which is a relatively slow increase, while the residents in Guangzhou increased from 9.9 million to 13 million, which is much faster than the household registered population. The influx of a large number of young migrant workers has supported the age structure of Guangzhou and has kept the number of people aged 20-40 at a high position.



**Figure 9: Changes of proportion of people in different age groups in Guangzhou, 2006-2015**

### b. pension insurance contribution situation of the insured people



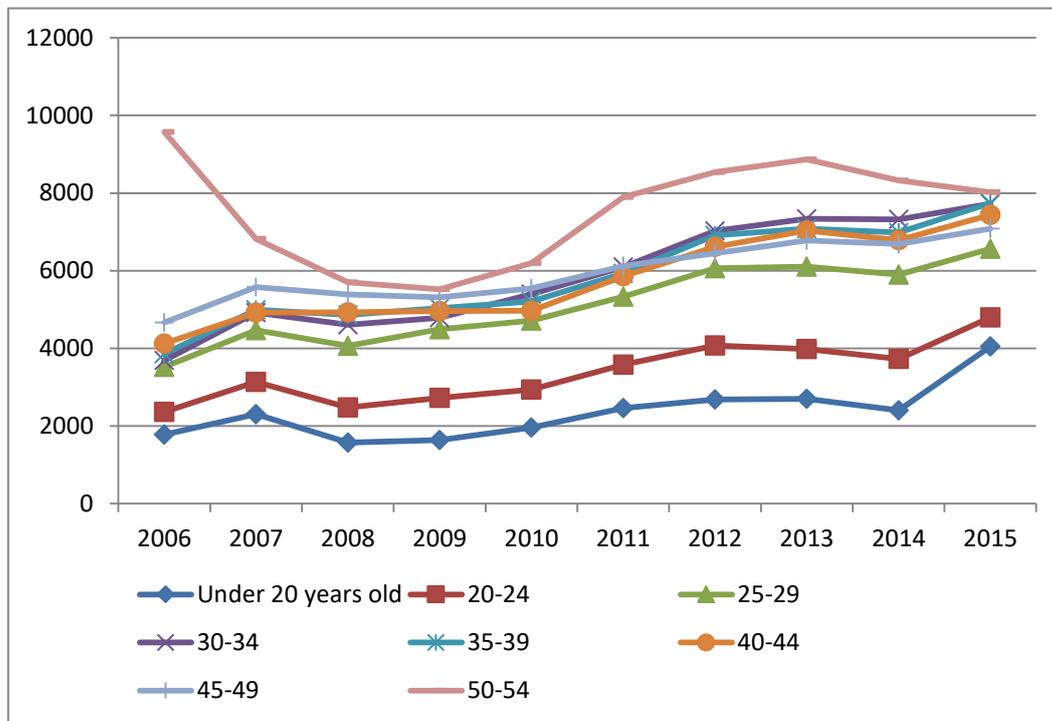
**Figure 10: Per capita pension insurance contribution of the insured people in different age groups in Guangzhou, 2006-2015**

As shown in Figure 10, men in different age groups have different per capita pension insurance contribution and they can be ranked by the amount from high to low as follows: 55-59 years old, 50-54 years old, 45-49 years old, 40-44 years old, 35-39 years old, 30-34 years old, 25-29 years old, 20 -24 years old, and under 20 years old. Before 2012, the overall trend was consistent with the age distribution. The older the age is, the higher the per capita payment amount. However, after 2012, people aged 35-39 years old and 30-35 years old gradually made the highest contribution on average (per capita annual contribution of the former group was RMB 9384 *yuan* and that of the latter was RMB 9432 *yuan*) and the per capita contribution of people aged 50-59 years old ranks the second, as shown in Table 31.

**Table 31: Per capita pension insurance contribution of the insured men in different age groups in Guangzhou, 2006-2015 (Unit: RMB)**

	Under 20 years old	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59
2006	1529	2426	3398	4227	4373	4729	5499	6354	6321
2007	2193	3509	4877	5373	5489	5619	6056	7067	8004
2008	1544	2746	4229	4818	5111	5606	5968	6224	7595
2009	1532	2839	4406	5406	5544	5490	5988	6552	7509
2010	1870	3232	5089	5874	6149	5717	6170	6877	8085

2011	2399	3905	5880	6934	6783	6711	6891	7743	8555
2012	3037	4519	6529	7795	7687	7267	7693	7904	9299
2013	3390	4249	6484	7985	7579	7609	7657	8080	9145
2014	2891	4078	6610	8170	8068	8059	7493	8139	9491
2015	4206	5092	7587	9432	9384	8568	8324	8187	8568



**Figure 11: Per capita pension insurance contribution of the insured women in different age groups in Guangzhou, 2006-2015**

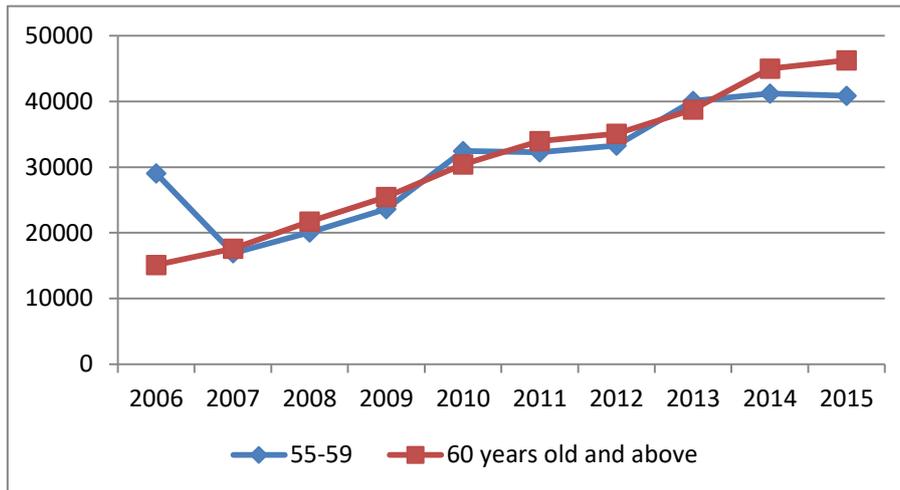
Compared with men, the amount of contribution made by women is significantly lower than that of men and the ranking of different age groups' per capita pension insurance contribution is different as well. As shown in Figure 11, the rankings from high to low were 50-54 years old, 45-49 years old, 40-45 years old, 35-49 years old, 30-34 years old (the contributions of the above three age groups are almost equal), 25-29 years old, 20-24 years old, and under 20 years old. Since the current statutory retirement age for female workers is 50 years old and 55 years old for female cadres, it can be seen that there is no line of contribution for people aged over 55 in Figure 11, and women aged 50-54 years old made the highest per capita contribution in 2015, which is RMB 8021 *yuan*. Moreover, Table 32 shows in detail the per capita pension insurance contribution of the insured women in different age groups.

**Table 32: Per capital pension insurance contribution of the insured women in different age groups in Guangzhou, 2006-2015 (Unit: RMB)**

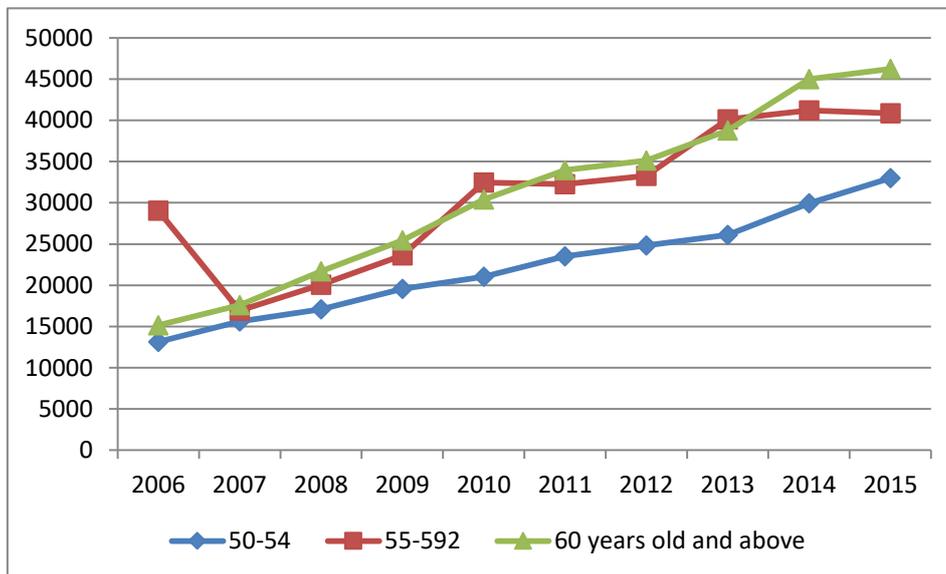
	Under 20 years old	20-24	25-29	30-34	35-39	40-44	45-49	50-54
2006	1781	2361	3519	3689	3864	4126	4664	9579
2007	2310	3133	4465	4925	4993	4921	5576	6819
2008	1578	2475	4066	4605	4863	4930	5390	5704
2009	1642	2727	4495	4788	5033	4964	5314	5524
2010	1957	2936	4716	5396	5209	4972	5544	6193
2011	2460	3578	5335	6094	5931	5858	6119	7901
2012	2685	4074	6068	7028	6914	6613	6453	8543
2013	2699	3981	6106	7336	7087	7037	6783	8868
2014	2402	3732	5899	7320	6982	6786	6693	8325
2015	4053	4795	6567	7727	7744	7437	7088	8021

c. Pension expenditure situation of the insured people categorized by age and gender

With a statistical analysis of the data, it is found that the male pension expenditure is mainly concentrated in people aged 55-59 and over 60 years old. The pension expenditure of these two groups mentioned above was roughly the same but that of the latter was slightly larger than that of the former. Per capital annual pension expenditure of people over the age of 60 increased from RMB 15,000 *yuan* in 2006 to RMB 46,000 *yuan* in 2015, with an average annual growth rate of 13%. However, it should be noted that the statistical results of the sample data show that the number of male retirees aged 55-59 years old is too small and there might be a large sampling error.



**Figure 12: Per capita expenditure of pension insurance funds on the insured men in different age groups in Guangzhou, 2006-2015 (Unit: RMB)**



**Figure 12: Per capita expenditure of pension insurance funds on the insured women in different age groups in Guangzhou, 2006-2015 (Unit: RMB)**

As shown in Figure 12 and Figure 13, because of the retirement age, there is a difference in the pension expenses between men and women, and the total amount of women's pension is slightly lower than that of men's. For women, although per capita pension expenditure on people aged over 60 years old is the highest, it's not far more than that on people aged 56-60. The per capita pension for women over the age of 60 increased from RMB 13,000 *yuan* in 2006 to RMB 42,000 *yuan* in 2015, with an average growth rate of 13.8%, for women aged 55-59 increased from RMB 13,000 *yuan* in 2006 to RMB 39,000 *yuan* in 2015, with an average growth rate of 13.5% and for

women aged 50-54 increased from RMB 13,000 *yuan* in 2006 to RMB 33,000 *yuan* in 2015, with an average growth rate of 11%.

Table 33 shows in detail the data of pension expenditure on men and women in different age groups.

**Table 33: Annual per capital pension expenditure categorized by age and gender, 2006-2015**

	50-54		55-59		60 and above	
	Male	Female	Male	Female	Male	Female
2006	-	13126	29045	12598	15139	13128
2007	-	15632	16925	14799	17587	15067
2008	-	17073	20068	18369	21702	18821
2009	-	19569	23631	21404	25460	22400
2010	-	21045	32460	27019	30397	26678
2011	-	23498	32245	27909	33949	29527
2012	-	24811	33269	30109	35105	31843
2013	-	26119	40105	32273	38756	34630
2014	-	29919	41199	39216	44973	39391
2015	-	32981	40864	38633	46247	41763

### 3. Analysis on migrant workers

a. Analysis on the structure of the insured migrant workers and their pension benefits

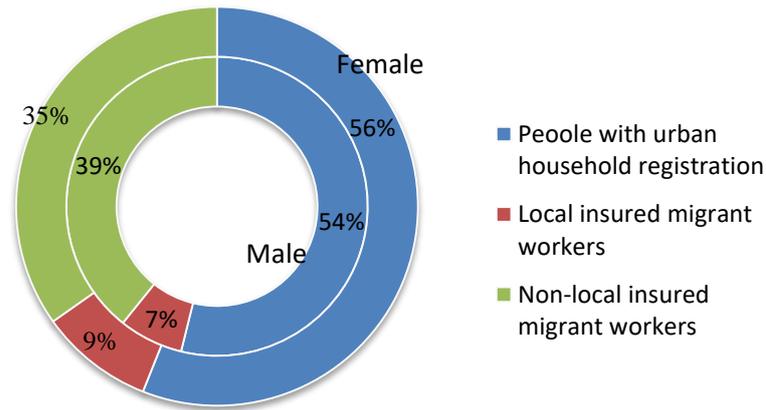
Based on the data of 2015, this report makes a further analysis of the pension insurance of migrant workers, and the data of the structure of the insured migrant workers and their pension benefits are listed in Table 34.

**Table 34: Insurance Participation and Pension Benefits of migrant workers in Guangzhou, 2015**

Structure of insured migrant workers			Structure of migrant workers with pension benefit		
	Male	Female		Male	Female

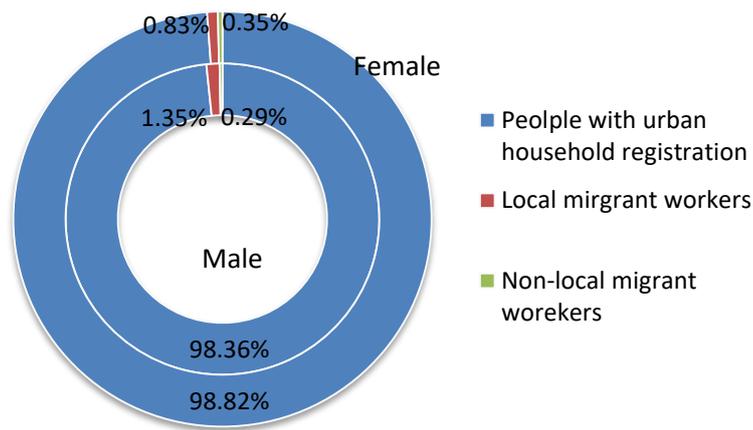
With urban household registration	5665	4787	With urban household registration	1017	2265
With rural household registration	4857	3759	With rural household registration	17	27
Local migrant workers	727	785	Local migrant workers	14	19
non-local migrant workers	4130	2974	Non-local migrant workers	3	8

First, the structure of the insured people who have made regular contribution is shown in Figure 14. Among them, men accounts for 55% while women for 45%. In the male group, the proportions of the insured people with urban household registration and rural household registration are 56% and 46% respectively. Among them, the proportions of local migrant workers and non-local migrant workers are 9% and 35% respectively. In the female group, the proportions of the insured people with urban household registration and rural household registration are 54% and 44% respectively. Among them the proportions of local migrant workers and non-local migrant workers are 7% and 39% respectively. Almost half of the total insured people who make regular contribution are migrant workers. Among the male and female insured workers who make regular contributions, the proportions of migrant workers are 46% and 44% respectively. Among the migrant workers who make regular contribution, the proportion of non-local migrant workers is much higher than that of local migrant workers. Among the male migrant workers, those with local household registration and non-local household registration account for 15% and 85% respectively while among the female migrant workers, whole with local household registration and foreign household registration accounts for 21% and 79% respectively.



**Figure 14: Structure of the insured people making regular contribution**

Second, the structure of the insured people who have received pension benefits is shown in Figure 15. Among them, men account for 31% while women for 69%. In the male insured people who get pension benefits, the proportion of those with urban household registration is 98.4%, while the proportions of local migrant workers and non-local migrant workers are 0.8% and 0.3% respectively. Almost all of the insured with pension benefits are people with urban household registration. In both male and female insured people who get pension benefits, migrant workers account for less than 2%, which constitutes a sharp contrast with the proportion of migrant workers in the insured population. This means that compared with people with urban household registration, it's difficult for migrant workers to obtain the treatment eligibility. Among the migrant workers who have received treatment, the proportion of local migrant workers is slightly higher than that of foreign migrant workers. Among male migrant workers, the proportions of those with local and non-local household registration are 1.35% and 0.29% respectively whilst among female migrant workers, the proportions are 0.83% and 0.35% respectively. Though the number of the insured non-local migrant workers is much bigger than that of local migrant workers, it's more difficult for the former to fulfil the pension benefits qualifications.



**Figure 15: Structure of the insured people with pension benefits**

In general, in terms of gender, the proportion of men in the insured population is slightly larger (55%) than that of women (45%), while the percentage of women obtaining pension benefits is greater (69%) than that of men (31%). Migrant workers group shows the same characteristics. The proportions of men and women in the insured population are 56% and 44% respectively. Among those with pension benefits, the percentage of men and women are 39% and 61% respectively. In terms of household registration, the proportion of the insured people with urban household registration (55%) is slightly higher than those with rural household registration (45%). In terms of pension benefits, people with urban household registration (99%) are much larger than those with rural household registration (1%). In addition, for migrant workers, the proportions of the local insured migrant workers and the non-local insured migrant workers are 18% and 82% respectively. In terms of pension benefits, the proportions of the local insured migrant workers and the non-local insured migrant workers are 75% and 25% accordingly.

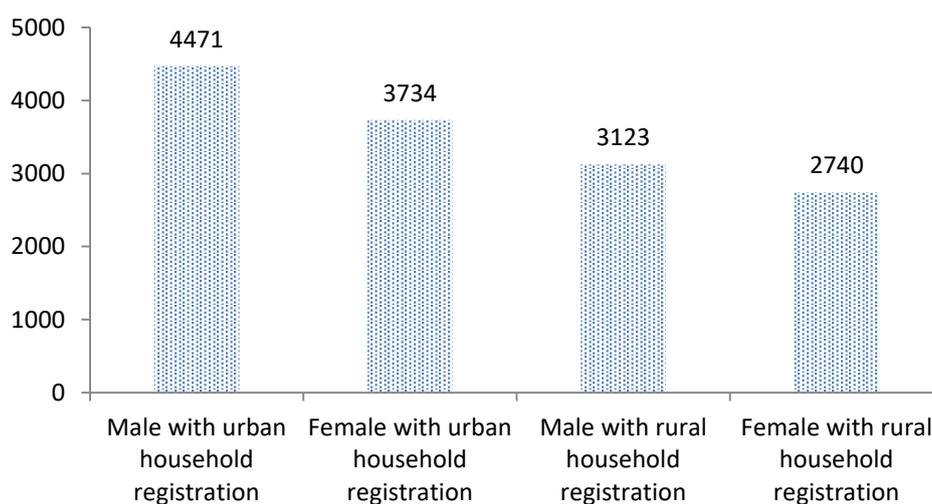
b. Contribution base of the insured migrant workers categorized by gender

**Table 35: Pension insurance contribution and pension benefits of migrant workers categorized by gender, 2015 (Unit: RMB/month)**

Average level of contribution base	Average level of pension benefits	
	Male	Female
Total	3851	3298
	3785	3270

With urban household registration	4471	3734	With urban household registration	3812	3285
With rural household registration	3123	2740	With rural household registration	2205	2012
Local migrant workers	3112	2629	Local migrant workers	2351	2001
Non-local migrant workers	3125	2770	Non-local migrant workers	1528	2039

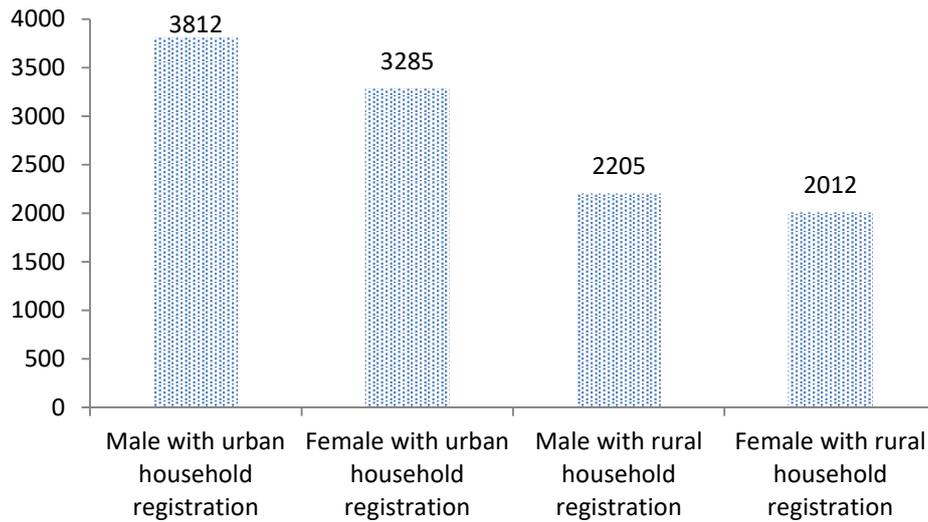
In terms of average contribution base, migrant workers' contribution base is generally lower than that of the insured population with urban household registration, and women's contribution base is generally lower than that of men. Therefore, female migrant workers have the lowest average contribution base.



**Figure 16: Average level of contribution base**

### c. Migrant workers' pension benefits categorized by gender

People with urban household registration enjoy higher average pension benefits than people with rural household registration and men enjoy higher average pension benefits than women. However, non-local men with rural household registration have less average pension benefits than non-local women with rural household registration, which might be caused by the small sample.



**Figure 17: Average level of pension benefits**

## **Reviewing and Comparative Analysis of the Social Pension Insurance System in Guangdong Province**

In Guangdong Province, firstly, the *Notice on Implementing the State Council's Decision on Improving the Urban Employee Basic Pension Insurance Scheme* (No. 96[2006] Document released by the Guangdong government) clearly stipulates the contribution rate and pension benefit standards of the UEBPIS. Later, the *Notice on Unifying the Minimum Pay Cost Wage and the Proportion of Employer's Contribution of the Urban Employee Basic Pension Insurance Scheme* (No.2789[2014] Document released by the Department of Human Resources and Social Security of Guangdong Province) changed the standards of pay cost wage and the proportion of employers' contribution set by the No. 96 [2006] Document. In 2017, the Guangdong government released No.71[2017] Document, that is, the *Implementation Plan of improving the provincial-level of coordination of the Urban Employee Basic Pension Insurance Scheme*. Secondly, the *Notice on Amending the Implementation Measures of the Urban and Rural Basic Pension Insurance Scheme in Guangdong Province* (No. 37[2014] Document released by the Guangdong government) is applicable to the URRBPIS. Thirdly, there are two documents related to the transfer and continuation of the pension insurance system, that is, the No.37[2014] Document mentioned above and the *Notice*

*on the Interim Measures for Transfer within the Province of the Basic Pension Insurance in Guangdong Province* (No. 76[2008] Document conducted by the Guangdong government).

## **1. UEBPIS**

### **a. Unit payment rate**

The No. 2789[2014] Document conducted by the Department of Human Resources and Social Security of Guangdong Province stipulates that all enterprises in the whole province will practice the unified contribution rate of 13%-15% since 2015, which is lower than the reference standard of 20% set by the central government. The reason is that Guangdong is a province with a large number of young population inflow, and there are more young migrant workers, making the dependency ratio of Guangdong province is relatively small.

### **b. Entry threshold of the system**

Since 2016, the nationwide reform of the statistical calibre of contribution base has been carried out, while Guangdong has implemented a full statistical calibre reform of the lower limit of pay cost wage from the end of 2014 (refer to the No. 268[2013] Document released by the Department of Human Resources and Social Security of Guangdong Province). So, it can be seen that Guangdong earlier realized the crowding out effect of high entry threshold to low income groups. Moreover, before that, the No. 96[2006] Document of Guangdong Province also considered the low income groups in low income areas and lowered the entry threshold of the pension insurance system for them to some extent. The No. 96[2006] Document stipulates that if the monthly average wage of the city where the insured person is employed is lower than that of the province, and the insured person's taxable wage and salary are less than 60% of the monthly average wage of employees in the province in the previous year, the insured person may contribute no less than 60% of the monthly average wage of employees in the city in the previous year as the contribution base.

### **c. Regulations on pension benefits**

Compared with the national regulations, the characteristic of Guangdong's system is that an 'a' index clause is included in the basic pension calculation. This clause is

mainly applicable to low income groups in the insured population, which matches the lower entry threshold for low income groups in low income areas. The No.[2006]96 Document stipulates that for an insured person whose indexed average monthly pay cost wage (IAMPCW) is lower than 60% of the monthly average wage of employees in the province in the previous year, his monthly pension= $(\text{monthly average wage of employees in the province in the previous year} * a + \text{his IAMPCW}) / 2 * \text{contribution years} * 1\%$ , and  $a = \text{personal average contribution index} / 0.6$ . It can be inferred that 'a' is a positive number less than 1, so the 'a' index clause will reduce the basic pension benefit level of the low income insured people to a certain extent. The lower basic pension benefit level can reduce the threshold for the low income workers to join the pension insurance system. Yuan and Feng's study shows that Guangdong's design of the pension insurance system is more in line with the needs of low income groups<sup>10</sup>.

#### **d. Regulations for those who are not eligible for pension benefits**

At the national level, it stipulates that people who has reached the retirement age but has not accumulated the contribution period for 15 years after the implementation of the policy shall not be given basic pension benefits. The surplus of their personal account would be returned to the employee in a lump sum and their basic pension insurance relationship would be terminated. By contrast, the regulations of Guangdong Province are relatively more reasonable. On the one hand, Guangdong Province provides remedial measures for the insured persons with the Guangdong household registration. According to the No.96[2006] Document released by the Guangdong government, people with local household registration can choose to make a supplementary contribution to meet the conditions to get the pension benefit. During the time of supplementary contribution, the contribution period will be calculated but no basic pension benefit will be given.

#### **e. Adjustment mechanism**

In order to implement the related national policy, the No. 96[2006] Document released by the Guangdong government stipulates that annual adjustment of basic

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<sup>10</sup> Yuan Zhigang, Li Zhenzhen, and Feng Jin (2009), A Study of the Level of Basic Pension in the Process of Urbanization, *Nankai Economic Review*, No. 4.

pension benefit = average basic pension of the city in the previous year \* monthly average wage growth rate of the employees in the whole province in the previous year \* (40%~60%).

#### **f. Attitudes towards disadvantaged groups**

Although the national policy aims to 'further implement the social insurance subsidy policies to help people with employment difficulties to be insured', there is no relevant regulation on how to help and subsidize the disadvantaged groups in Guangdong Province.

#### **g. Death allowance**

There is no relevant national regulation. But in Guangdong, the No. 96[2006] Document stipulates that the base to calculate the retirees' death allowance is the monthly average wage of the workers in the city in the previous year.

## **2. URRBPIS**

#### **a. Regulations on individual contribution**

The starting point of individual contribution in Guangdong is higher than that of the whole country and the contribution standard span is larger as well. The standard of individual contribution in Guangdong is currently set at 10 grades, which is RMB 120 *yuan*, RMB 240 *yuan*, RMB 360 *yuan*, RMB 480 *yuan*, RMB 600 *yuan*, RMB 960 *yuan*, RMB 1200 *yuan*, RMB 1800 *yuan*, RMB 2400 *yuan* and RMB 3600 *yuan* per year while the national contribution standard span is from RMB 100 *yuan* to RMB 2000 *yuan*.

#### **b. Specific measures of institutional incentive mechanism**

In Guangdong Province, firstly, for those who chose the lower contribution standard (RMB 120 *yuan*- RMB 360 *yuan* per year) and the higher contribution standard (RMB 480 *yuan* per year and above), the subsidy to their individual account should not be less than RMB 30 *yuan* and RMB 60 *yuan* per person per year, which is in line with the national regulation of the minimum subsidy. Secondly, for those insured people who have paid for more than 15 years, each additional 1 year of contribution can get extra RMB 3 *yuan* of basic pension benefit every month.

### **c. Adjustment mechanism**

The increase in basic pensions in Guangdong province is larger than the national. The minimum basic pension amount in Guangdong increased from RMB 55 *yuan* in 2012 to RMB 120 *yuan* in 2017 per person per month.

### **d. Regulations for those who are not eligible for pension benefit**

There is no relevant regulation in national documents. In Guangdong Province, for those insured people who are not eligible for pension benefits, no basic pension can be given but they can apply for a monthly pension from their personal account until the surplus of their personal account runs out. Meanwhile, the government of Guangdong Province has also proposed some remedial measures. If the insured people are 60 years old but have paid less than 15 years, they can continue to make contribution until they meet the requirement of 15 years of contribution. If the insured people are 65 years old but have contributed less than 15 years, they can make a supplementary lump sum contribution but can't get the subsidy from the government.

### **e. Death allowance**

It's proposed that local governments can explore the establishment of funeral subsidy system in accordance with local reality. In Guangdong Province, if the insured person dies, funeral subsidies may be given.

## **Conclusion**

Compared with the national regulations, Guangdong Provincial regulations have the following characteristics: First, while the national regulations only give the principle of the system, Guangdong province has formulated the corresponding concrete measures for implementation. Second, while the national regulations only give the reference standards, Guangdong province has selected and determined the final standards according to its actual situation. Third, in case of no national regulations or no national standards, Guangdong province has developed local regulations or local standards to make the system relatively more reasonable. In general, in the UEBPIS, the design of the system in Guangdong for the low income groups is worthy of national reference. In the URRBPIS, the span of contribution grade in Guangdong province is

larger, which is more conducive to satisfy the insured people with different contribution needs. For those who are not eligible for pension benefit, the remedial measures of the system in Guangdong are more reasonable, but the beneficiary group is confined to the insured population with Guangdong household registration.

## **Part Four**

### **Main Conclusions and Policy Suggestions**

#### **Main Conclusions**

##### **Employment, Unemployment and Wage level**

From the national point of view, first, the employment rate of men is generally higher than women. From 2000 to 2010, the employment rates of men and women have declined significantly, and the decline of women is greater than men. Second, studying urban women by age groups, the employment rate of urban women is lower than that of urban men and the retirement policy actually even exacerbates the gap between the employment rates of both genders. Over the marriage age (20-24 years old), the unemployment rate of women has always been higher than that of men, and the unemployment rate of women becomes lower until reaching the retirement age. Third, the industry concentration ratio of Chinese women is higher than that of men while the occupational level of women is generally lower than men. The proportion of women employed in urban work units is relatively low and that in state-owned units is also low. The proportion of male non-agriculture population is higher than that of female and the experience as migrant workers has a positive impact on the proportion of female non-agriculture labour. Fourth, nearly seven out of ten women are household chores and housework causes more female unemployment than male unemployment. Besides, having a child has a negative effect on mothers' participation in paid social labour. Fifth, data from the Third Survey on the Status of Chinese Women shows that the average annual labour income of female workers in the country is 63.4% of that of men. The income gap between men and women in rural areas is even bigger than that in urban

areas. In urban and rural low income groups, urban women's labour income is better than rural women's. Sixth, in the possession rate of the family's major property, men's is significantly higher than women's.

From the Guangdong provincial point of view, the overall unemployment rate of Guangdong is at a relatively low level. The employment rate of urban residents (both genders) in Guangdong is beyond the average level of the country, while the employment rate of rural people (both genders) is lower than the national average level. Moreover, the income level of Guangdong exceeds that of the whole country but the gender disparity is also greater than national average level.

### **Social Insurance Participation**

From the national point of view, first, from 2014 to 2016, the coverage of each type of social insurance has expanded to different extent, and the coverage of the basic health insurance for urban residents has achieved the most rapid growth. At present, the basic pension insurance and basic health insurance have covered the largest amount of people and their insured population are far much bigger than other social insurance schemes. The number of the insured people of the URRBPIS and the health insurance for urban residents is much greater than that of the pension insurance and health insurance for urban workers. Second, the data in 2010 shows that in terms of gender differences, the proportion of women enjoying social security is less than that of men, no matter they are non-agricultural household registration or agricultural household registration. In addition, the gender gap in the pension insurance is slightly larger than in medical insurance. According to the data of the coverage rate and benefit level of social insurance categorized by gender as well as urban-rural division, the pension benefits for elderly women, no matter they are from urban or rural areas, are far lower than that for men from the same region. The health insurance covers slightly more men than women and its coverage rate is higher in rural areas than urban regions. The data in 2002 also indicates that both the industrial injury insurance and unemployment insurance cover more men than women. Third, in terms of the pension insurance, since 2014, the growth of the UEBPIS is much bigger than that of the URRBPIS. The

proportion of the insured workers in the whole population of the UEBPIS is decreasing while the proportion of the insured retired people is increasing. At present, the proportion of the URRBPIS is bigger than that of the UEBPIS. Meanwhile, the proportion of the insured workers is bigger than that of the insured retired people in the whole population of the UEBPIS. Fourth, the data of 2010 shows that on the one hand, there is a large difference between urban and rural regions in the participation rate of social insurance, which is that the participation rate of the pension insurance is higher in urban areas while the participation rate of medical insurance is higher in rural areas. On the other hand, the participation rate of social medical insurance is significantly higher than that of social pension insurance. But what worth attention is that the new type of old age insurance for rural residents has been developing rapidly in China since it was implemented in 2009. As mentioned above, the data in 2016 indicates that the URRBPIS including the new type of old age insurance for rural residents covers the largest number of people compared with other social insurance schemes.

From the Guangdong provincial point of view, the data in 2015 shows that the insured population of the maternity insurance in Guangdong is in the first place in China. Based on the data in 2010, the proportion of women with non-agricultural household registration participating in the social pension insurance and the social medical insurance in Guangdong is above the national average level while that of women with agricultural household registration is lower than the national average level. According to the micro data of the UEBPIS in Guangzhou, more men than women joined the social pension insurance while more women than men enjoyed the pension benefits. Meanwhile, women's contribution base and pension benefit level is much lower than men's.

### **Migrant Workers and Female Migrant Workers**

First is about the population and employment of migrant workers. The growth rate of migrant workers is faster than that of employed workers, and the growth of female migrant workers is obvious. Since 2014, the population of migrant workers has been growing, with an increasing proportion in the nation's employed workers, and the

proportion of female migrant workers is increasing as well. At present, the second industry is still the main field of migrant workers' employment. However, since 2014, the proportion of migrant workers' employment in the second industry has continued to decline, while the proportion of employment in the tertiary industry has continued to rise. Besides, nearly half of the female migrant workers would like to stay in city for self-development while almost seven out of ten women choose to return to their hometown because of marriage and children.

Second is about situation of migrant workers' insurance participation. Since 2014, the population of migrant workers covered by the basic medical insurance for urban workers has kept falling while in the unemployment insurance and the UEBPIS has increased quite a lot. But until 2016, the work-related injury insurance has the biggest number of migrant workers insured and the highest participation rate of migrant workers. The data of Guangzhou shows that half of the insured population of the UEBPIS is migrant workers but only approximately 2% of the pension beneficiaries are migrant workers. The contribution base and pension benefit level of migrant workers are generally lower than their counterparts in urban areas. Moreover, on average, the contribution base and pension benefit level of female migrant workers are lower than that of male migrant workers.

Third, the data of the National Survey on the Situation of Rural Women's Rights and Needs of Rights Protection in 2006 shows that not all of the female migrant workers who enjoy maternity leave actually get their salary during the leave. Only 14.4% of the work units pay full salary to female employees during their maternity leave, 21.2% pay part of the salary while 64.5% pay no salary at all.

### **Social Pension Insurance System**

Although the current pension insurance system seems to be gender neutral, it's unfavourable to the low-income groups (including female, migrant workers, etc.). Since it follows the incentive mechanism of contribution linking to benefit and the policy relating to the trans-institutional as well as trans-regional transfer and continuation of the pension insurance relations is not well designed, women's rights of pension

insurance are damaged and female migrant workers rights are even double damaged.

First, the current two key social pension insurance systems follow the principle of linking contribution to benefit. In the UEBPIS, the main factors affecting the basic pension and personal account pension are the pay cost wage, the length (years) of contribution and the retirement age. In the URRBPIS, the personal account pension depends entirely on the accumulated amount of individual contribution, while the government's dominant subsidies follow the principle of 'the more and longer you contribute, the more subsidies you can get'. As their level of contributions and their years of contribution are at a disadvantage, women's pension levels must be at a disadvantage.

Second, the existing regulations of the UEBPIS on the entry threshold, pension benefit qualifications and measures for those who are not eligible for pension benefit are all unfavourable to women. Generally speaking, on average, it's more difficult for women to join the UEBPIS as well as satisfy the qualifications of pension benefit and their current level of security will be lower.

Third, since the objectives and objects of the two key social pension insurance systems are different, women are more likely to be covered by the URRBPIS. The objective of the UEBPIS is for 'broad coverage', while the objective of the URRBPIS is for 'full coverage'. For the URRBPIS, the government has made use of the policy tool of subsidy to promote 'voluntary participation'. To encourage the participation of the disadvantaged groups in the URRBPIS, the local government promises to make partial or full contribution of the minimum standards for them. As a result, more disadvantaged people (including female) will join the URRBPIS. However, some researchers have found out that at the same level of contribution, the level of pension benefit, replacement rate and input-output ratio of the UEBPIS are higher than that of the URRBPIS (Xue etc., 2015).

In general, the social pension insurance systems in China have not been distinguished by gender and both of two main systems tend to the contribution-oriented incentive. No matter the wage level or the duration of employment or contribution, the disadvantage of women in the labour market will inevitably extend to the area of social

pension insurance. This disadvantage is reflected in the level of pensions on the one hand and in the qualifications of pension benefit on the other hand, while the gender differences in retirement policies will even exacerbate the disadvantage of women in terms of eligibility. Furthermore, the design of the transfer and continuation system can easily damage the pension rights of migrant workers, especially the female migrant workers. Female migrant workers may experience the largest loss of pension rights due to their dual disadvantage in the current system because they are not only facing a higher institutional threshold but also more vulnerable to fail to reach the contribution years stipulated by the system.

## **Policy Suggestions**

### **Policy Suggestions on the Main Systems**

First, a universal public pension system should be established to provide identical basic old age security for all residents regardless of regions and gender. Public pension should not be related to employment, wage and income, cutting off the relationship between pension benefit and employment duration, income and contribution, making it a 'safety net' for old age security. Linking pension benefit with employment years, income and contribution are the characteristics of most pension insurance models today. These are also the main institutional reasons for the gender differences on pensions. From this point of view, a universal publicly-funded pension system will be conducive to gender equality on pensions. At present, the basic pension of the URRBPIS is universal and it's better than the personal accounts and the UEBPIS on eliminating gender differences. In practical terms, this system plays a key role in balancing the pension differences between men and women. Therefore, the current policy focus should extend this system design concept to the social pooling account of urban worker groups, so as to include female migrant workers who are employed in urban areas.

Second, the entry threshold of the UEBPIS should be lowered. Women's pay cost wage in the UEBPIS should be lowered, and female migrant workers should be allowed to participate in the UEBPIS in their registered permanent residence. Since the personal account pension of the UEBPIS depends entirely on the accumulated amount of

individual contribution, for women especially those who engage in flexible employment, the mandatory principle of personal accounts should be changed into 'voluntary' principle according to the URRBPIS or the contribution rate of personal accounts should be lowered, which can significantly lower women's entry threshold of the system.

Third, qualifications for pension benefit should be reduced. The pension benefit qualification of the UEBPIS is the 15-years of contribution. Even when men and women retire at the same age, the minimum length of contribution for women should be shortened, or the government should compensate women for childbirth and family care with extra contribution duration. Meanwhile, for women who have reached their legal retirement age but not met the pension benefit qualification, they should be allowed to make a supplementary contribution so as to fulfil the required length of contribution.

Fourth, the coverage rate of the maternity insurance should be enlarged especially for migrant workers. The main function of the maternity insurance is to provide a steady source of income for women during their reproductive lives and to a certain extent to ensure the continuity of their employment. The linkage between employment and income helps female migrant workers to extend the years of their employment and the actual contribution, thus facilitating the accumulation of their pension rights. Nowadays, the maternity insurance, one of the five major social insurance programs, has the lowest coverage rate, with a total coverage rate of only about 30% and an even lower coverage rate of migrant workers (only 7.8% by 2014). This means that the vast majority of female migrant workers once encountering marriage, childbirth and other incidents, they can only interrupt urban employment and return home, which is very detrimental to the accumulation of their pension benefits. From this point of view, expanding the coverage of the maternity insurance will help alleviate the disadvantaged status of female migrant workers in the social pension insurance.

Fifth, China should learn from the experience of the developed countries. The developed countries have developed many effective policy measures in safeguarding women's rights of old age security. These policies can be summed up in two categories:

one is internal family compensation or the internal family balance between genders, that is, within the family, the men's pension rights accumulated are transferred to women through some methods such as survivor pension, spousal joint pension, pension segmentation policy and so on. Another is the social compensation policy, that is, the society compensates for the loss of women's pension rights, such as the family care subsidy and the family responsibility protection policy. In such policies, the state subsidizes the loss of pensions for women due to childbirth, nursery and family care.

### **Policy Suggestions on the Transfer and Continuation System**

1. Suggestions on the *Interim Measures for the Transfer and Continuation of the Urban Employee Basic Pension Insurance System*.

First, because of the regional difference of the basic pension, the national unified management of the basic pension schemes should be achieved to solve the pension losses problem caused by social insurance transfer.

Second, before realizing the national unified management of the basic pension schemes, when the insured people transfer their basic pension insurance for urban residents across provinces, it's suggested to take EU as a reference, distributing pension benefit under the principle of 'totalling insurance periods and apportioning benefit' instead of transferring the fund from social pooling account. When the insured people obtain the pension benefit qualification, based on their contribution records, each provincial social security agency calculate respectively their basic pension benefit accumulated in different workplaces and periods, and transfer them to the Ministry of Human Resources and Social Security for unified distribution.

Third, it's suggested to strengthen the construction of social security information system. As a result, the insured people do not need to go to the social security agencies to handle the transfer and continuation procedures, but instead deal directly with the information system, thus reducing the workload and pressure brought by the transfer to the handling agencies.

2. Suggestions on the *Interim Measures on the Convergence of Urban and Rural Basic Pension Insurance System*

First, migrant workers especially female migrant workers should be allowed to join the UEBPIS in their household registration residence. After migrant workers' pension insurance relation is transferred to their household registration residence, if the cumulative contribution period is not enough for 15 years, the workers can continue their participation in the insurance system as flexible employees. This can lower the insured people's entry threshold, and reduce the cliff loss of their pension rights and interests.

Second, for migrant workers whose contribution duration of the UEBPIS is less than 15 years, they should be qualified for the basic pension benefit according to their length of contribution. For migrant workers who contributed less than 15 years to the UEBPIS and transferred to the URRBPIS, their rights of the basic pension benefit accrued during the contribution period of their UEBPIS should also be calculated and given to them through the social pooling fund after their retirement. The policy of the current system that the insured only transfers the surplus of their personal accounts and their years of contribution to the UEBPIS are calculated only for their pension benefits of the URRBPIS is unfair to migrant workers, especially female migrant workers. From the perspective of justice, if the government wants to make use of the social pooling contributions of migrant workers to fill the fund gap of the UEBPIS, it may lead to the failure of the policy of integration of the urban and rural pension insurance systems and further stimulate social conflicts.

### **Speeding up the Establishment of Women's Flexible Retirement System**

It's suggested to accelerate the reform of the retirement policy, giving women the right to choose and adopt flexible retirement programs and allowing them to choose to retire at the same age as men. However, the unemployment rate of elderly women tends to be high, while unemployed older women or less-competitive older women find it difficult to benefit from the reform of the retirement system. This is also a problem that deserves further consideration.

## **Establishing Statistical Data Collection and Reporting System Distinguishing Gender**

It's suggested to integrate gender-specific key indicators of all social sectors into the routine statistics of the government so that the collection, analysis and publication of data categorized by gender can be institutionalized and regularized. This is not only an important measure for monitoring the development of women, but also an important basis for the government to make social development policies. For example, the average wage of all workers and the average wage of each industry should be announced by gender. And for social basic insurance programs (such as the 'Five Social Insurances and Housing Fund'), the coverage of both genders in different insurance schemes should be distinguished as well.

### **Strengthening Policy Publicity**

The government should strengthen the positive publicity on the basic pension insurance and guide the women, especially female migrant workers, to participate in the insurance. Moreover, the government should encourage qualified women to join the UEBPIS as far as possible. Meanwhile, for female workers, choosing to join the UEBPIS in the place where they work should be their first choice while at their household registration residence as second. In addition, they should try to be insured in one administrative area for at least 10 years.