



Social Protection Reform Project
中国-欧盟社会保障改革项目

Component 2

Workshop Report

Investment strategies of social funds and risk control methodologies

**An integrated system for the coordinated management of the social
assistance system**

Development of Old-age Services and Long-Term Care System

Ministry of Finance, P. R. China

Monday-Tuesday, 26-27 February, 2018

Venue: JindiyaHotel-second floor conference room

5 Sanlihe N St, Xicheng Qu, Beijing

INTRODUCTION

On 26-27th February 2018, the EU-China Social Protection Reform Project- Component 2 held a Workshop in cooperation with the Social Security Department of MoF on the three topics tackled by the C2 project during the 2017 work plan, namely: “Investment strategies of social funds and risk control methodologies”; “An integrated system for the coordinated management of the social assistance system”; and “The Development of Old Age Services and Long-Term Care System”.

During the Workshop, organized in three half-day sessions, Chinese and European experts presented the policy suggestions that they have elaborated after the panel discussions held in August and September 2017. The proposals were discussed by EU and Chinese guests, who contributed with additional insights and personal experiences.

Overall, the Workshop was attended by around 40 participants, including representatives from the Ministry of Finance (Actuarial Division, Dibao Division, General Office, Medical Insurance Division, Veteran Benefit Division), from the academia (Chinese Academy of Social Sciences, Renmin University, China University of Political Science and Law, University of International Business and Economics, Chinese Academy of Governance, Beijing Normal University, China Center for Scientific Research on Aging), from the European Delegation to China, the Italian Embassy, Generali Group, and the project team.



The policy proposals presented and discussed at the Workshop will be formalized in a document to be submitted to the Ministry of Finance. The agenda and list of participants are attached as annexes.

Session 1- Investment strategies of social funds and risk control methodologies

Welcome speech and Introduction - Mr. Di Donghui (Division Director, Actuarial Division, Social Security Department, MoF)

Mr. Di, on behalf of the Social Security Department of MoF, expresses his welcome and greetings to all the distinguished experts and guests attending the Workshop organized by the Component 2 of the EU-China

SPRP. Mr. Fu Jinling, Deputy Director of the Social Security Department of MoF wanted to chair the Workshop, but due to some important duties he could not attend the meeting.

The 2018 is the 4th year of the EU-China Social Protection Reform Project; since its start in 2015, the cooperation between MoF and the Italian Institute of Social Protection (INPS) has achieved great results and has been proceeding very smoothly. The C2 has carried out up to seven research projects in social protection topics; in 2014 and 2015, two delegations of MoF central and local governments went to Italy and France, respectively, to carry out visits to public and private institution and training activities in the areas covered by the project. Mr. Di underlines again the fruitful results achieved both in training and research activities.

The Workshop will last one day and half, covering the three topics addressed in 2017:

1. *Investment strategies of social funds and risk control methodologies;*
2. *An integrated system for the coordinated management of the social assistance system;*
3. *Development of Old-age Services and Long-Term Care System*

The first session, covering the topic of *Investment strategies of social funds and risk control methodologies*, is chaired by Mr. Di, while the second session will be chaired by Mr. Wang Xiong from Dibao Division, and the third session will be chaired by Mr. Jiang Yu, from the Medical Insurance Division.

Even though the current situation of enterprise annuities has been improving (the financial balance increased, and the investment policies improved in additional provinces); yet for what relates to investment policies the government is still in the exploratory phase. Hence, the study of EU practices and experiences in this field is fundamental to improve the current situation. In November 2017, the C2 held the first mid-term seminar on this topic, and that meeting achieved very relevant results. The present workshop is an occasion to openly discuss the issues more in detail and present policy suggestions.

Welcome speech - Ms. Sakura Moretto (Development & Co-operation Section, Delegation of the European Union)

Ms. Moretto extends her regards to all the distinguished participants and thanks the C2 organizers of the Workshop for the invitation. Ms. Moretto briefly introduces the project objectives, format and expected results from the EUD perspective. The overall objective of the EU SPRP is to contribute to the improvement and inclusiveness of China's social protection system through strengthening the institutional capability for developing policies, for implementing legal & regulatory frameworks and for supervising systems of social insurance, social assistance and the financial management of social security. The project is articulated in 3 Components: C1 supports the National Development and Reform Commission (NDRC) in strengthening institutional capacity for social protection policy development and reforms; Component 2 supports the Ministry of Finance (MoF) in enhancing institutional capacity for financial management and supervision concerning social security funds; Component 3 assists the Ministry of Civil Affairs (MoCA) in the improvement of the legal framework and policy enforcement for social assistance. The main project activities focus on the exchange of knowledge and practices with EU Member states which can offer good experiences in tackling the social protection challenges in a flexible manner.



The three Components address various social protection challenges faced by the different stakeholders. In February 2018, the Project held the 4th PAC meeting, where the EUD addressed the need to enhance the synergies and technical coherence of the three project components that up to now have been carried out a bit separately from each other.

The challenges faced by the Chinese social security system are various, such as the urban-rural unbalances, the existence of separate insurance schemes, the ageing society, the stability and equity of the pension system, the financial sustainability, etc. Yet all the challenges also offer huge opportunities that could be exploited by developing new partnerships, public-private cooperation, and inclusion of the social organizations (NGOs) in the implementation and operations.

Finally, Ms. Moretto underlines that the EU is pleased to see the high-level exchanges among EU and China; she concludes by wishing a good continuation to all the Workshop participants and by thanking the hosts.

The demographic and socio-economic background: ageing, normal economy, social structure and family values -Michele Bruni (EU-China SPRP, Team Leader-C2 Resident Expert)

Professor Bruni starts his presentation by briefly recalling the causes of aging, pointing out the role of the demographic transition and showing its world-wide unstoppable progress. In order to capture the main characteristics of the Chinese aging process, he recalls the extraordinary speed with which fertility declined and life expectancy increased in China in the last 65 years, taking the EU and three groups of countries by income level as a benchmark. He then discusses the impact of the demographic transition on the population structure. Again, a comparison with other 14 large countries allowed pointing out the specificity of the Chinese case.

He then addresses the problems connected with the measurement of the socioeconomic impact of aging. After noticing that the demographic indicators that are normally used present notable structural and analytical weaknesses, Prof. Bruni introduces a new economic indicator more suited to capture and measure the socioeconomic impact of aging. While demographic indicators can only identify the position of a country along the path of the demographic transition, the economic indicator allows estimating the burden sustained by the employed distinguished in numerous relevant socioeconomic categories and analyze the consequence of aging in a situation in which population is an endogenous variable. The last part of the presentation is therefore devoted to the discussion of a series of scenarios of dependency for the period 2015-2030 in alternative situations of labor market participation and employment growth.

Policy recommendations and suggestions -Prof. Hu Jiye (Director, School of Business, Department of Capital Finance, China University of Political Science and Law)

The demographic dividend has been widely regarded as a critical contributor to China's rapid economic progress over the past decades. However, as a result of the "one family one child" policy, population imbalance between young and old people is becoming increasingly relevant. China is currently suffering from severe aging issue and has the largest amount of elderly population in the world, which brings

enormous demographic pressure to the Chinese pension system. Chinese ongoing pension system reform is still working towards an effective and sustainable solution for pension deficits.

Prof. Hu firstly introduces the background of the current Chinese pension system. He underlines the great progress achieved in the last decade (both in rural and urban pension systems): by the end of 2016, the number of people with basic old-age insurance coverage for urban and rural residents has rapidly increased; the actual number of people receiving benefits was 152.7 million. Yet the situation for rural migrant workers (150 million) is still critical. In some cities like Shenzhen the contribution rate to pillars 1A has been reduced from 20% to 14% and the basic social insurance funds have begun to invest in capital market only now. Therefore, one of the most important tasks is to learn from the experience of the National Social Security Fund (NSSF) and Enterprise Annuities that commenced to invest more than ten years ago. All Chinese pensions' funds ought to enjoy lower management costs and gain better returns. The total assets of NSSF reached RMB 2,042.33 billion at the end of 2016, the average annual return is as high as 8.37% since 2000, with total RMB 822.73 billion investment profit. Then Prof. Hu underlines the challenges of the occupational pensions, especially in terms of investments regulations, pension benefits and taxation.

The Netherlands' quasi-mandatory occupational pension system, the UK's auto-enrollment reform and local government pension scheme, and the notional defined contribution system in Sweden and Italy can offer China both experience and lessons on pension funds investment strategies and risk control. As per the policy suggestions, China could learn from the foreign experience how to invest pension funds into capital markets. According to Prof. Hu the best strategy is investing in the composite index funds; moreover, to prevent potential risks, pension investment could place an upper limit of 40% of its assets, and invest overseas to eliminate "home bias", and reduce the risk of a single-country investment.

In terms of policy suggestions, Prof. Hu elaborated on the following proposals: 1) to establish by law the trustees' fiduciary duty; 2) to set up the strategy of the index investment of pension; 3) to give the pension managers longer contracts; 4) Suggestions of Earning-risk of the pension investment portfolios; 5) How Pension invests overseas to eliminate "Home Bias"?

Policy recommendations and suggestions - Mr. Davide Cipparrone (Mangusta Risk Ltd.)

For a Pension Fund (PF) the risk is represented by the eventuality of obtaining a level of benefit and/or financing lower than the target, while the objectives are: sustainability, adequacy, and solvency. The risk is that of not being able to pay pensions, due to lack of financing/funding or of inadequacy.

The riskiness of a pension fund depends on many factors such as contributions, liabilities, available assets, contribution flows, benefits, portfolio financial losses that can determine different levels of coverage (GAP) and take the necessary steps to maintain an adequate funding level. An inconsistent or inefficient investment policy causes an over-exposure to actuarial risk; a weak or unbalanced actuarial model leads to an over exposure to financial risk.

The PF' risk manifests itself as Asset Liabilities mismatching which can be caused by: an unexpected increase in the amount of benefits or their anticipation; an unexpected reduction in the amount of

contributions; the setting of an insufficient or incoherent target return; an asset's inability to pay benefits (liquidity risk); a financial loss or the failure to achieve the target return. The fundamental safeguards to manage the riskiness of the pension fund are: the combined management of assets and liabilities (ALM); the assets and positions liquidity; concentrations; conflict of interests.

The investments and the pension fund asset management regulation have 3 targets: 1) to guarantee the PF financial sustainability and the benefits adequacy; 2) to maximize management efficiency; 3) to protect the pensions saving.

The most suitable model to pursue these targets must be based on an approach based on: i) financial portfolio risks, and ii) actuarial risks; with the Pension Fund responsible for risk activities control; the range of management decisions adapted to the effective PF risk analysis and control capabilities, set to achieve adequate diversification level; the quantitative limits adoption only for cases in which the risk control measurement and tools should be considered inadequate.

The Pension Fund should invest by observing the following criteria: i) the assets are invested consistently with the liabilities, in the best and exclusive interest of members and beneficiaries; ii) the assets are invested in such a way as to guarantee the security, quality, liquidity, and return of the portfolio as a whole; iii) the assets are adequately diversified to reduce concentration and to avoid an excessive dependence of portfolio performance from certain category of assets, issuers and sectors; iv) the efficient management and transaction costs control strictly correlated to the portfolio size and complexity.

The Pension Fund defines the investment policy target and identifies: i) a level of "liabilities' sustainability" or "benefits' adequacy "; ii) an annual target return rate coherent with sustainability/adequacy, or alternatively, a level of objective risk determined on the basis of own risk aversion; iii) a reference time frame; iv) limits and constraints to investment activity.

The Investment Policy Document identifies: the targets to be achieved in financial management; the criteria to be followed in its implementation; the tasks and responsibilities of the subjects involved in the process; the monitoring and evaluating control system. The Document must be updated at least every 3 years and is transmitted to the Supervisors.

All investments in the portfolio must be classified, at the time of investment and periodically thereafter, according to: the exposure they determine with respect to one or more asset classes or risk factors; the liquidity levels and "price transparency" (between 1 high and 3 low). For the purposes of: reporting, evaluating the management activities and returns and risk measurement, all investments in portfolio must be valued as follows: "LEVEL 1" investments must be valued at market price the so-called "mark to market"; "LEVEL 2" investments must be valued at the lower price between: the security market price ("mark to market "), the market price of the most significant LEVEL 1 security proxy (so-called proxy); "LEVEL 3" investments must be valued on the basis of the "fair value".

The Pension Fund estimates the flows for each year over the following 30-50 years of: activities – contributions; - liabilities - benefits and expenses; balances – pensions (contributions - benefits), cash,

budget; value of assets. Last but not least, PF proceed to estimate the annual flows: assets, liabilities, balances, the value of the assets on the basis of defined scenarios (scenario analysis) and on the basis of a coordinated series of standard variations of "testing" (so-called stress testing) of the variables. Liabilities are estimated on the basis of the value, in the settlement currency, for each year.

The Pension Fund investments should not exceed the following limits: 30% - of PF assets - in financial instruments not traded on regulated markets or with "price transparency" of LEVEL 3; 5% - of PF assets - in financial instruments issued or exposed to the same entity or group, with the exclusion of: instruments issued or guaranteed by States and by regulated collective investment undertakings (UCITS); 30% - of PF assets- denominated in other currencies, net of hedges. The leverage (expressed by the ratio between assets and amount invested) must be 1.

The PF verifies compliance with the limits at the time of investment and subsequently, at least monthly, on the basis of the "Evaluation criteria of assets / investments".

The PF, on monthly basis: calculate the portfolio (on total assets basis) and the benchmark index returns, based on: "Evaluation criteria of assets / investments" and a computational standard set or approved by the Supervisor Authority (es. GIPS Standard 2010); calculate an appropriate and determined set of portfolio's risk measures, using a computational standard set approved by the Supervisor Authority. The risk measures must be adequate to represent the portfolio's exposure to the most relevant risk factors and classify the portfolio on the basis of: the exposure to assets classes, the liquidity levels and «price transparency».

The PF on yearly basis: Compute an indicator of "sustainability of the liabilities" or "adequacy of the benefits" using a standard set or approved by the Supervisor Authority; estimate the time term structure of contributions, benefits, pension and cash balance.

The Pension Fund report to the Supervisor Authority on quarterly basis: i) the portfolio classification of the exposure to assets classes based on: "Evaluation criteria of assets/investments" and/or a standard set by the Supervisor Authority; ii) the portfolio classification of liquidity levels and «price transparency» based on: "Evaluation criteria of assets/investments"; iii) the analytical portfolio composition (inventory) of LEVEL 3 investments, with the indication of the purchase cost and the current value based on "Evaluation criteria of assets/investments"; iv) the list of operations and investments in conflict of interest; v) the portfolio (on total assets basis) and the benchmark index returns, the risk measures calculate with the standard set or approved by the Supervisor Authority.

Planned Speeches- Sun Shouji (School of Insurance and Economics, University of International Business and Economics)

Prof. Shouji firstly shares some lessons and experiences related to the UK pension Insurance funds, and then some thoughts on the experts' presentations.

The National Employment Savings Trust (NEST) system is a defined contribution workplace pension scheme in the United Kingdom. It was set up to facilitate automatic enrolment as part of the government's workplace pension reforms under the Pensions Act 2008.

The 2017 Nobel Prize winner in economics, Richard H. Thaler, an American economist of the University of Chicago, made important theoretical contributions to behavioral economics and more specifically he pointed out that: 1) boundedly rational decision making; 2) people lack self-control in saving money; 3) people are afraid of losses; 4) limited cognition affects spending, saving, and other household behavior.

The NEST system, follows some of the principle of behavioral economics, introduced by 2017 Economics Nobel Prize winner, Richard H. Thaler. In fact it simplifies the pension system constituted by three pillars (1st pillar- state, 2nd pillar NEST, 3rd pillar: individual pension plans), this system is simple and can help people make more savings. The main target is the self-control and avoid delay in payments through the auto-enrollment system. Meanwhile, the low management cost, reduction of management fees, and tax relieves have a good impact in avoiding losses. Prof. Shouji recommends the Chinese government to learn from the UK NEST system.

Regarding the previous presentations Prof. Shouji underlines the two main risks of a pension system: long lifetime and inflation. In order to fight inflation, the government should increase the benefits of pension insurance and issue some kind of special national bonds. Besides the unexpected inflation, ageing has a risk: the return rate of investment will get lower. China should therefore start investing in the overseas market. Regarding Prof. Bruni presentation, Prof. Shouji agrees that TEDI is a good indicator to measure ageing. However, he suggests that the indicator should also consider education since the education of young people has a big impact on the work force.

Planned Speeches- Mr. Andrea Canavesio (Mangusta Risk Ltd.)

Mr. Canavesio is a partner of the UK based MangustaRisk (MR) company. MangustaRisk specializes in financial risks measurement, in analysis and risk management, in the implementation of quantitative strategies, in portfolio management optimization (asset allocation), in asset managers selection and performance evaluation (performance measurement, attribution and manager selection). MangustaRisk combines financial markets and investment products expertise with the implementation of statistical, econometric and financial research. The primary objective is to offer a technical and independent support to the management with regards to the implementation of efficient and secure investment strategies.

MangustaRisk only deals with Institutional Investors such as: Pension Funds, Banking Foundations, Endowments Funds, Sovran-national Organizations, Corporate Treasuries and any kind of institution with a medium to long term investment horizon.

MangustaRisk and its professionals focus on the study and application of quantitative analysis and consultancy on portfolio optimization strategies. Mangusta most importantly deals with second pillar pension plans. It is underlined that to create better governance and have better returns and benefits it is fundamental to have risk-based rules. Pension funds can offer great LTC assistance, and to do so they need

to be created with a proper balance sheet. In EU, MR designed various programs, where investors can create more investment lines. It is also important that the single members of the pension funds are allowed to enter the single line of investments and smoothly change line according to their life cycle.

Finally, Mr. Canavesio underlines that a pension system must have a good governance and follow risk-based rules. Recently, Long-term care has become very important in Italy, and MR created complementary 2nd pillar LTC compulsory system aside the basic pension system. **Concluding, Mr. Canavesio agrees that China should create some kind of auto-enrollment system for pension, as the UK.**

A legacy from the past – An opportunity for the future - Renzo Isler, Senior Consultant, Generali Group

Mr. Isler identifies four key themes affecting countries and systems, namely: 1) The conundrum of the demographic curve and living expectancy; 2) The necessity to run a three-tier pension system with complementarity between the public and private sectors; 3) The deficits of country and/or corporate pension funds (defined benefit or defined contribution? Debate between equality and inequality); 4) The balance between lending and borrowing.

Following the presentation of Prof Bruni, Mr. Isler provides a description of the demographic crisis affecting the USA, the European Union and China. The conundrum of the demographic curve and living expectancy is also accompanied by an employment crisis, affecting the sustainability and equilibrium of the social security system. As an example, in Italy not too long ago the workers when they retired received ing: 70% to 80% of the last salary; today they are receiving 35% to 45% of the last salary; and tomorrow we can estimate it will be just 30% of the last salary.

Hence, it is evident the necessity to run a three-tier pension system, and to ensure the complementarity between public and private. The ideal target is having the first compulsory state-pillar at 40%; the second corporate-pillar at 25% and third personal-pillar at 15%. In China the enterprise annuity has not been able to pick up yet, and the second and third pillar are still underdeveloped, creating big difficulties for the retirees. There are Key issues that must be faced: who is taking the risk (The country deficit and/or the corporate pension funds); defined benefit (DB) or defined contribution (DC)? This raises the equality debate.

The Assets under management (AUM) of the world's 300 largest pension funds totaled US\$19.4 trillion in 2017, i.e. 43.2% of the world total (US\$ 41 trillion). These pension funds are still predominantly DB (65.5% by total assets) with DC at 23% and Reserve Funds (like China's NSSF) at 11.5%. The world top 20 funds invested approximately: 42% in equities; 37% in fixed income securities; 21% in alternatives and cash (U.S. higher equity; Asia-Pacific higher fixed-income).

Top-7 Countries (AUS, CAN, CHF, GBR, HOL, JAP, USA) have pension assets of US\$ 37.8 trn (2017) (84% of World total) and registered a 20-Year average increase (CGAR) of Assets at 6.2%; Finally, 91% of the assets are invested in just seven markets.

Larger Funds need larger investment options. The first priority (for fund owners) is to maximize return on investments; the secondary (or primary?) objective is to stimulate economic and social growth of the

country of origin. According to Mr. Isler, China is not ready to invest in the overseas market yet. The Chinese government should first ensure that the regulation on risk management, asset management and pension governance are properly dealt with and then China can grow.

Finally, Mr. Isler suggests six recommendations:

- 1) A three-tier system is the most rational and efficient system; the first-tier public, the other two private or hybrid;
- 2) Defined contribution should be preferred over defined benefit;
- 3) Accumulation and distribution phases must be clearly ruled in terms of costs and services;
- 4) Investments must be geared to be a long-term “lung” for the enhancement in the living quality standards of the society which generates the assets;
- 5) Asset allocation and absorption must be in equilibrium;
- 6) Asset Management, Risk Management and Pension Governance must be properly ruled and enacted.

Session 2- An integrated system for the coordinated management of the social assistance system

Welcome speech and Introduction - Mr. Wangxiong (Director, Dibao Division Social Security Department, MoF)

Mr. Wang Xiong, on behalf of the MoF Dibao Division, welcomes all the distinguished experts and scholars attending the afternoon session of the Workshop dedicated to the topic “An integrated system for the coordinated management of the social assistance system”.

The project has started almost four years ago and has been progressing very smoothly. In August 2017, the MoF already met with Mr. Bruni and many EU and Chinese experts for a mid-term panel discussion. Prof. Xu Yuebin and Prof. Xu Zhengzhong attending the meeting have collaborated with the MoF Dibao department in various projects and research, so the present Workshop will be a useful occasion to share and discuss the ideas and policy suggestions of all the invited experts.

Introduction by Prof. Xu Zhenzhong (Chinese Academy of Governance).

Prof. Xu is very honored to attend the EU-China Workshop and to presents his opinions and policy suggestions.

When we talk about the sustainability of the social assistance system, we are talking about how many people are covered by the system; if only one third of the population is covered, then the system is

unsustainable. According to the plan of the CPC, by 2020 poverty will be eliminated and by that time, we will have to face new challenges.

By 2020, the social assistance recipients will include different groups: In the first place those that are not capable of entering the new economic system; then those that will be unemployed due the change in industrial structure; the third group will include those people that are poor because they could not adapt to the new society that resulted from the reform and institutional changes that have been introduced by the Government. The last group to be covered by the social assistance that is the inactive population in working age.

To be able to cover all these different groups, we must develop a service system. Prof. Xu distinguishes three types of services: 1) services for daily life for people who lost the ability to work; 2) services to develop the skills of the people that will enter the new industrial system. (For example, in China there is a good number of ex-soldiers to whom the Government provides 3000 yuan/monthly of SA. According to Prof. Xu it would be better to subsidize the Army in order to provide some skills development programs to the soldiers while they are still in service); 3) services to promote the integration of Chinese citizens in the society and industrial world.

In order to properly solve the problem previously mentioned, China needs a **universal service system** with 5 features: equality, accessibility, universality, fairness, and sustainability. **The universal service system** should provide three typologies of services: 1) Services for survival including service for migration (immigration; emigration); 2) services connected to new technologies including cloud, artificial intelligence and block chain; 3) Digitalization, or new form of information: rural areas need this (let them know about information of new technologies).

Through new technologies we can spread information, universalize the knowledge of the policies, increase the coverage of social assistance, and have more revenues from the public finance, reduce the rate of criminality in certain regions.

In this way, we are going to have a new social assistance. While the old one aimed to ensure the sustainability of the society, the new one should extend the capacity of the society.

Finally, Prof. Xu recommends involving more the non-government sector in order to establish a better social assistance system.

Policy recommendations and suggestions - Prof. Jiang Zhen (National Academy of Economic Strategy, Chinese Academy of Social Sciences, Department of Taxation, Associate Research Fellow)

Prof. Jiang extends his greetings to all the project stakeholders.

He starts by stating two concepts:

- social assistance should be targeted for social development;



- we should be clear about the ideal society.

The social assistance system is a tool that can be used to pursue social development goals by combining social vitality, fairness, and equality. Just as Mr. Bruni and other experts mentioned, social assistance should promote a wealthy society and ensure protection to those in need, yet not allowing people to become lazy and avoid working. On this regard, Prof. Jiang thinks that the capacity indicator of a social member and the employment participation rate are important indicators to assess the situation of social assistance.

Following this concept of the value and target of social assistance, the system design is a fundamental aspect of social assistance. The important connotation of governance is embodied in overall planning, system and coordination, and it is also the same for the social assistance system. In order to achieve the goal of social assistance, we should set up a coordination system to achieve the goal of deepening social assistance system reform.

The key to this reform is to effectively reduce information asymmetry between different managements, jointly promoting policy, financial, cross-sectoral, and information coordination.

Regarding the budget reform, the suggestion is to build a top-down integrated finance system, so that all aspects of social assistance will adhere to the integrated system.

To set up an integrated system, we should first clarify the goals of the system itself, and we need to provide standards and levels of social assistance. For the system integration we should have different standards for different groups of people, and accordingly, have a deep understanding of different levels of work capacities.

We should strengthen the connection of different functions of social assistance and other social protection systems. Another consideration is what Prof. Xu mentioned, that our society should not be separated into blocks, while should have more integrations, especially urban-rural areas, on this regard transforming lifestyles will be a major challenge. In the poverty alleviation work, we found out that one of the reasons of poverty is the incapability of the social members, hence one role of the social assistance is to improve the capabilities and skills of social members. (Example: minorities in western China, such as Tibet, 10 years ago did not send their children to the school located in more developed regions in China, now this has changed). The coordination among the market, the society and the government is an important aspect for social integration: lonely families have difficulties in integrating in society.

For the **system integration** the division of role and responsibilities at different levels are very important aspects. Local governments enjoy the advantage in getting information, however through the introduction of the big data, the central government would do better in coordinating and collecting the information from the local governments. The urbanization is still ongoing; hence people mobility will be promoted; the central government should play a role in promoting people mobility and managing different provinces. In the future we need to be more specific in the legislation on what are the roles and responsibilities of central and local governments.

Funding is also very important aspect: we need to improve the funding of social assistance, we should set a standard to divide the role and responsibilities of social assistance, the MoF should make specific arrangements with other departments. In a short term we should include the social assistance budget in the audit and budget review, for long term we should establish a target.

Information integration: we should not only establish a big data system, but also build a credit base information system. As the government get more and more big data, the Gov. officials would compare the difference of data submitted by applicants, the government would know the credits of the applicants. If we build an information system platform, then the system can automatically calculate the credits for the people.

Coordination of different department: the main obstacle is that the integration among different departments is not enough developed. If we follow the concept of big finance and big department to integrate the information, then it would be easier to realize the coordination among different departments.

Policy recommendations and suggestions - Mr. Mel Cousins (International Social Protection Expert)

Prof. Jiang has presented the national situation; Mr. Cousins intervention focuses on the international perspective. The presentation is structured into four parts: coordination of policies, coordination of services, coordination of finance, and information platform.

Coordination between social assistance and social security policies and within social assistance policies. Coordination is also a common issue in the EU countries; in some cases there is only one Ministry dealing with social assistance, in others more than one. Obviously, it is extremely important that the legislation and policies dealing with social assistance and social security be aligned. Generally, in EU countries, social assistance schemes act as a residual or 'safety-net' scheme. Before someone claims social assistance, it has to prove it has not received other benefits. China should adopt the same mechanism. Finally, it is essential to have an IT system to avoid frauds and monitor data.

The coordination of policies between social assistance and social security is a very complex issue. In the UK the responsibility of social services is shared among different agencies, while a joint commission is in charge of defining a strategic approach to assess needs and using available resources in the best way. In many cases the services are not provided by the Government, but by NGOs that can better coordinate their provision. The UK experience is a good example of a situation in which an agency is in charge of drafting policies on the basis of a pooled budget, while the coordination and provision of services is demanded to other institutions.

For what relates to the **linkage between employment and social assistance** services, the main aim is to ensure a large labour market participation of the population in working age. The government has to improve the employability of the people assessing their capacity and training needs. Between the good practices in this area we can recall having a unified office for social assistance and employment services (one-stop-shop), providing appropriate levels of staff trained to deal with the needs of claimants; developing an appropriate IT framework so that linkages between social assistance and employment

services can be operationalized and monitored effectively; the use of ‘social organizations’ to provide contracted services. In the case of China it would be a good idea to set up pilot provinces, since different approaches could be needed to cope with the different situations existing in different provinces and cities.

The third area relates to the **coordination and integration of funds**. In the EU, most countries have mid-term budgeting (including structured forecasts of expenditure) and are moving to results-based budgeting (i.e. based on policy outcomes (or at least outputs) rather than solely on inputs); another important point is transparency: data are used to show the outcome of the budget, where the money has been spent and how; and finally it is important to have an independent auditing (looking also at objectives, administration, and outcomes, etc.). On this regard, the recommendation is that MoF and local finance bureaus should work with MoCA and civil affairs bureaus to support the unification of funds at local level into one social assistance budget. MoF should also support the further development of best practices in public expenditure management in the social assistance system and should consider which aspects of EU practices represent a ‘best fit’ for the Chinese situation.

The fourth point is the **information platform**. The development of an information system presents numerous advantages: to improve the services to the people (e.g. through faster processing of claims to social assistance); to allow better control of the use of social assistance funds through comprehensive verification of claims and monitoring; to facilitate better management and analysis of the national social assistance system; to improve co-ordination of policies (e.g. as discussed in relation to more coordinated integration of administration of social security and social assistance); to facilitate the co-ordination of services; and to facilitate the establishment and control of a more unified approach to funding social assistance. Various provinces are building their own information system. This approach presents the risk of not having a common system talking the same language. Sweden is an interesting example of how local governments developed systems that were then developed at a national level. China is much bigger but has the technical capacity to develop and support a national system.

In Mr. Cousins’ opinion, MoF should support MoCA in developing a comprehensive information platform. MoF (and local finance bureaus) should also work closely with MOCA (and local civil affairs bureaus) to ensure that the information platform include the financial management of the social assistance system and

Planned Speeches- Mr. Pavel Janeček (Head of International Cooperation Unit, Ministry of Labour and Social Affairs, Czech Republic)

China has made social assistance a priority; the current social assistance grew up from local and provincial initiatives as well as from programs launched by the central government. The system now is fragmented: in many schemes, many institutions, with different sources of funding and present unclear benefits’ criteria.

The effects of the fragmentation are: a mix of different programmes with different aims and criteria; overlapping of benefits; gaps in the system – aid missing; lack of communication between the institutions; Moreover, the system is not transparent and citizens have to apply at different authorities. To wrap up, the allocation of resources is inefficient.

In the August 2017 Panel Discussion, three provinces presented their experience as well as their efforts to improve the management of social assistance. The Hebei province discussed the issues of institutional coordination and information platform and the steps already made towards the unification of the management and financing. The Shangdong province discussed the Unification of administration, the merging of some benefits and the Information platform. The Anhui province presented the unification of management and of the funding of some schemes (8+1). Professor Jiang Zhen had cited even more provincial examples in his report while at the Panel Discussion the approach to the management of social assistance in several countries (Sweden, The Netherlands, The UK, The Czech Republic, and Italy) was presented by EU experts (Mel Cousins, Pavel Janeček, Renzo Turatto, Alessandro Longhi). Those European countries chose different approaches to reach the same goal. In some, the system is decentralized, and municipalities play rather significant roles; it is the case of Sweden. In the UK and in the Czech Republic, there is a centralized model and social assistance is provided by a single authority of the central government.

All such approaches have their strengths and weaknesses. However, EU countries present some common features: 1) Clearly defined targets/target groups of the programs; 2) Expenditure depends from the the volume of benefits and not viceversa; in this way the social assistance acts as automatic stabilizer during economic downturn; 3) There is a link with labour market policies; for instance in the UK and in the Czech Republic, social assistance is provided by public employment services; 4) All countries or have already launched a IT platform for social assistance integrating the relevant organizations (social assistance bodies, social security bodies, tax authorities etc.) or are planning to do so in the near future. 5) Usually, social assistance is provided by a single authority (the municipalities in Sweden and the Netherlands, the Job centers in the UK, the Labour Offices in the Czech Republic).

In order to improve the coordination of social assistance, it would be good to have one stop shop where citizens can apply for every service; there should be clearly defined schemes and responsibilities – instead of overlapping: one scheme fills the gaps of another; a coordinated use of funds; data sharing enabling for more precise assessment of needs and means, better targeting; a link with employment policies.

To achieve these goals and improve the coordination of social assistance, Mr. Pavel suggests a top-bottom approach. Provinces would be partners in this joint effort since some already have acquired experience. Mr. Pavel recommends keeping some flexibility so that provinces can respond to their specific needs. The central government role could be stronger with regard to benefits in cash, while the provinces would be in charge of benefits in kind. The role of central government should be : i) to set the main goals; ii) to set the framework; iii) to set basic standards; iv) to define methodologies; v) to set basic parameters for IT (compatibility); vi) to appoint one agency to be in charge of coordination efforts (for example, in order to set the income threshold for poverty alleviation scheme(s), the formula could be provided by the central government, while the exact amount should to be set at provincial/county/district level).

The recommended steps are the following: analyze the current situation, identify gaps, duplicities etc., take stock of existing experience gained by the provinces with social assistance coordination; appoint a single agency in charge of the coordination of social assistance management; set targets, define parameters for

the IT; introduce incentives for improving social assistance management. Only later the government should focus on benefits in kind (social services, social work) which may play an important role in the prevention of negative social phenomena; on the coordination with employment services and policies (possibly taxation as well) while provide a permanent updating of all measures.

Prof. Xu Yuebin (Beijing Normal University, School of Social Development and Public Policy, Dean)

Prof. Xu is very glad to attend the meeting and take part in the discussion. Prof. Xu has done a lot of research and made a lot of experience in the field of social assistance; his speech is organized in three parts: 1. existing issues in social assistance; 2. the local experience, useful to improve the current situation; 3. some suggestions.

1) Issues in social assistance. a) Since its establishment, the social assistance system had met some relevant problems, such as the measurement of income. After the establishment of the system by the low income cross check system, the problem was partially solved; however there are still has some issues with the measurement of o poor families income; b) Another problem is the management of resources; more than ten departments are responsible for the management of social assistance resources; moreover they use different procedures and methods, so that the cost of coordination is very high; c) the third problem is the system design: overlapping and crossing of different policies; d) finally social assistance and other social protection policies, including low income families insurance and medical assistance have very unclear boundaries among each other.

2) The local experience. Some provinces are trying to tackle these issues. The eastern provinces of China provide assistance measures different for different target groups, with at the chore subsidies for low income families and poor people, such as assistance for education, housing, disaster relief, etc. The general aim is to lower the burden of social assistance. At the national level the government carried out the join meeting system, and information system policy. For instance, in the municipality of Chongqing the Civil affairs department is responsible for the definition and identification of who should receive assistance. Hubei provides a good example: here the local government worked on poverty alleviation and low-income integration, assessed low income level, classified and provided assistance. Some provinces have integrated different funds coming from MoCA under the same social assistance fund.

3) Suggestions. Prof. Xu acknowledges the importance of establishing a shared information system that for the moment has not been done because no one knows who should take the lead. In his opinion it should be the central government, while local governments should be in charge of its implementation.

OPEN DISCUSSION: Regarding whether in the assessment of social assistance it would be better to consider the household or the individual, Prof. Xu expressed the opinion that, although most EU countries firstly consider the household, and then the individual for specific needs, in China it would be better to consider first the individual. Mr. Wang Xiong recalls that MoCA is proposing to move from the household to the individual, but he is not sure if this is the correct approach. Maybe today for China it is better to provide universal services for the household, and specific services for the individual. On this regard one of the issues to be considered is the registration of the household and the actual residence of the individuals.

Closing by Mr. Wangxiong (Director, Dibao Division Social Security Department, MoF)

Closing the second session of the Workshop, Mr. Wang Xiong stressed that the presentations and the following discussion on the topic “*An integrated system for the coordinated management of the social assistance system*” were very comprehensive, and that the experts and scholars made very targeted suggestions tailored to the Chinese case, that will be helpful to MoF.

Because of the time limit, Mr. Wang Xiong feels that he does not have the time to make too many comments, yet there are few points that impressed him deeply.

In the first place Mr. Wang thinks that the social assistance system should be connected with other social protection measures, and in this area, China can learn from the EU experience. In the second place, the suggestions presented by Pavel for the integration of social assistance were very inspiring. Over the past year MoF carried out some work in the area of fragmentation, welfare bundling, the lack of a shared information system, the lack of a good administration. This has already produced some results: for instance, medical insurance was combined with the insurance of serious diseases, measures were taken to integrate funds, five different funds were combined, and local governments will decide how to use these funds. Moreover, MoF intends to mobilize social organizations in participating in social assistance and carry out poverty alleviation for four categories of people; MoF does also intend to strengthen its activities in anti-corruption and introduced stricter management and control of the low-income recipients, so that the number of people receiving *Dibao* declined. MoF did also carry out performance assessment of the social assistance to improve management and supervision and will provide more information in order to improve transparency.

To conclude, Mr. Wang Xiong expressed his profound thanks to all the experts contributing to a very successful workshop.

Session 3 Development of Old-age Services and Long Term Care System**Welcome speech and Introduction - Mr. Jiang Yu¹ (Division Director, Veteran Benefits Division, Department of Social Security, Ministry of Finance)**

Mr. Wang Hui (Deputy Director, Veteran Benefits Division), warmly welcomes all the participants to the Workshop. Mr. Jiang Yu, due to another important meeting will arrive later.

Since 2017, in the framework of the EU-China Social Protection Reform Project and with the great support of the Resident Expert, Mr. Bruni, the MoF started to do research on the topic “Development of Old-age Services and Long-Term Care System”. Many experts contributed with EU Country reports and provided good recommendations for the development of the Chinese LTC system. At the Panel Discussion, held at Renmin University, the experts discussed the main findings of the reports and following the proposed suggestions and recommendations submitted by MoF, the experts integrated their reports. During the

¹ Due to some important business, Mr. Jiang Yu joined the Workshop at a later stage. On his behalf, Mr. Wang Hui chaired the meeting.

present Workshop the experts will propose some targeted policy recommendations, providing a great contribution to the development of old-age services and the LTC system. Finally, Mr. Wang Hui and Mr. Bruni introduce all the distinguished EU and Chinese participants.

Reflection and Recommendation for improving Old age service and LTC- Prof. Li Zhen (Director of Social Security Research Institute, Renmin University of China)

The Chinese old-age service system started in 1990s, and in 2006 its focus moved to the delivery of LTC services, which represents a farsighted intuition of the Chinese government. After about two decades, China has built up a multi-tier LTC system based on home care, supported by community care, supplemented by institutional care and acting in combination with medical care.

As life expectancy extends, LTC needs also expand. However, due to sub-replacement fertility, the small-scale of the new families, and the increasing specialization of medical care, the family can no longer satisfy the demand of LTC services and the elderly needs become social needs, which necessarily requires the provision of social elderly care services.

Practices in high-income countries and regions, tell us that: (1) the funding model of LTC depends on many factors, among which economic development, family structure, responsibility distribution, with the role of government remaining predominant; (2) no matter what the funding model is, the services delivered by institutions cost more than those provided by the family. Higher costs induce the family to rely on external services, producing a demand to which supply and production must respond. The expansion of supply can, in turn, drive or drag demand.

Prof Li does not elaborate too much on the issue of ageing, since it has already been addressed and, after recalling the main policies evolution, she focuses on the current situation. Before 1994, the family was the only provider of elderly care services, while the government was only responsible for old people without children and economic support. Since 1994, in addition to the family, the social old-age security system was introduced, the word “social”, referring to communities and institutions. Then the provision of elderly care services started to diversify.

After 2000, the delivery of elderly care services has been characterized by the adjustment and balancing of the role of family, community and institution, while for fully and partially disabled old people, LTC has become a central issue in policy discussion.

Currently, the family is the main supplier of LTC services. Old-age services supported by community care are developing rapidly, especially those provided to disabled old people, very-old people, and low-income old people without children. A digital Community elderly care services platform has been established across China. The beds for elderly care services in institutions have rapidly increased and policy makers are paying more and more attention to services for LTC, rehabilitation and hospice care.

According to the fourth survey of China’s Aging Committee, 91% of old people in need of care services received the services they needed: 93.5% of urban old people, and 89.4% of rural people. Only 10% of old people could not receive the care they needed. Families were still the major supplier of services: the spouse

(43.5%), the son (28.6%), the son 's wife (10.1%), the daughter (10.4%), accounting together for 93% of all the service suppliers. As of the end of 2016, there were 29,000 elderly care institutions registered, and 7.3 million beds provided (31.6 beds per 1000 old people, including beds in community services and daytime centers). According to Qing Lianbin's report on 421 elderly care institutions, at the end of 2014 and 2015, 84.6% of them had beds for disabled old persons (9 beds on the average), accounting for 42% of all the beds. In 61.8% of the institutions, there were multi-functional beds for care, with an average of 53.

Major problems in developing long-term care.

The problems of LTC and its service delivery system result from the relation between total demand and total supply and the structure of supply.

As per the home care, the main problems include: (1) in rural areas the elderly health is weaker than of the elderly in urban areas. Contradictions between supply and demand in rural area are more obvious than that in urban area. The public policy covers more urban people, which enlarge the urban-rural imbalance (affecting the first generation of migrant peasant-workers); (2) today's policies pay attention to LTC needs of and services for very-old people, old people without children, low-income old people. Some families composed of several generations would be those without capacity to provide LTC and without purchase power for buying the services. In families with two generations of parents, the capacity of LTC is also limited; (3) accessibility to medical care for urban family is weak; (4), old people capacity of accessing internet is insufficient for getting the services.

For community and institutional care, the general problem is the miss-match between supply and demand. In communities, the problems are: 1) miss-match of number of beds in community services; 2) miss-match between types of community services provided by the government and the demand of old people.

In the institutions, the problems are: 1) miss-match of beds: the number is larger than needed (in 2015 48% of bed were not used); 2) territorial miss-match: people need space in community centers, but most of the institutions are located outside the community; 3) miss-match of subsidies provided by public finance: the government provides services to suppliers, but we need services provided directly to the beneficiaries.

Exploring the establishment of LTC funding system

In the last two-three years there has been a strong demand to establish a LTC insurance system in China. There are three possible models that could be adopted: the first is having the Government providing the services (subsidy model) and using taxes to finance them; the second model is that of social insurance; the third model is the mutual insurance model: in China this is a new model. In some regions the government is conducting pilots, like in Haidian district in Beijing, Chengdu, etc.

Reflection and recommendation on improving OA service and LTC system.

The principal responsibility of the government in the field of LTC should be "guaranteeing the minimum livelihood and strengthening the safety net for the people". LTC for old people life is a private affair, for which individual and family should be the primarily responsible. In Shanghai, the government uses medical

insurance to cover the LTC services. For purchasing LTC services, funds can be provided through insurance, but this should be decided by the person that needs the services. Since support to and care for family members are private affairs, the PRC's Law on Protecting Old People's Rights and Marriage Law regulates that parents and children have the right to receive mutual supports from each other and under the obligation of providing support to each other. There is no (western) heritage system in China. Assets of old people would be inherited by their next generation. Therefore, ethically, children should support their old parents. From the perspective of personal and family economy, in addition to pension income, most individuals and families have more economic resources to support old members.

The reason why Chinese scholars propose to establish social LTC insurance is that long-term medical cure for old people in hospital would waste medical resources and therefore China should learn from Japan and the Netherlands. However, in the Japanese case, there is no evidence that LTC insurance can effectively solve the problem of "social hospital stay". The Netherlands have, on the contrary, re-included medical-related LTC into medical insurance.

The Chinese family is a formalized system for social protection. Chinese social protection system is for protecting the minimum livelihood, which means providing basic insurance and basic protection. The costs for LTC are not a basic risk, and even not a pure risk. China's GDP per capita ranks in the middle and slightly upper level in the world, and the disposable income per capita is abnormally distributed. Usually, higher income receivers use insurance funds more efficiently, while lower income receiver do not. Thus, in terms of benefit's ownership, social insurance functions in the opposite direction of income redistribution. This is a common problem in the Insurance for Disastrous Disease and Housing Credit. In China, the economic and employment structure is characterized by the urban-rural dualism. In 2016, only 41% people had the urban Hukou, while the working people were 800 million, of which only 290 million participated in the Medical Insurance for Employees. In China, the government is conducting the supply-side reform and reducing tax and fees for enterprises.

We can classify the elderly in 4 groups on the basis of economic level and support capacity of the family; the support should focus on the group of elderly that are poor and have no support from the families.

Recommendations:

China should transform the public subsidy policy from providing support to the supplier to provide support to those that need support for instance by providing coupons to the elderly so that they can directly buy the services: the policies should focus on protecting the families (as in the Singapore case).

There is a lot of detailed work to do: 1) TV or other networks could improve old people connection; community-based old age service institutions can provide relevant training to old people and their families, especially on how to use internet to get benefits; 2) Promoting GP contractors and including LTC into service inventory of GP; allowing medical doctors to provide at-home services, in order to solve the most urgent needs of LTC; 3) Supporting house adaptation to the needs of elderly people. Currently LTC needs are mainly for old people. Urban houses were built in 1980s and therefore are without elevators, which is a problem for old people; therefore house adaptation is important; 4) Deducting income tax for LTC provider

of the same household; 5) Provide allowances and “rest-taking” to family providing LTC; 6) Urban house design should reserve space for old people to enjoy their privacy; 7) Making incentives to encourage children to live within a distance allowing them to provide daily care to their parents.

Meanwhile, the government should perfect policies to promote a healthy and active old-age life, and reduce the probability of becoming disable by adopting an active approach to reduce the disability rate, strengthening rehabilitation and reducing the degree of disability.

Finally, it would be important to design special spaces in the community for old people to live comfortably while liberalizing the old-age services market. Finally, the regulations standards should be appropriate to the local context.

Policy recommendations- Prof. Tang Jun (Professor, Chinese Academy of Social Sciences)

The service model of long term care should be a comprehensive system unifying the home care, the community service and the institutional service as an organic whole. Moreover, the integration of functions among the various bodies is essential. LTC services involve professionalism and the institutions should provide technical support and logistics resources. The community and residential services will provide the basic services; however, there is ample space to improve the business environment and potential resources. Home care, community and institutional services should work together, but the issue is that currently they are separated.

The best providers of services for fully disabled people are the professional institutions. However, for the moment the number of professional providers in China is still too small.

In Prof. Tang Jun opinion, for an old person it is not easy and sometimes even impossible to receive care from the children especially if a person has only one child; in rural areas also elderly that have two-three children cannot receive care from them in they are working in urban areas.

The institutions should be mid-range facilities with a small scale, providing professionalisms and high-quality services. The elderly service institutions should have the vitality of self-survival and self-development. There are several thousands of elderly care institutions in China that have been operating for 10-20 years and have been making profit. While there are some elderly care institutions not making money, these are principally high hand and insurance-based institutions; or institutions operated by the government. An elderly service institution with 200 beds, operating normally, can obtain 5-8% profit after the full amount of the elderly people, and if their operation is outstanding, the profit can reach 12%.

The original intention of residential service is ageing in place under the support of social services. Ageing in place means to let, as far as possible, old people spend their old life in the environment-the family and community- they are used to. Ageing in place needs the support of social services and community services. Both formal and informal care should be integrated for the residential care. When a fully disable elderly is not willing to go to an institution, he can stay at home, with the assistance of an informal care giver (maybe a family member, volunteer, etc.), that should receive a subsidy. Meanwhile, the elderly will receive social support from a professional whowhen possible can also provide skills training to the informal care-giver.

The community service should be the support and platform of the elderly services at the community level. The community service should be between the institutional and residential services. We can select the typology of service among the residential-community-institutional care, on the basis of the level of disability of the elderly person. The healthy and slightly disabled elderly should receive residential care; the partially disabled and the totally disabled elderly should receive care from institutional services.

The attention of the Government should be directed to the elderly most in need, especially the disabled elderly. Meanwhile, the integration of residential services, community services and institutional services by elderly service providers should be strengthened.

The financing model of long term care:

The goal of establishing a long-term care insurance is to activate effective demand. At present the large gap between the income of the elderly and the fee charged by the institutions prevents the demand for LTC services to be effective demand. The best way to turn the potential demand into effective demand is to use a LTC insurance. This would also reduce the medical insurance burden. LTC should be associated to social services, not medical services.

In establishing the LTC insurance system, the government should start from those who need it most, the completely disabled elders that account for 3% of the total demand. Moreover, China should implement a diversified and multi-channel model of financing and adopt a hybrid model combining social insurance and commercial insurance: the government would be responsible for the planning, charging and supervision, while the insurance companies would be responsible for management and payments.

Policy recommendations- Prof. Marcello Morciano (Research Fellow, Health Economics Group, School of Medicine, Health Policy & Practice, University of East Anglia, UK)

The presentation of Prof Morciano is divided into two parts: the first aims at setting the context of the research results, while the second provides the policy recommendations. The aim is to promote an evidence-based discussion.

1. Setting the context:

The number of older people is increasing. Moreover 70% of people turning 65 can expect to use some form of LTC during their lives. The risk of becoming dependent on LTC rises steeply from the age of 80. The increasing need of social care is the key element of LTC state support.

At present EU citizens are –on average- four times richer than in 1950. This is of particular interest if we think about the affordability of LTC services. Even if the level of wealth is relatively high, the wealth is not necessarily well distributed and the provision of services not in equilibrium, so that the costs are uncertain and can be very high.

Before discussing how to set up LTC, we need to clarify what is LTC. Long-term care (LTC) is a range of services required by persons with a reduced degree of functional (physical or cognitive) capacity, and who

need help to meet their basic personal needs. Most LTC is not medical care: it is care for chronic illness/disability instead of treatment of acute illness. Caring for chronic illness lasts as long as the recipient live.

Most LTC is assistance to the basic tasks of everyday life: bathing, eating, taking medication, etc. Most LTC is provided informally (whereas acute care is provided by professionals): informal care may affect caregiver's labour supply. Demographic transitions will affect the LTC industry even more than acute care.

In EU, there is not a single LTC system. Instead we have different LTC systems inherently linked with different cultural/social values, institutional setting and traditional welfare regimes in place. Very often, current LTC policies are the result of the stratification of unsystematic reforms aiming at facing emerging socio-economic pressures.

EU-LTC models differ in many important dimensions: the financing mode; the level of spending; the definition of needs; the public/private mix; the mix between cash-benefits and services; the freedom to choose the LTC providers; the balance between public and private providers; the quality assurance; the level of integration and coordination of care among different LTC institutions.

The first cluster is made up by the the northern EU countries: it is characterized by formal-care (FC) oriented provisions generous, accessible and affordable, financed from general revenue allocations to local administrations; high public and low private spending; low Informal care (IC) use, high IC support; modest cash-benefits.

The second cluster, including Germany presents medium accessibility of FC; some IC orientation in provision; obligatory social insurance financed from contributions; medium public and low private FC spending; high IC use, high IC support; modest cash-benefits.

The third cluster, including France is characterized by medium accessibility of FC ; medium IC orientation in provision; medium coverage financed from contributions\general revenue; medium public and private FC spending; high IC use, high IC support; high cash-benefits.

The fourth cluster, including Italy: low FC accessibility; strong IC orientation in provision; modest social insurance against LTC risks; low public and high private FC financing; high IC use, low IC support; high cash-benefits.

The fifth cluster, east EU: very low FC accessibility; (almost) exclusive IC orientation; little social insurance against LTC risks; very low public FC spending; very high IC use, little to no IC support; modest/low cash-benefits.

EU-countries with different LTC systems face the same sociodemographic and economic pressure?

In a **universal public LTC system**, the main problem is that it could encourage an over-use of care and erode the important role of informal care, with significant consequences for taxpayers. The possible solutions are: increase co-payments and user contributions towards the cost of care (tax-based models); Increase

mandatory premiums, deductibles, introduce elimination periods or even capped benefit periods (Public LTC insurance models); Boost private insurance as asset protection & choice enhancement.

In **means-tested safety net schemes**, the main problems are: people above the threshold for state support face high costs in the current system; some people can lose most of their assets. Possible solutions are extending the State support at the intensive and extensive margins.

In **private Insurance-based systems** the problems are: intra- inter-generational myopia, moral hazard, adverse selection, sub-optimal risk pooling. Possible solutions: to adopt employer-sponsored insurance policies, the State that providing incentives for the development of the LTC market.

2. Policy Recommendations:

All the systems have pro and cons, and there is no optimal system. If you have to choose a new model, you must select the most flexible since the most difficult problem in the LTC sector is the unpredictability of (long-term) risks related to: demography, epidemiology, and economy. By removing the fear and uncertainty in LTC risks, people are encouraged to make sensible preparations for the future. There is consensus that an “optimal” system should be flexible in order to be able to react to insufficient funds, avoid private catastrophic LTC-related costs (cap the cost of care), provide support for those not able to afford the cost of care, limit perverse incentives, “nudge” and stimulate saving for old-age and sharing the risks among different institutions.

A possible solution is capping the cost of care. The state steps taking the responsibility for the area of greatest unpredictable risk. In practice people will need to take responsibility for the costs they have to sustain up to a certain point but, above that, the state will intervene. Probably only a minority would reach the level of expenditure at which the state steps in (those having the highest care needs over their lifetime). However, everybody would benefit from knowing that if they ended up having to face these costs they would be covered.

Capping people’s costs would allow people to spend some of their resources earlier, for instance adapting their homes to the needs they will have when they will become old (public incentives could be directed for this kind of action that would then reduce the cost of LTC).

There is big space for a financial insurance sector to help people meeting their contribution and protecting their wealth. What can be envisaged is a public *catastrophic* LTC insurance system, basically a social insurance policy, under which the contributions individuals will be capped. In this system people are expected to meet their own needs as best they can. Once their accumulated needs have reached the level of the cap, they would be eligible for a care package funded by state. Those who cannot afford fully to make their contribution would continue to receive (current or extended) means-tested support. Those in residential care could be expected to make a contribution to their general living costs, just as they would be expected to meet the costs if they lived at home.

The key parameter to be define is the threshold. At the core of the proposal is the new capped cost element, which sets a limit to the amount individuals are expected to contribute towards their care over

their lifetime. After individuals have spent a certain amount, they would become eligible for state-funded care. Careful consideration must be taken to the level at which the cap should be set. If it is set too high, the system would be sustainable for the State that would have to face a low financial burden, but it would be unfair since it would protect only wealthy people and create little incentive for the development of a private insurance market. If it is set too low, it would be a situation similar to that of Germany System but could fall under financial stress; it would be fair since it would provide an almost universal coverage; it would create little incentive for the development of a private insurance market for individuals and families.

The financing mode: this system could be constructed either as a Social insurance model (contributions levied on a narrower tax base than general revenue, creating some tax distortions on employment) or a Tax-based model (funds levied on a bigger tax base that is ageing); or a mixed financing model.

The definition of needs: a portable assessment of LTC needs could be based on an objective scale; a national eligibility threshold should be defined.

To be noted that all other dimensions of the LTC system (the public/private mix; the mix between cash-benefits and services; the freedom to choose the LTC providers; the balance between public and private providers; the quality assurance; the level of integration and coordination of care among different LTC institutions) would not be dictated by this reform.

Planned Speeches- Prof. Dang Junwu, Deputy director of the China Center for scientific research on aging, deputy leader of the state secretarial group on the aging strategy of the population)

The topic of elderly care services and long-term care is very important, and President Xi Jinping has put much attention to this issue. More research should be devoted to this problem and to the problem of elderly disability. To solve these problems the key point is to start from the services. Prof. Tang Jun and Li Zhen as well as Prof. Morciano have provided valuable suggestions.

The government should be clear on the LTC insurance system to be adopted and the provisions to be provided services. First, we should decide whether the LTC service products are private or public or hybrid; according to Prof. Dang they should be hybrid. Secondly, we should understand once the elderly becomes disable, who should take care of him; according to Prof. Dang people should be responsible for themselves through their all life, and not rely on others. Usually when a person is 60, he can take care of himself, when he becomes partially disabled the family should intervene; then if he becomes completely disabled, the government should intervene with its institutions. Thirdly, we should adhere to the spirit of LTC making a system that considers how to reduce disability, focusing also on prevention, and trying as much as possible to avoid the occurrence of disability.

Regarding the design of the system most suitable to China, the financing model depends on the service provision, and the service provision depends on the service model. The LTC system in EU might not fit the Chinese context because the cost is too high. To reduce financial pressure, traditional Chinese Medicine could provide basic treatment while foreign medicines could be used only in special occasions. According to

Prof. Dang, China can learn from the framework of western countries, using at the chore traditional Chinese medicine and combining western and Chinese models.

Currently we have 200 million elderly in China, the number might reach 1 billion soon. If we provide LTC for all the people this will be an incredible burden. So each person should be responsible for himself during his lifetime. the model should be: personal/family as a basis, community as platform, institution as support; charitable and volunteer services as supplement. In this way we will not have too much pressure.

The Italian Chronicity Plan – Giusi Condorelli, Health Attachè, Italian Ministry of Health Representative

The world of chronicity is an area in progressive growth, involving a considerable commitment of resources, Since it requires continuity of assistance for long periods of time, strong integration of health and social services, residential and territorial services.

In Italy, people «over 65» account for about 21% of the population but in 20 years they will account for more than 30%. In 2020 chronic diseases will represent 80% of all diseases at global level. Better health is associated with lower economic and social costs. However not all LTC resources are directed to elderly.

The Italian National Chronicity Plan (NCP) stems from the need to: harmonize activities in this field at National level, proposing a document shared with the Regions; identify a strategic plan with a common aim to promote interventions based on a uniform and person-centered approach; a better organization of services; a full responsibility of all care actors.

The aim of the plan is to contribute to the improvement of the protection for people with chronic diseases; to influence the natural history of many chronic diseases; to create an age friendly world that leave no one behind: promoting a society for all, this is WHO goal.

Part I of the Plan defines a national "strategy" for the management of chronicity. Part II defines the guidelines of pathologies with specific characteristics and care needs. The Plan does therefore provide indications to encourage:

- The proper functioning of the assistance networks
- Continuity of care
- The earliest entry of the person with chronic illness in the multidisciplinary diagnostic-therapeutic path
- The strengthening of home care and the reduction of hospital admissions
- Care models centered on the patient's "global" and not just clinical needs

The Plan represents a turning point in the approach to the disease stressing the concept of personalized assistance: the person becomes the center of the care system; the patient is therefore no longer a "passive" user of treatment, but actively collaborates in the management of his condition, arriving to define with the team a path of care that allows him to live with his disease.

The plan is based on the following phases: stratification and targeting of the population; health promotion; prevention and early diagnosis, managing the patient through care plan, personalized interventions for patient management, assessment of the quality of care providers. The Plan also considers transversal

aspects of chronic health care, including: Training; E-health technologies; Telemedicine; Humanization of care.

The second part of the plan identifies some chronic diseases listing for each the main critical issues, the expected objectives and results, the monitoring indicators; etc.

Closing remarks by Mr. Jiang Yu (Division Director, Veteran Benefits Division, Department of Social Security, Ministry of Finance)

To conclude, Mr. Jiang Yu, warmly thanks all the distinguished guests, experts and professors for the insights and policy recommendations that have contributed to make the Workshop very successful.

Prepared by

EU-China SPRP Component 2 Assistant

Valentina Pignotti



Component 2 Workshop

Investment strategies of social funds and risk control methodologies

An integrated system for the coordinated management of the social assistance system

Development of Old-age Services and Long-Term Care System

Ministry of Finance, P. R. China

中华人民共和国财政部

Monday-Tuesday, 26-27 February 2018

2018 年 2 月 26-27 日, 星期一, 星期二

Venue: JindiyaHotel-second floor conference room

5 Sanlihe N St, Xicheng Qu, Beijing

地点: 金帝雅宾馆,二楼会议厅长和厅,

北京市西城区三里河月坛南街北边

DAY 1- 26 th FEBRUARY 2018	
第 1 日 2018 年 2 月 26 日	
8:30-9:00	签到 Registration
<p>第一场：社保基金投资战略与风险控制方法</p> <p>主持：邸东辉先生</p> <p>Session 1- Investment strategies of social funds and risk control methodologies</p> <p>Chair: Mr. Di Donghui</p>	
9:00-9:15	<p>开场致辞与介绍——财政部代表邸东辉先生（财政部社保司制度精算处处长）Welcome speech and Introduction - Mr. Di Donghui (Division Director, Actuarial Division, Social Security Department, MoF)</p> <p>开场致辞—马潇坤（欧洲联盟驻华代表团，合作处，随员）Welcome speech - Ms. Sakura Moretto (Development & Co-operation Section, Delegation of the European Union)</p>
9:15-9:45	<p>人口与社会经济背景：老龄化、常态经济、社会结构和家庭价值-米凯乐·布鲁尼先生（中欧社保改革项目，专家组长，第二部分常驻专家）</p> <p>The demographic and socio-economic background: ageing, normal economy, social structure and family values -Michele Bruni (EU-China SPRP, Team Leader-C2 Resident Expert)</p>
9:45-10:15	<p>政策建议——胡继晔教授（中国政法大学资本金融系主任）</p> <p>Policy recommendations and suggestions -Prof. Hu Jiye (Director, School of Business, Department of Capital Finance, China University of Political Science and Law)</p>
10:15-10:45	<p>政策建议——大卫德·齐帕尔罗内先生（曼古斯塔风险管理公司）</p> <p>Policy recommendations and suggestions - Mr. Davide Cipparrone (Mangusta Risk Ltd.)</p>
10:45-11:00	茶歇 Coffee break
11:00-11:40	计划发言-孙守纪教授（对外经济贸易大学）安得利亚·卡那维西欧安曼古斯

	<p>塔风险管理有限公司</p> <p>Planned Speeches- Sun Shouji (School of Insurance and Economics, University of International Business and Economics) and Mr. Andrea Canavesio (Mangusta Risk Ltd.)</p>
11:40-12:00	<p>过往的遗产，未来的机会</p> <p>-连佐·以司乐尔，Generali 集团资深咨询专家</p> <p>A legacy from the past – An opportunity for the future - Renzo Isler, Senior Consultant, Generali Group</p>
12:00-12:30	圆桌讨论 Round Table Discussion
12:30-14:00	午餐 Lunch break
<p style="text-align: center;">第二场：统筹社会救助资源体系</p> <p style="text-align: center;">主持：王雄先生（财政部社保司低保处处长）</p> <p style="text-align: center;">Session 2- An integrated system for the coordinated management of the social assistance system</p> <p style="text-align: center;">Chair: Mr. Wangxiong (Director, Dibao Division Social Security Department, MoF)</p>	
14:00-14:15	<p>开场致辞与介绍-王雄先生（财政部社保司低保处处长）</p> <p>Welcome speech and Introduction - Mr. Wangxiong (Director, Dibao Division Social Security Department, MoF)</p>
14:15-14:35	<p>发言-许正中教授（国家行政学院）</p> <p>Introduction by Prof. Xu Zhenzhong (Chinese Academy of Governance)</p>
14:35-15:05	<p>政策建议-蒋震教授（中国社会科学院财经战略研究所副研究员）</p> <p>Policy recommendations and suggestions -Prof. Jiang Zhen (National Academy of Economic Strategy, Chinese Academy of Social Sciences, Department of Taxation, Associate Research Fellow)</p>
15:05-15:35	<p>政策建议-梅恪行先生（国际社保专家）</p> <p>Policy recommendations and suggestions - Mr. Mel Cousins (International Social Protection Expert)</p>
15:35-15:50	茶歇 Coffee break

15:50-16:20	计划发言-帕威尔·雅奈齐格先生（捷克劳动和社会事务部国际合作司司长）、徐月宾教授（北京师范大学社会发展与公共政策学院教授） Planned Speeches- Mr. Pavel Janeček (Head of International Cooperation Unit, Ministry of Labour and Social Affairs, Czech Republic) and Prof. Xu Yuebin (Beijing Normal University, School of Social Development and Public Policy, Dean)
16:20-16:50	圆桌讨论 Round Table Discussion
16:50-17:20	总结王雄先生（财政部社保司低保处处长） Closing by Mr. Wangxiong(Director, Dibao Division Social Security Department, MoF)

DAY 2- 27 th FEBRUARY 2018	
第 1 日 2018 年 2 月 27 日	
8:30-9:00	签到 Registration
<p>第三场：发展养老服务业和长期护理体系</p> <p>主持：姜宇先生（财政部社保司优抚处）</p> <p>Session 3 Development of Old-age Services and Long Term Care System</p> <p>Chair: Mr. Jiang Yu (Division Director, Veteran Benefits Division, Department of Social Security, Ministry of Finance)</p>	
8:30-9:00	签到 Registration
9:00-9:15	<p>开场致辞与介绍——姜宇先生（财政部社保司优抚处）</p> <p>Welcome speech and Introduction - Mr. Jiang Yu (Division Director, Veteran Benefits Division, Department of Social Security, Ministry of Finance)</p>
9:15-9:45	<p>政策建议-李珍教授（中国人民大学社会保障研究所所长）</p> <p>Policy recommendations- Prof. Li Zhen (Director of Social Security Research Institute, Renmin University of China)</p>
9:45-10:15	政策建议-唐钧教授（中国社会科学院教授）

	Policy recommendations- Prof. Tang Jun (Professor, Chinese Academy of Social Sciences)
10:15-10:45	<p>政策建议——马哲洛·莫嘉诺先生（英国东英吉利大学医疗卫生政策与实务学院健康经济组研究员）</p> <p>Policy recommendations- Prof. Marcello Morciano (Research Fellow, Health Economics Group, School of Medicine, Health Policy & Practice, University of East Anglia, UK)</p>
10:45-11:00	茶歇 Coffee break
11:00-11:20	<p>计划发言- 党俊武（中国老龄科学研究中心副主任、国家应对人口老龄化战略研究秘书组副组长）</p> <p>Planned Speeches- Prof. Dang Junwu, Deputy director of the China Center for scientific research on aging, deputy leader of the state secretarial group on the aging strategy of the population</p>
11:20-11:40	<p>意大利慢性病应对计划</p> <p>-朱西·孔多瑞利，意大利卫生部驻华使馆代表</p> <p>The Italian Chronicity Plan – Giusi Condorelli, Health Attachè, Italian Ministry of Health Representative</p>
11:40-12:10	圆桌讨论 Round Table Discussion
12:10-12:25	<p>总结姜宇先生（财政部社保司优抚处）</p> <p>Closing remarks by Mr. Jiang Yu (Division Director, Veteran Benefits Division, Department of Social Security, Ministry of Finance)</p>
12:25-14:00	午餐 Lunch break

Annex 2

Participant list

List of participants
EU-China Social Protection Reform Project
Component 2 Workshop

Beijing, February 26, 2018
2018年2月26日，北京

No 序号	Name of the participants 姓名	Institution/organization 机构/组织
Ministry of Finance 财政部		
1.	邱东辉 Mr. Di Donghui	财政部社会保障司制度精算处处长 Division Director, Actuarial Division, Social Security Department
2.	王雄 Mr. Wang Xiong	财政部社会保障司城乡低保处处长 Director, Dibao Division Social Security Department
3.	王珏 Ms. Wang Jue	财政部社会保障司城乡低保处副处长 Deputy Director, Dibao Division Social Security Department
4.	桂雄 Mr. Gui Xiong	财政部社会保障司综合处副处长 Deputy Director, General Office, Social Security Department
5.	冯莉 Ms. Feng Li	财政部社会保障司综合处主任科员 Principal Staff Member, General Office, Social Security Department
6.	李岩 Mr. Li Yan	财政部社会保障司制度精算处主任科员 Principal Staff Member, Actuarial Division, Social Security Department,
7.	王海霞 Ms. Wang Haixia	财政部社会保障司制度精算处主任科员 Principal Staff Member, Actuarial Division, Social Security Department
Delegation of the European Union, EU-China SPRP Representatives 欧盟驻华代表团、中欧社会保障改革项目办及国际组织代表		
8.	Ms. Sakura Moretto 马潇坤	Development & Co-operation Section, Delegation of the European Union 欧洲联盟驻华代表团，合作处，随员
9.	Mr Michele Bruni 米凯尔·布鲁尼	EU Resident Expert Component 2/Team Leader, EU-CHINA SPRP 中国—欧盟社会保障改革项目第二部分欧方常驻专家 / 项目领导人

10.	房连泉 教授 Prof. Fang Lianquan	中国—欧盟社会保障改革项目第一部分中方专家-研究；中国社会科学院世界社保研究中心，秘书长 EU-China SPRP C1 Chinese expert for Research, The Center for International Social Security Studies at Chinese Academy of Social Sciences (CISS CASS), Secretary General
11.	Ms Valentina Pignotti 毕若华	Assistant to Component 2 / Team Leader, EU-CHINA SPRP 中国—欧盟社会保障改革项目第二部分 / 项目领导人助理
12.	Mr Lin Guowang 林国旺	Interpreter, EU-CHINA SPRP 中国—欧盟社会保障改革项目翻译
13.	Ms Ma Lan 马岚	Project Assistant, EU-CHINA SPRP 中国—欧盟社会保障改革项目 助理
Experts 专家学者		
14.	胡继晔 教授 Prof. Hu Jiye	中国政法大学资本金融系主任）、大卫德·齐帕尔罗内先生（曼古斯塔风险管理公司 Director, School of Business, Department of Capital Finance, China University of Political Science and Law
15.	孙守纪 教授 Prof. Sun Shouji	对外经济贸易大学 School of Insurance and Economics, University of International Business and Economics
16.	许正中 教授 Prof. Xu Zhenzhong	国家行政学院 Chinese Academy of Governance
17.	蒋震 教授 Prof. Jiang Zhen	中国社会科学院财经战略研究所副研究员 National Academy of Economic Strategy, Chinese Academy of Social Sciences, Department of Taxation, Associate Research Fellow
18.	徐月宾 教授 Prof. Xu Yuebin	北京师范大学社会发展与公共政策学院教授 Beijing Normal University, School of Social Development and Public Policy, Dean
19.	Mr. Davide Cipparrone 大卫德·齐帕尔罗内先生	Mangusta Risk Ltd. 曼古斯塔风险管理公司
20.	Mr. Andrea Canavesio 安得利亚·卡那维西欧安	Mangusta Risk Ltd. 曼古斯塔 风险管理 有限公司
21.	Mr. Renzo Isler 以司乐尔	Senior Consultant, Generali Group Generali 集团资深咨询专家
22.	Mr. Mel Cousins 梅恪行先生	International Social Protection Expert 国际社保专家
23.	Mr. Pavel Janeček	Head of International Cooperation Unit, Ministry of Labour and

	帕威尔·雅奈齐格先生	Social Affairs, Czech Republic 捷克劳动和社会事务部国际合作司司长
24.	Mr. Marcello Morciano 马澈罗·莫嘉诺	Research Fellow, Health Economics Group, School of Medicine, Health Policy & Practice, University of East Anglia, UK 东英吉利大学医, 药医疗政策和实践学院, 健康经济学研究组研究员
25.	Prof. Giovanni Trovato 吉瓦尼 德瓦托教授	University of Tor Vergata, Italy 罗马第二大学, 意大利

List of participants
EU-China Social Protection Reform Project
Component 2 Workshop

Beijing, February 27, 2018

2018 年 2 月 27 日, 北京

No 序号	Name of the participants 姓名	Institution/organization 机构/组织
Ministry of Finance 财政部		
26.	王 蕾 Ms. Wang Lei	财政部社会保障司医疗保障处处长 Division Director, Medical Insurance Division, Department of Social Security, Ministry of Finance
27.	姜 宇 Mr Jiang Yu	财政部社会保障司优抚救济处处长 Division Director, Veteran Benefits Division, Department of Social Security, Ministry of Finance
28.	王 晖 Mr Wang Hui	财政部社会保障司优抚救济处副处长 Deputy Director, Veteran Benefits Division, Department of Social Security, Ministry of Finance
29.	刘骁男 Mr Liu Xiaonan	财政部社会保障司综合处副处长 Deputy Director, General Office, Social Security Department
30.	张晓东 Mr. Zhang Xiaodong	财政部社会保障司优抚救济处主任科员 Principal Staff Member, Veteran Benefits Division, Department of Social Security, Ministry of Finance
Delegation of the European Union, EU-China SPRP Representatives 欧盟驻华代表团、中欧社会保障改革项目办及国际组织代表		
31.	Mr Michele Bruni 米凯尔·布鲁尼	EU Resident Expert Component 2/Team Leader, EU-CHINA SPRP 中国—欧盟社会保障改革项目第二部分欧方常驻专家 / 项目领导人
32.	Ms Valentina Pignotti	Assistant to Component 2 / Team Leader, EU-CHINA SPRP

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34.	Ms Ma Lan 马岚	Project Assistant, EU-CHINA SPRP 中国—欧盟社会保障改革项目 助理
Experts 专家学者		
35.	李珍 Prof. Li Zhen	中国人民大学，社会保障研究所所长 Director of social security research institute, Renmin University of China
36.	唐钧 Prof. Tang Jun	中国社会科学院，教授 Professor, Chinese Academy of Social Sciences
37.	党俊武 Prof. Dang Junwu	中国老龄科学研究中心副主任、国家应对人口老龄化战略研究秘书 组副组长 Deputy director of the China Center for scientific research on aging, deputy leader of the state secretarial group on the aging strategy of the population
38.	Ms. Giusi Condorelli 朱西·孔多瑞利	Health Attachè, Italian Ministry of Health Representative 意大利卫生部驻华使馆代表
39.	Mr. Marcello Morciano 马澈罗·莫嘉诺	Research Fellow, Health Economics Group, School of Medicine, Health Policy & Practice, University of East Anglia, UK 东英吉利大学医，药医疗政策和实践学院，健康经济学研究组研究员
40.	Mr. Mel Cousins 梅恪行先生	International Social Protection Expert 国际社保专家
41.	Mr. Pavel Janeček 帕威尔·雅奈齐格先生	Head of International Cooperation Unit, Ministry of Labour and Social Affairs, Czech Republic 捷克劳动和社会事务部国际合作司司长
42.	Ms. Elisa Sales 艾丽莎	Financial Attaché- Bank of Italy Representative 财政专员-意大利银行（央行）代表