

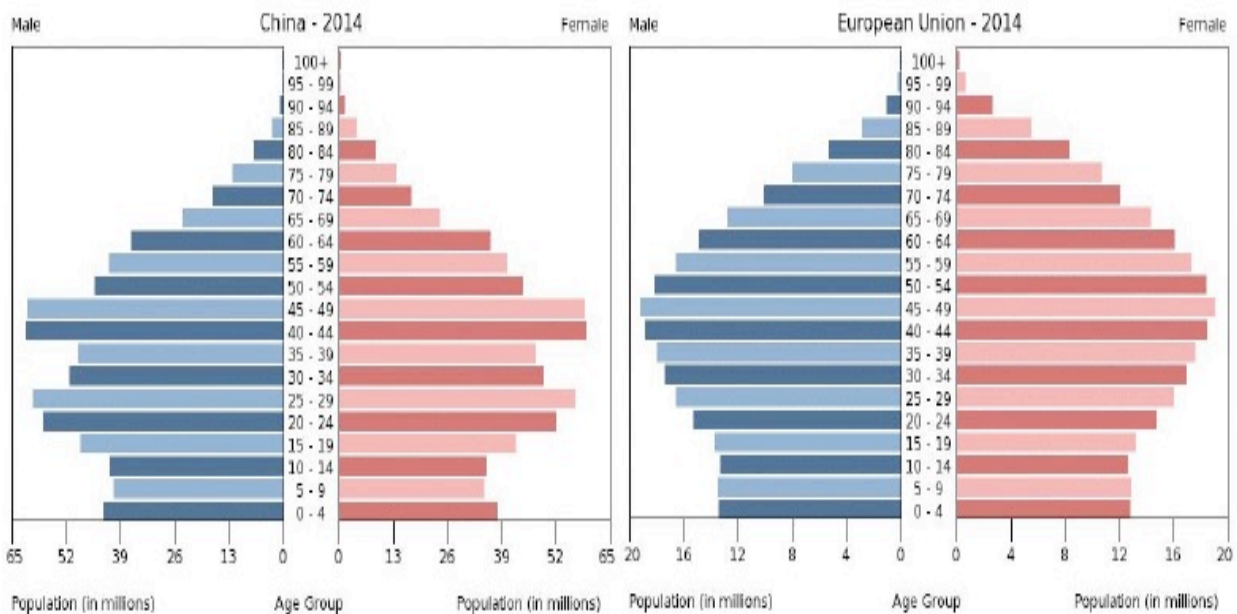


Social Protection Reform Project
中国欧盟社会保障改革项目

1.2.4 – GENDER ISSUES IN SOCIAL PROTECTION

Component 1

1. There are no gender discriminated data in Chinese social insurance statistical publications. However, the unique national social security number allows for a distinction to be made between male and femaleⁱ.
2. There are a number of occupational and social insurance legislation features and practices that have non-neutral gender components.



Population – China and EU Age pyramids 2014 (source: project Statistical notes)

3. **Employment** – There are no data publicly available from MoHRSS on gender-disaggregated data on employment and working conditions. C1 once checked with MoHRSS and were told no such data were indeed compiled. A common estimate is of 45% women among salaried employees, 40% among public sector employees (Government organs and public institutions, GOPI). There is a significant proportion of women among the “floating population” – 33% according to the ILO, common estimate floating population 250 millionⁱⁱ. Official female

unemployment rate (registered unemployment) is higher than for male – 3.9% as against 3.6%, the World Bank.

4. **Social security coverage** – Protection within the General scheme (urban salaried employees) is organized under 5 branches plus Housing fund. Actual personal coverage is not the same under the different branches. Figures at end 2014 are shown in the table below (source MoHRSS – no significant change since then except incorporation of GOPI staff in general schemeⁱⁱⁱ).

Branch	Nb insured (incl. beneficiaries) - millions	
Pensions Urban workers	341 (255 active, 86 retirees)	842
Urban and rural resident pensions	501 (incl. 143 beneficiaries)	
Workers in entreprise annuity plans	23	
Medical insurance employees	283	817
Basic medical insurance	598	
Unemployment insurance	170 (beneficiaries 2)	
Work injury insurance	206	
Maternity insurance	170 (beneficiaries 6)	

5. Coverage of **floating population** is uneven – 55 million for employees’ pensions; 53 million in Urban basic medical insurance; 41 million in unemployment insurance; 74 million in work injury insurance ; unpublished for maternity insurance.
6. In 2010 (All China Women’s Federation ACWF 3rd Survey) 73% of women with urban hukou got pension coverage, as against 31% for women with rural hukou. Medical insurance coverage rate was respectively 87 and 95% (higher rate in rural areas).
7. **Pensions** – Retirement age is often different for men and women in the General scheme for urban salaried employees^{iv}. There are indications that plans are being considered to both raise and equalize legal retirement age. Meanwhile, some women tend to take advantage of more liberal provisions contained in a “nonstandard employment” scheme where retirement for women is at age 50 or below. Pension benefits under that scheme are quite low (practically basic pension only since contributions paid at minimum level, 60% average wage) but it secures continued medical insurance protection for women withdrawn from labour market on a voluntary or involuntary basis.
8. Since there is an important **wage differential** between men and women in China^v it would normally reflect on pension levels. However, those until now are heavily influenced by proportionality with average contributory wage in the pooling area^{vi}, which flattens pension distribution. The individual account portion – to which women would contribute usually less than men owing to lower salary levels – is of reduced important because of very low accrual interest rate. In 2010 (ACWF Survey) 54% of elderly urban women relied mainly on their pension for living, as against 79% for men. This would seem to point out to an important

discrepancy in pension benefits among men and women. By contrast, 59% of elderly women depended on support by family members other than spouse to make ends meet, as against 39% of men.

9. **Medical insurance** – Medical coverage is individual, not by household. This implies that women have to secure their own health insurance coverage, which may in some instances be less comprehensive than that of their husband. This would affect mostly couples where one person only is part of floating population with access to urban employees insurance. ACWF survey showed that elder women had less access to medical examination than elder men (39% instead of 42%, 65+).
10. **Accident injury** – The derogatory clause allowing Construction industry not to declare construction site workers under any other branch than accident injury may particularly affect women – including for access to maternity benefits. The analysis conducted recently by the European Trade Union Institute ETUI^{vii} could of course be a source of inspiration for China. Women in the service industry may be more affected by occupational risks than men, because of the positions they occupy – less clerical work, and occupations where less attention is often paid to prevention.
11. **Unemployment insurance** – Women are more likely to be affected by unemployment than men. In light industry, women also occupy positions for which their skills may rapidly become obsolete (or they are more likely to be replaced by new technology) while not necessarily enjoying adequate retraining and redeployment opportunities. Women are also less represented than men in the floating population, where they are frequently “left behind” to continue work in rural areas without employment opportunities and career development prospects, or “sent back” to take care of frail family elderly. One-child policy may of course have increased pressure in that direction.
12. However, among women with rural hukou returning home after spending some time in urban environment as “floating population”, 38% do non-agricultural work as against 22% for those women who did not leave the rural area (ACWF survey). Employment rate of mothers with child below six (women aged 25-34) is significantly lower than that of other women (72% as against 82% for women without child). This clear breach in employment probably affects job opportunities and career prospects of mothers as well as their prospective pension benefits’ level.
13. **Maternity insurance** – In 2010, 87% of women in urban working units have taken standard maternity leave after delivery. 95% of urban women under age of 35 had undertaken prenatal examination in 2010. Hospital delivery rate was 97%. Figures in rural areas were 90 and 88% respectively.
14. Maternity insurance is considered as a fragile branch of protection – the one most likely to be cut when savings are being contemplated by enterprises. There are advanced plans within Ministry of Human resources and Social security to merge maternity and health insurance within the same branch to protect the former, not necessarily increasing contribution rates. Health insurance personal coverage being far broader than that of maternity insurance, the

scope of protection would be increased. This approach comes at a time when Health insurance resources are considered being used also for introducing Long term care (dependency) insurance – several pilots are on-going.

15. The merger of health and maternity insurance raises however some concerns, notably concerning the more favourable treatment under the latter, and the conditionality of access to benefits upon some prescribed examinations for pregnant mothers and new born infants (measures proven to be very efficient in reducing risks at birth)^{viii}. In some Provinces, Maternity insurance is managed under the same administrative arrangements as occupational risks. The merger with health insurance might be more complicated there, especially for women working on construction sites.

Jean-Victor Gruat,

17 March 2017.

Component 1

1. Maternity protection is one of the most ancient fields of social security protection, second only to occupational accidents. ILO first convention on Maternity protection bears number 3. The current instruments are Convention 183 and Recommendation 191 (2000).
2. At the European level, reference is Council Directive 92/85/EEC of 19 October 1992 on the introduction of measures to encourage improvements in the safety and health at work of pregnant workers and workers who have recently given birth or are breastfeeding
3. Most countries in Europe recognize the specific of maternity protection under social security. However, this protection is managed under cover of another risk, typically Health insurance (or Family allowances). Merging maternity and health contributions is therefore not unusual.
4. However, since maternity protection has to pursue specific objectives which are not common to general health care framework, this branch requires that its specificities be clearly recognized under general health insurance.
5. The first main objective of maternity protection is to avoid discrimination against women workers through the socialization of the coverage for maternity cost, shared indistinctly between male and female workers. In that sense, merging contributions is the step in the right direction since both genders are to be covered under health care provisions.
6. The second main objective is to promote effective access to quality maternal health care before, during and after giving birth, this protection being extended through the mother to the child. A characteristic of access to medical facilities under maternity insurance provisions is the absence of related co-payment by the insured persons. This coverage extends to pre-natal, delivery and post-partum. Consideration should therefore be given to the way of making such distinction under a merged coverage, since high co-payments may dissuade women to take part in the most efficient treatments at all stages of pregnancy and delivery, which would negatively affect their health, and that of their babies – with possible consecutive costs charged to the collective in case of health complications or disability resulting from insufficient health care monitoring during or after pregnancy.
7. A third objective of maternity benefits is to ensure income security for pregnant women and mothers of newborn children during maternity leave, before and after delivery. This is achieved through the payment of cash allowances, as is the case in times of sick leave, though at usually a higher rate (up to 100% of previous net income). Payment of

compensatory allowances may be combined with that of specific allowances conditional upon satisfying to certain pre-natal and post-partum medical checks for the pregnant mother and the newborn child.

8. Since protection offered under maternity insurance is of higher level than the one affordable through general health care, qualifying conditions may also include higher requirements – notably a longer duration of previous contributory services.
9. Maternity protection laws usually include provisions concerning protection from arbitrary dismissal of pregnant women at the workplace, and adaptation of working conditions including after birth (breast feeding). Such laws and regulations also include provisions related to adoption, and to extended maternity/paternity leave.
10. In case of merger in maternity and health insurance protection under social security, attention should be provided to preserving these specific measures related to protection at the workplace.
11. Maternity protection may also extend to non-working mothers under conditions different from protection to dependents under health insurance. Here again, attention should be paid to keeping these entitlements alive.
12. Finally, and since maternity protection has a very specific role to play in ensuring quality reproductive health, attention should be paid to preserving access under new social security administrative arrangements to related services and benefits. Special statistics should also continue to be produced, to monitor the effectiveness of protection provided to women under the new forms taken by maternity protection governance.

Jean-Victor Gruat

8 August 2016

ⁱ “In the PRC, an ID card is mandatory for all citizens who are over 16 years old. The ID number has 18 digits and is in the format RRRRRRYYYYMMDDSSSC, which is the sole and exclusive identification code for the holder (an old ID card only has 15 digits in the format RRRRRRYYMMDDIII). RRRRRR is a standard code for the administrative division where the holder is born (county or a district of a city), YYYYMMDD is the birth date of the holder, and SSS is a sequential code for distinguishing people with identical birthdates and birthplaces. The sequential code is odd for males and even for females.” (Wikipedia)

ⁱⁱ Source SSB. Floating population is residing 6 months+ per year in a place other than that of its official registration. In census and other derived statistical reviews, the “floating population” is not counted where they reside and work, but where they come from (where they are registered as citizens under the Hukou system).

ⁱⁱⁱ 2015 data:

http://www.mohrss.gov.cn/SYrlzyhshbzb/dongtaixinwen/buneyaowen/201605/t20160530_240967.html
2016 data expected to be released by end May 2017.

^{iv} Workers must have 15 years of credit to be eligible for monthly benefits. The normal retirement age is 60 for male and female working in certain professions, 55 for female salaried workers and 50 for other women. Retirement age is reduced by 5 years for those in hazardous occupations and for certain employees of state owned enterprises who lost their job because of the failure of the enterprise. It is also reduced by 5 years for women and ten years for men who are totally disabled. See Perspectives on the Social security system for China by Anne Drouin and Lawrence H. Thompson, ILO 2006.

^v In 2010 – 3rd Survey on Chinese women social status, ACWF. Women in urban and rural households earn respectively 67.3 and 56% of men’s wages.

^{vi} Simplified pension formula: Basic pension = 1% per Contributed Year of (Average local salary + Average individual salary)/2 [0.01*NYC*(ALS+AIS)/2]. Individual account part: (Contributions + interest)/Nb of actuarial months (e.g. 139)

^{vii} “His and Hers: occupational hazards, health, justice and prevention actors” , ETUI February 2017, <http://www.etui.org/Events/His-and-Hers-occupational-hazards-health-justice-and-prevention-actors>

^{viii} See appended note on the merging of health and medical insurance produced by the project in August 2016 at the request of Ministry of Human resources and Social security.