



Social and Economic Insight for Chinese Pension Reform

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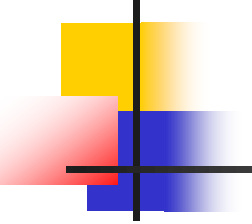
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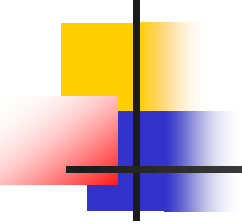


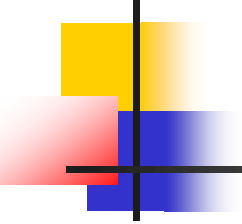
I. Why Pension Reform is necessary in China 中国养老保险改革必要性

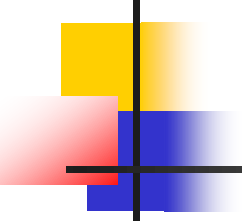
Aging process combined with the Globalization, information society, international financial crisis as well as the dramatic changes in public value

- More challenge in Chinese ageing society
- 人口老龄化，经济全球化、国际金融危机及社会价值观念的变化对中国养老保险改革提出新要求

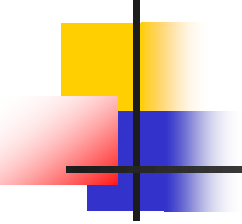
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- Aging challenges both in urban and rural areas
 - High speed in urbanization process
 - Market economy process
 - Globalization and pension reform
 - 老龄化进程对中国养老保险可持续发展带来严峻挑战，高速发展的新型城镇化进程对中国养老保险制度建设提出新课题

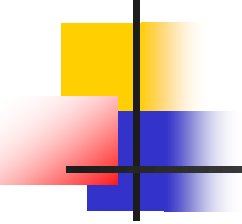
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- since the industrialization and the new urbanization process,
 - Economic transition and market oriented economic reform ,the number of migrant workers has increased substantially, from more than 2 million in 1983 to 240 million in 2013
 - The new situation call for an integrated pension system in China
 - 工业化、城镇化的快速发展需要养老保险制度的整合及增强流动性

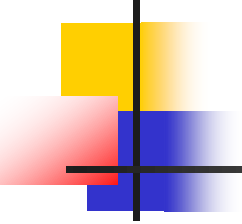
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- New demand for establishing a platform for people transfer from one plan to another
 - 养老保险制度转移接续成为改革的重要推力

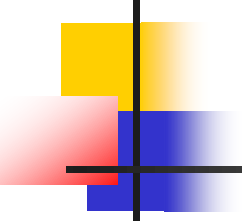
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- The problem arising from significant pension institution design and big different pension benefit level
 - 养老保险制度设计与养老金水平的较大差异使养老保险改革成为社会公众关注的热点问题

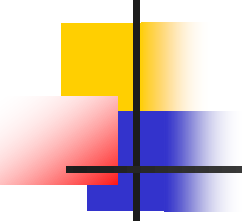
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- Pension Reform are follow with the new Process of Chinese Modernization, Urbanization, Informationization and Agricultural Mdernization
 - Opportunity and Challenge Existed for Chinese Pension Reform
 - 中国养老保险改革在工业化、城镇化、信息化、农业现代化四化同步进程中面临机遇和挑战

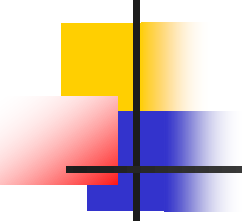
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- Chinese New Normal Economic will effect Pension Reform in different ways
 - New Normal will increase the stable expect through promoting social security as well as pension reform
 - 中国经济新常态将从不同层面影响养老保险改革
 - 通过促进养老保险改革增强稳定预期

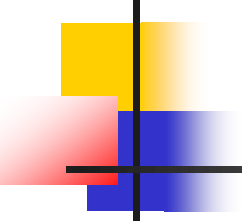
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- New Normal will promote cut down higher pension and other social security contribution rate in order to lighten ease the pressure for enterpress
 - 通过降低社保缴费比例以便均衡和减轻企业负担

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- On the other hand, how to make balance for increasing pension payment become one of the key issues in Chinese pension reform in New Normal
 - 受多种因素制约，经济新常态下养老保险费用支出上升将是近期和长期发展的困扰

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- Fragmented Pension System has led greatly focus by public and it also make problems of portability
 - 养老保险制度体系的碎片化格局和不同的制度框架将制约人员的不同地区、行业的流动

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- The problem is to find a solution based on short time or based on a long sustainable pension system?
 - Present solution focused on resident pension come to employee pension plan
 - 探索兼顾养老保险近期发展和长期可持续发展的思路成为当前改革的一个重要议题

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- when people pay contributions to 15 years. What are the potential effects for urban pension system and its sustainable in the future?
 - 中国养老保险缴费**15**年的规定将对其可持续发展产生不利影响，将加大政府财政的负担

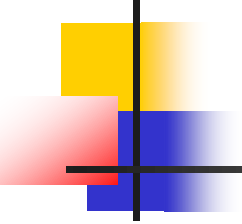
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- The Central government pay more attention to top design in pension system based long time strategy in 2013-2015 and take a new reform step to deal with dual-track pension system in 2015. It is an important reform but it is also difficult task especial in short time
 - 2013-2015中国政府高度重视养老保险顶层设计，对改革养老保险双轨制提出改革方案

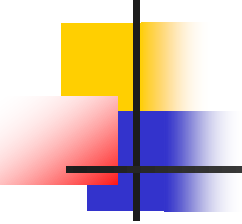


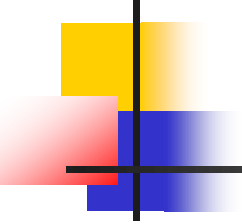
II. Political, Social and Economic Conditions of Pension Reform in China

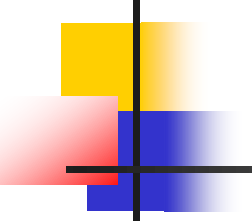
中国养老保险改革的政治、社会和经济条件

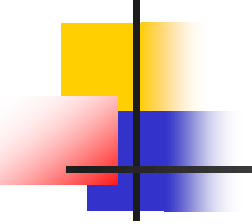
- **1. The Great Achievements have been made to Expand Coverage, the institutional integrated in pension, the wishness and ability of pay contributions(both institutions or individual) could be keep longer in changable social and economic conditions?**
- 中国养老保险扩面改革取得了很大成绩，养老保险制度整合的政治、经济、社会条件将从不同层面影响养老保险改革走势

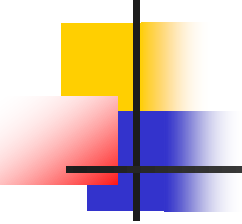
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- Central government subsidized to various pension plans up to 550 billion RMB by the end of July 2014
 - The great progress has been made in pension reform, but reform task must very hard in the future.
 - 中国经济的高增长发展，为养老保险改革提供了有利的经济支撑和经济条件。
 - 政府财政对养老保险的各类补贴在**2014**年超过**5500**亿

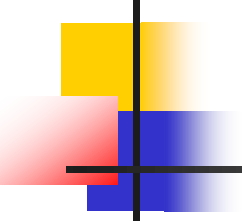
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- political support and decision making of pension reform in China have promoted quickly in recently years. Some key pension reform documents have been put forth, such as pension transfer policy, pension integrated policy, government employee pension reform plan etc.
 - 中国积极推进养老保险改革，密集出台了多项改革政策。有利的政治条件加快了养老保险改革的推进速度。中央政府关注民生的政策思路，是养老保险改革的重要政治支持条件。

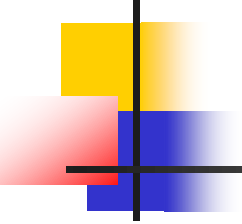
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- 2. Centry government pay more attention to public pension reform and provide very strong political support for pension reform
 - pension reform decision making to large extent depend on consensus from officers as well as general public
 - 中央政府高度重视养老保险改革顶层设计，为养老保险改革提供了政治支持条件
 - 各级官员及社会公众对养老保险的改革共识也将影响改革进程

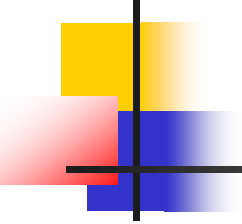
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- 3.Chinese Pension Reform is more complex than we thought even today both by national and international academic.
 - In the past 20 years, the first pillar of pension has been given much more focus than other pillars
 - The sustainability of public pension in the long term must be one of the biggest challenges in ageing society.
 - 中国养老保险改革的复杂性，受经济、政治、社会及文化因素制约，使中国多层次养老保险制度缓慢推进
 - 过去20多年的改革更多关注养老保险第一层次发展

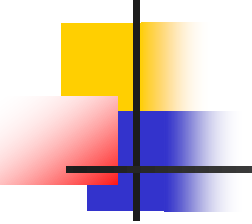
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- Establishing Multi-Pills system is far from satisfaction
 - The real reasons for very slow develop in 2-3pills of pension plan in China should be a important task for academic even government had put forth good policy decision in early 90s.
 - 中央政府在90年代出台推进多层次养老保险的正确改革政策，但经济、政治和社会条件的限制使2-3层次养老保险改革发展缓慢

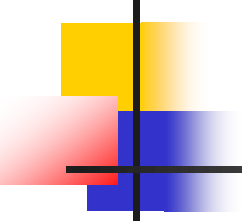
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- the multi-pillar pension institutional building has not been given considerable focus in decision making for many reasons.
 - 多层次养老保险制度决策推进缓慢受多种因素的制约

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- Chinese three-pillars pension institution arrangement were developed very slowly during the past 20 years and Why?
 - The correct decision making in State Council Document No.91 had given right reform framework at 1991
 - The accturly pension institution path-dependency evolved follow with inside Chinese political, economy and cultural condions
 - 养老保险改革的制度演化路径依赖受制于中国的政治、经济和文化条件制约

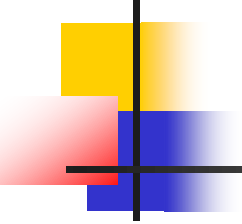
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- The very hard task and difficult process in Chinese economic and social transformation in 90s and early 10 years in 2000 had let it almost impossible to develop other pills pension plans in China
 - 中国过去20多年社会转型处于关键时期，需要更多关注基本保障和弱势群体

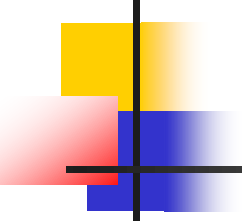
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- The central government has paid,
 - more attention to most low income residents and farmers(Di-Bao Institution)
 - government decision making rule and behaviours might be an important factor to pension reform process
 - 农村低保及农村基本养老保险受到重视
 - 政府规则制定和行为因素从不同角度制约养老保险改革推进

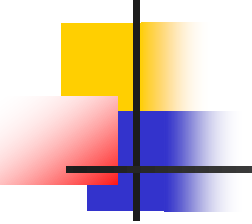
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- issues arising from pension institution model of combining with social pooling and individual account have made it very difficult to promote multi-pillar pension based long term strategic decision
 - such as pension potential debt issues and empty individual retirement account issues
 - 统账结合模式在推进中面临的诸多问题，转制成本的消化、个人账户空账问题等，既受经济因素制约，社会环境、社会条件及文化认同也影响统账模式和多层次计划的有效推进

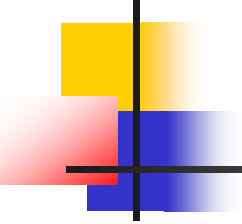
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- limited economic conditions for employer and employee, limited government support, make it difficult for them to have high level pension benefit than first pillar pension plan
 - 企业和个人经济条件的限制、政府财力的限制，2-3层次的保障计划发展受阻

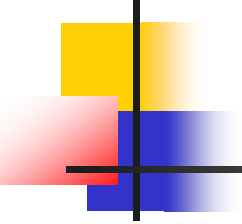
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- Demographic change, social transformation and high speed move of farmers have made significant effect to Chinese pension reform
 - 人口因素，社会转型和大量农民工的高频流动对中国养老保险改革产生了重要的影响效应

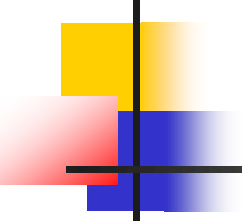
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- economic and social conditions must be considered in Chinese pension reform direction
 - 经济和社会条件对中国养老保险的发展方向产生重要的影响

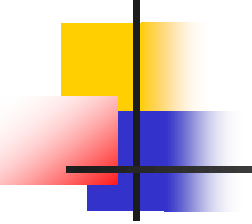
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- 4.Game between center government and local government have an important effective to pension reform especially in economic transition
 - For Chinese eastern region, local government has play a vital role in decide pension contribution ratio and in formation national pension pooling level
 - 经济转型期中央政府与对方政府之间的博弈，在养老保险缴费比例确定，县市统筹发展程度，政府补贴程度等都有重要的影响作用，是养老保险改革中必须妥善处理的问题，对实现基础养老金全国统筹的改革具有重要影响作用

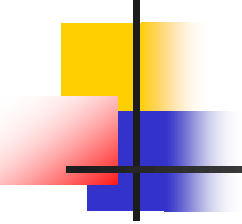
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- For Chinese western regions, local government pay more attention for high level center government finance transfer to reduce pressure in pension payment both for poor economic condition as well as limited pension pooling level
 - 中国地区差异很大，对养老保险改革及政府转移支付程度也有较大的影响作用。西部地区养老金支付的压力不可低估

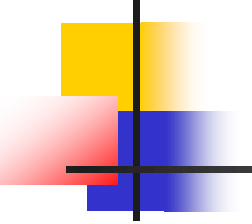
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- The game between center government and local government will effect significantly to future direction of pension reform among share responsible, resource distibution and pension plan administration in establishing national basic pension pooling platform
 - 中央政府和地方政府的博弈将对养老保险改革的多个方面产生影响作用，在一定程度上影响养老保险的改革方向

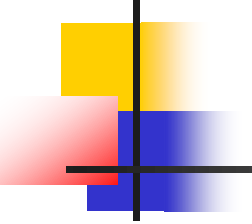
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- 5.The weak of load capacity in pension management and administration could be a very big challenge both for urban pension operation and lang term sustainablity.
 - 养老保险管理平台和管理能力可能成为制约养老保险制度运行和可持续发展的一个新的挑战

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- lack of well information management system as well as technical condition in central and local level will reduce manage capacity to conduct pension administration and services.
 - 各级尤其是基层信息化管理系统和技术条件的滞后将影响养老保险制度运行及其管理服务效果

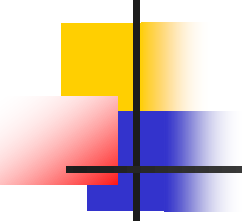
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- This is a serious challenge for pension reform process especially in mass data time.
 - The Chinese internet society has big power to promote pension reform process
 - pension issues have been a very hot point in public attitude and play important role to promote pension reform
 - 信息化社会和大数据时代，社会公众的参与对养老保险改革产生重要的影响作用。这一新的社会因素，是众多国家需要关注的新课题。

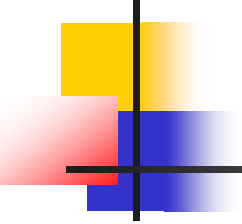
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- 5. Economic and Financial market condition for Pension Fund Management
 - Present financial situation of operation of pension funds is difficult to make balance for some provinces in present conditions.
 - 经济和金融市场条件对中国养老保险基金管理 and 基金投资产生重要影响。养老保险基金保值增值成为各方关注的重要议题，老龄化背景下养老保险收支长期平衡，需要在养老保险基金管理和投资方面的同步推进

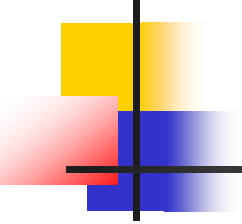
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- It is very hard to treat the challenge from aging process in the future.
 - The government financial burden for pension system must be very high.
 - Present pension investment policies faced problems from inflation situation
 - 人口老龄化的压力对长期养老保险基金收支平衡的影响需要高度关注。否则，政府财政压力将较快攀升。

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- 6. Key sustainable pension issues in China will be how to maintain the long term contribution both by enterprise and individual for pension system based on economic, social and cultural condition
 - 养老保险可持续发展与企业、个人长期缴费意愿密切相关，与经济、社会、文化条件密切相关。仍然是中国研究领域需要更多地重视。

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- 7. Other factors for a sustainable pension operation
 - High Speed Urban Process in China Call for a New Universal Pension System,
 - regulation building and capacity in administrative
 - Resident pension plan and its easy transfer to urban pension scheme will challenge Chinese Pension System and its sustainable in the future
 - 新型城镇的快速发展对养老保险制度整合及其可持续发展的新挑战需要引起关注
 - 规则制定与管理能力提升
 - 养老保险制度衔接的相关制约因素需要关注

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- 8. Pension Administrative framework and talent must have seriously problems for the inscreasing new demand of pension reform and pension operation for the more than 1 billion covered population.
 - 全覆盖背景下，养老保险基层管理平台建设，信息化平台建设的账户将成为一个新挑战

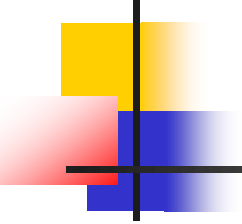
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- How to make balance between formal and informal pension institution arrangement should an institution condition for sustainable pension
 - 养老保险正式制度安排与非正式制度安排的融合发展是养老保险制度可持续发展的重要制度约束，也是影响养老保险长期稳定运行的重要因素

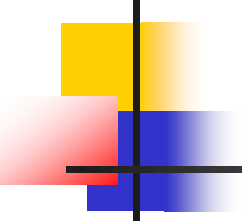
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- The balance between pension legal regulation and cultural identify might be given more consideration in pension reform process
 - 养老保险法律制度完善与文化认同的同步推进对养老保险改革进程的积极作用
 - 社会舆论引导，增强社会信任等都是养老保险改革的重要社会条件

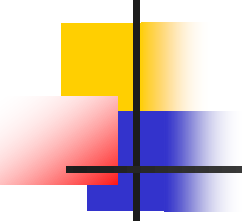


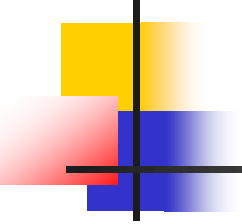
III. Pension reform perspective in China 中国养老保险改革展望

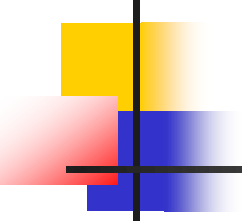
- A universal social pension + multi-pill professional pension will be a model to cover all the Chinese people before 2020
- New feature of pension system is universal coverage, minimum benefit, sustainable in financing, high effective in administration
- 中国养老保险改革的制度框架和基本特征

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- Clearly government responsibility
 - Simply functional pension mechanism
 - Combination of formal and informal institutions
 - Making balance among social management, individual responsible, ,social service and family culture tradition
 - 中国养老保险改革推进需要遵循重要原则

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- Key for long term Policy making:
 - Keeping balance between formal and informal institutional arrangement in pension reform and pension system restructure
 - Keeping balance among the government responsible ,market mechanics and family function
 - 养老保险改革决策需要考虑的重要因素
 - 政府责任与市场作用边界
 - 正式制度与非正式制度的融合途径
 - 传统家庭保障与公共养老保险制度的结合

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- Restructure pension administration based on coordinated urban and rural areas
 - Obstacle of Chinese pension administration
 - Complicated pension benefits structure
 - Different region have different pension plans
 - 重构养老保险管理运行基础和强化平台建设

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- Setting a up and down pension administrative system become a significant task today for effectively operated pension system
 - 养老保险管理模式与养老保险制度整合的协同推进

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- Sustainable Pension system, strengthen family care and service provider should be a good model for Chinese elderly in the future.
 - 养老保险制度完善与养老服务的协同推进是中国养老保障制度改革的需求和发展方向

V. Further Issues for Discuss

需要进一步讨论的问题

- What are the minimum responsibility for government in institutional design of public pension?
- Why we are hard to find a success case of the formal pension institutions in emerging countries?
- What are the moral or Cultural base of a sustainable Pension institutions? How to make consensus in public pension reform? What are experience from EU pension reform?
- How the cultural traditional effect the Chinese pension institutions and its sustainable?
- 需要进一步探讨的若干问题：
- 公共养老保险政府责任的边界如何确定？为何新兴市场国家难以找到养老保险改革的成功范例？文化因素如何影响养老保险可持续发展？欧盟养老保险改革在寻求改革共识方面有何重要经验可资借鉴？



■ Thanks !