

## **NDRC AND CONSORTIUM CONDUCT AN EXPLORATORY MISSION TO SHANGHAI AND GUANGDONG**

From 26 February to 3 March 2017, under the auspices of Component 1 programme of activities for the year, NDRC and the interested Consortium members led a mission to C1 pilot sites in Shanghai and Guangdong Province. This activity intervened at the request of NDRC. Its objective was for members of the Consortium to get better acquainted with the economic and social situation in the places visited, and to formulate with NDRC proposals for future cooperation activities matching the expectations of the pilot sites, as well as the competences and availability of the European party.

Ms. Zhu Yingjuan, who was just appointed Director General in the Department of Employment and Income distribution of NDRC, and for the Consortium Mr. Laurent de Lespinay, Coordinator for C1, Expertise France, jointly led the mission. Mr. Tretyak (France), Mr. Vleminckx (Belgium), Mr. Antichi and Ms. Pasqua (Italy) participated. The NDRC delegation included representatives from its Employment and Income distribution Department, as well as from its International Cooperation Center. Provincial and local DRC leaders were present and active at all times. The Beijing-based C1 project team was also part of the mission.

In Shanghai, the mission focused on long-term care, and innovative enterprises. It had fruitful discussions with representatives of the local Development and Reform Commission as well as with representatives from innovative enterprises, from the department of human resources and social security and the department of civil affairs. It appeared that Shanghai authorities had developed very interesting ways of handling long term care including through a pilot social insurance scheme, and that its technique was in a number of instances not second to that of European organizations. This opens interesting avenues for mutually beneficial cooperation that should be explored further.

In Guangdong Province, the mission focused more on social security computerisation and the integration of rural and urban pension schemes, including through schemes coordination for the vesting and portability of pension rights.

The mission had first contacts with provincial authorities and Municipal Government in Guangzhou city, before discussing the situation also in Qingyuan, which is a very vast half urban/rich and half rural/poor prefecture in Guangdong Province. In the course of the discussion, where experts had ample time to reflect on the local situation and to refer to their own national backgrounds, it was very clear that the plans to be developed by the Chinese side for extension of social protection and improved computerization in social security would benefit from further direct cooperation from European partners. In turn, European partners would gain in getting better acquainted with approaches taken in Guangdong province, where modern technology is becoming more and more accessible, and is actually used in all aspects of social security management.

The local Development Reform Commissions and the concerned Consortium members will now prepare their respective suggestions for continued cooperation which, after reconciliation, will hopefully become part of the project future plans of activities and form a basis for technical cooperation programmes to develop beyond the project time frame.



*From left to right, Su Yanxian, GD DRC; Li Gangchao, GD DRC; Gu Wanjun GD DRC; Li Xinquan, Deputy Mayor, Qingyuan; Koen Vleminckx, Federal Social security, Belgium; Zhu Yingjuan, Director, NDRC; Ge Changwei, Municipal Party Secretary, Qingyuan; Tang Ling, NDRC; JV Gruat, Resident Expert; Chang Hao, ICC NDRC; Andrei Tretyak, Expertise France; Laurent de Lespinay, Expertise France; Dai Bowen, ICC NDRC*

### Strengthening Cooperation

From 6 to 15 July 2017, a delegation from NDRC Employment and Income distribution department led by Inspector Zhu Yingjuan visited partner organisations in Italy, Spain (see picture) and at the European Union Headquarters in Brussels. During the visits, the delegation held bilateral talks on employment promotion and social security reform, including challenges caused by population ageing. At the same time, ties for future technical and policy bilateral cooperation were further strengthened.



## EU EXPERTS VISIT BEIJING, DISCUSS PARAMETRIC REFORM

From 27 August to 1 September 2017, a group of EU experts composed of Jan Škorpík, Head of Actuarial unit, Department of Social insurance and Marek Suchomel, Researcher, Actuarial Unit, Ministry of Labour and Social Affairs, Czech Republic; Heinz-Dietrich Steinmeyer, Professor, University of Muenster, Germany; Carlo Mazzaferro, Associate professor in Public Economics, University of Bologna, Italy; and, Karl Birkholz, Analyst, Research Department, Swedish Pension Agency, visited Beijing as part of the EU-China Social protection reform project (SPRP) Component One programme of activities for 2017. While the mission was centered around the contribution of the project to discussions on the envisaged parametric reform of the pension system in China, as conducted by the State Council, the team made use of this opportunity to actively participate on 29 August in an international symposium on the future of Welfare states, organised by the Institute of Political Sciences of the Chinese Academy of Social Sciences (CASS).

On 28 August, the team of experts was briefed about the situation of pension reform of China via an introduction made by the Resident Expert for Component 1 Mr. Jean-Victor Gruat and the main Expert – Research – of the said component, Mr. Fang Lianquan. The briefing insisted on the main characteristics of the Chinese pension system, namely its impressive records in terms of improving personal coverage over the last decade or so, its marginally decreasing attractiveness among modern enterprises, the spatial fragmentation of the system, its still relatively low level of protection in terms of replacement rates, especially in rural areas, the threat from a rapidly ageing population and the related questioning about long term affordability (see <http://www.euchinasprp.eu/en/components-en/component1-en/update-to-2015-baseline-data>)

On 29 August, the team took part in an international Symposium on “Past, Present and Future of the Welfare State” organized by the Institute of Political Sciences of CASS in collaboration with Hitotsubashi University in Japan. A special session, where the Resident expert JV Gruat acted as moderator, while the main Expert - Research Fang Lianquan acted as moderator was dedicated to the presentation of respective national reform experiences by the project EU experts.

On 30 August, the Experts took part in the Panel discussion meeting organized by NDRC as a mid-term review of work in progress by 4 Chinese experts on as many technical topics part of the Component One programme of activities for the year 2017, namely Prof. Zhou Hong (Member of Academic Board, Deputy Chair of Academic Division for International Studies, Chinese Academy of Social Sciences) on Pension systems parametric reforms; Ms Zhu Mengbing (China Institute for Income distribution, Beijing Normal University) on behalf of Prof. Li Shi on Redistributive effects of pension schemes’ parametric reform; Prof. Zheng Gongcheng (Member of the Standing Committee of the National People’s Congress, professor of Renmin University of China) on the Evaluation of Social security policies; and, Mr. Chan Wingkit (Sun Yatsen University) on behalf of Mr. Ngok Kinglun (aka Yue Jinglun) on Evaluation of Employment policies.

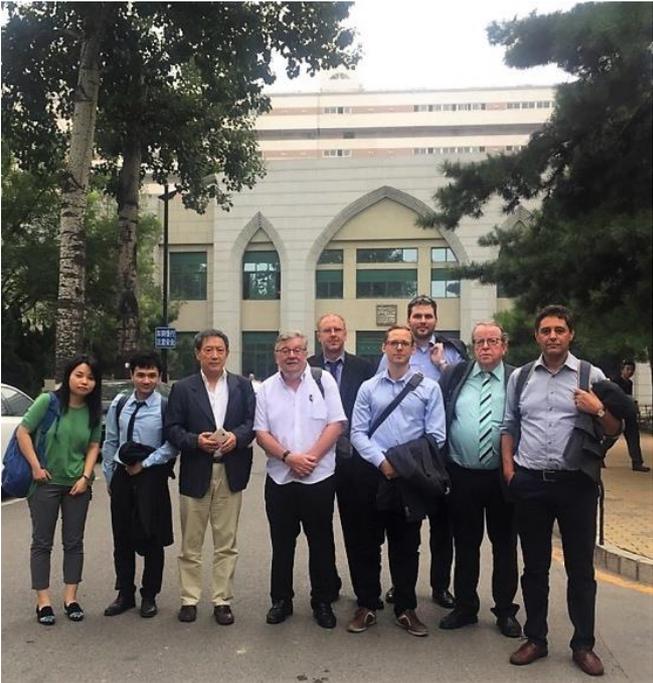
The meeting was opened by Mr. Li Kang, Director General, Employment and Income Distribution department of NDRC, who had a brief courtesy call with the team before the opening ceremony. Technical sessions were chaired by Ms Zhu Yingjuan, Inspector General with NDRC and Mr. Chang Tiewei, Deputy Director General. Ms Zhang Xinmei, Director of Social security division, NDRC, drew the conclusions of the various sessions while Mr. Jean-Victor Gruat summed up operational conclusions on behalf of the project. Ms Yi Xiaolin from the EU Delegation for China and Mongolia, also addressed the meeting on behalf of the European Union.

On 31 August, The delegation had a fruitful discussion with Mr. Tim de Meyer, Director of the ILO Office for China and Mongolia, and Ms Li Qingyi, Officer in charge of Social protection. The general topic of the meeting was the contribution of international cooperation to the social protection reform process in China.

The ILO introduced its Decent work country programme for China 2016 – 2020 which had been endorsed by its tripartite constituents, Ministry of Human Resources and Social Security MOHRSS, All-China Federation of Trade Unions ACFTU, China Enterprise Confederation CEC as well as by the State Administration for Work safety SAWS.

Later on that same day, the team met in Renmin University. with Prof. Dong Keyong, who authored two major reports for Component 1 bearing direct influence on the parametric reform of the pension system, one on the development of a multi-pillar system in China, and one on the consequences of ageing on social protection system in China. Ms Li Zhen, Director of the Social security research institute of Renmin University took part in the discussion, as well as some students from the school of Public administration.

During a short debriefing session held at the Project office, it was noted that the mission had indeed helped a lot in better focusing comments and suggestions based on European experience, to match the real concerns of the Chinese side in the area of pension reform. Experts will now prepare for their forthcoming intervention during the international workshop to be held in Paris on 14 September 2017 on Parametric Reform and Redistribution through Public Pension Schemes. Based on the findings of the Beijing mission, they will revise their respective inputs (background national papers and power points) to adjust them better to the expectations of the Chinese stakeholders.



IN RENMIN UNIVERSITY



PANEL DISCUSSION MEETING



## PARIS: INTERNATIONAL WORKSHOP AND POLICY DIALOGUE

**An International Workshop** to complete research on the topics of parametric reform and redistributive effects in pension reform was held in Paris on 14 September 2017. Some 20 participants took part in the discussions, among which Chinese and European high-level officials as well as Academics and Experts. The EU Social Protection Committee and the OECD were also represented.

The Workshop was opened by Mrs Nathalie Nikitenko, Delegate for the European and International Affairs, Ministry of Solidarities and Health, Ministry of Labour (France) and Mr. Li Kang, Director General, Department of Employment and Income distribution, NDRC. Mr. Andraz Rangus, Chair of EU Social Protection Committee Working Group on the Pension adequacy report also made a presentation on Pension adequacy in European Union countries.

Mr. Koen Vleminckx, Director General Strategy, Research and International, Federal Public Service Social Security, Belgium chaired the 1st session on Parametric Reforms in Public Pension System. Ms. Zhou Hong, Researcher, Member of Academic Board of Chinese Academy of Social Sciences (CASS), made her presentation on Chinese pension reform, and the relevance of the European experience. Following, experts from EU member-states gave reviews on pension systems in their respective countries namely Mr. Jan Skorpik and Mr. Marek Suchomel, from Ministry of Labour and Social Affairs of Czech Republic; Ms Anne Lavigne, General secretary, Pensions Orientation Council from

France; Mr. Carlo Mazzaferro, from University of Bologna, Italy; Mr. Andrzej Szybkie, from the Social Insurance Institution ZUS, Poland; and Mr. Karl Birkholz, from the Swedish Pensions Agency, Sweden.

Ms. Zhou Hong, CASS, chaired the 2nd session on The Influence of Parametric Reform on Redistribution through Public Pension Schemes. Mr. Li Shi, Dean of China Institute for Income Distribution, Beijing Normal University, made his presentation on Current and prospective redistribution through the Chinese pension scheme for urban employees. Mr. Pieter Vanhuysse, Danish Center for Welfare Studies made his presentation on Political Economy of Pensions and Redistribution effects in Europe and Ms. Céline Thévenot, Social Policy Division, Directorate for Employment, Labour and Social Affairs, OECD, made her presentation on Trends, causes and remedies to income inequality in OECD.

Following the 2nd session was the general discussion, and then Mr. Li Kang, Director General, DEID, NDRC and Mr. Bertrand Barbé, Director General Delegate, Expertise France gave closing comments on the international workshop, marking the success of the conference.

On 15 September, still in Paris, was held the **Second EU-China Policy Dialogue** under the framework of the project component I (the first Policy dialogue had been held in Beijing in April 2016).

The policy dialogue allowed for high level exchange between the Chinese delegation and European representatives, including Ms. Barbara Kaufmann, Employment, Social Affairs and Inclusion DG, European Commission; Mr. Stefano Scarpetta, Director for Employment, Labour and Social Affairs, OECD; Mr. Antero Kiviniemi, Social Protection Expert, Finland Representation to the EU; Mr. Koen Vlemminckx, Federal Public Service Social Security, Belgium. Mr. Michel Villac, Vice-President of the French High Council of Family, Children and Aged Persons (HCFEA) and Mr. Li Kang, Director general of NDRC Employment and Income distribution Department were the co-chairs of the Dialogue which addressed over two sessions issues of Employment and Social Integration, and of Social security and income redistribution.



#### STUDY VISIT TO FINLAND AND SWEDEN

Between 18 and 21 September 2017, a high level delegation from the Chinese National Development and Reform Commission NDRC led by Mr. Li Kang, Director General of the Department of

Employment and Income Distribution, conducted a Policy Dialogue and Study visit in Sweden and Finland, around the topic of income redistribution through social security mechanisms in these two Nordic countries.

In Sweden, the delegation first met with the Swedish Pension Agency Fund and Finance Department which explained the pivotal role of the pension system. A meeting with the Ministry of Social Affairs and Health followed, to gain a better global vision of the Swedish social protection comprehensive mechanism.

In Finland the delegation first met with the United Nations University World Institute for Development Economics Research, UNU-WIDER, located in Helsinki. The Institute provides economic analysis and policy advice with the aim of promoting sustainable and equitable development for all, particularly developing countries.

The delegation then visited the Finnish Unemployment Insurance Fund, TVR, which is a public body managing unemployment insurance system for Finnish citizens, also in charge of observing evolution in the labour market.

To follow, the Delegation met with KELA, which is the Social Insurance Institution of Finland, managing the national pension for the Finnish citizens. KELA is conducting the experiment on universal minimum income on behalf of the current Finnish government, which is interesting to social protection policy makers and researchers around the world.

At the Finnish Centre for Pensions – ETK – which mainly manages earnings-related pension scheme, the Delegation received information on the legislation, supervision and execution of the earnings-related pension system in Finland. A presentation was also made on the 2015 - 2017 Finnish pension reforms, the aim of which were mainly to adapt the pension system to changing life expectancy.

In conclusion of the meetings and the visit, the NDRC delegation expressed its thanks to his hosts and to Expertise France for arranging the mission. The information gathered in Nordic countries will indeed be crucial for conducting further NDRC's own reflections and proposals concerning income redistribution through social protection, which started being conducted under project Component 1 auspices in the year 2016.



As part of the EU-China Social Protection Reform Project Component One programme of activities for the year 2017, a delegation of 17 NDRC national and provincial level senior officials, led by Mr Chang Tiewei, Deputy Director General, Department of Employment and Income Distribution, undertook a two-week training in Germany from 14 to 28 January 2018.

The training organised under the framework of Johannes Gutenberg University was held in Mainz and Berlin. Placed under the overall direction of Prof. Axel Weber, it was centred on the Relevance and Efficiency of Employment and Social Protection Policies in Europe with special reference to Long-Term Care.

The training therefore covered three focal areas:

- Evaluation of Employment
- Evaluation of Social Security Policies
- Services to Provide Care to the Elderly

The first two areas focused on methods and tools of evaluation of systems and policies, the third area on functioning and financing of services. Training was imparted through a combination of classroom exchanges by eminent specialists from Germany and other European countries or international institutions – selected Chinese delegates also introducing the specificities of their national situation, and visits to relevant German institutions in Rhein-Palatinate and Berlin Province. Institutions visited included the German Federal Statistical Office, the Ministry of Labour and Social Affairs, the Ministry of Public Health, the Trade Unions Confederation and the German Employers’ Association, the German Public Pension System, the Federation of Welfare Institutions.

The objective of the training was to increase awareness of the participants on how issues that are subject to reforms in China are handled in Germany. In the end, the Chinese delegation returned to China with a good understanding of the methods and techniques used in Germany as well as a solid picture of the solutions in place.

As was the case for similar training exercises held under project auspices in 2015 and 2016, the members of the delegation benefitted from a day technical briefing before departure – held in Beijing on 13 January 2018. Placed under the responsibility of the Project, this briefing was imparted by prominent Chinese specialists, Mr. Zheng Gongcheng for social security evaluation techniques, Mr. Yue Jinglun for the evaluation of employment policies and Ms. Zhang Yinghua for long term care insurance.



