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Minister of Human Resources and Social Security Yin Weimin meeting with the EU Ambassador to China Markus Ederer in Beijing.

Five-year joint project approaching the finish with an air of success

20,000 participants in administrative capacity, policy exchange programs

By LIU YUTONG

With the closing ceremony and information dissemination workshop on July 5, the EU-China Social Security Project (EUCSS) is about to wrap up all its activities before the end of July this year.

As a focused project on social security and a high priority in both China and EU member countries, it has become a great example of EU-China cooperation.

Launched in 2006 by the European Union and the Chinese government with 40 million euros (\$57.2 million) in joint funding, the EUCSS has supported China's social security legislation and capacity building initiatives as well as policy dialogue between China and EU member countries.

Minister of Human Resources and Social Security Yin Weimin said: "The China-EU program played a positive role in the cultivation of talent with a global vision, in the understanding and learning of EU experience and in the promotion of China's security system construction."

There are 20,000 Chinese participants taking part in a series of social insurance capacity building activities, ranging from urban employees pension insurance to rural residents pension insurance, from health insurance to work injury insurance, from social insurance service standardiza-

tion to social careering of the pensioners.

There were 360 social security policy makers and experts from EU countries participating in EU-China Round Table series, covering such policy issues as aging population and social security legislation.

Policy advice

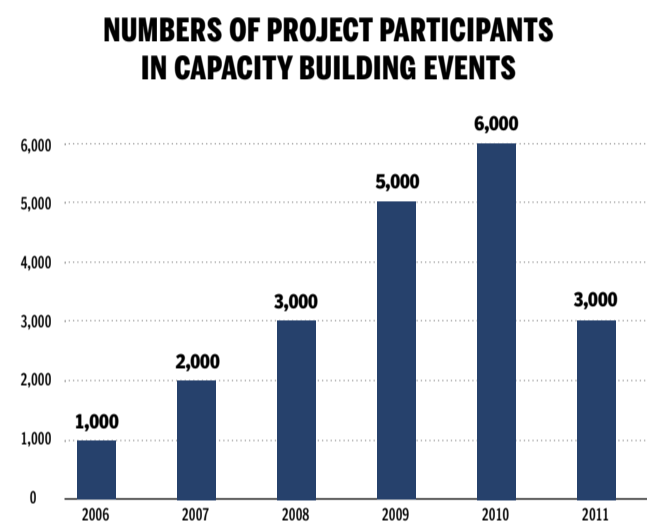
Excellent research results have been achieved in the areas of pension benefiting both urban and rural residents, and health, unemployment and work injury insurance schemes.

The project has held a series of Social Insurance Legislation Consultation seminars to advise Chinese legislators, regulators and administrators on Social Insurance Law, the development of health insurance manual, analysis of training needs, best social insurance practice package, standard procedures of social insurance service.

EUCSS has also organized workshops to support the Ministry of Human Resources and Social Security in its preparedness for the implementation of the new Social Insurance Law, which took effect on July 1.

"Our project is a great example of EU-China cooperation," said EU Ambassador to China Markus Ederer.

"It has been highly significant in the overall strategic partnership between the EU and China. Against the back-



Source: EU-China Social Security Project ZHOUYANG / CHINA DAILY

ground of dynamic economic change, the EUCSS project has supported the Chinese government in its endeavor to establish a sustainable social security system.

"Now, our Social Security Dialogue has become more than just a dialogue, as social security is an important and strategic component of the prosperity of both the EU and China in a globalized world.

"We are now close to entering a new era and must turn the page and move towards a different and more ambitious partnership, with higher commitments, but above all: with higher stakes."

Capacity building

The project has been fruitful in transferring available international know-how and expertise to improve quality and performance of the founded projects at national and provincial levels.

With the development of social insurance administrative procedures, the strengthening of social care, the introduction

of social insurance administration standards and procedures, more and more social insurance participants as well as employers will benefit from the extension of social insurance coverage and the improvement of social insurance procedures.

New bridge

The EUCSS has also served as a platform linking EU and Chinese social insurance administrators for the sharing of both experiences and lessons.

Dialogue has become a key feature of the project for the improvement of social security system in China and EU member countries in a globalized world.

During the project, the European Commission and the Ministry of Human Resources and Social Security decided to keep this initiative and entered into an agreement.

The dialogue on human resources and social security has become institutionalized on annual basis.

LOCAL MOVES

A joint program of the European Union and China concerned with social security modernization has had some beneficial results and has provided good experience in reforming China's system.

The EU-China Social Security Project (EUCSS) has been conducted in Beijing and five provinces, as follows:



Launch ceremony for Jilin pilot project.

Jilin

This northeastern province had about one-third of the EUCSS projects, mainly focused on building systemic capacity, province-level management of pension funds, pensions designed for rural people who have lost their land, medical information systems, medical insurance, and work injury recovery.

During the second stage of EUCSS, between 2008 and 2011, there were more than 60 training lessons, seminars, performance evaluations and lectures, with around 5,200 participants.

There were more than 40 experts and scholars taking part in these events, about half of them from the EU.

They helped the authorities compile at least six books on social security policies and regulations and operation procedures.



EU expert talks with Beijing city social security officials.

Beijing

The city has had close cooperation with the EUCSS team and its experts and they drew up a temporary regulation on applying for social security.

Afterwards European experts were asked to do a thorough study on fraudulent social security claims and the experts gave suggestions and insights into improving the regulation.

Revised regulations were implemented in September 2010.

The city government improved policies and regulations on pensions, medical insurance, and unemployment insurance and compiled manual that clarified social security details, with the help of EU experts.

The experts have given lectures to people involved in social security work to improve their understanding and professional skills.



Chinese and European experts discuss ways to improve operations.

Hunan

The EUCSS has explained standardized operation procedures and the care of elderly people.

The local EUCSS office organized 18 seminars, performance appraisals and training programs, during the second phase of the project, with more than 1,900 participants.

The project has helped Hunan improve its pension application procedures and develop a secure pension information system that allows it to increase efficiency.

The project has also helped promote care for the elderly, and thanks to the experts' help, the province has developed specific application requirements for pension funds, which is useful in avoiding fraudulent claims.



EUCSS team during their overseas visit.

Shandong

The province's EUCSS office provided training materials on managing a social security system and on care for senior citizens.

It organized training programs to better explain pensions, medical care, and unemployment insurance. It also held seminars that focused on limiting work injuries and occupational disease prevention, in Jinan, the capital of Shandong.

EUCSS experts provided suggestions on Qingdao's rural pension system.



European official visits a Gansu province office to gain further information.

Gansu

The provincial EUCSS project dealt with improving social security operations, managing medical insurance, and post-injury rehabilitation.

Authorities have arranged 11 training programs for 3,061 people, nearly all the staff involved in the province's social security work. With the help of EUCSS experts, the province's social security system was substantially improved, especially in its file management and old people's pensions in rural areas.

They also helped increased exchange with other regions, with some of Gansu's social security staff visiting other provinces or even going abroad to learn from others' experiences.



Local official talking with the elderly.

Sichuan

The EUCSS office has been here since 2008, and has emphasized the care of retirees and social security access in rural areas.

One seminar specially designed for retirees in the city of Zigong, in March 2010, attracted representatives of 21 cities and counties. And four other meetings were held in the cities of Luzhou, Guanghan, Nanchong and Dazhou, from July 2010 to June 2011 to spread the use of a retiree-designed service package.

These efforts help to standardize services for retirees and improve the lives of locals.

Making an effort to overhaul the social security system

Editor's note: As the five-year China-EU Social Security Reform Cooperation Project (EUCSS) plays an active role in advancing the country's reforms in social security system, **Matthias Reusing**, second secretary, Co-operation Section of the EU Delegation to China and Mongolia, and **Lu Jianshe**, acting project director of EUCSS, share their insights into the project with China Daily.

The project has been piloted in both developed parts of eastern China and in less developed areas. In view of the immense economic differences in the two areas, how can the social security system be evenly applied nationwide?

Lu: To promote a nationwide balance, social insurance systems should aim at raising the levels of pooling. In a nation-

wide pool it would be much easier to balance strengths and weaknesses. In provincial level pools you can balance differences between richer and poorer municipalities. Raised pooling levels would also facilitate the treatment of migrant workers' entitlements.

How can the social security system reach more rural people, and what are the major reasons for its failing to do so? How will you encourage expansion of the system?

Lu: A previous pension system introduced for rural residents had limited coverage because only the farmers themselves paid contributions and with a very low accumulation.

Yet it has been replaced by a new scheme under which, though voluntary, contribu-



Social security service center, pilot project, in Gansu.

tions paid by rural residents are matched by equal contributions paid by the collective and, if contributions continue to be paid for 15 years, additional contributions are made by the municipal or provincial government.

Many rural residents spend part of their working life as

migrant workers in cities, but previously on returning home, on request they could receive a refund of their contributions. Now their rural and urban contribution records instead are aggregated to ensure that they can build up entitlement to a pension throughout their working life.

As the new rural scheme develops and becomes attractive to farmers, the government may consider making participation compulsory.

How many training programs has the EUCSS project held so far and how much has the Chinese government contributed to them? Do you think the project did what it was supposed to do?

Reusing: The EUCSS project is a cooperation project between the EU and China and the costs 40 million (\$57.96 million), over a project lifetime of more than five years, have been equally shared.

Over 20,000 people at central and provincial levels have attended specific trainings, workshops and seminars. The project organized conferences, study tours, and internships

across a wide range of topics in the field of social security, including medical and old age insurance, work injury and unemployment insurance as well as social care (e.g. for elderly people) and fund management.

The project has used a wealth of EU Member States' experience to provide inspiration to Chinese officials responsible for the reform of social insurance in China. The main lesson learned is that a national social security system shall be open for revision and reform, in light of economic, political and demographic considerations and circumstances that can change over time.

The overall objective of the EUCSS project is to support the transition to a sustainable social security system in China which

guarantees accessible, adequate and affordable social security benefits to all Chinese citizens. As such, the EUCSS project has contributed to both policy development — particularly the new Social Insurance Law — and social insurance administration reform in six Chinese provinces. However, only the future will show, if the European experience has had a significant impact on China's social security sector reform.

The closure of the EUCSS project is not the end of the cooperation between the EU and China in the field of social protection reform, but rather marks a milestone towards a more mutual cooperation in this field, in order to address joint challenges, such as dealing with an ageing society, both China and most EU member states are confronted with.