



Assumption on the Reform of Social Security of Migrant Workers from Rural Areas From an Angle of Unified System in Urban and Rural Areas

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Abstract

China is making efforts to improve the social security for migrant workers from rural areas and that for farmers in rural areas. However, due to the strong mobility of migrant workers, the efforts are hard to coordinate. To establish a unified social security system for urban and rural areas is the most reasonable objective and can be put into practice at present. This system should cover a wide and comprehensive scope. In China, no matter whether city or countryside, every citizen should possess an only integrated account for social security. The account must move together with the citizen. The initial account of a migrant worker can be established in either city or countryside.

Keywords: Migrant workers from rural areas, Social security, Harmonious development of urban and rural areas

Problems about migrant farmers' social security are mostly discussed from the viewpoint of urban governments. In other words, we always want to solve these problems in cities. Although ideas are good, they are hard to put into practice and seldom take effects, because there are original defects in these ideas.

It is well-known that governments' control over citizens' social affairs is based on their residences or registered regions. For each individual, he or she always positions himself or herself in the registered region. As a group with strong mobility, migrant workers from rural areas work in cities seasonally or temporarily. Surely some work for a long period. However, nobody knows who will work for a long period in cities because it depends on many uncertain factors. Unfortunately, as most scholars or governments put forward or make up policies, they always suppose all migrant farmers work and live in cities for a long period, based on which they design a perfect set of social security measures for the sake of migrant workers, such as five insurances (endowment insurance, medical care insurance, work-related injury insurance, childbearing insurance, unemployment insurance), housing fund, education of children, and social security houses. In a word, they intend to provide comprehensive citizen treatments for migrant workers from rural areas according to city standards.

However, how is the effect of these measures? Who really does possess the five insurances and the housing fund among those migrant workers who work in restaurants or construction cities? Although many local governments and even the central government try to guarantee the five insurances and the housing fund for migrant workers by laws, regulations, or policies, as a matter of fact, few migrant workers can really enjoy these insurances. For the most optimistic prediction, only few migrant workers can enjoy one or two of these insurances. Up to now, the author has never heard of any migrant worker who completely possesses all insurances listed in policies. For the migrant workers who have already possessed one or two of these insurances, whether they can feel a sense of dependence in mind? The answer is no. Not mention the low social security degree and the hardness in payment, for the migrant workers who want to improve living conditions as soon as possible, few pensions and the kinds in several years later are far from sufficiency. If employers choose to deduct payments for relevant insurances from wages, migrant workers will earn less money and employers will regard it as a rise of expenses. Therefore, employers do not cooperate with the insurance policies, neither migrant workers do. It is not so surprising to find that all insurances regulated in policies fail to be carried out.

In other words, even if all migrant workers apply and pay for all insurances according to policies, whether it will be right? Whether there is social fairness? The answer is still no.

First of all, the strong mobility of migrant workers will inevitably bring about many troubles. For a great amount of migrant workers, after completing all insurance procedures, they may come back to rural areas soon or come to other cities or change jobs in the same city. How many troubles will these changes bring to the employers, themselves, and local governments? How many human resources and materials will it waste? How many costs of time and expenses will it increase? What's more, the standards of insurance payments and the degrees of social security are various in different

cities. How will it realize the continuousness of insurances? Similar problems are more than above.

To the least, even all those troubles can be solved technically we must face another more important problem. That is, concerning the fact that the government tries to improve the social security degree of migrant workers from rural areas on one hand, and on the other hand it has to improve the social security degree of farmers in rural areas, how does it deal with the relationship between them? If a farmer will never work in cities, he or she can join in the rural social security. If a farmer works in cities for a long period, he or she can join in the city social security. However, the problem relies in the mobility of farmers. If a farmer joins in both rural social security and the city one, it will generate overlapped insurances. Therefore, no matter what it is the government making up policies or scholars advancing countermeasures, the problem should be studied from the angle of unified social security in rural areas and cities.

Presently, although the government tries to realize the economic and social development regarding rural areas and cities as a whole and the differences between farmers and citizens in the register aspect disappear, all specific social policies are made up or carried out respectively in rural areas and cities, no matter what it is the central government or local government. Take the social security policy for example. One set of policies and standards are for cities, and the other for rural areas. So do the medical care policies. For migrant workers who are not pure farmers or citizens, relevant policies are more unclear and hard to put into practice.

Considering the present situations, the social security for farmers covers a small scope and does not form a complete social security system. There is a big gap between the urban social security and the rural social security.

In rural areas, since the collapse of collective economy, the former collective insurance and cooperative medical care system becomes useless. Farmers have to come back to the only traditional dependence on families. Although in recent years the rural cooperative medical care system develops fast and few caring houses and nursing houses appear in rural areas, the investments in rural people's health are far from sufficient, which makes public health and preventive care more impossible. Because of the fewer investments, poor financing abilities, lack of government supports, and weak anti-risk abilities, the cooperative medical care is not capable of providing medical expenses for serious diseases. Farmers have to afford most medical expenses for their lives. As a result, many farmers may come back to poverty due to diseases. In contrast, most citizens in cities join in "public medical care" or sorts of "medical care insurances" to different degree, or at least have insurances for serious or chronic diseases. A survey shows that the average transfer income (including pension, social assistance, etc.) obtained by rural residents in Shandong province from different social fields is 116.67 Yuan per capita, and urban residents 1301.47 Yuan per capita. The distance is more than ten times (2004). In the social security aspect, a huge gap exists between urban areas and rural areas.

Although foundations of social security in urban areas and rural areas are different, to establish a unified social security system for urban and rural areas is the most reasonable objective and can be put into practice at present, from a view of realizing the social fairness and the primary functions of social security system. Otherwise, if not put its organization and implementation on the agenda as soon as possible, present social security measures for migrant workers will become hard to put into practice. So does the great objective, constructing an overall well-off society (includes urban and rural areas) in China before 2020. Apparently, without the well-off rural areas, there is not a well-off China. In other words, without a unified social security system for urban and rural areas, the gap between urban areas and rural areas will never be shortened, and the social fairness and common prosperity will never be achieved.

As we discussing this issue, somebody always fights back with unbalanced economic development, unbalanced local development, and unbalanced income in urban and rural areas. Let's examine a simple instance. Presently most companies pay workers' wages by banks. Everyone likes this convenience with a bank card (or a bank pass book). Are the wages of workers same? For example, in a university there are professors, associate professors, instructors, assistants, workers, presidents, section chiefs, and department staffs whose wages are various. But that does not affect the unified payoff and management.

Therefore, there is a simple and practical method. Every citizen in China should possess a social security account that includes several sub-accounts. The government should provide social security for all citizens at the same level, no matter who it is President, academician of CAS (Chinese Academy of Sciences), entrepreneur, migrant worker from rural areas, or unemployed man. The central government can establish and adjust the common standard of social security according to the national economic development. For the part of payments, namely the payments for social security paid by agencies (enterprises, institutions, governments, social associations, communities, villages, and sorts of cooperative organizations) and individuals can completely reflect differences of urban and rural areas, regions, agencies, and individuals. This kind of payments is chiefly based on personal wages and incomes, which begins from the start of a job and stops till retirement. It also allows interruptions, such as the unemployment period, or losing the ability of work). The social security provided by the state starts from the very beginning and does not allow interruptions as long as a citizen is alive. Therefore, the social security account should be established at the same time with the citizen's household registration. How much one citizen can enjoy certain item (namely the sub-account, such as medical care insurance) of social security is determined by the total payments (the account balance at certain time point) of the

government, agency, and individual.

Other assumptions for constructing a unified social security system in urban and rural areas:

Establish a unified minimum living security system in urban and rural areas, which should take in the five-guarantee system and the social support system for the old and lonely people;

Establish a unified endowment insurance system in urban and rural areas;

Establish a unified medical treatment and health system in urban and rural areas (includes medical care insurance system). Carry out same medical treatment and health management policies.

Establish a unified unemployment register, employment service, and unemployment insurance system.

Construct a unified work-related injure insurance and childbearing insurance system based on same standards in all companies (include private enterprises) in urban and rural areas.

Establish a unified minimum wage standard for all workers in companies in urban and rural areas.

Establish a unified housing fund system in all companies in urban and rural areas.

With bases of the National Council for Social Security Fund, construct the national social security bank and take it as the exclusive bank that can open social security accounts for all citizens. Set up local branches that are in charge of managing the social security fund.

For all systems mentioned above, each citizen should apply an only integrated account (be identified by ID card number or personal code) for payments and funds. Different items (sub-accounts) should be listed in the integrated account respectively. In this aspect, we can take reference from the design of bank card.

Surely, the establishment of these systems is a complex project and could not be realized in a short period. Therefore, we must make up programs and create conditions in order to put them into practice as soon as possible.

In these systems, migrant workers can join in social security in their registered hometowns. The integrated account is effective in urban and rural areas and moves along with the citizen. The company which a citizen works for must pay for his or her social security. During the unemployment period, independently creating career period, and further learning period, citizens can pay insurance fees by themselves or stop it temporarily according to relevant regulations. This account is as convenient as a current bank pass book for national deposit and withdrawal. All citizens, no matter who they are migrant workers or urban residents, can print their bills in social security bank.

By this way, the gap between urban areas and rural areas is broken, so do the gap between enterprises and institutions, and the gap between different enterprises. Under the present social security system, if a person quits from certain institution and takes a job in an enterprise, he or she will have to deal with complex procedures to keep his or her continuous social security. In addition, the social security in power, communication, military, and civil aviation industries is independent from that in local areas.

What the most important is that will solve the social security account's continuousness problem caused by population flow and make government's management on social security sections simpler and easier, reducing troubles in sorted-group management. Only in this aspect it will absolutely save numerous costs of management. Once finish the system design, Chinese social security bank will exercise most functions that is originally employed by social security administrative departments, personnel departments, and health administrative departments respectively. The government merely exercises the supervision function. By this way, not only are the costs of administrative management reduced, costs of technologies are also reduced by thousands of times. Take the medical care insurance for example. At present, different and independent sets of technological management systems are respectively developed, maintained, and operated for urban workers, urban residents, administrative institutions, and rural residents. In contrast, according to the new system designed in assumption, only one set of system can make it. This system has a simple structure and could be established by reforming the deposit management systems in present banks.

Besides, because of the unified rules, all parts, especially enterprises, can simplify their internal financial management, labor management, and human resource management, saving costs.

Reduce costs of social law-execution greatly. Citizens' social security becomes clear and simple, and easy to be safeguarded.

In a work, technically this assumption is practical.

Especially, the Ministry of Labor and Social Security is engaged in studying the transfer and continuousness of migrant workers' social security. On 7th, Sep. 2004, in the press conference for the issue of white book "China's Social Security and Its Policy", Zhaoxi Meng, the director of social insurance administration, Ministry of Labor and Social Security, said that China would make up relevant policies for transfer of workers' social insurances in different regions. The Ministry of Labor and Social Security embarks in solving the transfer and continuousness issue of migrant workers'

social security. By constituting relevant policies, no matter where migrant workers join in social security, their social insurances can be moved together with them to their new work places or rural areas (2004). However, in our opinions, there are obvious limitations in the government's studies on this issue. That is, what they focus on is merely the transfer of floating population's social security. They do not think about an integrated solution for urban and rural areas. Therefore, they can not find out a perfect method that will solve the transfer issue of all citizens thoroughly, including not only floating population but also non-floating population.

It is well-known that no matter who they are rural residents or urban residents, people can not be absolutely classified into floating population and non-floating population. A person may stay there in this year, but he or she may move next year. For ten years stay, but move in next ten years. It is almost impossible for a person who never moves all the time. Therefore, it is necessary and practical to construct one fixed lifelong social security account for every citizen that breaks up the limits between urban areas and rural areas, and different regions.

References

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