Multi-tiered Social Security System in the New Era: Basic Principles and Practical Approaches

You-ming ZHU¹,a

¹School of Public Affairs, Zhejiang University, Hangzhou, Zhejiang, China

¹0264550@qq.com

Keywords: Social security, Construction philosophy, Approach.

Abstract. The construction of the social security system, which matters the stability of a nation, is the essential issue of people's livelihood and one of the most important social and economic systems of the country. The 19th National Congress of the Communist Party of China explicitly proposed to construct a multi-tiered social security system. This paper reviewed the relevance theories and existing literature concerning the construction of the multi-tiered social security system, studied and proposed the basic principles for the construction of China's social security system, on which basis the paper also attempted to propose the key direction for the ways to construct a multi-tiered social security system and overall design as well.

1. Introduction

Stepping into the new era, the principal contradiction of China to be solved determines that the social security system shall be a multi-tiered one. As is pointed out explicitly on the 19th National Congress of the Communist Party of China, we will work to develop a sustainable multi-tiered social security system that covers the entire population in both urban and rural areas, with clearly defined rights and responsibilities, and support that hits the right level. The construction of a multi-tiered social security system, an important part of China's social security construction, is of great importance to the improvement of people's livelihood, and matters the long-term stability of the country. How to reform the existing social security system and establish a multi-tiered social security system with Chinese characteristics that adapts to China's national conditions has become a hot topic of academic research and discussion. Therefore, this paper proposed basic principles as to how to construction a multi-tiered social security system and practical approaches on such basis.

2. Review of Literature Concerning the Construction of Multi-tiered Social Security System

The earliest research literature on the multi-tiered social security system that can be retrieved through CNKI (China National Knowledge Infrastructure) is "Preliminary Ideas Concerning Establishment of an All-dimensional and Multi-tiered Social Security System" published on Economic Science by Professor Zhang Hongxia from Peking University in 1992. Subsequently, scholars focused on and made systematic research on this topic, in particular after the 19th National Congress of the Communist Party of China, during which the climax of research was formed, with a number of influential results produced. According to the existing research literature, the main points of view include three aspects: first, analyzing the significance of constructing a multi-tiered social security system from macro level, existing difficulties and solutions. At the macro-level, the representative figures, who took the lead in the research, mainly included the heads of Ministry of Human Resources and Social Security of People's Republic of China and well-known experts of China Association of
Social Security. For example, it is proposed to grasp accurately the six major tasks to construct a multi-tiered social security system completely; [1] based on the analysis on the major difficulties in the construction of the current social security system, it is proposed to speed up the construction of the social security system, strengthen the top-level design and accelerate the optimization of the key institutional arrangements such as pension for the elderly, medical care and assistance, etc. [2]; based on the analysis on the fundamental direction, thinking and institutional framework of China's social security system reform and adjustment, it is believed that the current institutional model has not been finalized, and the relationship between different levels is unclear, unreasonable and uncoordinated; [3] second, analyzing the methods and paths for the construction of provincial and municipal social security system. At the micro-level, the research was mainly conducted by the heads in charge of local human resources and social security departments (including provincial social security research institutions) and researchers from local universities. For example, the studies that were conducted at the provincial level included: the construction of the multi-tiered social security system in Jiangsu; [4] study on the construction of the multi-tiered social security system in Shaanxi province; [5] study on accelerating the construction of the multi-tiered social security system in Hunan province; [6] the studies that were conducted at the municipal level includes: for example, construction of a multi-tiered rural social security system, study on approaches to the construction of a multi-tiered rural social security system in Langfang under the coordinated development environment of the Beijing-Tianjin-Hebei region, etc. [7] Third, studying the element components and mechanism of action as well as implementation path for the construction of the multi-tiered rural social security system from the theoretical perspective. For example, Zheng Bingwen proposed an analytical framework involving the commercial insurance into social security system, which provides theoretical interpretation and institutional analysis for the performance evaluation of the social security system with Chinese characteristics; [8] study on the influencing mechanism between different tiers of the multi-tiered rural social security system; [9] study on the mode and operation mechanism for the construction of the multi-tiered rural social security system from different perspectives. [10-11] On the whole, the domestic scholars have conducted abundant and beneficial research on the multi-tiered social security system by synthesizing the existing literature, which showed the due responsibilities of the domestic academic circles in the field of people's livelihood; in particular in recent years, the industrial academic organizations led by China Association of Social Security have played a very important role in promoting the research on the construction of the social security system. Of course, the academic research is of no bounds, and the existing researches make few interpretation on the principles and law for the construction of the multi-tiered social security system, lacking of systematic analysis on the theoretical origin of the system construction; therefore, it is impossible to make the construction of social security system more scientific on the basis of theoretical analysis and laws of principle, and the practical approach proposed also seems deficient.

3. Basic Principles for the Construction of Multi-tiered Social Security System

3.1. The Multi-tiered Social Security System Shall Have Chinese Characteristics

China’s historical development experience has proved that, we need to absorb and draw lessons from excellent foreign achievements and beneficial experience, but shall never copy foreign construction philosophy and modes indiscriminately; moreover, any mode and experience cannot be changeless, and its function and efficacy in different historical periods also have their own characteristics. When we analyze China's social security system, we must take into account the social environment. China has its own national conditions, with its market economy with Chinese characteristics, and the
characteristics of Chinese society in different development stages also decide that China's social security pattern should keep up with the times and be forward-looking, especially under the current situation where no great changes were seen in a hundred years, under the ever-changing new technological revolution and complex international situation, China's social security system should adhere to the people-centered concept, and we shall build a social security system with Chinese characteristics to solve China's problems. Different tiers of the multi-tiered social security system shall cover all areas and respond to the security appeals of people from all regions, social stratas and ethnic groups in China, while there are bound to be differences among different regions and ethnic groups, which requires the multi-tiered social security system to consider, adapt to and meet the needs of the actual status. In the face of unbalanced and inadequate development among different regions, we shall act on policy requirements to help those most in need, to build a tightly woven safety net, and to build the necessary institutions as we work precisely in all directions and at multiple levels.

3.2. Basic Principles of the Social Security That the Institutional Construction Shall Follow

The keywords for the multi-tiered social security system are not only multi-tier, but also shall focus on the social security, so the institutional construction must conform to the law of social security. For example, the construction of a multi-tiered pension system must adhere to the principle of "ensuring security in basic needs", that is, the retirement pension payment is designated to ensure that the elderly have the ability to buy basic means of livelihood. Only by ensuring security in basic needs can we realize full coverage and sustainability; only by ensuring security in basic needs can we achieve better achievements on the basis of a better place. We must avoid by all means raising the basic standard, especially in the poverty alleviation projects in developed provinces, we must understand the connotation of ensuring security in basic needs scientifically. For example, we must adhere to the actuarial principle for the measurement and calculation of the amount of all kinds of security treatment, and take full consideration for the extent of action and interaction between various variable bearing factors, and formulate the laws and regulations scientifically on the basis of empirical and actuarial analysis. Such as hearing system, pressure tests and analog simulation, etc.; before major systems are launched, opinions shall be solicited extensively from all sides, so as to draw on the wisdom of the masses, listen to ideas and suggestions and complete the implementation strategies.

For example, at the stage of social security system, the two-stage development plan for the period from 2020 to the middle of this century and the overall deployment for the construction of the social security system proposed on the 19th National Congress of the Communist Party of China require China's construction of the social security system to go forward step by step accordingly, so as to provide powerful institutional support for the national development strategic goals and realization of people's happiness.

3.3. The Elements of Social Security System Shall Embody the Synergy

The social security system is by no means an unilateral nor monopolistic; therefore, it is required to construct a multi-tiered social security system, which is bound to benefit the whole society. Different characteristics of the public makes the elements at different tiers independent from each other and synergistic. The associated collaboration between elements maximizes the integrated effect of the resources. For example, when designing the construction of the multi-tiered social security system, we certainly need to gather wisdom to study the institutional design of pension insurance, and study the functional boundary of social security departments; however, it cannot be ignored that most elderly pensioners in China cannot afford the high-quality pension service institutions considering their income level and savings at present and in a period of time in the future. The traditional concept
of East Asian countries makes the home-based care for the elderly the main way, so the elements supporting for home-based care are more than pension amount, and in the current situation where the young is reluctant to engage in the service for the aged, together with the prevalence of sub-replacement fertility, what is more important is to construct a team consisting of abundant nurses for elderly people with high-quality services. Otherwise, even if the pension payment is doubled, we will still face the embarrassment of no person providing services, which shall attract the attention of the governmental departments.

3.4. The Construction of the Multi-tiered Social Security System Must Make Overall Plans and Take All Factors into Consideration

Everything is connected. The construction of the social security system is designated to realize the objective of basic security, involving a wide range of affairs. Of course, the system also has its own unique objective to pursue. On the way to ensuring security in basic needs and thus achieving the better pursuit, the investment into the social security shall be increased constantly, and the standard shall be raised continuously. In such case, China's construction of the multi-tiered social security system must make overall plans and take all factors into consideration, and shall not only consider the principal contradiction, but also the secondary contradiction in the allocation of resources. The construction of the multi-tiered social security system shall take into account the current and future needs. It shall be based on the present and focus on the future, consider the uneven development of various regions in China, stress the key point and safeguard the general development. It is necessary to consider the sustainable requirements for the construction of the multi-tiered social security system, and form a good working mechanism in different construction stages according to the requirements of institutional development. In terms of working methods, only by insisting on playing the piano with ten fingers as well as making overall plans and taking all factors into consideration can we sort out the order from the complicated work, scientifically recognize the key and difficult points of the work, form a normal cycle to optimize and combine various resources and elements, so that they can flow freely under the defined framework, and construct the ecological circle of China's social security.

4. Practical Approaches for the Construction of Multi-tiered Social Security System


It is more scientific to divide China's multi-tiered social security system into several components. What responsibility each tier shall shoulder and how much each tier shall be assigned shall be fully studied in the system design, so as to examine and grasp the system construction based on the systematic perspective. For example, some scholars proposed to clarify that the first tier shall base on the ensuring of security in basic needs, thus further reducing the replacement rate, so as to leave room for the development of pension insurance at the second and third tier in terms of the construction of the pension insurance system, and defined corresponding fiscal and tax support policies. Some scholars also proposed that, China needed a top-level design of the elderly income security system oriented to all, so "Five-pillar Programme" is more suitable for China's national conditions. Also, some scholars proposed three-pillar thinking. Faced with all kinds of thoughts and theories, the practice selected by different functional departments may vary; however, it needs implementing separately and step by step based on a common and basic idea and framework, so that the institutions, organizations and processes can support each other, seamlessly connect with each other and associate with each other as a whole, thus achieving dynamic balance. In terms of pension insurance, for example, we should not only focus on the important role of government pooling, but also the
important effect of commercial insurance and charity undertakings, and shall give full play to the supplementary role of commercial insurance in basic pension insurance and medical insurance through the above efforts by improving its reputation, attraction and public credibility.

4.2. The Construction of the Multi-tiered Social Security System Needs to Optimize the Mechanisms

No doubt, a good system needs a good mechanism to achieve its function. The construction of the multi-tiered social security system is faced with such problems: the construction of effective cooperation mechanism for the basic security system and market supplementary security system is obviously lagging behind; there is insufficient dynamic mechanism for multi-tiered social security system; the mechanism design and development approaches for the multi-tiered social security system needs optimizing, etc. Therefore, the construction of the multi-level social security system should take into account the construction of endogenous driving mechanism, incentive mechanism, effective supervision mechanism, performance evaluation mechanism and policy protection mechanism during the implementation of all kinds of projects, through the effective operation of which the predetermined target of the system can be fully realized. Given that the construction of a multi-tiered social security system is a new thing, and China's national conditions are quite different from those of many other countries in the world, the successful foreign models may not adapt to China's social security system; in addition, as China has a vast territory and large population, insufficient and unbalanced regional development problem has not been completely solved, all of which decide the working mechanism for China's construction of multi-tiered social security system cannot be achieved overnight; therefore, it is advisable for some regions with relatively perfect conditions to take the lead in the pilot, form a relatively mature pattern and mechanism, and then promote to the whole nation.

4.3. The Construction of the Multi-tiered Social Security System Needs to Attach Great Importance to Environment Factors

The dialectical relationship between internal and external causes requires considering the state of external environmental factors for the construction of multi-tiered social security system. The construction of multi-tiered social security system is bound to base on the reality of China's economic and social development, the actual state of regional economic transformation and upgrading, regional technological innovation and development as well as the realistic problem of regional social governance. The effective implementation of national strategies and the sound and steady development of the economy are the important foundation for the multi-tiered social security system to operate orderly. The sustainable health of the institutional environment, policy environment, legal environment and market environment is a powerful support for the successful operation of the social security system. The environment construction shall take full account of the relationship between the present and the long term; the system design shall fully consider the link between past and future, strengthen the far-sighted strategic planning and eliminate short-term interests and speculative behaviors. To strengthen the study of political theories, the local governmental departments and their executing agencies shall unify their thinking and raise the awareness of promoting the social security system. Also, they shall proactively promote the reform of without the need for a second visit, reduce the unnecessary examination and approval procedures, make full use of the online examination and approval functions, and improve the efficiency of administrative organs.
4.4. The Construction of the Multi-tiered Social Security System Needs to Strengthen the Talent Supply

The construction of the multi-tiered social security system must be supported by multi-level talents that match with it, so that the social security can be brought into full play, and the policy can be implemented truly. The first is to strengthen the talent supply while ensuring security in basic needs. Ensuring security in basic needs is the fundamental principle of social security, and the developed countries handle it skillfully in this regard. To realize the objective of ensuring security in basic needs, someone must be able to do and do well on the projects of ensuring security in basic needs. In fact, as most young students are reluctant to engage in the dirty and tiring old-age care service posts, although there are many vocational colleges training such technical talents specially, the graduates turn to other jobs, resulting in extreme short of home-based old-age care service talents in China, with few professional and technical personnel engaging in home nursing; many are recruited from rural areas after a simple training, who have low cultural quality and technical skills, so it is difficult for them to provide high-quality services to the elderly enjoying home-based care. Second, to strengthen the talents supply in high-end enterprises. To adhere to the law of the market economy, cultivate management backbone and specialized technical talents with certain theoretical knowledge who are willing to work hard, so as to provide powerful support for the construction of the multi-tiered social security system.

4.5. The Construction of the Multi-tiered Social Security System Must Stick to the Bottom-line Thinking

China's national conditions make it impossible for the country to invest a great deal of funds into the construction of social security system in a short period of time. The multi-tiered social security system must stick to the basic responsibility of ensuring security in basic needs and holding those most in need, which is bound to be stable and sustainable once it is formed. Therefore, the multi-tiered social security system must insist on bottom-line thinking, have the awareness of risk prevention and control, enhance the awareness of unexpected development, analyze the instability and uncertainty objectively in institutional construction and system operation, research, judge, analyze and predict the possible risks scientifically in the future and study the risk prevention and control strategies early. It is not contradictory to adhere to the bottom-line thinking and strategic thinking, and the strategic deployment addresses the question of direction. To construct the multi-tiered social security system, we need to prevent reckless development while avoiding conservatism, but make steady progress in a comprehensive and balanced way. We should build a multi-tiered social security system while adhering to the bottom-line thinking, and we should learn to integrate resources under the existing conditions and learn to navigate with the boat borrowed or hatch eggs by using borrowed hens, so as to form a resultant force for system construction and system operation and maximize the effect of resource integration.

5. Conclusions

The national conditions of China determine that the social security system must be multi-leveled, and the construction of multi-leveled social security system must give all-directional consideration to the realities at all levels to make the precise implementation of policies on this basis result in full vitality and sustainable operation in the system. Therefore, the construction of multi-leveled social security system shall adhere to the design principles of social security system and follow the theories and rules of social security science to promote the construction of institutional mechanism systematically and
synergistically, which is an inevitable choice for the construction of multi-leveled social security system, in particular, the attention shall be paid to the construction of core short-slab professional technical personnel teams and other problems in the system construction, at the same time, the actuarial awareness shall be established and the risk prevention and control ability of the system shall be improved.

References


