

Social Insurance Provision in Urban China: Variations according to Region and Workplace Ownership

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Abstract

Using data from a household survey conducted in four cities in 2005, we examine the variations in Chinese workers' access to social insurance by region and workplace ownership. Our results show that the provisions of the three major social insurance schemes—old-age, medical, and unemployment insurance—are better in cities with higher economic development. Workers who are in domestic private enterprises and who are self-employed have fewer benefits than workers in state-owned and foreign enterprises. To reduce the segmentation and disparities in social insurance provision, the central government should consolidate social insurance management and enhance employer compliance. Our results also indicate that while workers still expect the workplace to provide social insurance benefits, they are also cognizant of the current level of economic development in China and, therefore, do not expect the government to establish a universal old-age insurance system for all citizens. The workers' expectations and attitudes toward these social insurance schemes are likely to affect the potential for further expansion of social insurance coverage to include rural residents.

Keywords: social insurance, region, ownership, urban China