Multi-track Reform and Transformation of Social Security System

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Abstract: This year marks the 70th anniversary of the founding of the People's Republic of China. After years of ups and downs, China's social endowment security system has achieved remarkable achievements. Among them, the construction of a "consolidated account" of social pension security system consisting of the basic pension security system for enterprise employees, and the basic pension security system for the urban and rural residents, the pension security system for institutions. When analyzing the existing problems of the multi-track reform of the old-age security system, the main starting point is the unfair and realistic contradiction existing in the social old-age security system, unsustainable risk expectations, the cost of reforms, and the institutional defects of legal regulations. Develop a new path for the transformation of a new multi-track system of social security for the elderly, coordinating and progressing in a variety of aspects, including consumer pensions, housing pensions, sustainable and multi-level social pension security systems.

1. Preface

For more than 40 years of reform and opening up, starting from the supporting measures for the reform of state-owned enterprises, to the development of social endowment security system with the Chinese characteristics covering the largest population in the world, to our government and being awarded by the International Social Security Association in 2016 The "Outstanding Achievement Award of Social Security", these all reflect a series of remarkable achievements in the construction and development of China's social pension security system [3]. With this, this year is the 70th anniversary of the founding of the People's Republic of China. Looking back, summarizing and looking forward to the construction process, experience and development prospects of China's old-age security system, it is necessary to continuously meet the growing demands of the people for a comprehensive and sustainable multi-level social security system The need for a better life is of great significance. Based on the above, this article attempts to further explore and study the multi-track reform and transformation of China's current social security system for the elderly.

2. Existing Problems in the Multi-track Reform of the Old-age Security System

Social security refers to the adoption of legislation by the state to actively mobilize the resources of the society to ensure that citizens without income, low income, and suffering from unexpected disasters can maintain their lives. Among them, endowment insurance is an important content of social security, and its support and support for the elderly is an important guarantee for the elderly to share the fruits of social reform and development and improve people's livelihood. In today's era, social old-age security is the basic reliance of the elderly to maintain their lives, and it is the cornerstone and control point of the old-age security system. In 2008, the Chinese government carried out a series of reforms on the treatment of retirees in public institutions and issued a notice of reform pilots. The implementation of the pilot work promoted the reform of the old-age insurance system and paved the way for comprehensive reform of old-age insurance [1]. Changes in
time and national conditions are also changing. In 2015, the government further reformed the retirement benefits of public institutions. The implementation of this reform marked the era of the current "multi-track system" operation model into the era of comprehensive reform start models 2]."Multi-track system" is a major feature of China's current social security for the elderly, which can be specifically reflected in enterprises and institutions. Their pension policies are very different, and the difference in the amount of pension they can enjoy is also huge. For this reason, this issue has aroused widespread concern and debate among people from all walks of life. The "multi-track system" is a problem that has arisen during the transformation of China's economic system, which obviously has a long history. The endowment insurance introduced in China in the 1990s is a major reform in the transition from the planned economy to the market economy, that is, the old-age pension problem that was originally responsible by the government and units has shifted to social responsibility.

3. The Further Optimization of China's Multi-track Reform of Old-age Security

Although China's current social endowment insurance system has been established, it still needs to be further optimized and improved.

First, China's social endowment security system has not been perfected in terms of legal system. So far, no laws and regulations on social security for the elderly have been promulgated. Regarding the endowment insurance, the legal provisions have not yet been formed, which is likely to cause a series of problems such as difficulties in receiving endowment insurance. Since handling affairs in accordance with the law has been deeply rooted in the hearts of the people, it is a deterrent to have companies obliged by law to pay endowment insurance premiums within the prescribed time. Nor will it be the case that, in reality, some companies fail to pay endowment insurance in a timely manner and do not receive corresponding penalties. The main reason is that there are no legal restrictions. Therefore, the state should speed up the progress of pension security legislation, and provide legal basis for pension insurance, so as to better promote the development of China's social insurance system.

Second, the supplementary system of corporate endowment insurance should also be operated in a concrete and transparent manner. China's current old-age security system can be divided into three layers. The first layer is social pooling; the second layer is personal accounts; Based on this level of corporate supplementary pension insurance, China's laws and regulations have not yet been perfected. Therefore, it can be stipulated that some enterprises with certain qualifications can carry out supplementary pension insurance. In addition, I have to mention here that the main role of most companies to introduce supplementary endowment insurance is to stabilize the unit's workforce. On the one hand, the supplementary endowment insurance introduced by enterprises generally puts forward some requirements for employees in the unit For example, working age, often only qualified employees can qualify for corporate supplementary pension insurance. Therefore, the government and society should deal with this problem reasonably and legislate in order to better protect the fundamental interests of the general people.

Third, the issue of the use of social pension funds at the current stage is very much related to the purchasing power of basic pension insurance for employees, which will place a burden on the country's finances. This is also the current stage of inflation in China at a relatively high level. How to realize the value preservation of the social pension fund has become a problem that needs to be urgently solved at this stage. In addition, since China's stock market and real estate market are not yet perfect, if they are invested in these markets, the risk will be too large, and it will be difficult to achieve the purpose of maintaining value.

4. Speed up the Transformation of the New Multi-track System of Social Security for the Elderly

First, consumer pensions. In general, consumer pensions are introduced in the market by a market-oriented mechanism, but from a form perspective, the income from the sales of goods is
returned by the enterprise in a predetermined proportion. Refunds are usually made in the name of points. After the company returns, these returned funds will become part of the personal pension special account, and accept a number of services provided by commercial insurance companies to ensure that this part of the funds can be added value on the basis of value preservation. Under this model, after these consumers enter old age, they will naturally accumulate a considerable amount of pension funds in their accounts. From this point of view, consumer pension as a new model is closely linked to all consumer behaviors in the life of a citizen, and in a sense, it realizes a conscious pension [4].

Secondly, provide housing for the elderly. The concept of housing for the elderly has just been proposed, coupled with unstable housing prices across the country and people's unfamiliarity with this new theory, so it has not yet been popularized. Taking a house for retirement, as the name implies, an individual who owns the property right of the house takes the house as a guarantee and mortgages it to an insurance company. The insurance company will return a certain amount of money to the house owner every month after the retirement. This part of the funds can be regarded as a property It is a supplementary pension similar to the enterprise annuity. Retirement by house is an innovative business insurance model. There are several other characteristics of housing pensions. The first is voluntary. That is, the house owner and the insurance company signed the contract on a voluntary basis. The second is that once the contract is signed, both parties must abide by the rules, otherwise they will bear the corresponding legal responsibilities. This approach is of great significance. It has an inestimable effect both on the richness and improvement of China's old-age security system, on the stimulation of social consumption and on the promotion of economic development.

Conclusion

Don’t forget your original intention that you always have. "Insist on safeguarding and improving the people's livelihood in development" which is one of the rich connotations of the important ideas of socialism with Chinese characteristics proposed in the new era of China, and it points out the direction of the reform and development of the social endowment insurance system with Chinese characteristics. Therefore, only with the advancement of time can we combined with the call of the "continuing to protect and improve the people's livelihood in development" put forward by the 19th National Congress of the Communist Party of China, and to adhere to the system reform of the national pension security system and find a concrete transformation path, only then can the "two hundred-year goals" be achieved, and the great rejuvenation of the Chinese nation, and the entry into a socialist power can be achieved.

References