



# ► Social Protection at the time of COVID-19 and beyond: Building an inclusive and sustainable social protection system

UN Policy Dialogue on Social Protection

Tuesday, 10<sup>th</sup> November 2020, 13:00–17:00, Beijing time

## ► Background

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The effects of the pandemic caused by COVID-19 posed a serious challenge to the 2030 Agenda and the SDGs in China and the world. COVID-19 has revealed gaps worldwide in the coverage of social security that risks increasing inequality and the portion of people at risk of falling back into poverty and being left behind. At the same time, COVID-19 has also provided a once in a generation opportunity to learn from and improve on existing policies to be resilient to future crises, for a more sustainable development.

To assist in the global response to the crisis, the United Nations established an integrated support package that can be leveraged and tailored to each country to protect the needs of the most vulnerable. The Framework for the Immediate Socio-Economic Response to COVID-19 was launched at the end of April 2020. In China, the United Nations Resident Coordinator (RC) has the overall leadership of the UN system's COVID-19 response and UNDP is the technical lead in the UN's socio-economic recovery efforts.

Throughout the period of the pandemic, China accumulated a wealth of experience using its social protection system to respond to the crisis. It has been innovating in different ways, notably by harnessing the potential of new technologies to bridge physical distances between vulnerable people and essential services. The recent experience will improve the capacity of China's social protection system to face short term and long-term challenges and to build a more resilient and shock responsive social protection system.

Amid the mounting challenges, the Government is maintaining the target of eliminating rural poverty by this year. Extra efforts will be needed to lift the remaining 0.6% of the population out of poverty and the extra 5 million people who are vulnerable to fall back<sup>1</sup>. Many workers and their families within the large informal economy and within the growing gig economy consisting of flexible workers including migrant workers remain outside basic insurance schemes, although they could voluntarily participate in

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1 [http://www.qstheory.cn/yaowen/2020-03/06/c\\_1125674761.htm](http://www.qstheory.cn/yaowen/2020-03/06/c_1125674761.htm)

some schemes as flexible employees. 2.3 million people were receiving unemployment benefit in the first quarter<sup>2</sup>, while according to different estimations, as many as 50-80 million<sup>3</sup> had not yet returned to work or had lost their job.

As stated in the Work Report, in addition to enhancing the public health system and providing more equitable and high-quality education, the government will make greater effort to meet people's basic living needs. This includes expanding the coverage of unemployment insurance and subsistence allowances system. During the two sessions, Chinese People's Political Consultative Conference (CPPCC) representatives advocated for at least a temporary use of *cash transfer initiatives to help vulnerable groups to maintain livelihood given the large impact of COVID-19*.<sup>4</sup>

Furthermore, the GOC has recently adopted the Directive on Reforming and Improving the Social Assistance System which provides the GOC vision for reform. On overarching goals of social assistance, two stages and specific objectives are laid out for the first time. In about two years, the GOC aims to build a tiered and classified social assistance system with Chinese characteristics for both urban and rural areas. The legal framework of social assistance will be well-established.

In particular, the above reform process highlights the need for the improvement of social assistance in emergencies and shocks, including relief work for members of disadvantaged groups amid public emergencies, such as COVID-19. Premier Li also underscored that more efforts should be made to help those affected by the COVID-19 epidemic and floods, and ensure basic living standards of low-income groups.

The Policy Dialogue on Social Protection aims to discuss how to seize the opportunity provided by the COVID-19 wake-up call to accelerate building universal social protection systems, including floors. The dialogue will allow information exchange on the efforts in China to implement and adjust the on-going reforms on social assistance, and globally to strengthen social protection for the groups hardest hit by the contraction in growth, including informal sector and migrant workers, as well as poor households. With the support of Chinese counterparts, it will explore innovative concepts and measures to complement the government's existing and planned efforts to address poverty in the Chinese context. It will also explore pragmatic possible ways to combine the stimulation of the economy for a fast recovery and sustainable financing of social protection systems.

## ► Objectives

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The main objectives of this Policy Dialogue are twofold: 1) to share and learn on the efforts in China and globally to strengthen social protection for the groups hardest hit by the pandemic, and 2) initiate a policy discussion about innovative approaches to create a more inclusive social protection system and its sustainable financing.

This will be achieved by:

- taking stock of social protection responses to COVID-19 in China and globally;
- analysing the emerging or heightened social risks resulting from the pandemic;
- assessing the gaps in social protection coverage for those hit hardest by the pandemic;
- drawing lessons from the Chinese and global experience for more inclusive social protection policy reform and its sustainable financing in the context of economic recovery;
- all of which would be the basis for a forward-looking discussion on more inclusive social protection policy reform.

## ► Target audience

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The dialogue targets national and provincial government officials, social partners and civil society and representatives of the United Nations agencies in China, in the region and internationally. Participants: Ministry of Finance, Ministry of Civil Affairs (MCA), Ministry of Human Resources and Social Security (MOHRSS), Ministry of Health, National Healthcare Security Administration, All-China Federation of Trade Unions (ACFTU), China Enterprise Confederation (CEC), UN (China, Regional, HQ) and academia.

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2 [https://www.scmp.com/economy/china-economy/article/3083823/coronavirus-china-prepared-handle-unemployment-crisis?utm\\_medium=web&utm\\_source=series&utm\\_campaign=grim-outlook-chinese-unemployment&utm\\_content=20200525](https://www.scmp.com/economy/china-economy/article/3083823/coronavirus-china-prepared-handle-unemployment-crisis?utm_medium=web&utm_source=series&utm_campaign=grim-outlook-chinese-unemployment&utm_content=20200525) reporting data by the Ministry of Human Resources and Social Security,

3 Head of Economic Research, UBS Investment Bank

4 <http://news.sina.com.cn/o/2020-05-21/doc-iircuyvi4270292.shtml>

## ► Agenda

Time	Session
13:00-13:10	<b>Plenary: Opening session</b> Host: Luis Frota, Chief Technical Advisor, ILO Country Office for China and Mongolia
13:00-13:10	Amakobe Sande, United Nations Resident Coordinator a.i. in China MOFCOM representative (tbc)
13:10-14:10	<b>Plenary: Keynote speeches</b> Moderated by Amakobe Sande, United Nations Resident Coordinator a.i. in China
13:15-13:35	<b>Presentation 1: Social protection experience in China responding to COVID-19 from the perspective of social assistance</b> Liu Xitang, Director-General, Social Assistance Department, Ministry of Civil Affairs (MCA)
13:35-13:55	<b>Presentation 2: Social protection experience in China responding to COVID-19 from the perspective of social insurance</b> Xu Yanjun, Director-General Level Counsel, Social Insurance Administration, Ministry of Human Resources and Social Security (MOHRSS)
13:55-14:10	<b>Presentation 3: Global/regional experiences in building lasting resilience after COVID-19</b> Claire Courteille-Mulder, Director, ILO Country Office for China and Mongolia
14:10-14:20	<b>Health break</b>
14:20-15:05	<b>Panel discussions: Part I</b> <b>Social Protection Responses to COVID-19</b>
Parallel Session I	<b>Poverty alleviation: Basic livelihoods and social assistance measures</b> <b>Moderator:</b> Christina Popivanova, Chief, Social Policy, UNICEF China
14:20-14:35	<b>Presentation: Social assistance response to COVID-19 - the experience of Wuhan</b> Qi Xiaogang, Director, Urban and Rural Minimum Living Security Center, Bureau of Civil Affairs, City of Wuhan, Hubei Province
14:35-14:45	<b>Discussant:</b> Pamela Dale, Regional Advisor on Social Policy and Economic Analysis, UNICEF Central and Eastern Europe
14:45-15:05	Q & A
Parallel session II	<b>Social health protection: Medical insurance</b> <b>Moderator:</b> Marielle Goursat, ILO Regional Social Health Protection Program Manager
14:20-14:35	<b>Presentation:</b> Wang Congcong, Department of Medical Service Administration, National Healthcare Security Administration
14:35-14:45	<b>Discussant:</b> Lou Tessier, Health Protection Specialist, ILO Geneva
14:45-15:05	Q & A
Parallel session III	<b>Income maintenance and active measures: Unemployment, employment retention and retraining benefits</b> <b>Moderator:</b> Dai Xiaochu, Deputy Director, ILO Country Office for China and Mongolia
14:20-14:35	<b>Presentation:</b> Liu Peng, Director, Division of General Affairs and Regulation, Department of Unemployment Insurance, MOHRSS
14:35-14:45	<b>Discussant:</b> Maya Stern Plaza, Social Protection Legal and Standards Officer, ILO Geneva
14:45-15:05	Q & A
15:05-15:15	Health Break

Time	Session
15:15-16:00	<b>Panel discussions: Part II</b> <b>Gaps in social protection and the potential of innovative responses to bridge those gaps</b>
<b>Parallel session I</b>	<b>Emerging social protection risks and needs in China</b> <b>Moderator:</b> Atif Kurshid, Global Social Protection Specialist, UNICEF Headquarters, New York
15:15-15:30	<b>Presentation: The national agenda for reform of the social assistance system</b> Zhang Lin, Chief, Administration Division, Social Assistance Department, MCA
15:30-15:40	<b>Discussant:</b> Andrea Rossi, Regional Social policy and Economic Analysis Adviser, UNICEF East Asia & Pacific Regional Office
15:40-16:00	Q & A
<b>Parallel session II</b>	<b>Measures to extend SP coverage to unprotected groups</b> <b>Moderator:</b> Nuno Cunha, Senior Social Protection Technical Specialist, ILO Decent Work Team for East and South-East Asia and the Pacific
15:15-15:30	<b>Presentation: China's experience covering workers in the informal economy and workers in flexible work</b> Li Chen, Director, Division of Social Insurance Relation Administration, Social Insurance Administration, MOHRSS
15:30-15:40	<b>Discussant:</b> Christina Behrendt, Head, Social Policy Unit, Social Protection Department, ILO Geneva
15:40-16:00	Q & A
<b>Parallel session III</b>	<b>Harnessing the use of digital technologies for social protection</b> <b>Moderator:</b> Balazs Horvath, Senior Economic Advisor, UNDP Regional Bureau for Asia and the Pacific
15:15-15:30	<b>Presentation: Provincial experiences of using digital technologies for claiming unemployment insurance benefits and linking beneficiaries to employment services</b> Yi Junqiang, Director, Division of Employment Promotion and Unemployment Insurance, Human Resources and Social Security Department of Shandong Province
15:30-15:40	<b>Discussants:</b> Raúl Julián Ruggia Frick, Head of Centre for Excellence in Social Security Administration, International Social Security Association (ISSA) Umer Akhlaq Malik, Policy Analyst of UNDP Pakistan
15:40-16:00	Q & A
16:00-16:45	<b>Plenary: Sustainable financing strategies for effective social protection and fast recovery</b> Moderated by Violante Canossa, Development Advisor, UNDP China
16:00-16:15	<b>Presentation:</b> Wang Zecai, China Academy of Fiscal Sciences
16:15-16:45	<b>Panel discussion</b> Wang Zecai, China Academy of Fiscal Sciences Balazs Horvath, Senior Economic Advisor, UNDP Regional Bureau for Asia and the Pacific Bill Bikales, Lead Economist, Office of the Resident Coordinator UN China
16:45-17:00	<b>Plenary: Closure</b> Amakobe Sande, United Nations Resident Coordinator a.i. in China

## ► Approach and themes

The dialogue will take place in the form of a half-day on- and offline hybrid conference, a mix of a zoom and physical meeting among a core group of the presenters and facilitators at the UN Compound. There will be plenary sessions and breakaway rooms for specialized topics.

The dialogue will focus on three main themes:

### Experiences with social protection responses

Social protection was an indispensable mechanism for delivering support to individuals during the crisis. The dialogue will examine China's and global social protection responses to the COVID-19 pandemic, including removing financial barriers to quality health care, protecting incomes and jobs, reaching out to workers in the informal economy and mitigating the effects of the pandemic on extreme poverty and on vulnerable groups. Three specific areas are worth focusing specifically. First, the removal of financial barriers to access health care during the pandemic through expanded medical insurance and employment injury (medical care benefits) cover. Especially in the context of a pandemic, the ability to access quality health care can become a matter of life and death, making it a matter of extreme urgency to remove financial and other barriers. Secondly, the expansion of unemployment insurance to registered workers and migrants, the implementation of employment retention schemes and retraining benefits. Finally, attention will be given to poverty alleviation measures notably in the form of social pensions or in cash social assistance benefits such as Dibao, especially in the light of the new reform of the social assistance system in China.

### Emerging social risks and the long-term effects of COVID-19 and its consequences

The COVID-19 crisis has exposed the devastating consequences of social protection gaps. There are four different levels of impact of shocks such as COVID-19: direct impact of the virus on the population; impact of the containment measures; impact of the economic crisis; and impact of the economic stimulus package put in place. All of these, individually, but most importantly, in a cumulative manner, affect the population and their consequences need to be carefully considered in terms of policy response.

The COVID-19 crisis has exacerbated inequities in income protection and poverty risks linked to reduced activity and higher unemployment globally. It has emphasized the need to rethink passive measures into more active employment

retention measures in the form of wage subsidies and upskilling.

The long-term implications of the pandemic and recession are not yet fully understood. The pandemic brought about emerging occupational hazards, in the context of work. It will raise increased awareness to new forms of chronic sickness, partial and permanent invalidity for those susceptible to be affected or affected by COVID-19. Retirement and invalidity benefits are likely to be affected by interrupted contributing careers and reduced working capacity for chronically affected by COVID-19, in particular for women and those working informally or in flexible working patterns.

Some groups have been hit harder than others. It is more and more evident that the financial vulnerabilities<sup>5</sup> among women workers will have been exacerbated and cross cutting gender inequities in access to social protection were heightened due to women's traditional double burden of care and work<sup>6</sup>. While the size of workers in flexible forms of employment and in the gig economy as well as workers in the informal economy increased during the period, their lack of protection has become more evident. Migrants and children have also suffered from disproportionate lack of protection in many countries. Globally, it is estimated that there is an increase in extreme poverty (PPP\$1.90 a day) this year of 84 to 132 million people, approximately half of whom are children, compared to a pre-pandemic counterfactual scenario. In other words, 42-66 million children could fall into extreme poverty as a result of the crisis this year.<sup>7</sup>

The crisis has accelerated the use of digital technologies for more efficient and inclusive social protection, as physical distancing prevented many to access regular over the counter services. Digital technologies allow the flexibility, responsiveness and personalization of administration services that help increase the take up of social security by groups that are hardest to reach, in particular those in the informal economy.



5 <https://www.sdgfund.org/gender-dimensions-pension-systems-policies-and-constraints-protection-older-women>;

6 <https://data.unwomen.org/resources/surveys-show-covid-19-has-gendered-effects-asia-and-pacific>

7 Forecasts from the IMF optimistic scenario into an IFPRI poverty model



### Lessons from Chinese and global experience for more adequate and shock-responsive social protection system and its sustainable financing in the context of recovery

The adequacy of benefits to cushion the initial shock and assist with the recovery has been at centre of policy interventions. To resolutely address poverty, and its changing faces, in its multidimensional forms, raising the levels of adequacy of benefits has been key. Both in times of crisis and in times of stability, income security should provide the resources to live a dignified life. Especially in a crisis that is expected to have prolonged social and economic

repercussions, it is crucial to ensure adequate benefits for as long as necessary in light of significant income losses and increases in the cost of living. In China, local governments were instructed to increase the benefit amounts of its national social assistance scheme (Dibao) for either all beneficiaries or those who were infected, depending on the province. The opportunity will be given to hear from the government's current policy plans and vision, in the context of the development of the forthcoming 14th Five Year Plan, to strengthen the social protection architecture and move beyond a Xiaokang society.

Finally, the crisis has shown that preparedness is critical for rapid reaction. Social protection is therefore a critical investment, especially in order to be better prepared for the next shock but also to build a resilient society addressing the impact of long-term trends, such as aging, the 4th industrial revolution and structural slower growth as China moves up the income ladder. In the context of the response to the pandemic, a variety of different methods has been used to immediately mobilize resources for social protection. A sustainable financing strategy for social protection in the medium term needs to build on efficient and effective collection mechanisms, balancing and reallocation instruments, to meet the financial imbalances arising from geographic and other disparities, good overall financial governance and they need to take into account the contributory capacities of different population groups.

## ► Institutional partnership for Policy Dialogue “Social Protection at the time of COVID-19 and beyond: Building an inclusive and sustainable social protection system”

The policy dialogue is the first of a series of such events, planned under the United Nations Framework for the Immediate Socio-Economic Response to COVID-19 and under the leadership in China, of the United Nations Resident Coordinator (RC).

With the support of the RC, UNDP, as entrusted by the Framework, contributes to the socio-economic recovery efforts by providing technical leadership to deliver a coherent and inclusive United Nations response closely working with the rest of the UNCT, leveraging agencies and

RCO's comparative advantages, technical expertise and long-standing relationship with Chinese partners.

This particular Policy Dialogue “*Social Protection at the time of COVID-19 and beyond: Building an inclusive and sustainable social protection system*” is organized under the technical leadership of UN specialized agencies in the field of social protection, the UNICEF and ILO, as hosts of the dialogue, in partnership with the technical ministries, the MCA and MOHRSS.

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