

# Study of Current Situation of Chinese Maternity Insurance System and Presentation of Some Countermeasures to Its Development

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**Abstract**—Maternity insurance is a social security system that the state provides the necessary material assistance, maternity allowance and maternity leave through legislation to women workers who temporarily lose their income sources because of pregnancy or childbirth. The maternity insurance system with the female workers as its main object of maternity protection is earnestly concerned about the interests of women in China. For women, they not only have to bear the threaten of losing their lives when giving birth to a baby, but also to withstand the unequal employment opportunities and even the risk of losing their jobs caused by pregnancy. This phenomenon cannot be ignored. So, that's why the maternity insurance is chosen as the subject of research. Through the analysis of the current issues existing in the maternity insurance in China, and learning from the foreign advanced experience of maternity insurance system, it is easy to find out that the Chinese government needs to play a leading role in the improvement of maternity insurance system and accordingly puts forward some sound proposals and countermeasures for the maternity insurance system.

**Keywords**—maternity insurance; female workers; issues; proposals and countermeasures

## I. INTRODUCTION

Maternity insurance is a branch of the national social insurance system, and is produced under certain conditions. The social insurance system originated from Germany. According to the information provided by the ILO, the maternity insurance came into being based on the provisions concerning maternity insurance in “Basic labor Insurance Law in German” in 1883. In China, the maternity insurance is a kind of social security system. Through social insurance legislation, it provides cash grants and subsidies, health care, the provision of maternity leave in order to protect the health of insured mothers and children, and provide work and opportunities for fertile women as well as guarantee for social equality of employment for women during pregnancy and childbirth according to the female's reproductive behavior and physiological characteristics. Its purpose is to provide fertile female employees with maternity allowance, maternity leave, medical services and other aspects of special treatment which can ensure that they get the basic economic income and health care when they are temporarily unable to work because of pregnancy, and can help the reproductive female workers to

restore the ability to work and go back to work positions, thus showing the support and love from the state and society for women in this special period. In summary, Maternity insurance generally includes the following four contents: maternity allowance, maternity leave, maternity allowance and medical services.

Implementation of maternity insurance is not only a symbol of social civilization, but also has great social significance and practical meaning: maternity insurance is conducive to safeguarding the legitimate rights and interests of women, and ensures women enjoy equal employment rights as men. Implementation of maternity insurance will help to improve the quality of human beings. It can also avoid childbearing women's temporary loss of labor capacity and opportunities caused by fertility behavior which results in a sudden drop in living standards for their families, so as to maintain the stability of the whole society.

## II. THE MAJOR PROBLEMS EXISTING CURRENTLY IN THE MATERNITY INSURANCE SYSTEM IN CHINA

At present, there still coexist two kinds of maternity insurances in China. The first is a continuation of the old system on protection of female workers since the founding of new China, that's <<Female Employee protection provisions>> issued by the State Council in June, 1988, which specified the company will bear the burden of the maternity allowance and medical expenses for the fertile female who workers in it. The second one is the current maternity insurance system in China.

### A. Maternity Insurance Coverage Being Too Narrow

In 2012, China has 19 provinces which have categorized the female workers from the state organizations, institutions and enterprises into the maternity insurance coverage, while those women being self-employed households, casual workers, entrepreneurs, migrant workers, as well as a large number of laid-off women workers, can not enjoy the special treatment under the maternity insurance in reality. According to the information from the Ministry of Human Resources and Social Security, at the end of 2012, women participated in maternity insurance in China amounted to 15,429 million, representing an increase of 1,537 million than that of last year; and in the same year, 353 million women from the nationwide enjoyed the

maternity insurance, being increased by 88 million compared with last year[1]. While the maternity insurance system in China this year has endured a rapid development, but as for the total amount of 660 090 000 female workers in the whole country, the coverage is clearly insufficient.

#### *B. Maternity Insurance Fund Balance Being Too High and the Burden of Enterprises Being Too Heavy*

It is understood that the national maternity insurance fund revenue in 2012 was 30.4 billion Yuan, a rise-up of 8.4 billion Yuan than last year; fund spending 21.9 billion Yuan, an increase of 80 billion Yuan compared with last year. The fund balance accumulated 42.8 billion Yuan at the end of this year, increasing by 8.5 billion Yuan than last year[2], which indicated that the balance of national maternity insurance fund was a little bit higher. Because maternity insurance payment period is short, its planning ability and predictability are strong, and the chance of suffering a major risk is relatively small, too much accumulation and balances are unnecessary. However, if the growth of the maternity insurance fund revenue is far greater than the growth in spending, the surplus of maternity insurance fund will enlarge gradually. While social insurance is included in the cost of the enterprises, the excessive balances of funds will virtually increase the burden of the enterprises, which is detrimental to the development of enterprises. The accumulation of excessive funds is also faced with the risk of devaluation in the case of inflation, and also the risk of misappropriation and embezzlement of funds when the management is not standardized.

#### *C. Maternity Insurance Supervision Being Lack of Standardized Management Mechanism Information*

As we mentioned above, there is a balance for the maternity insurance fund. Why, in the case of a balance, are there people from certain places complaining about the low level of protection? How is the balance dealt with? These remain unknown. This series of questions boil down to require the insurance fund to be transparency and be prevented from corruption, which will improve the situation of company's conflict exclusion psychology to the social security institutions owing to their inability to supervise the use of insurance funds. What's more, the lack of corresponding explicit stipulation and punishment system as its basis makes the unification of each enterprise's maternity insurance premiums suffer a great resistance. Meanwhile, there are still some areas existing the following issues, such as: the collection of funds is not paid in full amount, revenue accounting is not complete, expenses auditing is out of place and so on. This series of loopholes not only hinder the smooth implementation of local policies for the whole society, but also affect the employment rights of women to some extent, because many companies refuse to hire women or limit their rights for fertility, and again bring the unequal treatment to women.

#### *D. Maternity Insurance Systems Being Imperfect*

The current maternity insurance system has many flaws. Firstly, the employment protection for female workers is not in a very good specification, and female workers are not well protected for their legitimate rights and interests. Secondly, the treatment of fertility is also insufficient, for example, the maternity insurance policy implemented in Chongqing doesn't

clearly define the treatment of maternity allowance. The costs of the diseases caused by the maternity will be borne by the provisions of childbearing fund in Chongqing, but the clear disease selection criteria weren't established. Finally, the medical expenses payment for maternity insurance is unreasonable. The current system does not regulate the specific paid directories and rules, so there is no uniform standard for reimbursement, resulting in uncontrollable costs and tight fund.

#### *E. Government Being Lack of Responsibility for the Maternity Insurance System*

The government, as an important force in maternity insurance system, should play its leading role in the implementation, execution or supervision of the policy. For presence, the lack of government's macro-management of maternity insurance leads to the uneven development of each region in China. Benefits in economically developed areas is higher than that of the less developed regions, and the coverage in the East Midlands lags behind the western districts. Meanwhile, the government is in absence of its fiscal responsibility for the maternity insurance. At present, the maternity insurance costs in China incurred are borne by enterprises or units, individuals have no need to pay. If the government does not subsidize the enterprises for the maternity insurance and the cost of fertility can not get a balanced sharing, it will result in difficulties in payments in some enterprises or units, and is adverse to the realization of female workers' maternity insurance benefits.

### III. LEARNING FROM THE EXPERIENCES OF FOREIGN MATERNITY INSURANCE SYSTEM

#### *A. The Coverage of Maternity Insurance*

Referring to the relevant information, the maternity insurance coverage can be divided into the following three categories in the European and Asian countries which implemented the maternity insurance; the first one covers certain employees, such as Germany, France, India, etc.; the second one makes a coverage of all employees or residents, such as Sweden, Britain, Japan, Singapore, etc; the third one is beneficial for all the residents, such as Finland, South Korea[3]. The Social Security developed earlier abroad, especially in Europe and the United States. It is clearly defined which group is suitable for the maternity insurance in the relevant law, so the maternity insurance coverage level is relatively high as a whole.

#### *B. The Types of Maternity Insurance*

The coverage types of national maternity insurance vary in the countries implementing the maternity insurance. The maternity insurance coverage types around the world can be divided into the social insurance system, the system combined with the compulsory insurance and universal health care system, the system integrated with the employer liability system and social system and other types, like savings fund system, the insurance system, etc[4]. Each Country will target the implementation of maternity insurance system according to its own actual situation, and effectively protect women workers' rights and interests.

### C. *The Benefit Levels of Maternity Insurance*

In foreign countries, maternity insurance generally includes maternity, maternity grant, maternity allowance, health care, and child allowances. In terms of the insurance amount, the UK maternity insurance system pay female workers £ 100 per week, for those whose incomes are less than 100 pounds per week, they will get paid by 90% of their average weekly earnings; Austria, Luxembourg, the Netherlands, France pay the female workers as 100% of their salaries before pregnancy; female workers in Italian will get their maternity insurance according to 80% of their incomes, prenatal pay for two months, three months after childbirth; while Greece fertile women enjoy a maternity allowance for € 698.70, and other maternity cash benefits as 50% of their incomes; Women workers in Finnish will get 25% of their daily incomes as a maternity allowance on the basis of the monthly basic salary; the lower the annual income is, the higher the monthly increase of daily income is[5].

### D. *The Way to Raise Maternity Insurance*

For the fund-raising way of maternity insurance, most countries have adopted the way-the insured, employers and the government jointly share the burden; Austria provides maternity insurance fund sources as follows: “the Insured: wage earners pay at the 3.9% of their wages; salary employees pay as 3.7% of their salaries; pensioners pay by 4.35% of their pensions; employer: for wage earners, paying according to 3.5% of their total wage payment; for salary employees, paying according to 3.7% of their gross salary payments; government: bearing 70% of maternity cash grant[6].”

All in all, the foreign maternity insurance system is legislated at the first place and then is implemented, which makes all the details of implementing the maternity insurance under the regulation of law, in order to ensure the normative implementation of the system, and also protect the coverage of maternity insurance and benefit levels. It is impressive to implement full coverage maternity insurance system in some economically developed countries. It is worth mentioning that the maternity insurance system in foreign countries is led by their governments. The government has played an extremely important role in fund raising, regulation, and policy advocacy and so on, ensuring the smooth implementation of maternity insurance system, and bringing a full maternity protection for working women in their own countries.

## IV. LEARNING FROM THE EXPERIENCES OF THE FOREIGN COUNTRIES, PRESENTING SUGGESTIONS AND COUNTERMEASURES TO IMPROVE THE MATERNITY INSURANCE SYSTEM IN CHINA

The maternity insurance systems in various countries are built on the basis of specific national conditions in each country; Chinese social security system is also without exception. The establishment and improvement of it should be in line with Chinese economic development level and the relevant policies; so, it is detrimental for the maternity insurance system to blindly copy the foreign models. The <<Social Insurance Law>> was finally implemented on July 1, 2011, but there is still a long way to go to improve the maternity insurance system in China. The governments should play a leading role in

the maternity insurance with its authority in political and economic life, so as to effectively protect the basic rights of working women in China. Specifically, the government should act from the following aspects.

### A. *Expanding the Coverage of Maternity Insurance*

Maternity insurance gets a relatively slow development in all social insurance programs. Since the relevant policies are not introduced by the Chinese government, there are a considerable number of enterprises (particularly non-public enterprises) who have not participated in maternity insurance in the absence of coercive power. What's worst, some companies have direct provision in the labor contract which does not allow female workers to give birth to a baby during the contract period, making it difficult to implement the maternity protection of female workers in China. Therefore, the government should expand the coverage as much as possible. On the current situation, the government should encourage all employers to participate in maternity insurance, and then gradually expand it to other groups.

At the same time, it is also essential to correctly understand the nature of reproductive behavior of female workers. People can not simply classify the reproductive behavior as personal behavior, but it should be seen as a social act, beneficial for the state and the nation. Only with a correct understanding of it, can the enterprises be mobilized to participate in the maternity insurance enthusiastically. Moreover, if the enterprises and workers fully participate in maternity insurance, it will not only protect the interests of women workers during childbirth, but also is conducive to the standardization of business conducts, so as to prevent and reduce company's violations of legal rights and interests of women workers.

### B. *Strengthening the Fund Utilization and Improving the Benefits of Maternity Insurance*

The benefits of maternity insurance in lots of countries have met or exceeded the proposed standards of ILO's "Maternity Protection Convention". These standardizations specifically are: a long vacation; high proportion of maternity grants; and high allowances for children. At present, China still gets an excessive balance of maternity insurance fund yearly. It is particularly important to scientifically increase the expenditures of maternity insurance fund and improve the benefits of maternity insurance in line with national laws and regulations and adapting to the requirements of national social security policy.

Childcare system is one of the maternity insurance benefits. For the current situation in China, it is still a huge challenge to implement the childcare system. Most companies are not willing to let employees ask for a parental leave after enjoying the maternity leave. As is known to us all that the development of maternity insurance will undertake a long process, so that it is appropriate to consider the maternity insurance issue in consideration of long-term development of human society. Therefore, it is feasible and beneficial to establish the maternity insurance system. This will not only enable women to concentrate on bringing up baby after childbirth, but also lay a good foundation for them to adapt quickly after their reinstatement, which will also reduce the occurrence of gynecological diseases to some extent.

### C. *Strengthening the Fund Management and Increasing the Transparency of the Funds the Fund Utilization and Improving the Benefits of Maternity Insurance*

The management of social security fund has always been an awkward question. In recent years, "e-government" is widely used in the government affairs, so it should also be very simple to apply it into the management of the maternity insurance fund. The government should consider establishing a nationwide network of maternity insurance platform, which makes the provinces, autonomous regions and municipalities as the first main body, the city, county, town as the second main body, the villages, counties in the city as the third main body. Therefore, the insured person can find their own insurance information through inputting the basic data, and can also know the fund's investment and operation conditions. In this case, the insured person can directly serve as a part of the supervisory agencies to regulate the operation of the maternity insurance funds through the open platform—network, thus fundamentally strengthening the supervision.

### D. *Adhering to the Direction of Social Coordination of Maternity Insurance*

At present, the working women can participate in maternity insurance through the following way: the employers or the companies pay the insurance, and the individual workers don't need to pay any fees. In one hand, it increases the burden on the enterprises; on the other hand, it reduces the security stability. Therefore, it is necessary to learn from the foreign cost-sharing successful practices in maternity insurance by the employers, individuals and the Government, and to change the situation of bearing the maternity insurance only by the enterprises into the tripartite sharing by the enterprises, the individuals and the government[7]. The government should take the financial responsibility for the development of maternity insurance, gradually increase the proportion of fiscal expenditure on the maternity insurance and improve the maternity insurance benefits.

In the city and county where the co-ordination of the maternity insurance are maturer and maturer, development to a higher level of coordination should be taken into consideration. Ultimately, it will be realized that the maternity insurance fund is co-ordinated by the State Department of Human Resources and Social Security[8]. The higher the level of the social co-ordination and the socialization of the co-ordination of maternity insurance fund are, the stronger the ability of resisting risks and the function of regulating of the fund will be. But in the present situation of China, there are still lots of things to do for the social co-ordination of maternity insurance fund, and it is also imminent to gradually increase the social co-ordination level.

### E. *Intensifying the Propaganda*

Stepping up publicity efforts can not only make people get a through understanding of the content and principles of maternity insurance, but also help them to promote the development of long-term maternity insurance. The government departments can expand the participation scope of people and at the same time mobilize all the social forces to strengthen the universal education of the maternity insurance

and to improve its social recognition of the value of fertility levels by conducting the comprehensive, multi-level, multi-form education and social service activities. Such as, the social security department can regularly send relevant personnel to the community to carry out maternity insurance lectures, or regularly carry out some streets activities to explain the maternity insurance to the public. It should be noted that the activities should be held in regular times. If the activity is held very loosely and there is no fixed time for it, nothing will be achieved.

## V. CONCLUSION

Through conducting a research on the status and existing problems of Chinese maternity insurance system, it can be easily found out that there are still many problems in the development and promotion of maternity insurance. But these problems are partly caused by the imperfect law or policy the government department enacted, and mainly caused by the inadequate attention and insufficient implementation of the local governments. How to solve the existing problems is the first thing to do to develop the maternity insurance in China. It is firmly believed that the maternity insurance will be well developed as long as the government departments assume their respective responsibilities for the maternity insurance institution and pay more attention to the relevant laws and policies and also the supervision by each party. Only by doing so, can the maternity insurance in China achieve a long-term healthy development.

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