

Issues and Solutions Concerning Social Insurance in Shenzhen for Hong Kong and Macao Residents —from the Perspective of Talent Flow in Guangdong-Hong Kong-Macao Greater Bay Area

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Abstract—Whether Hong Kong and Macao residents employed in the Greater Bay Area can participate in social insurance and enjoy the social insurance treatment is a problem worthy of attention. However, previous studies on this topic remain largely outdated, fragmented, and theoretical. This study, taking Hong Kong and Macao residents working in Shenzhen as the research object, explores the social insurance laws and regulations applicable to them, as well as the current situation of their participation in social insurance in Shenzhen. Law interpretation and in-depth interviews are adopted as research methods. We found that Hong Kong and Macao residents working in Shenzhen face three types of barriers in participating social insurance: discrimination in treatment, restrictions in usage, and restriction in transition. Four solutions to the barriers are suggested: to protect workers' right to participate in social insurance in the form of legislation; to launch the voucher scheme to guarantee the healthcare and maternity treatment; to establish the mutual recognition of social insurance benefits, and to establish information exchange platform. The findings have policy implications for the development of social insurance, and offer guidance for collaboration with cities in the Greater Bay Area to promote talents flow and economic development.

Keywords—Hong Kong and Macao residents; social insurance; the Greater Bay Area; talent flow

I. INTRODUCTION

The Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area, issued by China in February 2019, proposes to “build a talent highland” in the Greater Bay Area, specifically, to create a more attractive environment for talent introduction and to implement a more active, open and effective policy for talent introduction. The promulgation of *The Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area* indicates that talents from Guangdong, Hong Kong and Macao will gather in the Greater Bay Area and form a Talent aggregation effect. According to the data released by “Survey report on cross-boundary travel survey” organized by the Planning Department of the Hong Kong Special Administrative Region, in 2017, the average daily number of Hong Kong residents travelling between Hong Kong and the mainland was 319,800, of which 14.4% went to

work in the mainland [1]. In addition, the most common destination of them is Shenzhen. Shenzhen, adjacent to Hong Kong and Macao, is the core city of the Greater Bay Area. In recent years, it has become a popular choice for Hong Kong and Macao people to run their own businesses or get employed. Upon entering the “Greater Bay Area Era”, such exchange and cooperation will be further strengthened. More and more Hong Kong and Macao talents will be employed in Shenzhen, and the employment outside the native places is also continuously prolonged. As an important part of social policy, the social insurance policy concerning how to protect the social rights and interests of Hong Kong and Macao residents in Shenzhen has become an important issue that cannot be ignored. On the other hand, as the “pilot area” of a socialist market economy, Shenzhen has been at the forefront of China in the reform and development of its social insurance system. Are Shenzhen's social security regulations advanced and comprehensive enough to guarantee the rights and interests of Hong Kong and Macao employees? If there are still deficiencies of the social security policy, what should we do to carry out the policy better?

In view of this, this study, taking Hong Kong and Macao residents working in Shenzhen as the research object, begins by exploring the social insurance laws and regulations applicable to them and the current situation of their participation in social insurance in Shenzhen. Then the obstacles they face will be summarized and the study puts forward four suggestions for further development. It is aimed to provide an institutional reference for the smooth flow of talents in the Greater Bay Area, which is conducive to driving the sustainable economic development in the Greater Bay Area.

II. LITERATURE REVIEW

Scholars from mainland China, Hong Kong and Macao have already done some researches on this issue. The existing researches mainly focus on the following two aspects.

On one hand, some researchers concentrated on the work and life situation of Hong Kong and Macao residents in the mainland. These researches slightly mentioned the restrictions

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on Hong Kong and Macao residents' participation of social insurance premiums in the mainland. G. Wang [2], based on the current situation of young people from Hong Kong and Macao who have moved to the mainland for employment, put forward suggestions to promote the flow of young people from Hong Kong and Macao to the mainland from the views of policy reform, economic development and cultural exchange. S. Y. Zhou [3], from the perspective of legislation, provided a legal construction path for how to protect the rights and interests of cross-boundary employees in Guangdong, Hong Kong and Macao. Z. D. Zhang [4], with the method of law analysis, analyzed the restrictions that Hong Kong and Macao people encounter in the employment in the mainland, especially in Xiamen, which are different from those of mainland residents.

On the other hand, some researchers focused on exploring how to improve social insurance systems by comparing systems in different places. From 2010 to 2012, "The Research Group on Scalable Study of Endowment Insurance across the Mainland, Hong Kong, Macau and Taiwan" put forward constructive proposals on increasing the portability of pensions based on comparative studies [5]. Although the social insurance policies concerning Taiwan, Hong Kong and Macao promulgated by mainland China were discussed, this research is out of date and the policies involved have been developed. Moreover, it mainly focused on the field of the pension system and failed to discuss other related social insurance fields. W. D. Wu and Z. C. Shuai [6] mainly focused on how to solve the convergence of retirement protection for those people involving cross-boundary employment. By analyzing the homogeneity and heterogeneity of retirement protection systems in Guangdong, Hong Kong and Macao, they discussed the main obstacles preventing the convergence of retirement protection systems and put forward the overall framework of the convergence scheme. X. Y. Zhang made a comparative study of the medical insurance systems in Guangdong and Hong Kong, and provided suggestions for improving Guangdong's medical insurance system [7]. X. Su and L. Y. Wang did the researches on wider area [8-9]. They have made a macro comparison of the social security systems in Guangdong, Hong Kong and Macao respectively, and put forward suggestions from the perspective of improving the

social security system in Guangdong. K. H. Zeng [10] put forward some enlightening suggestions to promote the free flow of talents in the Greater Bay Area by studying the policies and measures implemented in the integration of the European Union.

In general, the focus and research methods of past researches have following characteristics: (1) The emphasis of the researches are mainly placed on the endowment insurance and medical insurance, neglecting other social insurance fields; (2) Lack of research on new policies of the state and Shenzhen; (3) Lack of research on the difficulties encountered by Hong Kong and Macao personnel in participating in the social insurance; (4) Lack of in-depth study on specific solutions.

Therefore, based on the phenomenon of increasing number of Hong Kong and Macao residents working in Shenzhen, this study adopts the research methods of law interpretation and in-depth interviews to analyze the difficulties encountered by Hong Kong and Macao residents in the process of participating in social insurance in Shenzhen and to discuss the suggestions of improving the social insurance system.

III. RESEARCH METHODS AND DATA COLLECTION

The following three questions need to be answered in this study: (1) What are the social insurance laws and regulations that Shenzhen is implementing involving Hong Kong and Macao employees? What are the contents of these laws and regulations? (2) What are the problems encountered regarding social insurance by Hong Kong and Macao residents who are employed in Shenzhen? (3) What can be done to solve these problems? Through the interpretation of the regulations, this study first analyzes the social insurance laws and policies of the state, Guangdong province as well as Shenzhen city concerning Hong Kong and Macao personnel, thus makes a preliminary understanding about their social insurance participation status in Shenzhen. It helps to answer the first question and partly answer the second question. Also, the step of regulations interpretation helps to provide a reference basis for the selection of interviewees in the next step. The following table shows the social insurance laws and policies reviewed in this study.

TABLE I. SOCIAL INSURANCE LAWS AND POLICIES INVOLVING HONG KONG AND MACAO PERSONNEL AT THE NATIONAL LEVEL

Level	Name	Year	Valid or not
State	<i>Interim Regulations on the Collection and Payment of Social Insurance Premiums</i>	Issued in 1999 and revised in 2019	Yes
	<i>Unemployment Insurance Regulations</i>	1999	Yes
	<i>Provisions on the Administration of the Employment of Taiwan, Hong Kong and Macao Residents in the Mainland</i>	2005	No
	<i>Notice on Implementing 'Provisions on the Administration of the Employment of Taiwan, Hong Kong and Macao Residents in the Mainland</i>	2005	No
	<i>Decision of the State Council on Perfecting the Basic Endowment Insurance System for Enterprise Employees</i>	2005	Yes
	<i>Notice on the Transfer and Continuation of the Basic Pension Insurance Relations of Urban Employees</i>	2009	Yes
	<i>Social Insurance Law</i>	2010	Yes
	<i>Regulations on Employment Injury Insurance</i>	Issued in 2010 and revised in 2018	Yes
	<i>Decision of Abolishing Provisions on the Administration of the Employment of Taiwan, Hong Kong and Macao Residents in the Mainland</i>	2018	Yes
	<i>Interim Measures for Hong Kong, Macao and Taiwan Residents to Participate in Social Insurance in Mainland China (Draft for Comments)</i>	2018	Yes

TABLE II. SOCIAL INSURANCE LAWS AND POLICIES INVOLVING HONG KONG AND MACAO PERSONNEL IN GUANGDONG PROVINCE

Level	Name	Year	Valid or not
Guang-dong Province	<i>Regulations on Employment Injury Insurance In Guangdong Province</i>	Issued in 1998, revised for the first time in 2004 and revised for the second time in 2011	Yes
	<i>The Interim Measures of Guangdong Province for the Transfer and Continuation of Endowment Insurance Relations within the Province</i>	2008	Yes
	<i>Provisions of Guangdong Province on Maternity Insurance for Employees</i>	2015	Yes
	<i>Opinions on Perfecting Pension Insurance Measures for Hong Kong, Macao and Taiwan Residents in Guangdong Province (Draft for Comments)</i>	2019	Yes

TABLE III. SOCIAL INSURANCE LAWS AND POLICIES INVOLVING HONG KONG AND MACAO PERSONNEL IN SHENZHEN

Level	Name	Year	Valid or not
Shenzhen	<i>Notice on Issues Concerning Taiwan, Hong Kong and Macao Personnel's Employment and Participation in Social Insurance in Shenzhen</i>	2005	No
	<i>Notice on the Implementation of the Regulations on Social Pension Insurance in Shenzhen</i>	2011	Yes
	<i>Provisions on Unemployment Insurance in Shenzhen</i>	Issued in 2012 and revised in 2015	Yes
	<i>Provisions on Endowment Insurance in Shenzhen</i>	2013	Yes
	<i>Measures on Medical Insurance Management in Shenzhen</i>	2013	Yes
	<i>Rules for the Implementation of the Regulations on Social Pension Insurance in Shenzhen</i>	2014	Yes
	<i>Notice on the Payment of Medical Insurance Premium by the Employment Injury Insurance Fund for Retirees with Grade I to Grade IV Employment Injury Disability</i>	2014	Yes
	<i>Trial Measures for Supplementary Medical Insurance for Severe Diseases in Shenzhen</i>	2015	Yes
<i>Measures for the Implementation of the Provisions on Maternity Insurance for Employees in Guangdong Province</i>	2015	Yes	
<i>Notice on Issues Related to Social Insurance for Overseas High-level Talents and Hong Kong, Macao and Taiwan Personnel in Shenzhen (Draft for Comments)</i>	2018	Yes	

Secondly, three types of interviewees are selected for the in-depth interviews: (1) Hong Kong and Macao residents employed in Shenzhen; (2) the human resource officials of the organizations that employ Hong Kong and Macao residents; (3) Staff of the Social Security Department of Shenzhen government. A total of 10 in-depth interviews are conducted, with an average length of 40 minutes per person. The contents of the interview include the types of insurance that Hong Kong and Macao residents participated, their willingness to participate in the insurance, the factors affecting their willingness to participate and the obstacles they encountered.

IV. RESEARCH RESULTS

A. Rights and Conditions for Hong Kong and Macao Residents to Participate in Social Insurance

Through the interpretation of the regulations, we find that the *Social Insurance Law* promulgated in 2010 does not clearly stipulate whether Hong Kong and Macao residents shall participate in social insurance. The *Provisions on the Administration of the Employment of Taiwan, Hong Kong and Macao Residents in the Mainland* (hereinafter referred to as the "Provisions of 2005"), which was promulgated by the former Ministry of Labor and Social Security in October 2005, stipulates the norms for Hong Kong and Macao personnel to participate in social insurance in the mainland for the first time. As stipulated in Article 11, employers shall sign labor contracts with the Hong Kong and Macao personnel they employ, and pay social insurance premiums in accordance with the provisions of the *Interim Regulations on the Collection and Payment of Social Insurance Premiums*. The

Notice on Implementing "Provisions on the Administration of the Employment of Taiwan, Hong Kong and Macao Residents in the Mainland" issued in the same year stipulates that all provinces, autonomous regions, and directly governed city region shall, in accordance with the requirements of the *Regulations on the Collection and Payment of Social Insurance Premiums and Regulation on Employment Injury Insurance*, improve the way that Hong Kong and Macao personnel pay social insurance premiums. Moreover, social insurance departments are required to open individual accounts of basic pension for insured Hong Kong and Macao personnel, which will remain unchanged for life. As so far, this is the basic norm for Hong Kong and Macao personnel to participate in social insurance in the mainland.

"Provisions of 2005" only puts forward the principle request to the Hong Kong and Macao personnel participating in social insurance in the mainland. Therefore, the former Ministry of Labor and Social Security of Shenzhen has launched the *Notice on Issues Concerning Taiwan, Hong Kong and Macao Personnel's Employment and Participation in Social Insurance in Shenzhen* according to local conditions. This notice regulates that Hong Kong and Macao residents working in Shenzhen could only participate in social insurance after obtaining an employment permit. In the meantime, it is stipulated that Hong Kong and Macao personnel working in Shenzhen can participate in three kinds of insurance only as non-Shenzhen household registered employees: endowment insurance, medical insurance and work injury insurance. With the continuous improvement of the policies, it is now more convenient for Hong Kong and Macao residents to participate in social insurance in Shenzhen. Also, their social insurance

coverage is broader. For example, Hong Kong and Macao employees do not need an employment permit to participate in social insurance any longer. What's more, they have to manage the insurance issues in the social insurance department before, but now they can complete this by the online system. In addition, the original three types of insurances have also increased to five, covering endowment insurance, medical insurance, unemployment insurance, work injury insurance and maternity insurance.

Even though some progress has been made, all the Hong Kong and Macao residents we interviewed said that they have problems to fully obtain the social insurance benefits, which caused a lot of inconvenience and affected their willingness to continue to work in Shenzhen.

B. The situation of Hong Kong and Macao residents participating in social insurance in Shenzhen

Through sorting out relevant laws and regulations as well as interview results, this part analyzes the social security barriers encountered by Hong Kong and Macao residents employed in Shenzhen from the five categories of insurance: endowment insurance, medical insurance, unemployment insurance, work injury insurance and maternity insurance. In summary, the barriers are mainly manifested in the following three aspects: discrimination in treatment, restrictions in usage and restriction in transition.

1) Endowment insurance.

The *Rules for the Implementation of the Regulations on Social Pension Insurance in Shenzhen* implemented in 2014 stipulates that Hong Kong and Macao personnel employed in Shenzhen can get endowment insurance. Once reaching retirement age and satisfying the fixed number of years of contribution, they will be in receipt of a pension. However, Hong Kong and Macao personnel employed in Shenzhen are restricted by their age to participate in the endowment insurance: those who reach the age of 50 for women and 60 for men cannot participate in the social endowment insurance. While this rule may be trivial for other industries, it has an impact on research institutions and universities in Shenzhen, according to some human resource officials at universities. In some cases, the high-level talents to be introduced are too old to attend social insurance, so the school can only compensate them by offering commercial insurance. Compared to the female professors from the mainland who can have social insurance to the age of 60, the age limitation is a discrimination in treatment. This rule is apparently not conducive to the smooth flow of high-level talents within Shenzhen, Hong Kong and Macao.

Additionally, the endowment insurance has restriction in transition for Hong Kong and Macao personnel. Under existing rules, endowment insurance and pensions can only be transferred within Guangdong province. *The Interim Measures of Guangdong Province for the Transfer and Continuation of Endowment Insurance Relations within the Province* regulates that "When the insured person meets the requirements for getting pension, the pension is calculated in sections and paid according to the fixed number of years of contribution and average premium level of the insured person in different

places within the province. Annual adjustment of pension is carried out based on the standard of the city where the person attends the endowment insurance for the last time." This regulation means that if a Hong Kong and Macao resident works in different cities in Guangdong province, he or she can transfer the endowment insurance and receive pension when retiring in any city in Guangdong province. However, if they retire in Hong Kong and Macao, endowment insurance cannot be transferred to these two cities. Article 38 of the *Rules for the Implementation of the 'Regulations on Social Pension Insurance in Shenzhen* stipulates that if Hong Kong and Macao residents leave the mainland before reaching the stipulated pension-receiving age, their personal endowment insurance account will be retained, and their number of years of contribution will be calculated cumulatively when they come to work in the mainland again. Moreover, if the insured person applies for the termination of social insurance, deposit in the personal endowment insurance account will be withdrawn in a lump-sum. In other words, the endowment insurance of Hong Kong, Macao and the Guangdong Province cannot be identified and transferred for the time being, which means the mobile talents within the Greater Bay Area have no retirement security.

In the process of interview, we find that because the endowment insurance has the characteristics of "delayed fulfillment", coupled with the discrimination in treatment and the restriction in transition, the Hong Kong and Macao residents working in Shenzhen face a dilemma: those who want to get the endowment insurance are unqualified, while those who are qualified have low willingness. On one hand, Hong Kong and Macao residents who plan to retire in Shenzhen worry that they will not be able to buy the endowment insurance when they are 50 or 60 years old. It may lead failure of getting pension after they retire in Shenzhen because they have not met the fixed number of years of contribution. On the other hand, for Hong Kong and Macao residents who do not plan to retire in Shenzhen or have not yet decided where to retire, endowment insurance is useless. Instead, monthly payment of endowment insurance will become an additional expense without future return, so they are unwilling to pay the insurance or pay at a low base amount.

2) Medical insurance.

Measures for Social Medical Insurance in Shenzhen stipulates that Hong Kong and Macao residents who work in Shenzhen can enjoy the same medical insurance benefits as the insured workers from the mainland in the designated medical institutions.

However, Hong Kong and Macao residents are limited in their use of medical insurance. The medical insurance fund does not grant to pay the expenses occurred when the insured person seeks medical treatment outside the mainland. This means that if the insured person gets treatment and hospitalization in Hong Kong and Macao, these medical expenses will not be covered. This is the restrictions in usage.

Like endowment insurance, there are two restrictions in transition on medical insurance for Hong Kong and Macao residents. If the insured person is employed inter-regionally in Guangdong province, there will be no problem in the medical

insurance transition. However, if the insured person is employed in Hong Kong or Macao, the medical insurance cannot be normally renewed, and they can only withdraw their individual account balance in a lump-sum. Similarly, according to the *Measures on Medical Insurance Management in Shenzhen*, the medical insurance cannot be normally transferred if they retire in Hong Kong or Macao. They can only receive a lump sum of their personal account balance.

All Hong Kong and Macao residents interviewed said that because medical insurance is closely related to their daily lives, they hope the medical insurance in Shenzhen, Hong Kong, Macao and even the Greater Bay Area will be incorporated into one system for management as soon as possible. It is important to ensure the required medical services can be quickly acquired in any part of Shenzhen, Hong Kong and Macao by using one social security card or medical security card, they suggested.

3) Maternity insurance.

The *Measures for the Implementation of the Provisions on Maternity Insurance for Employees in Guangdong Province by Shenzhen Human Resources and Social Security Bureau* stipulates that Hong Kong and Macao residents working in Shenzhen are able to enjoy maternity insurance benefits, which cover reproductive medical expenses and maternity allowance, as long as they have participated in maternity insurance for one year. Reproductive medical expenses refer to various reproductive medical costs and the cost of prenatal examination. The medical expenses can be paid by the maternity fund according to the standard and be settled directly by social insurance department as long as they are produced in a qualified hospital in the mainland. The *Measures* simplifies the expense reimbursement procedures and facilitates the insured to seek medical treatment. However, the expenses for medical treatment and childbirth in Hong Kong and Macao are not covered by the maternity insurance. In this respect, there are still restrictions in the usage of maternity insurance.

Maternity allowance refers to the living expenses given to professional women during their leave from work due to childbirth as stipulated by national laws and regulations. There is no discrimination in treatment of maternity allowance. The policy stipulates that women who give birth in anywhere can get the allowance. However, there are restrictions in usage of maternity allowance. The staff of the government’s social security department pointed out that to be line with the policy of birth-control in the mainland, Hong Kong and Macao personnel enjoy maternity allowance up to twice for childbirth, although the *Measures for the Implementation of the Provisions on Maternity Insurance for Employees in Guangdong Province* does not clearly stipulate it. Because Hong Kong and Macao have not implemented the birth-control policy, Hong Kong and Macao residents who work in Shenzhen can have a child as they wish. But they will face restrictions in usage on maternity allowance if they have more than two children.

4) Employment injury insurance.

Workers from Hong Kong and Macao who participate in the work injury insurance enjoy the benefits in accordance

with the *Regulations on Employment Injury Insurance*. This regulation only requires employers and employees should participate in work injury insurance, and does not differentiate the treatment between employees in Hong Kong and Macao and employees in the mainland.

However, compared with mainlanders, Hong Kong and Macao residents may intent to return to their native place for treatment and recuperation in case of work injury, which may have an impact on their treatment expense reimbursement, and the disability allowance. This means that there are also restrictions in the usage of work injury insurance. At present, there is no policy promulgated by the state, Guangdong province or Shenzhen city to deal with this problem.

5) Unemployment insurance.

There are no special provisions for Hong Kong and Macao workers who attend unemployment insurance to receive benefits. Like the workers in the mainland who participate in unemployment insurance, they need to accord with the following three conditions: 1) they need to buy the unemployment insurance for more than one year; 2) they leave the jobs due to reasons beyond their control; 3) unemployment registration has been signed. Nevertheless, it should be noted that once Hong Kong and Macao workers move out of the mainland, they can no longer enjoy unemployment insurance benefits.

The table below summarizes the types of barriers encountered by Hong Kong and Macao residents in participating in the five categories of social insurance.

TABLE IV. BARRIERS ENCOUNTERED BY HONG KONG AND MACAO RESIDENTS IN PARTICIPATING IN THE FIVE CATEGORIES OF SOCIAL INSURANCE

Categories	Discrimination in treatment	Restrictions in usage	Restriction in transition
Endowment insurance	√	√	√
Medical insurance		√	√
Maternity insurance		√	
Work injury insurance		√	
Unemployment insurance			√

C. The problems of the social insurance laws and policies concerning Hong Kong and Macao personnel in Shenzhen

1) Low level regulations and lack of references from the higher law.

The “Regulations of 2005”, as the basic policy for Hong Kong and Macao personnel to participate in social insurance in the mainland, is only a departmental regulation. As the basic law in the field of social insurance, the *Social Insurance Law* enacted in 2011 almost clearly defines all aspects of social insurance issues, yet it does not legally define whether Hong Kong and Macau people working in mainland China have access to social insurance. Meanwhile, the *Social Insurance Law* does not explicitly authorize the social insurance administrative department to formulate regulations involving people from Hong Kong or Macau. It makes it

difficult for the social insurance administrative department to quote the basis which can be directly cited from the *Social Insurance Law* when formulating the regulations on the social insurance of Hong Kong and Macao personnel in the mainland.

In terms of the regulation on the social insurance transition, the *Social Insurance Law* stipulates that if individuals are employed across the co-ordination area, their endowment insurance, medical insurance and unemployment insurance shall be transferred with themselves, and the number of years of contribution is calculated cumulatively. However, there is no clear policy guidance on whether this provision can be applied to Hong Kong and Macao personnel who participate in social insurance in the mainland and change their job cross border.

2) *Laws and policies lack coordination and fail to achieve cross-border convergence.*

Connecting the mainland and Hong Kong and Macao social insurance systems is complicated because of the difference among the systems. It is difficult to construct Guangdong-Hong Kong-Macao Greater Bay Area because it is built within the scope of one country, two systems, and three currencies, which has resulted in various systems in Hong Kong, Macao and Guangdong incompatible. That the social insurance in Shenzhen, Hong Kong and Macao cannot achieve cross-border connectivity is the most typical representative of this. This leads to the issues of the discrimination in treatment, restrictions in usage and restriction in transition mentioned above. From the perspective of management, there are some specific difficulties in dealing with the transition of social insurance between Shenzhen, Hong Kong and Macao: The first one is institutional differences. The three regions have different political systems and different social insurance systems, leading to great differences in management, which makes it difficult to renew the social insurance in Shenzhen, Hong Kong and Macao. Secondly, the levels of economic development are inconsistent and many problems need to be solved. For example, how to adjust the different payment rates and social insurance bases in Shenzhen, Hong Kong and Macao? How to solve the problem of receiving social insurance benefits in different places? Can both the fund of social pooling accounts and personal accounts be “portable”? How to connect? Finally, how to achieve fairness in different places is a question worthwhile studying.

V. SUGGESTIONS ON PERFECTING THE SOCIAL INSURANCE LAWS AND POLICIES CONCERNING HONG KONG AND MACAO PERSONNEL

When moving within the Guangdong-Hong Kong-Macao Greater Bay Area for work, Hong Kong and Macao residents need corresponding laws and policies to protect them from risks such as disease, disability, work injury, unemployment, old age and death. Of course, this requires a joint effort by the cities of Greater Bay Area to make joint efforts. Here are a few specific suggestions on how to improve social insurance laws and policies involving Hong Kong and Macao.

A. *Developing the higher law to solve the problem of discrimination in treatment.*

Equal treatment issues involve policies in higher law and cannot be solved unilaterally only by local governments. In this regard, the central government may consider setting up a special work team to promote this work. For example, some provisions of *Social Insurance Law* should be timely revised. As a basic law regulating social security affairs, the *Social Insurance Law* does not clearly stipulate the insurance participation of Hong Kong and Macao personnel in the mainland, which is not conducive to improving the social insurance laws and policies concerning Hong Kong and Macao in the Greater Bay Area, and also hinders the smooth flow of talents in the Greater Bay Area. Therefore, it is recommended to amend and improve the relevant provisions of the *Social Insurance Law* in two aspects. Firstly, develop the content of employment and insurance participation of Hong Kong and Macao personnel in the Greater Bay Area. Secondly, explicitly authorize the social insurance administrative department of the State Council to be responsible for formulating measures concerning employment and insurance participation of Hong Kong and Macao personnel in the Greater Bay Area and mutual compatibility of social security in the Greater Bay Area.

At the same time, measures for Hong Kong and Macao personnel to participate in social insurance in the mainland under the framework of the *Social Insurance Law* shall be formulated as soon as possible. It is known that the Ministry of Human Resources and Social Security recently announced *Interim Measures for Hong Kong, Macao and Taiwan Residents to Participate in Social Insurance in Mainland China* and solicited public opinions. The *Measures* stipulates that Hong Kong and Macao personnel employed in the mainland should participate in five basic social insurances: endowment insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance. Employers and employees should pay social insurance premiums according to the regulations. Although the measures have not been issued and the specific terms are not known yet, it is suggested that the formulation of the rules should be based on the protection of the insured’s rights and interests. For example, the age limit for Hong Kong and Macao personnel to participate in social insurance should be made the same as that for mainlanders, so as to reduce the discrimination in treatment.

B. *Using medical vouchers and maternity vouchers to address the problem of restrictions in usage.*

This can refer to the Elderly Health Care Voucher Scheme of Hong Kong, which has been implemented since 2009. It aims to subsidize eligible elderly people in Hong Kong to use private medical services suited to their needs. Elderly persons in Hong Kong who have attained the age of 65 and hold a valid Hong Kong identity card or a certificate issued by the immigration department of the Hong Kong are eligible to join the scheme. Each eligible senior citizen is entitled to an annual amount of HK \$2,000. The amount of unused vouchers can be accumulated in subsequent years but the maximum is HK \$8,000. In 2015, the University of Hong Kong-Shenzhen

Hospital became the first pilot hospital in the mainland to accept Elderly Health Care Voucher Scheme. Eligible Hong Kong elders can use the vouchers to pay for outpatient medical care services provided by designated departments of the University of Hong Kong-Shenzhen Hospital, making it convenient for Hong Kong elders living in Shenzhen, and also other cities in the Greater Bay Area, to seek medical treatment.

It is recommended that Shenzhen, Hong Kong and Macao governments implement some voucher Scheme and issue medical and maternity vouchers to eligible residents. These vouchers are applicable in designated hospitals in Shenzhen, Hong Kong, Macao or the Greater Bay Area. Meanwhile, we suggest that there should be some agreements within governments and hospitals of Shenzhen, Hong Kong and Macao for pilot partnerships, so that eligible residents can enjoy convenient medical services in anyone among these three cities. The partnerships can be extended to the whole Greater Bay Area in due time. Vouchers are issued and declared through the electronic platform. Hospitals in different cities will declare the use of vouchers and the usage records of accounts will be timely updated. After the completion of the declaration, the hospitals will print the voucher balance record for the user for preservation. Since the currency exchange rates are different among the Greater Bay Area cities, the voucher can be calculated according to the monthly conversion rate of each local government. Finally, it is advised to expand the use of medical vouchers or maternity vouchers, not only for outpatient care services, but also for hospitalization care.

C. Taking the following scheme to connect the systems and solve the problem of restriction in transition: pay in workplaces, record and calculate separately, settle accounts within the Greater Bay Area

Because there are certain economic gaps between cities in the Greater Bay Area, considering that transferring the amount of the social security fund account is not mature at present, it is possible to mutually recognize the fixed number of years of contribution of the insurance and establish insurance funds in various places without transferring the fund. Take endowment insurance as an example. When workers move within Shenzhen, Hong Kong and Macao, they do not carry endowment insurance fund but only carry endowment insurance account. The pension is accumulated by endowment insurance benefits in different places, and is paid separately according to the local average salary. In short, Shenzhen, Hong Kong and Macau carry out the coordinated payment of the endowment insurance system as the community of the Greater Bay Area. The workers carry the pension insurance account with them when they move. It is the in-flow areas and out-flow areas that pay social insurance benefits to the workers respectively according to their social insurance contribution rate in various places. The final pension will be accumulated by local pensions. The scheme is applicable to the future floating employment of workers in the talent era in the Greater Bay Area.

D. Establishing an information exchange platform to achieve integrated management.

One of the obstacles to the social insurance transition within the Greater Bay Area is the information asymmetry and the complexity of various transfer procedures. Resource and information sharing are very important technical components for social insurance transition. It is necessary to establish a unified social insurance institution information platform and a social insurance participation payment information inquiry service system as soon as possible, and a universal social security card should be issued to achieve integrated management.

VI. CONCLUSION

The smooth flow of talents in the Guangdong-Hong Kong-Macao Greater Bay Area is an inherent premise for a better future. Whether talents from Hong Kong and Macao can normally participate in social insurance and enjoy social insurance benefits across the border in the Greater Bay Area directly affects the talent flow. This is an urgent problem that the Greater Bay Area is facing. The main work of this research is as follows: Firstly, it sorts out the social insurance regulations and policies related to Hong Kong and Macao personnel in the mainland, Guangdong province and Shenzhen city. Then it points out those problems such as the lack of superordinate law and no clear rules in the current policies should be addressed by developing the higher-order law. Secondly, through in-depth interviews with different people, we conclude that the social insurance barriers encountered by Hong Kong and Macao residents working in Shenzhen are mainly manifested in three aspects: discrimination in treatment, restrictions in usage, and restrictions in transition, which are also analyzed from five different types of social insurance one by one. Thirdly, it puts forward a more objective and feasible countermeasure for ensuring that Hong Kong and Macao personnel to participate in social insurance normally and get social security benefits: to protect workers' right to participate in social insurance in the form of legislation; to establish the mutual recognition of social insurance benefits, and to establish an information exchange platform.

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