



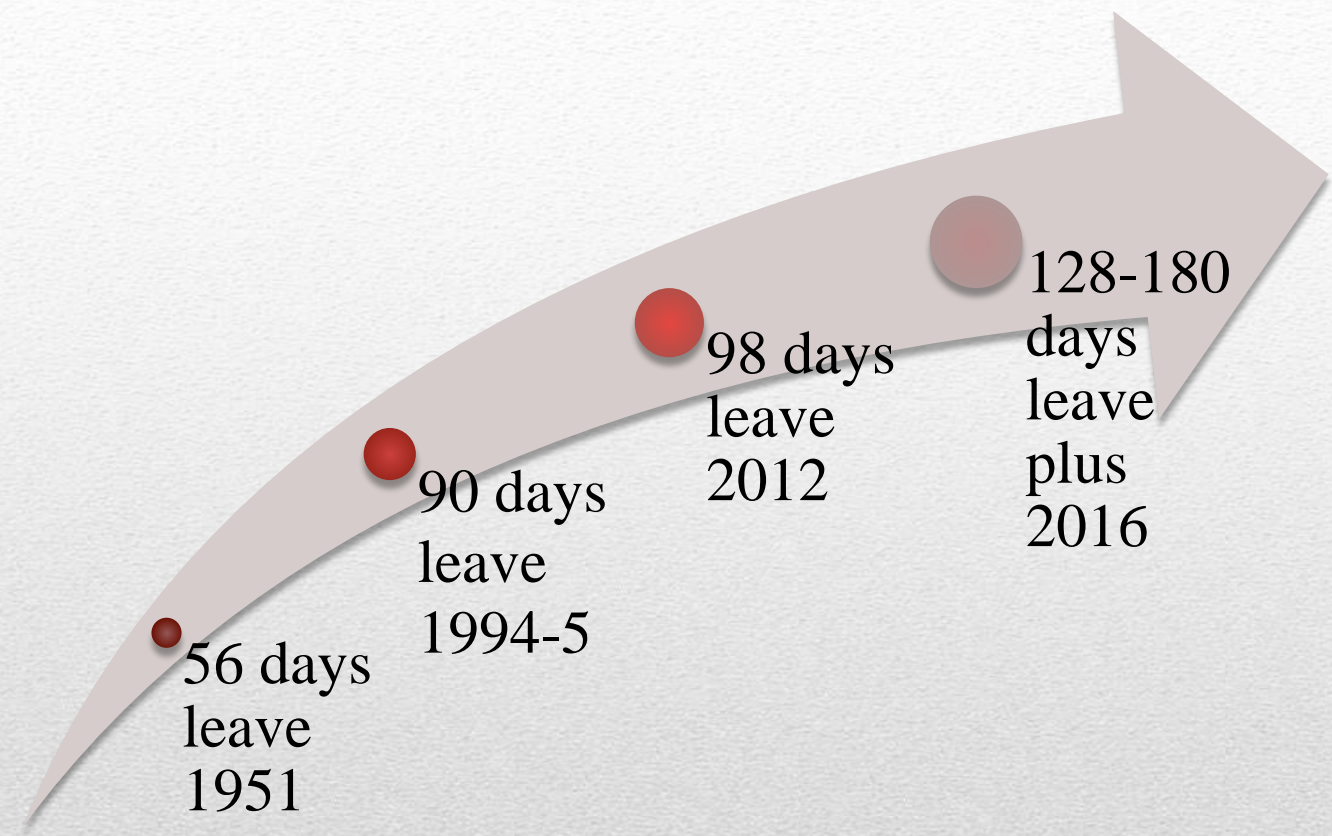
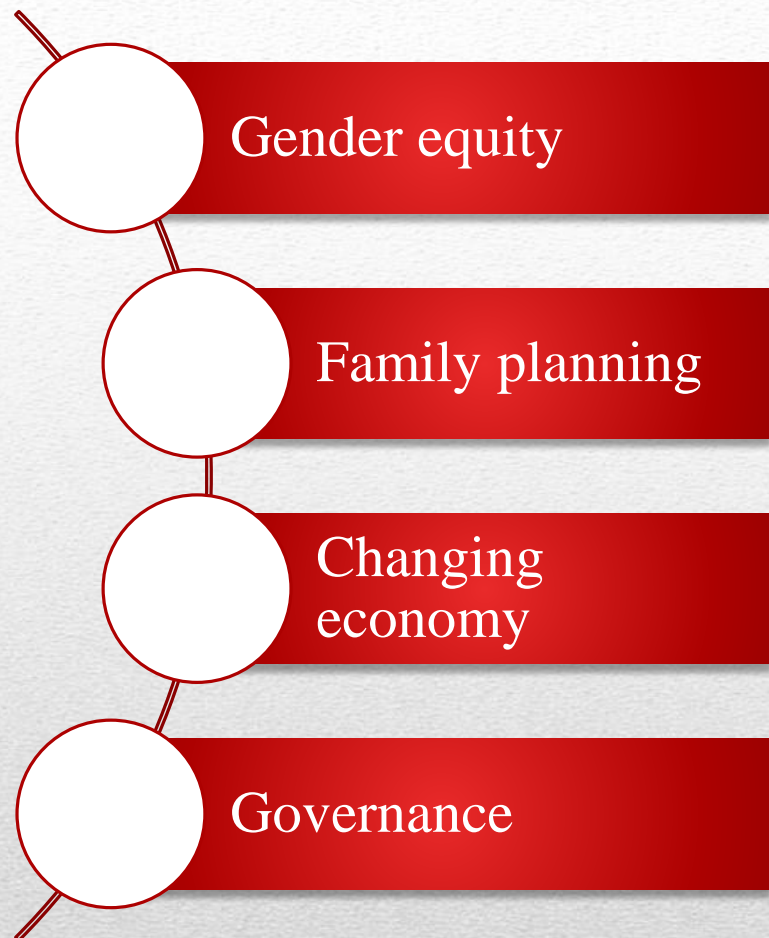
Evolving Leave Policy in China

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- Context
 - 3 Main Periods
 - Maoist China
 - Post Maoist
 - Current Reforms
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Evolving Leave Policy in China – a tangled tale

- Responsibility to the family important factor in China.
- Transformation from a state planned-economy to market-economy beginning in early 1980s.
- 3 decades ago China was one of the poorest countries in the world and is now regarded as the second-largest economy in the world after the United States.
- From 2000-2015, lifted more than 800 million people out of poverty.
- Unforeseen social consequences associated with a market-oriented economy, such as income inequality and disparity. Gini .55
- Significant regional disparities and rural-urban gap drive inequalities in China.

Context



Economic production was transferred from private to public entities and all industry was nationalized by 1955.

By the 1960s the combination of poor government planning, unusual weather patterns and natural disasters left widespread famine and millions of deaths.

Maoist China

Urban

Danweis (work units) offer comprehensive welfare packages and moderate living wages to able-bodied, urban Chinese citizens.

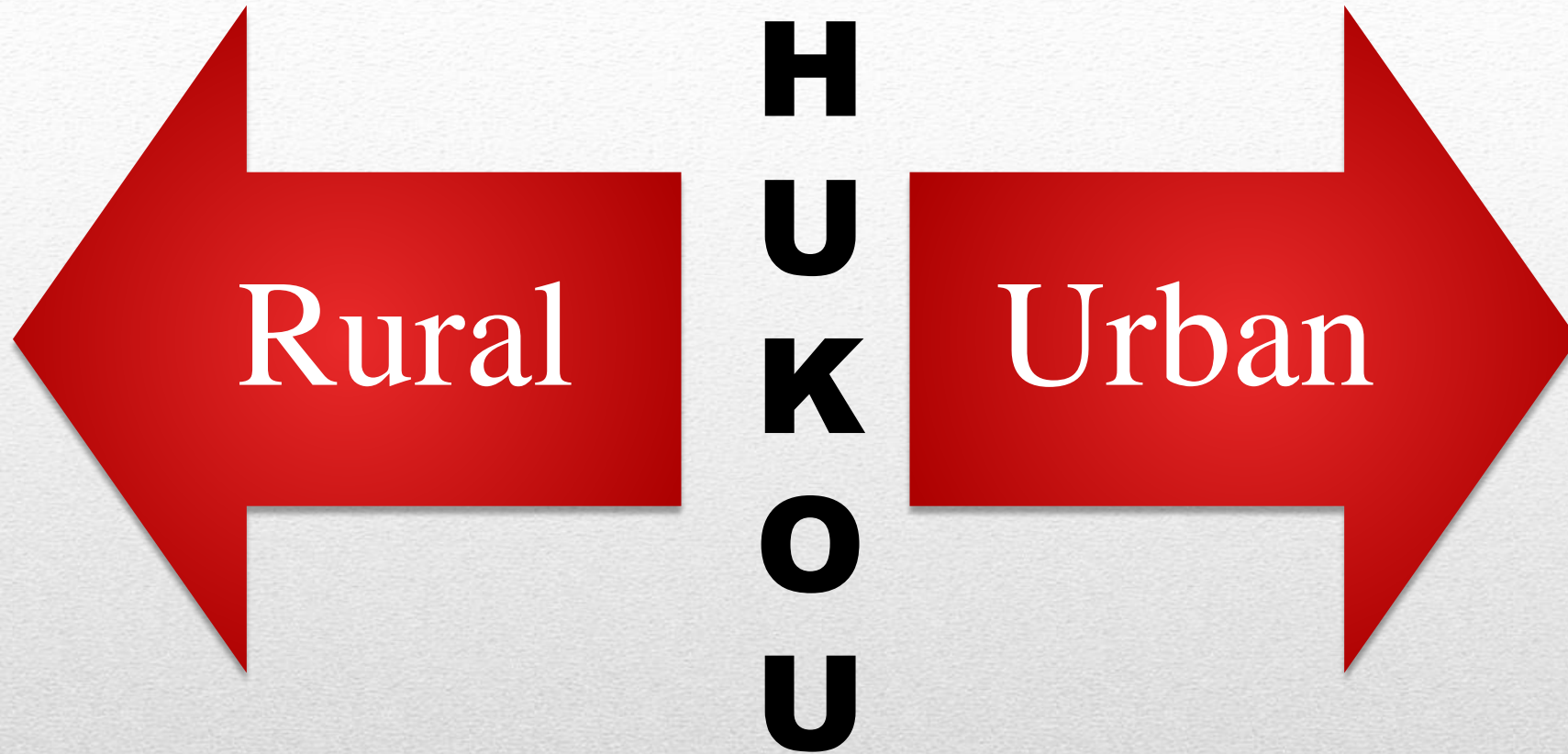
3 basic elements: job tenure (iron rice bowl), an egalitarian wage (big rice pot) and a welfare package (e.g. housing benefits, health care).

Rural

- Communes provide farmers and their families with basic needs in return for their labor.
- 5 guarantees: food, clothing, housing, medical care and burial expenses - funded by rural collectives and subsidized by the government for the most vulnerable groups.

Maoist China

highly stratified social welfare system in China favoring urban and highly skilled labor over rural and low skilled labor



Establishment of the hukou system in 1958 reinforced urban-rural division. Chinese local governments approve any internal migration within China and social supports were only available from the area in which one is registered.

- Built on socialist ideals and greatly influenced by the USSR, the newly founded PRC sought to end centuries of male hegemony and foster female labor participation and equality.
- Gender equality was prioritized by the state, and women were equally appointed to leadership positions and agricultural collectives with men
- Labor Insurance Regulation in 1951 included maternity insurance for the first time in modern Chinese history.
 - 56 days (8 weeks) of paid maternity leave to employees of enterprises state organs and public institutions to be paid by the enterprises.
 - “late, long and few”

First maternal insurance & leave

- Mao's death leaves China looking for new directions including ending isolationism by joining UN and modernizing.
- Population was growing faster than its economy and it wanted to famines.
- The Chinese Communist Party decrees a policy that restricts child bearing to one child per couple.
- Localities use marriage and maternal leave benefits to reinforce one child policy, e.g. marry late, longer leave for one child when parents are older, reduce social benefits when couple has more than one child.

One Child Policy



- Following the death of Mao, China embarked on a transformation that prioritized the economy and market-based strategies and by 1986 officially replaced its full-employment policy as the key to social welfare benefits with a system of individual contracts.
- Employment in non-state-owned enterprises and migration to urban areas in search of employment left millions of Chinese without social benefits, including maternal leave insurance because newly formed non-state-owned enterprises did not have the same obligations to provide social benefits as the state-owned enterprises.
- Migrant workers often left without social protection because of rural hukou status.
- State-owned urban enterprises now competed with non-state owned urban enterprises that were not required to offer the benefit package.
- Large-scale layoffs became common and employers often did not honor wage and social protection obligations.

Post Maoist Era



- State retreats from its earlier stated priority of gender equality.
 - State-owned enterprises employing a large proportion of female workers complained that maternity leave benefits diminished their competitiveness.
 - During the 1990s regional government authorities were left with the challenge of finding ways to adjust social benefits to the rapidly changing economy. As a result, the types of maternal leave insurance and benefits offered grew increasingly diverse by region and types of employers.
 - Women organize to protect rights.
 - Low collection and coverage rates as well as administrative challenges result from variety and lack of enforcement of maternity benefits.
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- **Trial Measures on Maternity Insurance 1995** - sought to resolve the employment bias affecting women by encouraging experimental pilot programs to publicly pool insurance contributions.
- Maternity benefits consisted of a maternity allowance, maternity leave with pay and health care.
- Requires all urban enterprises (state- and non-state owned) to provide at least 90 days of maternity leave.
- Maternity certificates to obtain maternity allowances from the designated insurers and have their maternity related health care expenses reimbursed. The maternity leave benefits were fixed at the level of the enterprise's monthly average in the previous year and disbursed by a maternity fund.
- Two-thirds of China's provinces experimented with this kind of reform.

Post Maoist Era

Maternity Leave

- Open market solidified.
- Marginalization resulting from hukou system prompted China to move toward a public system of pooling revenues for social benefits across employers and regions into social insurance funds.
- During this same period, researchers and policymakers began to view the one-child policy (which was only formally enacted in 2001) as impeding China's economic growth.

Reforms in the 21st century



- Governments at the county level and above officially given responsibility for planning and implementation of the one-child policy within its jurisdiction.
- The Act also formally married the one-child policy that had been in practice since the 1950s to China's maternity leave policies

2001 Population and Family Planning Act officially recognized China's one-child policy in law

Hukou system leaves migrants out

Rural omission

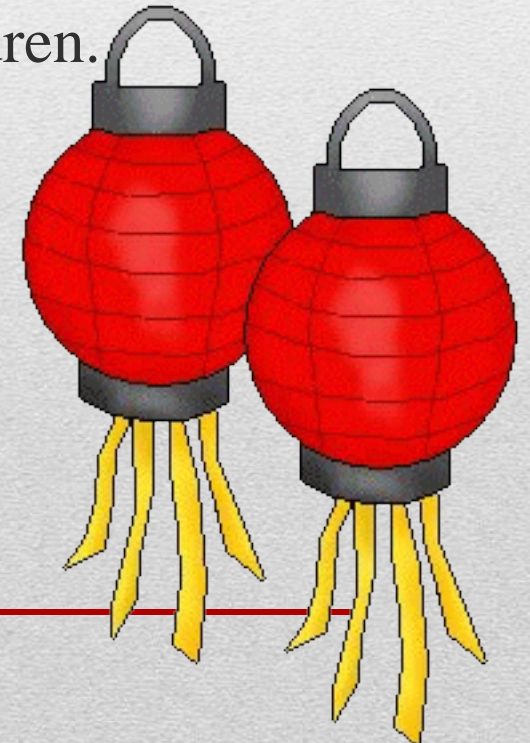
Lack of uniformity

Post Maoist China: majority of female employees did not have maternity coverage

- **2010 Social Insurance Law** establishes a legal foundation for all five branches of social insurance in China: maternity, old-age, health, unemployment and work-injury insurance.
 - Entitles employed women to cash benefits and health care coverage related to maternity, childbearing, family planning and related services; and it regulated the employer's obligation to pay contributions for maternity insurance.
- **2012 Special Rules on the Labor Protection of Female Employees** prohibits employers to reduce wages or dismiss an employee due to pregnancy, childbirth or breastfeeding.
 - Establish mandatory maternity leave for 98 days including 15 days of prenatal care.
 - Female employees entitled to cash benefits based on average wages and when returning to work were entitled to one hour each day for breastfeeding.
 - Reinforces the earlier Population and Family Planning (marrying late and delaying childbearing = longer maternity leaves and right to additional benefits such as higher child care allowance).

New century and new legislation

- Demographic imbalance, slowing economy.
- 2015 The Standing Committee issues decision allowing married couples to have two children effective 2016.
- Eliminates incentives for late marriage and late parenthood.
- Provincial-level governments to implement directive and to determine which couples may be allowed to have more than one child.
- Maternal leave and benefits used to encourage 2-children.
 - E.g. 128-180 days of leave across provinces.
- Institute paternity leave.



End of one-child policy

Provincial Region	Maternity Leave (days)	Paternity Leave (days)
Anhui	158	10 days or 20 days if a couple does not reside in the same locality
Beijing	128 days and an additional 1-3 months with employer approval	15
Chongqing	128 days or up to 1 year with employer approval	15
Fujian	158 - 180	15
Gansu	180	30
Guangdong	178	15
Guangxi	148	25
Guizhou	158	15
Hainan	158	15
Hebei	158	15
Helongjiang	180	15
Henan	158	1 month
Hubei	128	15
Hunan	158	20
Inner Mongolia	158	25
Jiangsu	128	15
Jiangxi	158	15
Jilin	158 days up to 1 year with employer approval	15
Liaoning	158	15
Ningxia	158	25
Qinghai	158	15
Shaanxi	158 days or 168 days with a pre-pregnancy physical exam	15 days or 25 days if a couple does not reside in the same locality
Shandong	158	7
Shanghai	128	10
Shanxi	158	15
Sichuan	158	20
Tianjin	128	7
Yunnan	158	30
Zhejiang	128	15