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# Towards Universal Coverage in China's Fragmented Social Protection System

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## Abstract (in French and English)

In this paper we analyze the development of China's social protection system from the perspective of historical institutionalism. We are focusing on policies providing for income in old age and access to affordable health care. In both areas, the Chinese government has made great advances since 2000. By 2014 there is nearly a universal coverage under public pension and health insurance programs. Families and kin networks remain the main guarantors of social security, but they receive increasing assistance in coping with social risks from public programs. And yet in both areas – pensions and health – the system remains heavily fragmented, as its governance structures are shaped by the institutional foundations of the hukou system, labor contracts, and decentralization.

In the past the tight coupling between social protection and hukou has reinforced the social caste system in urban China, and openly discriminated against the rural population. We argue that China's social protection system has been undergoing a gradual process of functional differentiation in the last decade, which gradually undermined the path-dependent nature of its development trajectory. The centralization of competences in line ministries at the central government level, such as the Ministry of Human Resources and Social Security (MoHRSS), represents the trend of functional differentiation, which allows for adapting social protection to the requirements of urbanization and economic development. The reforms of the Xi administration continue to support this process.

The changes in China's governance system reaching from the central government to the grassroots' level enhance the compatibility of a myriad of locally managed schemes catering to different groups of the population. The changes are weakening the negative effects of this fragmentation and facilitate the convergence and integration of the individual schemes and programs of the social protection system in the long run. In its reform agenda the Xi administration aims at further urban-rural integration. It mandates more functional differentiation, in order to enhance the social protection system. Its ultimate aim is to make the social protection system fit to support the needs of a society in a more mature market economy.

**Keywords:** social protection, universal coverage, health insurance, pension insurance, governance system

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