

<b>Institution:</b> <b>University of Glasgow</b>
<b>Unit of Assessment:</b> <b>C21 – Politics and International Studies</b>
<b>Title of case study:</b> <b>Improving the delivery of unemployment insurance in the People’s Republic of China</b>
<b>1. Summary of the impact</b>

Baseline research undertaken by University of Glasgow staff as part of the Sino-British Unemployment Insurance Project (UIP) improved unemployment insurance and employment service systems in six Chinese cities in the Liaoning and Sichuan provinces, directly benefitting a reported 25,000 recipients. The UIP pilots have since influenced unemployment insurance provision more widely in China. The research findings led to greater investment in technology, staff training and capacity development at different levels of government. This in turn has improved efficiency, enabling the Chinese government at provincial and urban levels in particular to monitor, collect and administer unemployment insurance payments and assistance.

<b>2. Underpinning research</b>
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As part of the Department for International Development (DfID)-funded Sino-British Unemployment Insurance Project, Professor Jane Duckett undertook research on unemployment insurance policies and programmes in six major Chinese cities between 2002 and 2005. During the period of the research Duckett was a Senior Lecturer in Politics at the University of Glasgow, later being appointed Professor of Chinese and Comparative Politics in 2008. The research was collaborative in nature and involved another UK-based academic (Athar Hussain, London School of Economics) as well as input from Chinese Government researchers (Ge Yanfeng, Development Research Centre; Mo Rong, Ministry of Labour & Social Security). Duckett was invited to join the project because of specific expertise built up from her earlier research undertaken at the University of Glasgow on China’s urban local government, generally (1; 2) and its urban social welfare, in particular (3; 4).

The research undertaken by Duckett and her colleagues for the DfID project comprised a baseline study (5) of local unemployment and reemployment policies and programmes across six ‘pilot’ cities (Shenyang, Anshan, Benxi, Chengdu, Mianyang, Leshan) in two provinces (Liaoning and Sichuan). The study involved fieldwork, including interviews with local government officials in urban Labour Departments in the six pilot cities. Duckett played a leading role and conducted the interviews herself (in Chinese, which she speaks fluently). The participation of Chinese officials meant that the researchers enjoyed a level of access not often available and this led to a more developed and nuanced understanding of the difficulties experienced by local government in providing unemployment insurance effectively to target groups. Specifically, the study found that local governments were better at tackling unemployment using more traditional methods of governance, and that their use of new mechanisms was less successful. Key insights from the research (subsequently published in a high impact leading international refereed journal (6)) included:

- First, capacity to gather accurate employment data was limited, meaning local and central governments did not have a good understanding of the extent and nature of unemployment.
- Second, the sustainability of supposedly mandatory unemployment insurance schemes was threatened by poor capacity to enforce participation.
- Third, central state lacked the capacity to ensure local governments implemented policies effectively, resulting in a shortage of funds to deliver effective unemployment insurance. Provision was made for only a narrow segment of the unemployed and employment services were of poor quality.

### Impact case study (REF3b)

These findings directly fed into the project design. Specifically, one of the recommendations of the baseline research (conducted in August-September 2002; reported in October 2002) called for the project to assist with the development of Management Information Systems (MIS) and capital investment in technology. This intervention was intended to help government departments administering UI to collect premiums contributions and share UI-relevant information. The study also recommended that the UIP use its IT systems to enable better data collection, improving understanding of equal access issues.

### 3. References to the research

1. Duckett, J. 'Bureaucrats in Business, Chinese-style: The Lessons of Market Reform and State Entrepreneurialism in the PRC', *World Development*, 29(1), January 2001, pp. 23-37. (doi: [10.1016/S0305-750X\(00\)00083-8](https://doi.org/10.1016/S0305-750X(00)00083-8))
2. Duckett, J (2001). Political interests and the implementation of China's urban health insurance reform. *Social Policy and Administration*, 35. pp. 290-306. (doi: [10.1111/1467-9515.00234](https://doi.org/10.1111/1467-9515.00234))
3. Duckett, J. (2002). State self-earned income and welfare provision in China. *Provincial China*, 7 (1). pp. 1-19. ISSN 1326-7612. [Available from HEI]
4. Duckett, J. and A. Hussain. (2008). Tackling unemployment in China: state capacity and governance issues, *Pacific Review*, 21 (2). pp. 211-229. (doi:[10.1080/09512740801990279](https://doi.org/10.1080/09512740801990279)) [REF2].
5. Duckett, J. Assessing developments in unemployment insurance delivery in Sichuan and Liaoning. Mission Report for the DfID-funded China Unemployment Insurance Project, 64pp. October 2002. [Available from HEI]

*Research outputs 1-4 above are published in high quality international journals which aim to provide a major platform for contributions based on original, methodologically robust, and theoretically informed research; each journal operates rigorous peer review.*

### 4. Details of the impact

The Unemployment Insurance Project, of which the underpinning research described above was a significant component, made valuable contributions to the process of China modernising its social security system. In particular, the research report recommended a programme of capacity-building at local government level combined with greater investment in technology and Management Information Systems. These recommendations were implemented by the UIP, resulting in improved UI services for the unemployed populations in six pilot cities across two of China's largest provinces.

From 1986, but particularly from 1997, central government unemployment policies in China had focused on assisting the urban registered unemployed and so-called 'laid-off employees' through unemployment insurance, re-employment service centres and employment (or re-employment) services such as training and job-search assistance.

Drawing on the UK's experience of social security reform, the DfID project evaluated these programmes and outlined ways in which they might be improved. The research conducted by Duckett and her colleagues fed into new policies and models for unemployment insurance programmes in the six pilot cities. These research findings were shared with Chinese central and local government officials in May 2005, through a Policy Brief and through workshops held in Shenyang and Chengdu in 2004, entitled '*Patterns of Disadvantage in the Labour Market and Long-term Unemployment*'.

## Impact case study (REF3b)

The research recommended that unemployment insurance (UI) departments should have responsibility for collecting UI contributions, and UI work should be tied into performance management frameworks and civil service systems of performance monitoring. Overall performance should be improved through the development of more effective performance management systems together with recruitment and promotion measures through the reformed civil service system.

The redesigned management and information systems currently in place for unemployment insurance programmes and services which link unemployment benefits, job search and training were a direct result of the DfID project findings.

The research in the six pilot cities had highlighted the fact that local capacity to gather data on unemployment was limited, and recommended that assistance with capital investment in technology could facilitate an improvement in these areas. Consequently, DfID worked to support greater investment in IT and information systems and assisted in the creation of more advanced management systems. The new systems meant that staff in China's Ministry of Labour & Social Security could link up information on unemployment benefits with job searches and training in order to provide a more targeted form of assistance to those in need.

Additionally, the research had identified that at local levels there was a lack of capacity required to successfully implement unemployment insurance programmes. In response to this finding, the wider DfID project provided capacity development assistance to local government agencies in order to enhance their ability to identify and support those in need of assistance.

The improvements to unemployment insurance and employment service systems introduced in pilot cities are now directly benefiting the unemployed people of Sichuan and Liaoning and improving the skills of the local staff. Thanks to improvements in capacity, IT and MIS in local departments, these provinces are now better able to collect UI contributions and data on those unemployed, ensuring a greater equality of access and service provision.

The research impact has the potential to benefit a vast number of people. When the project was completed, the Chinese Government reported that the UI programmes had already benefitted 25,000 people. And the newly-established systems continue to deliver benefits directly in the pilot cities beyond the end of the project and have also influenced UI system reforms adopted in other localities in the following years. The Director General of the Institute of International Labour and Social Security within the Chinese Ministry of Human Resources and Social Security commented in 2013 that the research programme had benefitted significant numbers of unemployed people well beyond 2008 and continued to have a great deal of impact through the influence of the pilots spreading to other parts of China.

Because of the Ministry's reform scheme in the area of unemployment insurance, the British Council believes that this project continues to influence and benefit the people in China and that it will do so well into the future. As noted above, these conclusions have been echoed by the Director General of the Institute of International Labour and Social Security within the Chinese Ministry of Human Resources and Social Security, who has been involved with the UIP since its inception.

### **5. Sources to corroborate the impact** (indicative maximum of 10 references)

1. Duckett, J. and A. Hussain, Developing Unemployment Insurance & Employment Services, Policy Brief for the Sino-British Unemployment Insurance Project, 8pp., 2005. [Available from HEI].
2. Delegate list for workshops in Shenyang and Chengdu [Available from HEI].
3. British Council Information Briefing about the 'Unemployment Insurance and Employment Project, China'. [Available from HEI].

**Impact case study (REF3b)**

4. British Council information on completed Sino-British UIP where it reflects on the success of the project and states '*this project will influence and benefit more people in China into the future*'. [Archived Webpage, available from HEI].
5. Chinese Government Report that provides information about the UIP benefitting 25,000 people in 2006. See [Link](#) [translation available from HEI].
6. Director General of the Institute of International Labour and Social Security within the Chinese Ministry of Human Resources and Social Security is able to attest to the impact of the research for China's unemployed population beyond the reported impact in 2008. [Contact details provided].
7. The UK Parliament's International Development Committee cited the Sino-British UIP as a best-practice example in a briefing summarising 'How the UK Government/wider Whitehall networks are influencing and helping the BRICs (Brazil, Russia, India, China) (especially India & China) with the challenges and opportunities of urbanisation' prepared for its 7<sup>th</sup> Report on Urbanisation and Deprivation, published 13 October 2009. See Annexe E at: [Link](#).
8. Chinese practitioner publication coverage of the success of the project: HRoot - Human Resources company reporting project on 17 April 2008. See [Link](#) [translation available from HEI].