What determine inclusion of basic pension schemes: evidence from mini-census

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Calculating coverage rates of social pension by caliber

|	Categories included			
Caliber 1	**State, collective, private, self-employed and other type units**			
Caliber 2		**Government and social management units**		
Caliber 3			**Land contractors**	
Caliber 4				**All not included in above**

Coverage of basic pension
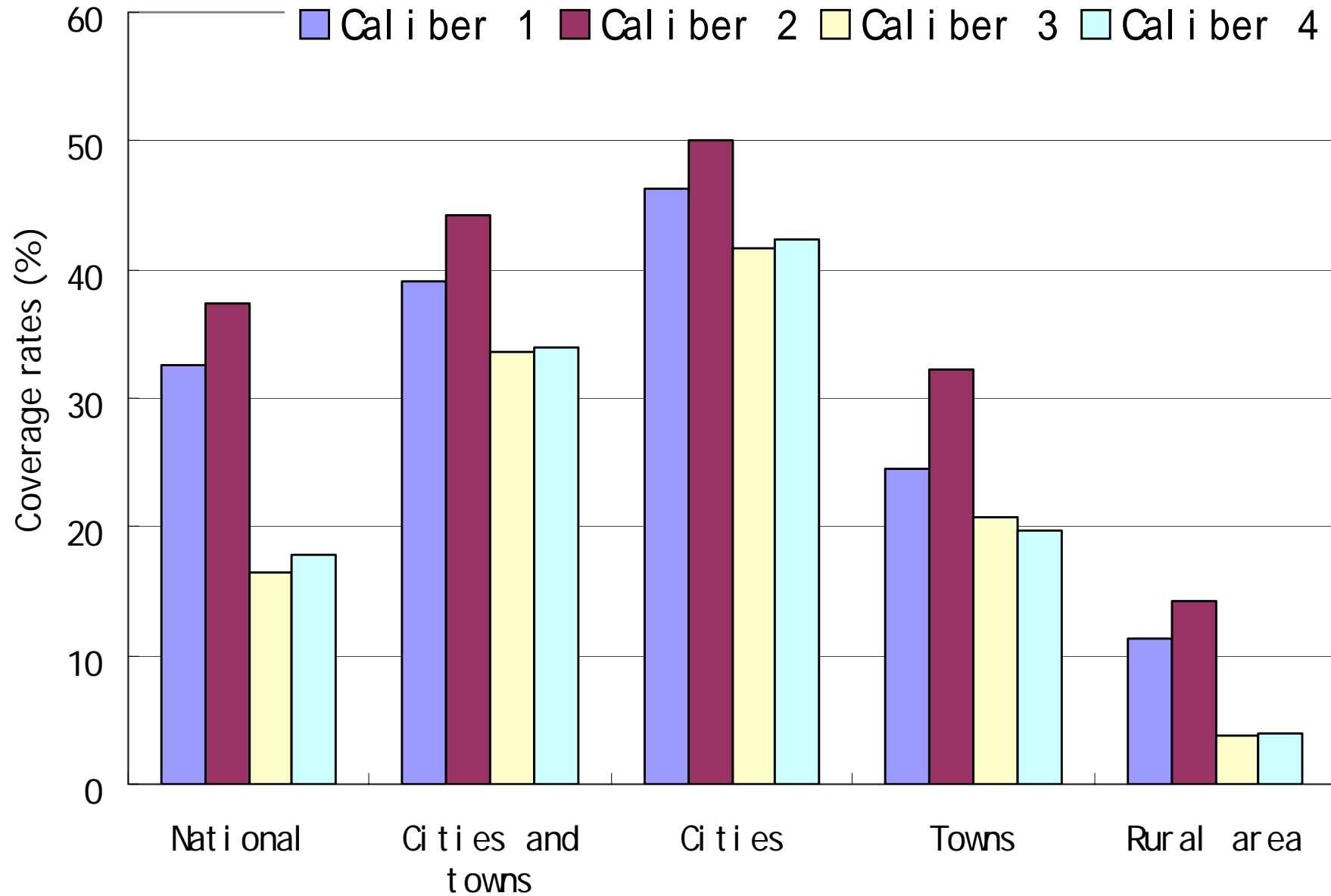
Compare with yearbook data

In 2005, social pension coverage was 55.2% among urban employed people, 11.2% of rural employed people, averaging 28.6% of total employed people in rural and urban areas. Those figures are much higher than that calculated from mini-census, because the yearbook data miss 36% of urban employment
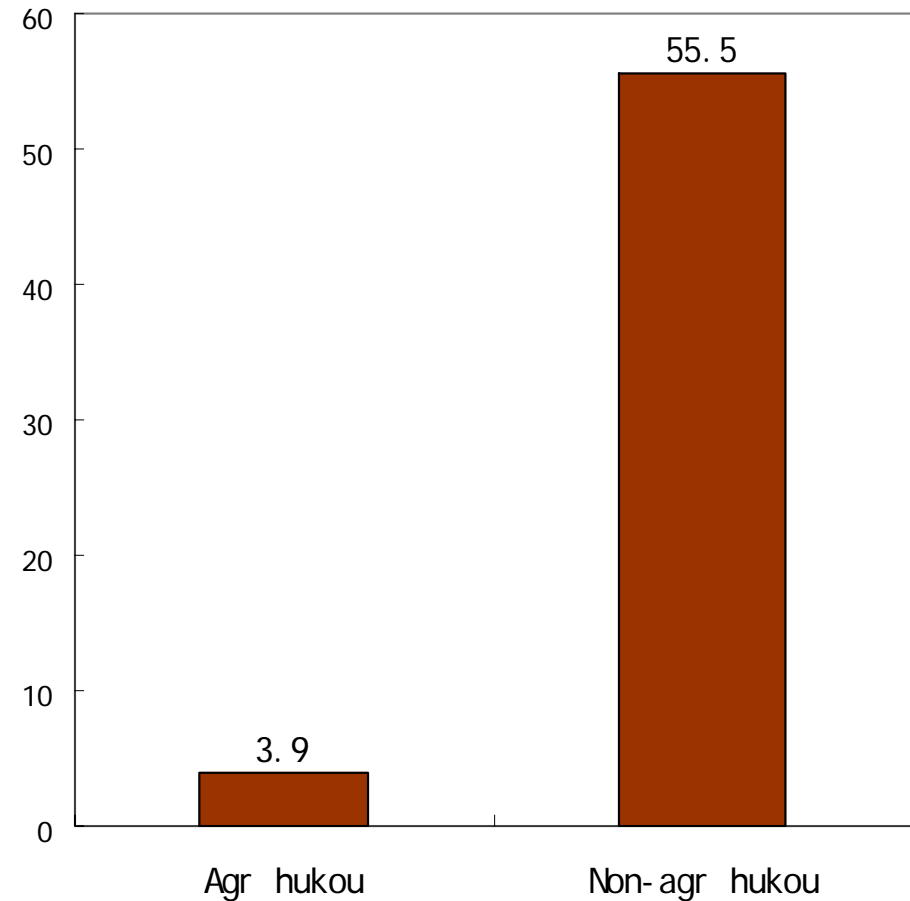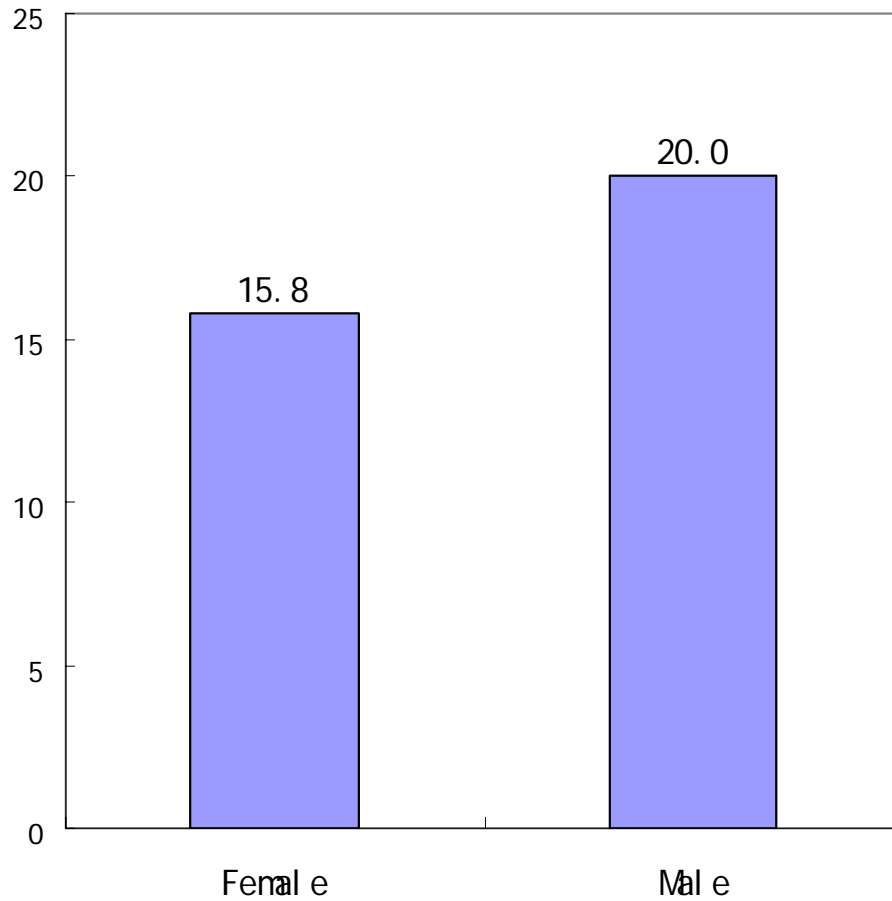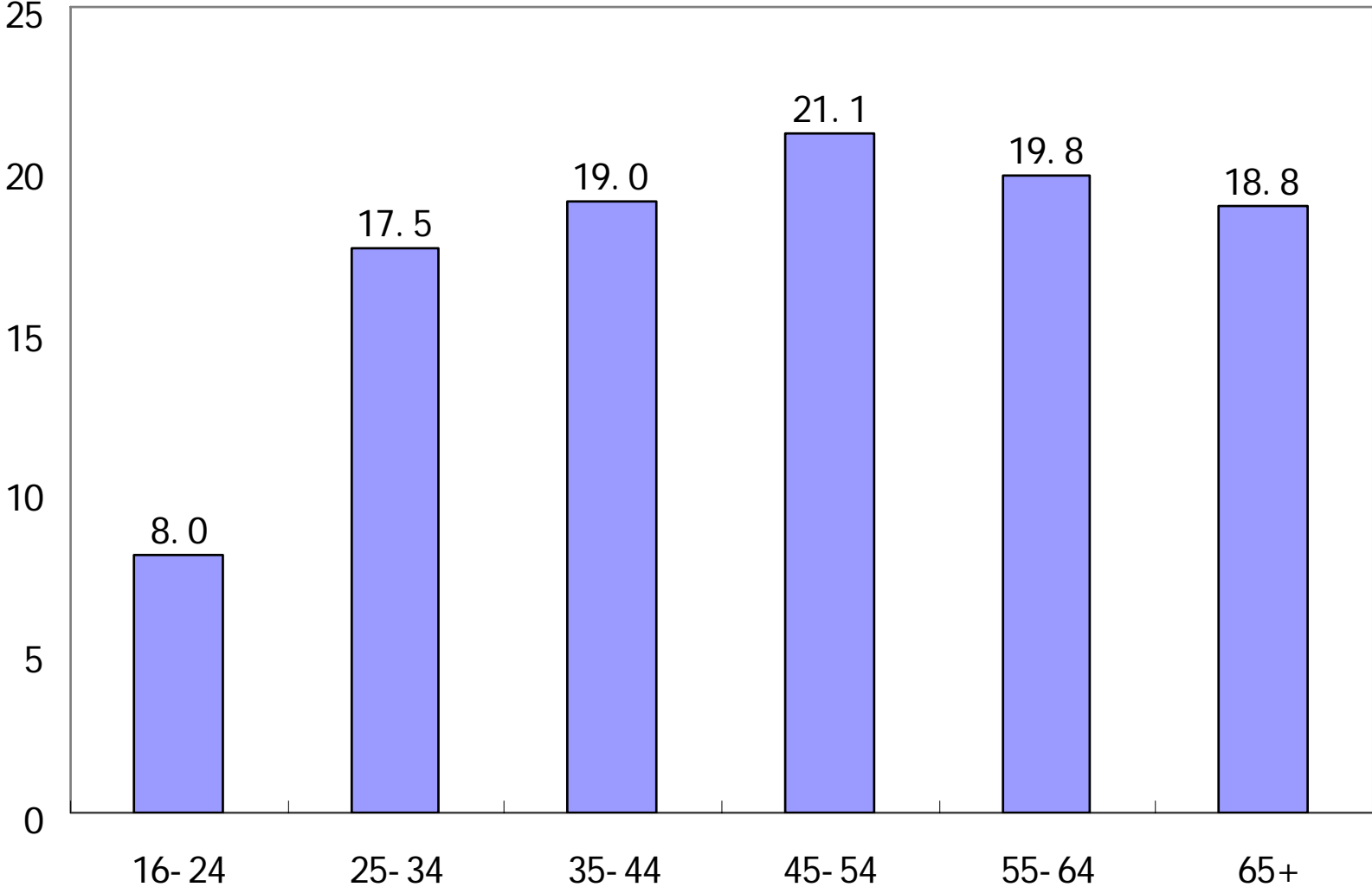
Missing Urban Employment
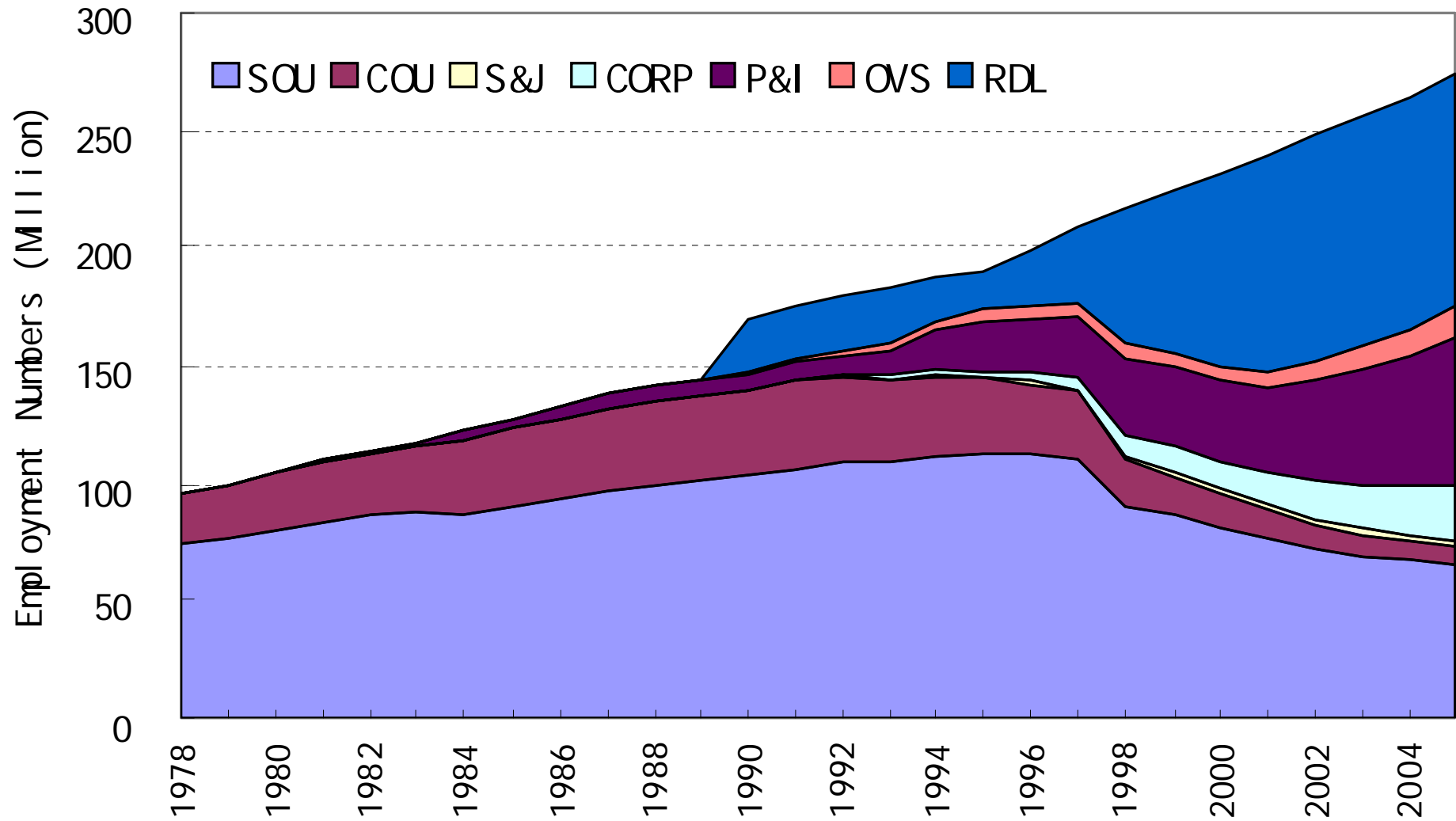
Regional disparities in coverage
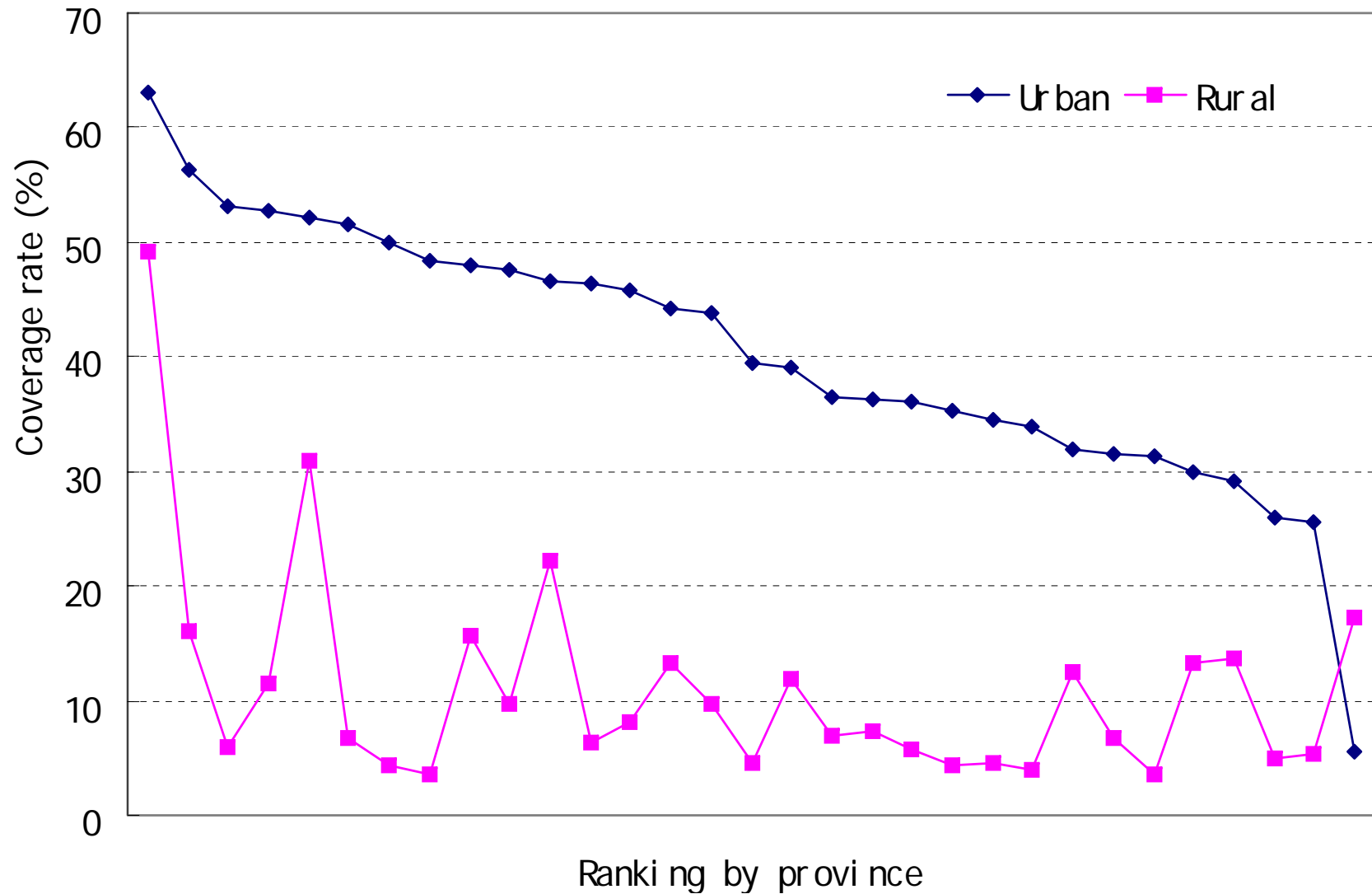
Individual characteristics for social pension inclusion

Coverage by age

Coverage by education
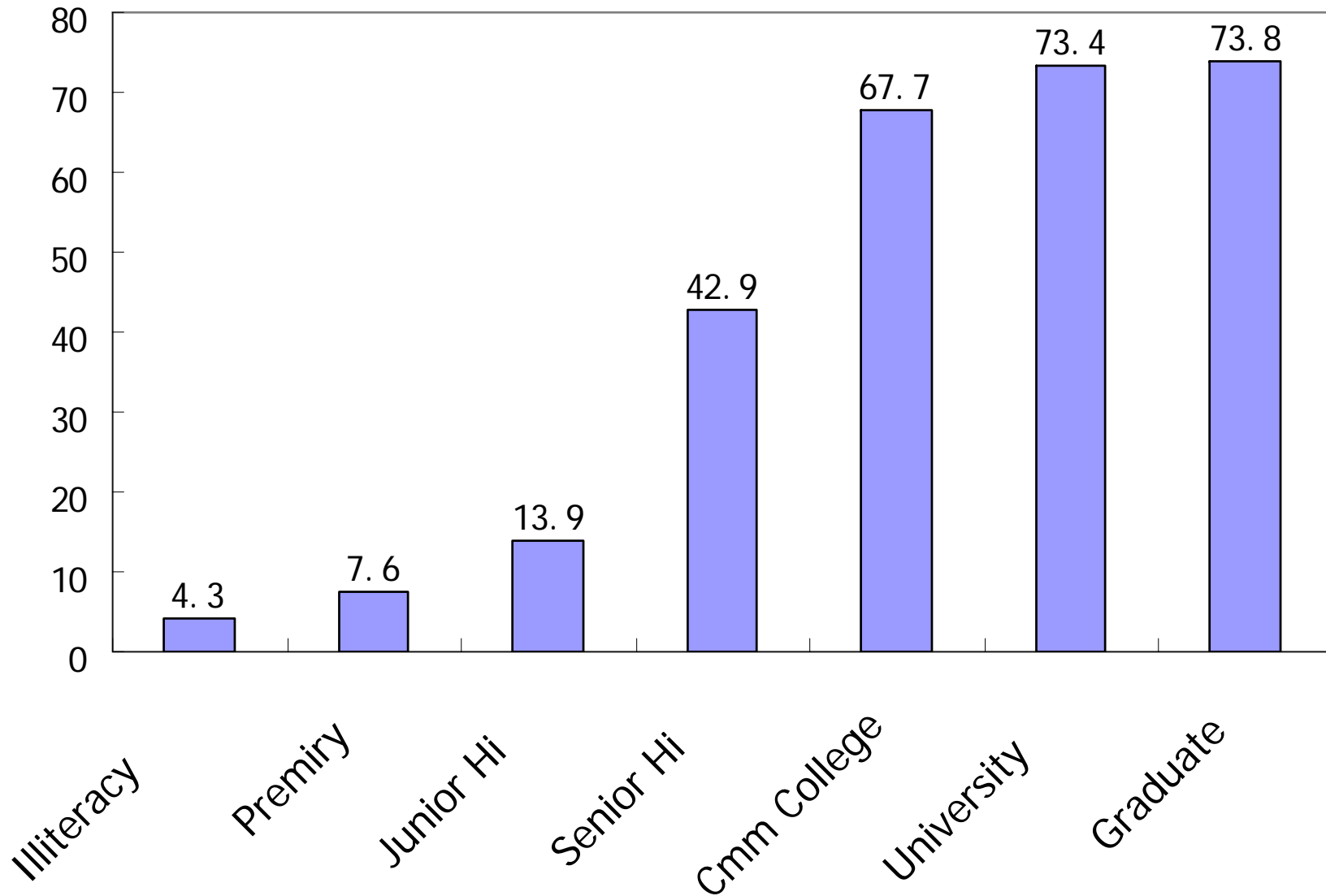
Coverage by work status
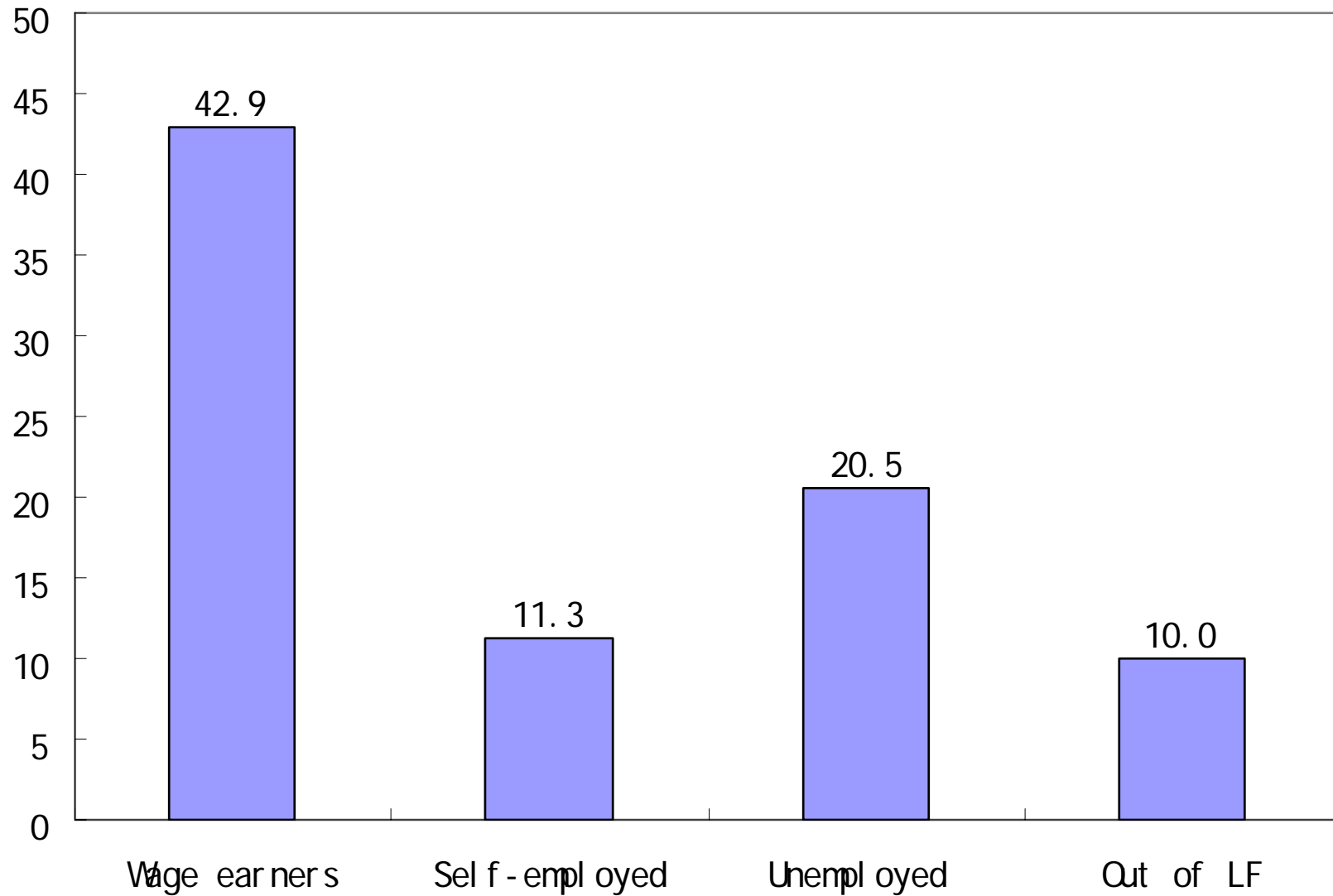
Coverage by ownership

Coverage by sector

Sector	Value
Finance	81
Powers	77
Science	72
Real estate	62
Education	61
Water conservancy	60
IT&computer	59
Governments	59
Health	58
Leasehold	52
Culture	47
Minning	46
Transport	34
Manufacturing	32
Trading	22
Catering	19
Construction	16
Cumm service	15
Agriculture	2
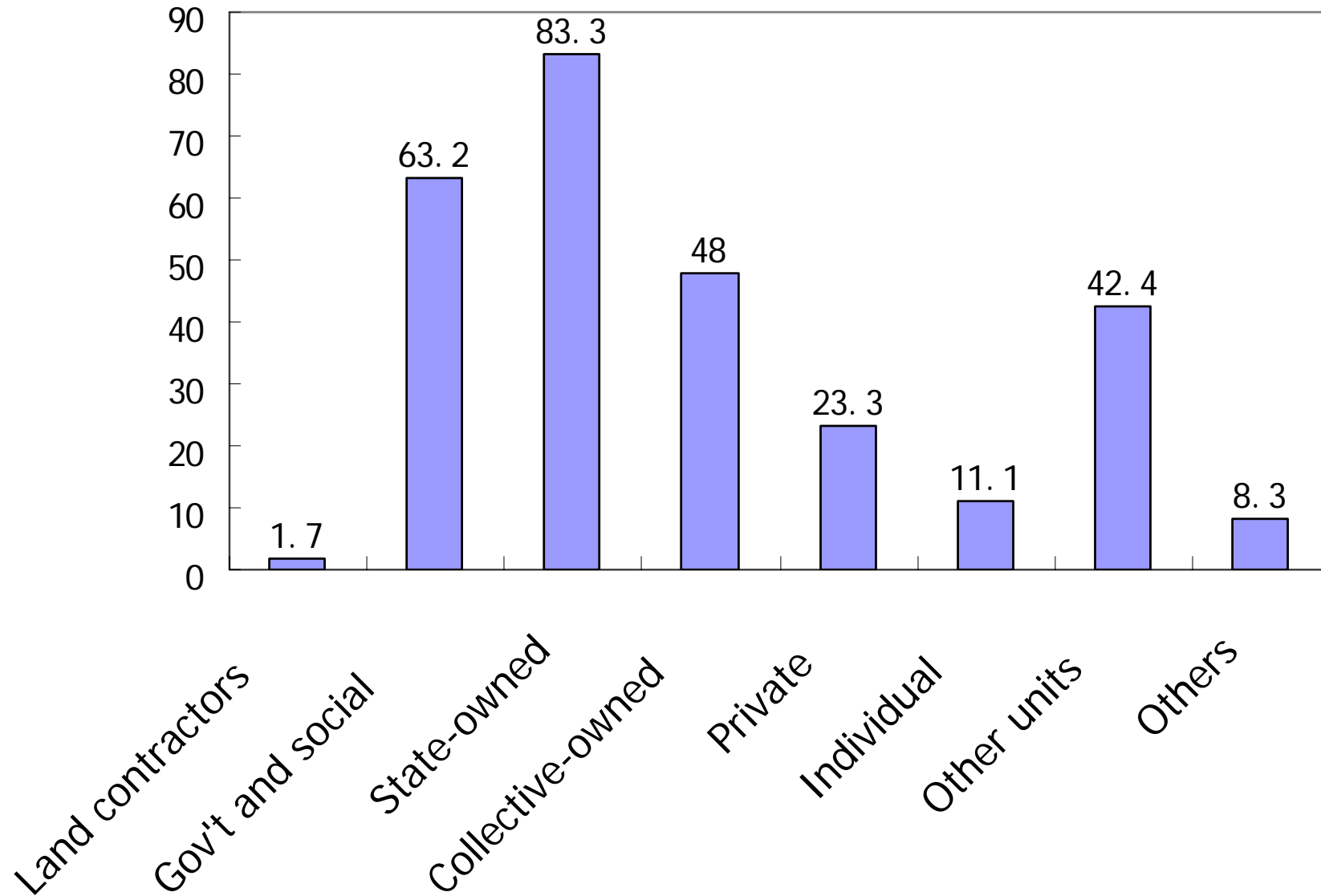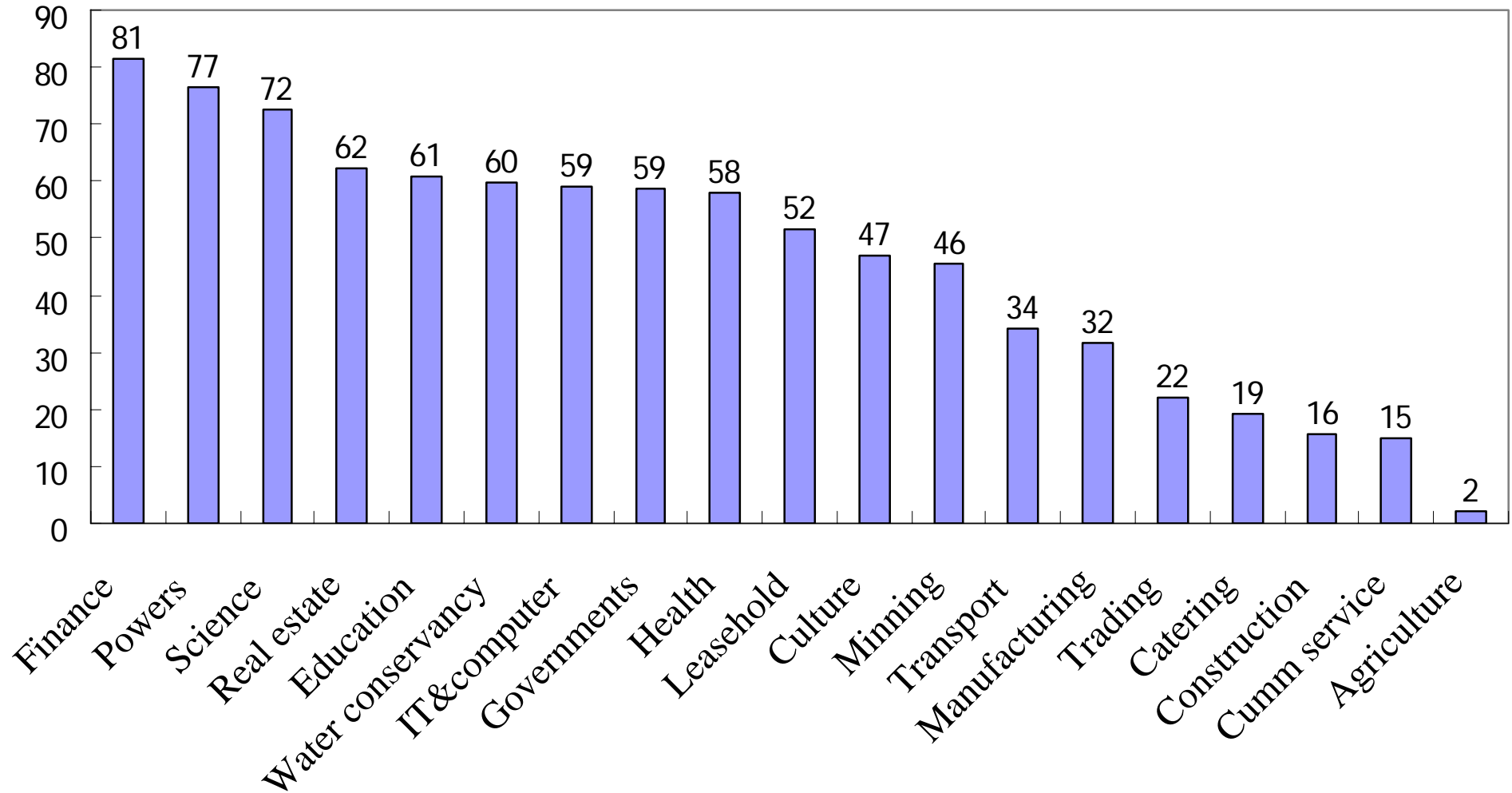
Coverage by occupation
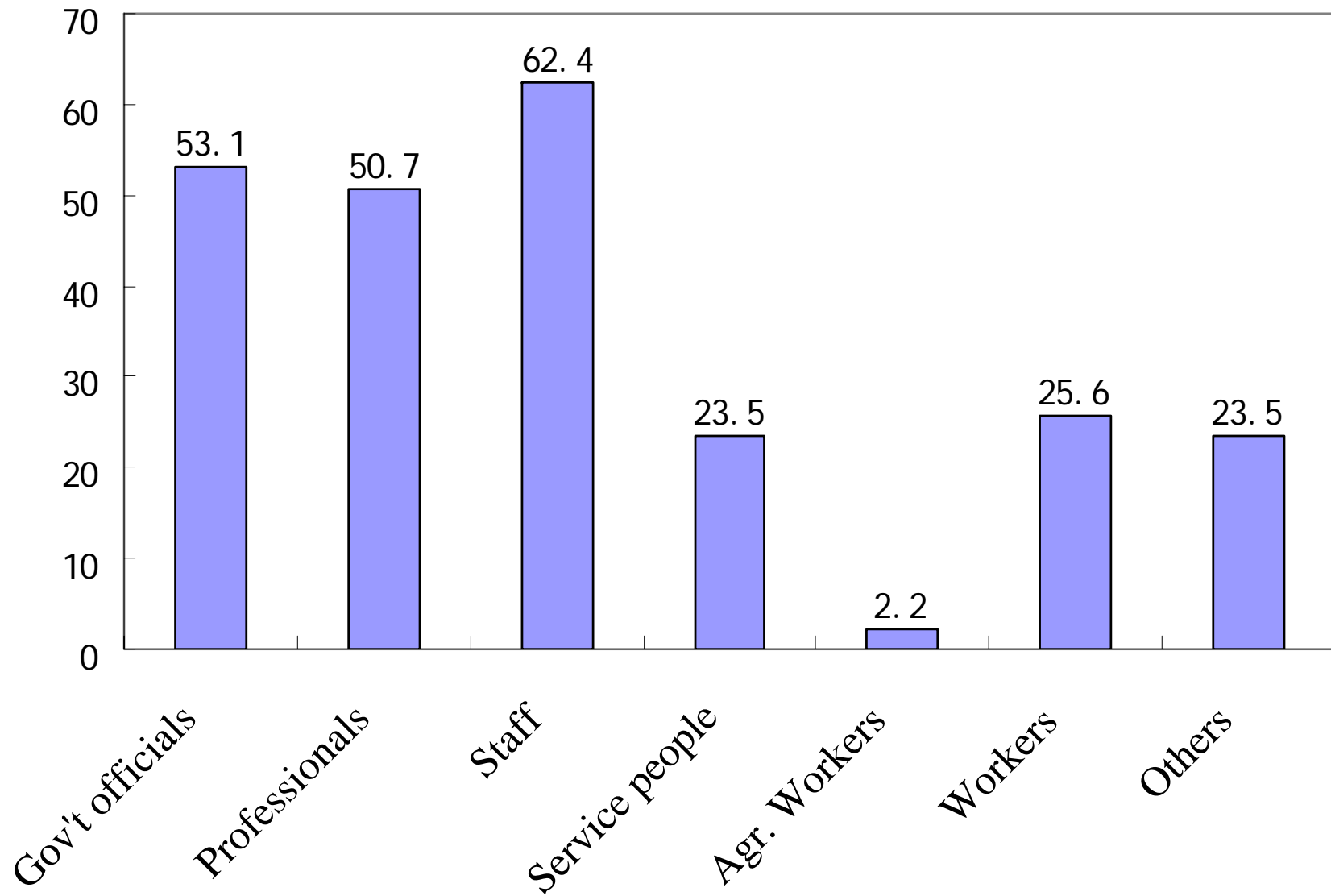
Coverage by income level

Coverage by mobility

	Urban		Rural	
	Coef.	St. erro	Coef.	St. erro
25–34	0.104***	0.003	0.008***	0.001
35–44	0.197***	0.004	0.018***	0.001
45–54	0.324***	0.004	0.030***	0.001
55–64	0.448***	0.004	0.050***	0.002
65+	0.526***	0.004	0.062***	0.003
Primary	0.147***	0.004	0.012***	0.001
Junior hi	0.266***	0.003	0.024***	0.001
Senior hi	0.416***	0.004	0.077***	0.002
Cumm College	0.495***	0.004	0.120***	0.006
University	0.473***	0.005	0.139***	0.013
Graduate	0.398***	0.012	0.105	0.058
Male	0.016***	0.001	0.003***	0.000
Healthy	0.008**	0.003	0.003***	0.001
Not ok for work	-0.084***	0.004	-0.004***	0.001
Not sure	-0.057***	0.010	0.006**	0.002
Non-agr hukou	0.411***	0.001	0.054***	0.001
Self-em't	-0.221***	0.001	-0.013***	0.000
Unemployed	-0.199***	0.001	-0.014***	0.000
Out of LF	-0.220***	0.002	-0.046***	0.001
Married	0.059***	0.002	0.005***	0.001
Divorce/widowed	0.037***	0.004	0.000	0.001
Family size	-0.005***	0.000	-0.000***	0.000
Observations	929719		965259	

Regression: all working population

Summary of regression results

- Following individual characteristics are superior in inclusion of social pension to their counterpart groups: urban residence, non-agricultural *hukou* status, male, older age, better education and health, wage earners, families with lower dependence ratio

Regression: employed population

	Coef.	St. erro		Coef.	St. erro		Coef.	St. erro
Ln (income)	0.081***	0.003	Rural-urban	-0.323***	0.003	Leashholed	-0.064***	0.009
25-34	0.136***	0.005	Urban-urban	-0.012**	0.004	Research	-0.135***	0.013
35-44	0.213***	0.005	Gov't org.	-0.01	0.007	Water cons.	-0.034**	0.012
45-54	0.265***	0.005	State-owned	0.227***	0.005	Comm service	-0.078***	0.008
55-64	0.257***	0.007	Private	-0.271***	0.005	Education	-0.178***	0.007
65+	0.229***	0.019	Individual	-0.188***	0.005	Health	-0.116***	0.008
Primary	0.060***	0.017	Other units	-0.013*	0.006	Culture	-0.136***	0.011
Junior Hi	0.218***	0.016	Others	-0.206***	0.007	Gov't org.	-0.159***	0.007
Senior Hi	0.360***	0.014	Agriculture	-0.092***	0.012	Professionals	0.020*	0.008
Cumm college	0.382***	0.012	Minning	0.020**	0.008	Staff	-0.005	0.008
University	0.348***	0.012	Powers	0.067***	0.009	Trade workers	-0.061***	0.008
Graduate	0.239***	0.018	Construction	-0.161***	0.005	Agr. laborers	-0.078***	0.013
Male	-0.019***	0.003	Transport	-0.006	0.006	Prod. workers	-0.087***	0.008
Healthy	0.042**	0.014	Computer&IT	-0.088***	0.011	Others	-0.075***	0.020
Not ok for work	0.281	0.154	Trading	-0.028***	0.005	No fixed contract	-0.011**	0.004
Not sure	0.014	0.063	Catering	-0.060***	0.008	No contract	-0.379***	0.003
Married	0.052***	0.004	Finance	-0.051***	0.010	Observations	363123	
Divorce/widowed	0.069***	0.009	Real estate	0.005	0.010			

Summary of regression results

- Following characteristics are superior in inclusion of social pension: higher income, non-migrants, less competing sectors, formal sectors and jobs

Main areas & priority

1. Expand (formal) employment. E.g., reduction in unemp't, increase in LFP, and transform informal to formal jobs

2. Break boundaries of sectors, ownerships, regions and jobs through LM development

3. Design a scheme for migrant workers

4. Focus on rural pension system building

5. Complement schemes for vulnerable groups

Thank you