

PROMISING FUTURES

PROTECTING EMPLOYEES AND EMPLOYERS IN CHINA'S
PRINT SECTOR

A project by



Executive summary

Chinese social insurance is an important safety net for the country's workforce, with benefits for both employees and employers alike.

For employees, paying 15-20% of their monthly income into social insurance protects them in the event of workplace injuries, medical care, unemployment, maternity cover, retirement and even an optional housing fund.

Employers enlisting their people on social insurance, as well as being a legal requirement, make themselves more attractive workplaces, encouraging new talented people into the print sector; an industry currently facing a workforce shortage. Strict enforcement of the law is becoming increasingly common, but there are also savings to be had for the employer: in the event of a workplace injury medical insurance can save the employer from costly medical bills.

But despite the benefits the scheme is not always widely adopted. This puts employees and employers at a disadvantage.


The *Promising Futures* project set out to improve how social insurance was perceived in the Chinese book printing industry. It ran from February to August 2018 and had two distinct objectives:

1. Increase the understanding and awareness of the social insurance scheme in China, and its benefits to employees and employers; and
2. Improve dialogue between employees and employers on offering social insurance.

Nine different print companies and their employees were involved across China. We delivered a webinar for factory managers, a film about the scheme's benefits, a website of detailed policy updates, dedicated telephone hotlines for employees and employers, and a WeChat channel to coordinate the resources and share regular updates. Plus, we held face-to-face interviews with six employers at the start and end of the project, as well as a survey of over 340 employees. These helped us to understand individual needs, any specific concerns, and gave us an indication of the project's lasting impact.

The project received overwhelming interest from employees and their employers. WeChat had over 1,460 subscribers, the film was viewed 2,621 times, and over 780 people visited the dedicated website. Of those surveyed, 86% of employers found the project a useful way of raising the subject with employees, 94% of employees found the resources helpful, and - most encouragingly - 88% of employees not already enrolled are now strongly considering joining the scheme.

This project has highlighted the barriers to joining social insurance in China, but also the opportunities to improve. Younger employees remain hesitant, instead preferring the money in their monthly pay. (It is very likely this feeling is not limited to China and more a universal trait amongst young people.) Social media could be one useful tool to reach this audience.

Now the *Promising Futures* project has concluded, the Book Chain Project will continue to share the resources created with more employers in China over the coming months. 

Why China? Why social insurance?

China is an important source country for almost all publishers involved with the Book Chain Project. Almost half of the 127 print suppliers listed on the Book Chain database are in the country. In addition, social insurance appeared as a recurring issue in the audits that Book Chain collects. This made it the ideal focus of this special project.

So, what is social insurance? It is a national welfare scheme in China that provides a safety net, helping people through life's challenges.

The scheme includes five core insurances, plus an optional housing fund:



Pension



Medical Insurance



Work-injury Insurance



Unemployment Insurance



Maternity Insurance

Enrolling employees is a legally mandated requirement². Employers contribute 20-30% of a worker's monthly salary, and employees contribute around 15-20% of their monthly income. But coverage of the scheme could be better.

Many employers have not enrolled their full workforce, partly because of the cost but also the complexity of systems which change regularly and differ from region to region.

Some employees have also chosen not to join the scheme. In part, because of the monthly salary deductions, but also a wider misunderstanding of the benefits of joining and the risks of not.

There are many benefits for employees. For example, paying in to the scheme for 15 years entitles the person to a pension on retirement; medical insurance reduces the cost of medical treatment; work-injury insurance covers the costs associated with workplace injuries; and unemployment and maternity insurances provide a government allowance when away from work.

For employers, as well as meeting their legal requirements, enrolling employees to the scheme can help to protect their operations and support business continuity. For example, work-injury insurance covers most of the treatment costs for employees injured during work-related activities, saving the employer from potentially costly medical bills. With more employees enrolled, the employer benefits from a healthier, and likely happier, more stable workforce less likely to seek employment elsewhere. This is particularly relevant in the Chinese print sector where the challenges of recruiting and retaining employees is a growing concern.

²[Article 73, Labour Law of the People's Republic of China, Article 84, Article 86, China Social Insurance Law 2011](#)

Project goals

The project had two objectives:

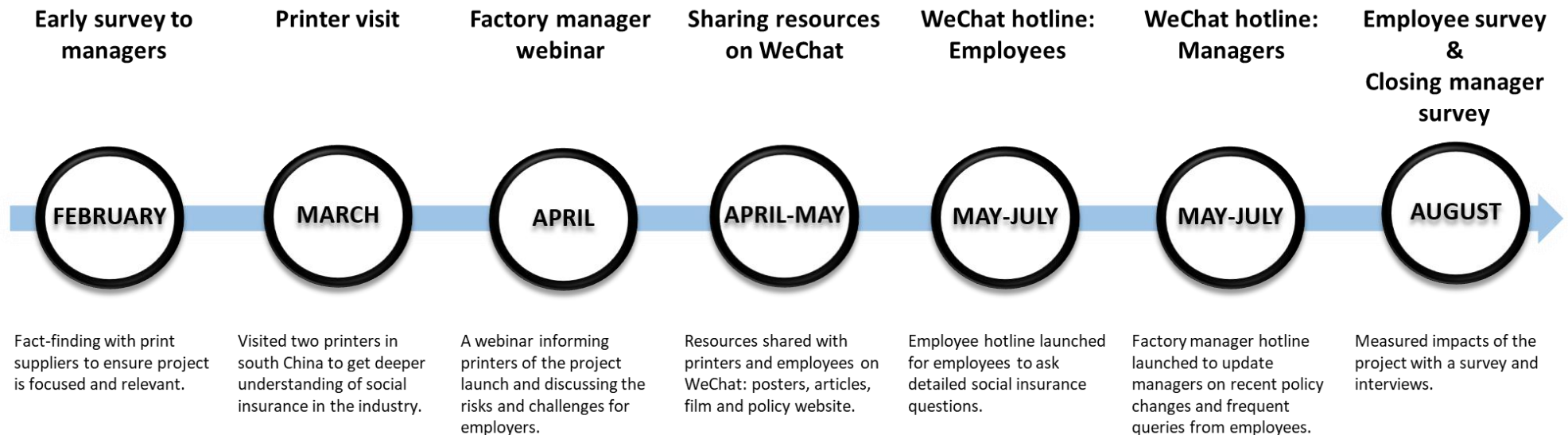
1. Increase understanding and awareness of social insurance for both employers and employees at Chinese printers, including the benefits of joining and how to manage the process of enrolling; and
2. Improve the dialogue between employers and employees on offering social insurance

Nine print suppliers were involved with the project (*see box, right*).

Activity started in February and ended in August 2018 as illustrated in the timeline below and the diagrams on the next page.

Print suppliers involved

C&C Joint Printing Co., (Guangdong) Ltd
(RR Donnelley) King Yip (Dongguan) Printing & Packaging Co., Ltd
Shenzhen Wing King Tong Paper Products Co., Ltd
Guangdong Greencolour Printing Technology Co., Ltd
Cheong Ming Printing Co., Ltd
Dongguan Golden Cup Printing Co., Ltd
Leo Printing (Heshan Astros Printing Ltd)
Hung Hing Printing (Shenzhen & Heshan) Co., Ltd
Shenzhen Donnelley Printing Co., Ltd



Short film



Promising Future film

The story of an employee who realises the benefits of joining the social insurance scheme – and the risks of ignoring it.

Project website



www.baoniweilai.com

Reference website of social insurance policy updates designed for employers and employees.

Worker advice line



Worker advice line

Employees asked their questions and received a detailed response in less than 24 hours.

Manager channel



Manager channel

Policy updates and employee FAQs are shared twice per month with employers.

Worker & Manager survey



Manager & worker surveys

Investigated the issues and measured the project impact on employees and employers.



Resources were shared on WeChat to inform employees on social insurance. Factory managers circulated posters with QR codes to link employees directly to the employer's own WeChat channel, opening access to all the social insurance resources.

风险分析

1. 东莞精利工厂足额为工人购买社保大额的企业工人发现工厂只帮其交了自缴的部分，没有缴纳工厂应缴部分，还有部分老工人发现工厂按照打工的工资标准为其他员工投保。
2. 官方开始调查：东莞精利厂拖欠员工社保问题。王女士已在该厂工作了11年，但工厂在2007年及2011年这两次裁员时没有给王女士交社保并给她投保。多次与工厂交涉无果，王女士不得不求助当地人力资源和社会保障局。
3. 员工为缴社保和保命，自愿改签提前退休。张女士原担任一家印刷厂的员工，为了能够提前退休，她以调动工作为名，从厂里偷出自己的档案篡改了自己的年龄。当地社保局一次次的审核都未能通过张女士的档案，目前张女士的退休被取消，养老金停发，已缴纳的13600元养老金也被责令全额退还。

案例分析-员工采访

案例 1 - 王女士，29岁，未婚四年。

- 有两个孩子，大女儿刚满12岁
- 从事工厂工作
- 工厂没有参加社保，因为不确定能工作多久
- 现在想参保，为了自己更有保障和帮孩子解决更好的教育

案例 2 - 张女士，34岁，已婚育。

- 3年前加入工厂
- 工厂没有参加社保，因为所缴纳的工友社保都手续很麻烦，而且她本人也不了解社保法规
- 担心工厂的福利福利被取消，会感觉加入给自己一份保障

案例 3 - 刘先生，28岁，已婚育。

- 加入工厂不是一时，不准备长待
- 对社保了解少，担心工厂提供相关培训，会学到了解更多
- 再考虑就业，不确定未来几年的发展和去向

The employer webinar for managers covered detail on the laws and regulations, and the risks and benefits of participating. It helped the employers understand the scheme and share best practice.

What did we achieve?

1,463



Worker WeChat Subscriptions

2,621



Video Views

782



Website Views

341



Completed Worker Surveys

9



Participated Printers

11



Managers Attending Webinar

37



Questions from Worker Adviceline

Impact on employers

Seven factory managers completed the project's closing survey, which asked:

- How useful the project had been for them;
- How understanding of social insurance had changed as a result; and
- Whether they will continue using the project resources.

The results show higher levels of interest in social insurance. Six of the seven managers are now receiving more questions from employees, and a handful of employees have since enrolled. Five printers want to continue using the resources to inform their employees.



HR Manager, printer

"All the resources of the project are very useful. The answers to common questions on short films and A4 paper handouts of this project can effectively help factories explain the significance of social insurance for employees and persuade them to join the scheme. We are now making use of the resources to organise training every month, and we ask workers to watch the short video together. I hope these projects will continue and bring us more useful information and knowledge!"

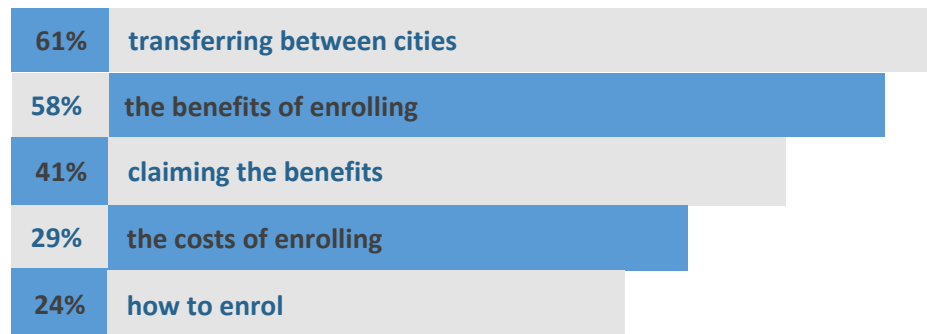


Impact on employees

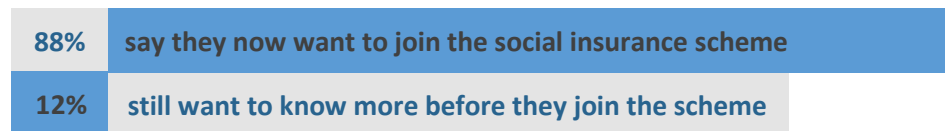
We received survey responses from 341 employees from six printers. 62% of respondents were male, and predominantly aged between 18-30 years old (52%) and 30-40 years old (34%).

Employees were asked about their interest and feeling towards social insurance. Overall, employees were pleased with the support offered by this project.

94% found the film helpful. They wanted to know more about ...



The employees not enrolled on the scheme also shared their comments.



Employee, printer

“The project video is very interesting and easy to understand, especially the case studies. It encouraged me to be aware of relevant laws and regulations and solve some practical problems. In fact, I was considering joining the scheme, but I couldn’t decide. But now, I would like to join the scheme and I also want to share the video with my colleagues who haven’t joined the scheme.”



Employee, printer

“I really like the worker advice line of the project. It is very helpful as I can ask questions and then receive the answers directly through the WeChat platform.”

Conclusions

The myths and misunderstanding of social insurance remain a barrier for more widespread enrolment amongst employees in the Chinese print sector. Younger employees also feel they are too young to benefit from the scheme, not seeing it as a guaranteed return on their investment.

This project highlights the need for employers to prioritise enrolment of their older employees (30-40 years old). This group are likely to have more urgent need of the health and family care protections the scheme provides.

The scheme itself is complex, with pay rates and calculations changing year-by-year and differing policies between cities. Employees struggle to understand the scheme and articulate the benefits. Even employees enrolled on the scheme still need detailed guidance. The majority of questions on our telephone hotline were from employees already participating in the scheme.

Using innovative communication techniques helped to bridge these gaps in knowledge. The film and WeChat channel took information directly to the printers and their employees in an accessible and easily understandable format.



HR Manager, printer

“The project is very helpful and useful. In the future, it would be great to make short videos on different scenarios for each type of social insurance to make it easier for front-line workers to learn how to make use of social insurance when they encounter such situations”

Endnote

Promising Futures was a special project from the [Book Chain Project](#): a collaboration of over 300 paper mills, over 250 printers and first-tier suppliers, and 28 leading book and journal publishers working together to improve the sustainability of the publishing industry. Book Chain has three pillars:

- *Labour and Environment*: Who made the books and where?
- *Chemical safety & material choices*: Were any hazardous substances used?
- *Forest sources*: What wood fibre was used to make the paper and board?

Promising Futures was our first special project, focusing on the *Labour and Environment* pillar of Book Chain and seeking to address labour challenges emerging from supplier audits. A special project involves us working with suppliers to develop their understanding of the chosen issue, we then help to improve their ability to offer a remedy. While auditing is an important first step in a human rights due diligence process, special projects such as this actively address one issue in detail to improve the protections for employees and the benefits to employers.