

Issues of China's Social Security Internationalization Development

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In the era of economic globalization, cross-border migration and resettlement become increasingly frequent. It requests both native countries and recipient countries to make appropriate institutional arrangements to solve social security problems for these cross-border workers and residents and ensure the connection and convergence of their social security rights and obligations. The cross-border institutional arrangements indicate a trend of internationalization of social security system throughout the world. Since accession to the WTO in the end of last century, China attracts much international capital and output quite a lot of domestic capital and labor to other countries for its rapid economic development. Meanwhile, the transnational communication and cooperation in the field of social security issues have become increasingly frequent, and some signs of internationalization process in social security system of China are visible. For example, China has signed bilateral social security agreement on mutual exemption with Germany and South Korea. As social security system of China has been established for less than sixty years and lacks the experience in international cooperation, the internationalization process of social security of China is still in its initial stage. In order to learn from the international experience and promote internationalization of social security, this paper will

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focus on bilateral cooperation agreements, and will be a preliminary research on relevant issues of China.

The main points of this report are as follows: (i) Background and history of bilateral social security cooperation; (ii) International experience in bilateral cooperation on social security, focusing on EU-countries, United States and Japan; (iii) Progress and problems of the internationalization of social security system in China;(iv) Some policy proposals on the internationalization of social security system in China.

I Background and historical development of bilateral agreements of social security

(i)The background of bilateral social security cooperation

There are three stages for the development of bilateral social security cooperation in the world. With the economic development from the early 20th century to the 1970s, labor output and immigrations was increasingly frequent, so was the international cooperation. Therefore, more and more people make a cross-border living. However, it is not reasonable for one country to protect the interests of the labors, if only rely on their own social security laws and regulations, so there comes the need for bilateral social security cooperation. In fact, some international treaties ranged over the interests of foreign immigrants longer before.^① Bilateral social security agreements started to sign between the EU member states.

In 1904, the transnational convention on social security between France and Italy, and it was the first bilateral social security agreements in Europe and the world. This convention aimed at providing equal treatment to the injured foreign workers in industrial accidents and compensating for relatives in their native countries. This approach broke the geographical restrictions of social security system between the two countries^②.In 1919, France and Italy signed another agreement and proposed to accumulate the insurance time that a worker's insurance time in two countries can be added up to meet the conditions for receiving social welfare in one country (Holloway, 1981)^③.

^① International Labor Organization, *Repertoire Des Instruments Internationaux de Securite Sociale*. Geneve, Bureau International du Travail.

^② Nagel,S.and Thalamy,C. *Le Droit international de la securite sociale*. 1994.

^③ Holloway,J. *Social Policy Harmonisation in European Community*, 1981.

During the war, the agreements about the equal treatment of work-related accidents compensation are generally accepted. However, those labor conventions are always involved in other aspects of social security, and gradually expanded to comprehensive agreements that covered all types of social security. The agreements affirmed principles of equal treatment, insurance time accumulation and the export of benefits, but also determined the principle of pro-rata payment of long-term social welfare. As the international social security agreements gradually expanded and perfected after World War II, a variety of agreements related to all aspects of migration, especially the social security issues.

Aiming at managing the large-scale labor immigration in the 1950s, 1960s and 1970s, many European countries expanded the bilateral social security agreement.

During the 20 years between 1949 and 1966, 401 bilateral social security agreements signed in the world, and 94% of which were between European countries. Although the postwar agreements were more complicated than the prewar ones, they still insist on the principle of equal treatment, insurance time accumulation and the export of benefits, and eliminate direct or indirect discrimination of immigrants in many ways. Pro-rata payment was widely used in order to share the responsibility of welfare payments between different countries. In fact, the differences in health welfare and the relevant laws have undermined the portability of health welfare in many countries. The non-portability of health welfare means that, expatriate workers pay to public health system of the recipient countries when they are young and use less of medical services, but when they get old they have to rely on the public health system of their native countries, which they do make less contribution. Therefore, the native countries will bear a considerable burden on health care for these returning retirees.

As different countries have different regulations of old-age pension payment and healthcare entitlements, so the management of portability of these entitlements still relies on social security bilateral agreements, of course, they can make use of the multi-party consulted standards. On the portability of pensions, the key factor is to calculate the sum of all payment periods in order to protect entitlements and to ensure a fair conversion rate.

Since the 1980s to the end of 20th century, with the changes in global order and the domestic economic and social conditions, developed and some developing countries began to re-examine and reform their social security systems. The thought of Supply-side School advocates that government should minimize intervention and promote free-market economy, was accepted by the Reagan administration and became the main theoretical basis of social security reform of United States in the 1980s^①. In the process of economic globalization, the United States increasingly promotes free trade, allowing the free movement of foreign workers in a broader range. In order to address the social security issues for these cross-border personnel, the United States began to sign bilateral social security agreements with the EU-members and other countries, which had relatively frequent personnel exchanges with the United States.

(II) History of Social Security bilateral cooperation

In the end of 19th century, E • G • Ravenstein founded the research of population immigration and movement. In 1932, Hicks.JR, a British economist pointed out that, “differences in net income advantages, chiefly differences in wages, are the main causes of immigration.” In 1962, professor Sjaastad of the University of Chicago published his classic paper entitled “The Costs and Returns of Human Immigration”, which clarified the major economic costs and returns of migration. A Chicago School economist Theodore W. Schultz treated migration as a investment behavior to bring some economic returns in his migration cost-return theory^②.

During the process of global economic integration, cross-border capital flows and the transnational production factor markets and labor markets expanded further, and cross-border labor mobility popularized in more regions. Many of the practical problems generated in the process of movement, such as the social security, are difficult to rely on one country's laws to implement. Concerning about the most vital benefits of national workers, countries need to conclude bilateral social security treaties. In 1904, Germany and Italy, France and Italy, and Sweden and Italy concluded bilateral treaties on migrant workers to provide international protection in the equivalence and reciprocity

^① Yang yansui; Yan zhongxing. “Government and Social Security”, Chinese Labor and Social Security Publishing House, 2007.

^② Ceng Xiang quan “Labor Economics ”, China Labor and Social Security Publishing House, Fudan University Press, 2005 edition, p. 178,”

conditions, which was the first social security bilateral treaty in transnational cooperation and laid the foundation for further international cooperation in social security.

From 1918 to World War II, more countries established the social security system and the international organization of social security came into being. For example, the International Labor Organization that established under the “Treaty of Versailles” provided an excellent platform for international exchanges and cooperation on social security issues.

In 1942, the well-known British scholar Beveridge predicted in his report that, “Social insurance will become an important factor which impacts labor mobility. On the assumption that once again it will be possible for men to move from one country to another to find the best use for their proves, it will be desirable to consider the making of reciprocal arrangements between the schemes of different countries facilitating transfer from one to the other, that is to say, arrangements enabling men on immigration to avoid forfeiting security and allowing them to carry with them some of the rights that they have acquired in their former country. That should, in due course, become a practical problem.”^①

Since the end of World War II, the regional social security cooperation has developed rapidly. In 1950, the agreement on the social security of Rhine boatmen signed; in 1957, the Europe surface transport international social security agreement on European rail, road, and air transport workers signed; in the same year, the social security treaty on migrant workers of member states of European Coal and Steel Community signed. In addition, Latin America and Africa also have achieved fruitful results in international social security cooperation. In 1971, African Common Organization signed “General Treaty on Social Security” while central and North American countries have also formed “multinational social security treaty”. More importantly, in the outcomes of such cooperation, major principles of international social security cooperation have been specified. For example, The European Union extends the provisions of Regulation on the application of social security schemes to employed persons and their families moving within the Community to third-country nationals legally resident in a Member State, by which the principle of

^① 【23】 William Beveridge. “Beveridge Report - social insurance and allied services” , Chinese Labor and Social Security Publishing House, 2004.

equality for the internal and external labors concretized^①. All these showed that international cooperation on social security has been getting better, whose broad range of outcomes made more and more people benefit from effective security.

Since the 1980s, the labor market has become unprecedented prosperous and the scale of personnel flow is growing. With the process of economic globalization speeding up, workers can either choose to remain in their own countries or choose to go abroad to seek a broader space for development. Labor migration has become of great importance for the global economy. It is both a product and a cause of the increasingly interdependent world. Late in the 20th century, Korea, Taiwan, Singapore and Hong Kong, known as the Asian tigers, also appeared (the first time in some countries) labor shortage problem, that is, just simply national labor is difficult to meet the demand of economic growth, and thus need to introduce labor force of other countries to serve its own economic development.

A problem directly caused by the cross-border labor force mobility is how to fulfill the legitimate rights and interests of these expatriate workers in social security issues. Some countries attempt to sign bilateral social security agreement with other countries on mutual exemption to eliminate dual coverage or payment problem and ensure that the social security system is able to cover cross-border workers' rights. In fact, bilateral social security agreement has become the main content of international social security development. The following table lists some countries that have signed bilateral social security agreements.

Table 1 some countries which have signed social security bilateral agreements

Country Name	Number of Social Security bilateral agreement mutual exemption
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^① REGULATION (EEC) No 1408/71 OF THE COUNCIL of 14 June 1971 on the application of social security schemes to employed persons and their families moving within the Community, which provides institutional framework and legal basement for the labors of free movement.

United Kingdom	157
Germany	224
Ireland	20
United States	97
Canada	180
Australia	66
Japan	7
South Korea	6
China	2

(Source : social security-related websites of different countries and Portability Regimes of Pension and Health Care Benefits for International Migrants: An Analysis of Issues and Good Practices. By Robert Holzmann, Johannes Koettl, and Taras Chernetsky, May 2005.)

Through the analysis of the table above, more developed countries have social security bilateral agreements, particularly countries in Europe and North America, such as Britain, Germany, the United States and Canada; although Asian countries are main labor-service export countries, while the number of the them which sign bilateral social security agreement on mutual exemption is relatively small. Based on principle of equal treatment and the principle that social insurance eligibility combination, also principle of export of benefits, the new trend of bilateral cooperation development of social security has been extended by the earlier western countries to Asian countries such as Korea, Japan, etc. The awareness of these countries to have bilateral cooperation in the field of social security is gradually strengthening. At present, Japan is under negotiation with some countries on bilateral cooperation agreement. China, respectively in 2001 and 2003, negotiated with Germany and South Korea in the area of social security and signed bilateral agreement on mutual exemption. China will set up cooperation with more countries in this area to maintain cross-employed workers' social security rights.

II International experience of the development of social security bilateral cooperation

(I) Social Security bilateral cooperation of EU member states

To resolve cross-border workers' social security issues is through the traditional method of international agreements. The first bilateral social security cooperation agreement produced in Europe in the early 20th century. Each member state signed a number of international social security agreements. However, many people in the world who moved into EU member states have not been involved in the protection of the International Social Security Agreement^①.

European Economic Community established the "Treaty of Rome", now the European Union, including such provisions: restrictions on the freedom of establishment of nationals of a Member State in the territory of another Member State shall be prohibited, ensuring that workers of one Member State employed in the territory of another Member State may remain in that territory for the purpose of taking up activities therein as self-employed persons shall benefit from welfare without prejudice. Application scope of the provisions has been extended to all citizens of EU member states, while the conditions of accession includes the transitional provisions to enable the existing member states to defer the free movement provision for the acceding states citizens in a limited time. Hence, some of the existing member states do not use the provision of free movement for the 10 new members during the transitional period, but there are a number of member states applying free movement provision to the new member states on the date of their accession.

To eliminate obstacles of labor mobility, "Treaty of Rome" included such a provision: "The Council shall, acting in accordance with the procedure raised by the Commission, adopt such measures in the field of social security as are necessary to provide freedom of movement for workers; to this end, it shall make arrangements to secure for migrant workers and their dependants." They are applicable to all migrant workers of member states, including countries that take temporary restrictive measures on the free movement.

The progress of social security portability of different countries coordinated through bilateral mutual exemption of social security is varied widely. For example, the EU countries have signed more than 2500 social security agreements (as each agreement has two signatory parties, so one agreement must be calculated for twice) until now, besides some countries outside of

^① Roberts, " Not One of Us: Social Security for Third Country Nationals in the European Union" ,*PhD thesis*, Brunel University, 1998.

Europe, most of which are signed between the European countries. Table 2 lists the official migrants (thousands) and bilateral social security agreement of some European countries.

Table 2 Some European countries which sign bilateral social security agreements

Country Name	Number of foreign workers	Expatriate employees	Numbers
Austria	758	285	146
Belgium	862	66	167
Czech	201	77	10
Denmark	259	67	49
Finland	91	124	55
France	3263	620	386
Germany	7297	1498	224
Greece	527	667	58
Hungary	127	92	18
Iceland	10	13	22
Ireland	151	638	20
Italy	1388	3045	112
Luxembourg	165	0	136
Netherlands	668	580	165
Norway	185	63	54
Poland	2087	1188	46
Portugal	208	1761	95
Russia	13233	10191	7
Slovakia	28	61	12
Spain	896	994	140
Sweden	477	93	66
Switzerland	1384	44	124
United Kingdom	2587	3298	157
Ukraine	6944	4713	8
others	4136	18535	284
total	47931	48713	2561

(Source: Harrison 2004, ILO 2005, United Nations 2003, World Bank 2004,

and authors' calculate.)

The above figures refer to the number of bilateral social security agreements each country signed, including all the additional treaties and amendments to the treaties on the previous ones. As each agreement has two signatory parties, so every agreement in the world must be calculated for twice (although the two sides of the agreement are in two different places of the world). Until now, Europe is the continent which has signed most bilateral social security agreement on mutual exemption, since the European social security system has been set up earlier and relatively more perfectly. It is not difficult to see from the table that countries, which have more foreign employees, also have more expatriate workers, and their international exchanges and cooperation are relatively frequent.

Most bilateral agreements provide for accumulation of benefits of the same kind or benefits relating to the same period of insurance. When a country's social security system is a contributory system, the total insurance time means to accumulate the insured individual's contributions. However, not all countries implement contributory social security system. If one country's social security system a contributory system, while the other country calculates the benefits to be enjoyed by residence time or employment time, then the different period could be accumulated according to different principle. For example, the agreement between Portugal and Australia provides that, in the calculation period, the periods of Australian working life residence shall deemed as Portuguese insurance periods.

At present, the vast majority of the bilateral social security agreements signed between the EU member states. However, to the nationals of EU countries, by virtue that bilateral agreements between EU member countries have been replaced by the European Economic Community (EEC) 1408/71 Statutory Instrument, so these provisions are largely become superfluous "decoration" .1408/71 Statutory Instrument protects social insurance portability of EU member states nationals in their free movement between Member States. The instrument has a relatively wide range of requirements for employees or freelances, including those who have the nationality of a Member State while do not live in the EU member states. If the employees or

freelancers insure pension insurance scheme in two or more member states, they could require accumulating their pension based on the rules of legislation.

The social security conditions of EU member states block many immigrants to benefit from the social security system. Faced with the social pressures caused by labor migration, the International Social Security Agreement has played a certain role, but the majority of immigrants to the EU member states, in fact, do not really enjoy the protection of the International Social Security Agreement.

For example: Suppose a person, in all of his life's work, contributing 40% in the United Kingdom, 30% in France, as well as 30% in Germany. Then, he should be entitled to get 40% of all the UK pension amount from the United Kingdom, which based on the assume that he work in the UK life long could get; likewise, he should get 30% of the whole pension assuming that he had life-long working in France; similarly, 30% of the whole amount of pension from Germany.

In the case of lack of international agreement, there are still some technical difficulties to handle some immigration related problems. Because it is difficult to calculate the time interval that the immigrants pay the insurance premium in native countries, then the output of insurance premiums will encounter obstacles. For example, the output of unemployment insurance and health insurance need carefully verify. Nevertheless, in some cases, the relevant divisions would even have disability insurance verification. However, there is no technical barrier of the equal rights expansion of immigrants and the output of retirement pensions. Thereinafter, we will take the off-site medical care within the EU member states as an example, briefly introduced the mechanism to solve the problem within the EU.^①

Citizens of EU member states have four main types of common cross-border medical care: local living, working abroad medical treatment; short term living abroad, cross-border medical treatment; retirement relocation medical treatment; plan for off-site medical treatment. Aiming at the above-mentioned medical treatments, the EU establishes special management agencies to coordinate and supervise cross-border medical treatment. As the executing agency, the European Commission plays the role of a core

^① Wang hufeng. "Universal health insurance system, medical care management services for off-site study - medical care management experience on EU cross-border", 2008.

promoter [8], mainly responsible for making a proposal on goals of cross-border medical care development and project cooperation, such as introducing and promoting proposals of using European health insurance card and formulating relevant laws and social security policies. EU Social Protection Committee and the Economic Policy Committee provide cross-border medical care policy advisory services, and take responsibility for auditing the policies formulated by European Commission, according to the majority rule, EU member states need to amend their own policies following the policies adopted. The EU member states may also recommend policies to the European Commission. The European Parliament listens to, examines the implementation progress of the European Commission report, and develops some of the social security laws and regulations. The European Court of Justice always accept a number of special cases of citizens' medical services which are not in "Regulations EEC No. 1408/71" and "Regulations EEC No. 574/72" of EU. Most of the cases are generally because the EU citizens believe that, under the EU provisions, laws in their own countries violate their rights.

As early as 30 years ago, targeting social security co-ordination between EU member states, European Union began to develop special regulation and repeatedly adjust and expand it, eventually form "Regulations EEC No. 1408/71" and "Regulations EEC No. 574/72". This Regulation has become the main system basis to protect off-site medical treatment of citizens of EU member states, which include the following main contents. (i) To protect the continuity of medical services, social security policy provides "national treatment principle" and "workplace principle" related to medical insurance; the medical insurance-related laws define that the treatment of EU citizens from different medical institutions and doctors should be of continuity. "Regulations EEC No. 1408/71" provides that, as long as European citizens (who may be immigrants from other member states) become a member of the social security schemes of a certain EU member states, then the country's social insurance agencies should endow him the same rights and obligations with the nationals of the country. (ii) The portability of health insurance, that is, Medicare cumulative principle can used in EU cross-border medical care. The accepting medical insurance agencies should consider one's relevant

“records” of the former country, taking the principle of “accumulation”, which ensures continuity of the health insurance right and eligibility when residents move from one country to another. (iii) The reimbursement principle. Regulation provides that the enjoyment of cross-border personnel’s medical care should not be more than the compensation to seek treatment in the former country. Regulation confers the same medical service right on EU citizens in other member states with the nationals. Cross-border personnel have the right to obtain medical care reimbursement, which does not exceed the amount of the compensation in former country, and need to bear the increased additional burden risk of medical costs. (iv) The use of uniform forms and medical insurance card. The European Union organizations promote standardized E forms as well as the “European Health Insurance Card (EHIC)”, and unify health insurance information of cross-border medical care standard. The roles of E forms are mainly embodied in information retrieval applications, continuity of social security, social security records, and proof of treatment, special circumstances as well as reimbursement and so on. The object-oriented of E forms including general insured persons and their dependents, employees and health insurance management agency. The European health insurance card can help to achieve cross-border medical treatment and local reimbursement.

The European Commission has established a common framework of European Union level for cross-border medical treatment, developing an Open Method of Coordination (OMC), promoting collaboration between the health insurance systems. The framework mainly includes the following aspects, which are ,determining the common principles of all health systems on EU level and medical care standards, clarifying a detailed framework of cross-border health insurance, determining the patient's right to have cross-border medical treatments and setting limits, promoting cooperation in the field of health insurance between member states, including mutual recognition of examination and prescription, data collection, free flow of service information, health care quality and safety standards. The European Commission has also set up the High Level Group on Health Services and Medical Care, which push to solve medical services and medical security of the EU flow patients’ problems. The Working Group began its work in 2004, which brings experts

from all member states together to concentrate on the medical service and medical insurance of EU countries and concrete cooperation. In 2006, approximately 400 million EU citizens flow in other European countries. In Italy and Luxembourg, with an average over 10000 people apply to have treatment abroad since there is no corresponding service in their own countries. EU organizations play an active coordinating and facilitating role on cross-border medical care service management, achieving good results.

(II) The bilateral Social Security cooperation of the United States

The United States is a federal country. During the Great Depression in 1929, the number of unemployed workers increased sharply, residents and workers in the urban trapped in extreme poverty. 34 million people had no any source of income in the United States in 1932, accounting for 28% of the country's population. The level of older persons' poverty of increased, saving in their life almost lost because of the crisis, while the traditional way of relying on children or hospice was difficult to maintain a normal livelihood during the Great Depression. At this point, Keynesian economics came into being for easing the crisis and reducing unemployment. He criticized the denial attitude of traditional economics to the general crisis of overproduction, as well as the view that the spontaneous role of market mechanism would automatically tend to supply and demand balance. He pointed out, the spontaneous of adjustment market mechanism to circulation shall not automatically make supply and demand balance, and neither could guarantee the rational allocation and full utilization of social resources. Keynesian theory is not only one of the important theoretical foundations of social security of the position of state intervention, but also a powerful ideological support for the development of postwar social security system^①. The United States Congress approved the implementation of the Social Security Act on August 14th, 1935, after that, the Act experienced several amendments which expanded the scope of protection and make the system more perfect, on the foundation of which, the United States has gradually established social security system of various projects. The U.S. social security and welfare system include as follows : (i) old-age

^①Yang yansui; Yan zhongxing. "Government and Social Security", Chinese Labor and Social Security Publishing House, 2007.

insurance, (ii) survivors insurance, (iii) disability insurance, (iv) health Insurance for aged, disabled and persons with end-stage renal disease, (v) Pneumoconiosis benefits, (iv) temporary assistance for needy families, (iiv) unemployment benefits, (iiiv) public assistance and welfare services (aid to the children of low-income families, medical assistance, health services for the expectant mother and children) . The federal government administrate the former six programs nationally, and the state governments administrate two else programs while the federal government provide general supervision. Social security in the United States currently refers to the federal old-Age, survivors, and disability insurance (OASDI) program. The old-age pension program composed three parts: compulsory old-age insurance, employer pension plans and individual savings pension plans.

With the global economic integration, as the world's economic power, domestic and international exchanges and movement of labor force of the United States is increasingly frequency. The US multinational corporations and their employees generally concern the dual payment of social insurance , which has no way to solve if only rely on their own social security policies. Therefore, in order to protect the legitimate rights and interests of national staff and to eliminate the dual payment of social insurance, the United States have negotiated on social security with the countries which have frequent trade with it since the 20th century. At present, the United States have signed bilateral social security agreements on mutual exemption with 21 countries (mostly European countries), which are Italy, Germany, Switzerland, Norway, Belgium, Canada, Britain, Sweden, Spain, France, Portugal, Netherlands, Austria, Finland, Ireland, Luxembourg, Greece, South Korea, Chile, Australia and Japan. Table 3 on the specific circumstances:

Table 3 The specific circumstances of the countries which signed bilateral social security agreements with the United States

Country	signing date	commencement date	Details
Italy	1973	1978	Old age, Disability, Survivors, social security tax
Germany	1976	1979	Old age, Disability, Survivors, social security tax

Switzerland	1979	1980	Old age, Disability, Survivors, social security tax
Norway	1984	1984	Old age, Disability, Survivors, social security tax
Belgium	1982	1984	Old age, Disability, Survivors, social security tax
Canada	1981	1984	Old age, Disability, Survivors, social security tax
United Kingdom	1984	1985	Old age, Disability, Survivors, social security tax
Sweden	1985	1987	Old age, Disability, Survivors, social security tax
Spain	1986	1988	Old age, Disability, Survivors, social security tax
France	1987	1988	Old age, Disability, Survivors, social security tax
Portugal	1988	1989	Old age, Disability, Survivors, social security tax
Netherlands	1987	1990	Old age, Disability, Survivors, social security tax
Austria	1990	1991	Old age, Disability, Survivors, social security tax
Finland	1991	1992	Old age, Disability, Survivors, social security tax
Ireland	1992	1993	Old age, Disability, Survivors, social security tax
Luxembourg	1992	1993	Old age, Disability, Survivors, social security tax
Greece	1993	1994	Old age, Disability, Survivors, social security tax
Korea	2000	2001	Old age, Disability, Survivors, social security tax
Chile	2000	2001	Old age, Disability, Survivors, social security tax

Australia	2001	2002	Old age, Disability, Survivors, social security tax
Japan	2004	2005	Old age, Disability, Survivors, social security tax

(Source: http://www.foreignborn.com/self-help/social_sec/8treaties.htm
http://www.ssa.gov/international/agreement_descriptions.html)

As can be seen from Table 3, the countries that signed bilateral agreements on mutual exemption with the United States early were all European countries, the social security system of which established early and had certain sophisticated experience in the international cooperation. Besides, the trade between the United States and EU member states was relatively frequent, so the two sides signed social security agreement on mutual exemption earlier. On the other hand, the social security system of Asian countries started late, but in the 21st century, Japan, Korea and other economically developed countries have started discussions with other countries to sign bilateral social security agreements on mutual exemption in order to solve the dual payment burden on expatriates of their own countries.

Not all social welfare and social security programs are included in these agreements on mutual exemption but old-age insurance, disability insurance, survivors insurance, and social security taxes. Mainly because the above three kinds of insurance are relatively easy in the calculation of treatment and are better to achieve a fair and just social security. All of bilateral social security agreements on mutual exemption that the United States signed do not cover health insurance mutual exemption, due to mutual exemption of health insurance are much more complex than the above-mentioned three kinds of insurances. The social security system of the United States is not as mandatory as that of other countries to mandate workers to participate in health insurance, besides, difference in health insurance, such as prepaid amount, risk factor indicators, insurance Base and so on is large between countries. The redistribution of the health insurance fund is wide, what is most important is that the uncertainty of health insurance expenditures is sharp in the two countries. The responsibility of the risk need share between the individuals and countries. At present, only some of the bilateral social security agreements on mutual exemption between the EU member states cover

medical insurance mutual exemption rules, in addition to European Union states, bilateral medical insurance mutual exemption has not been achieved.

Therefore, the most convenient way to achieve the portability of social security is to make former and accepting countries have bilateral negotiations on medical insurance mutual exemption between the two countries. Because of the large difference in the social security system, it is very difficult to have negotiations, anyhow, the new means and approaches are still quite necessary in the international bilateral social security cooperation.

(III) Bilateral social security cooperation of Japan

As one of today's developed capitalist countries, Japan began to implement a comprehensive public social welfare system from 1961, providing universal pensions and a variety of insurance plans to achieve the goal that "all nationals are insured and have national Pension". After World War II, Japan established a relatively sound social security system that includes pension, health insurance, public insurance for accidents, employment insurance as well as care insurance.

In the 21st century, Japan has become increasingly active in personnel exchanges with other countries and foreign workers increasingly grow, who have participated in social security system of their own countries, but have to rejoin the Japanese social security system, resulting in a dual payment of social insurance contributions. In accordance with Japanese law, there is no need for Japan's domestic corporate expatriate employees to transact various kind of insurance or change in procedures. However, in foreign countries, according to local legal requirements in some countries, one must join the local social insurance, which leads to the phenomenon of dual payment. To avoid this situation, the Japanese government has held talks with some of the European and American developed countries, signing a bilateral social security agreement on mutual exemption. Japan has already signed bilateral social security agreements with Germany, Britain, South Korea, the United States, Belgium, France, and Canada have been under negotiations with Australia, Netherlands and Czech Republic. Besides, Japan have prepared for negotiations with Spain and Italy.

Table 4 The specific circumstances of the countries which signed bilateral Social Security agreements with Japan

target country	commencement date of the Agreement	Objective: Elimination of Dual Coverage	
		In Japan	In Agreement countries
Germany	February 2000	Public pension system	Public pension
United Kingdom	February 2001		
Korea	April 2005		
United States	October,2005	1、 Public pension system 2、 Public health insurance system	1、 Social security system 2、 Public health insurance system
Belgium	January 2007		1、 Public pension system 2、 Public health insurance system
France	June 2007		1、 Public pension system 2、 Public health insurance system 3、 Public insurance for accidents at work
Canada	March 2008	Public pension system	Public pension (Except for Quebec pension plan)
Australia	Under negotiation		Super annuation guarantee
Netherlands	Under preparation	Pending further discussions	Pending further discussions
Spain	Under negotiation for negotiation		
Czech Republic	Under negotiation		

Italy	Under preparation for negotiation		
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NOTE : “Under preparation” means that the effective date of the agreements have not been determined yet. Japan and the agreement countries are preparing practical administrative procedures under the agreements.

(Source: <http://www.sia.go.jp/seido/kyotei/index.htm>)

(IV) The experience of bilateral social security cooperation in developed countries

The history of international bilateral social security cooperation of the EU Member States, the United States, Japan, and some other countries indicated that, along with cross-border employment and the growth of population movement, the internationalization process of social security shall be imperative. Besides, social security as the internal affairs of sovereign states gradually crossed the border of modern nation-state, and some areas or issues of it have become transnational affairs. Therefore, we can draw the following observations:

(i) The premise to sign the bilateral social security agreements of mutual exemption is due to increasingly frequent cross-border labor flow, and then negotiations start between countries. After reaching consensus the agreement signed.

(ii) The agreements design to protect the legitimate rights and interests of workers, maintain fair and impartial social security benefits, eliminate dual payment of social insurance, and promote economic development and flow of talents.

(iii) Developed countries in Europe and the North America have an early start in social security system and relatively rich experience in international bilateral cooperation ;Asia and other developing countries start relatively late in this area and have less experience, which, nevertheless, have entered a rapid development stage.

(iv) The agreements can greatly facilitate the economic development of the both countries as well as the abroad investment of domestic capital; meanwhile, it can help to create a more equitable and impartial international investment environment.

(v) We should realize the limitations of international cooperation when we solve cross-border workers' social security issues. The bilateral mutual exemption agreements were mainly on old age, disability, survivors. The social security projects which are complex and of relatively strong localization of management, and are relatively difficult to have remote implementation, such as medical insurance and maternity insurance, are rarely included in the agreements, and only some of the EU-countries approved mutual exemption of health insurance. However, all of these attempts provide experience for social security to continue to expand international cooperation, while it is afraid that, to continue to expand its scope of application, the prerequisite should be a more basic institutional framework. Such a system framework does currently not exist outside of the EU. Therefore, it is necessary to explore new policy tools to solve this question.

III the development of the bilateral social security cooperation and the major issues in social security internationalization of China

(I) The history of the bilateral social security cooperation in China

The Chinese Government has always attached great importance to the international cooperation of social security. In 1951, China's first regulation on social security, "Labor Insurance Regulations of the People's Republic of China" stipulated, in Article IV, that "These Regulations shall be applicable to all the workers and staff members (including apprentices) working in each enterprise which practices labor insurance, making no distinction between nationalities, ages, sexes and citizenship" This regulation provided initial legal basis to the social security of cross-border workers in China. Because there were only a few foreigner workers in China or Chinese employees working abroad for a long time, the government did not enacted any special regulation on it. After the reform and opening up in 1978, transitional employment emerged increasingly. The Chinese Government was aware of the necessity to make a positive scheme on social security to settle this problem. In 1999, "Provisional Regulations on the collection of social insurance" clarified that the basic old-age pensions shall not be restricted by nationalities., which left institutional room for foreign workers in China to be included in pension system. After entry into the WTO, with more increasing foreign workers in China, the Chinese government accelerated the pace on international

cooperation in social security field. In 2001 and 2003, "The Agreement for the Mutual Exemption of Pension Coverage Between the Government of the People's Republic of China and the Government of the Federal Republic of Germany" and "The Agreement on the Provisional Measures for Mutual Exemption of Pension Coverage Between the Government of the People's Republic of China and the Government of the Republic of Korea" were signed, which marked the beginning of standardization and institutionalization of international cooperation on social security system in China.

i The signing and implementation of Sino-Germany bilateral social insurance agreement

With the further deepening of China's reform and opening up, more and more domestic laborers are sent abroad, and Chinese-funded enterprises are increasing in foreign countries. In accordance with relevant laws, some regions of Germany begin to charge the staff of Chinese funded enterprises insurance premium of old age, unemployment and other social insurance. According to the German jurisprudence in recent years, the enterprises and their employees of quite a few countries, including China, which have not signed social security agreements with German are required to pay social insurance premium in Germany. In fact, most Chinese-funded enterprises in Germany have taken part in the social insurance system in China by law, so their staff working in Germany will not suffer from unemployment and pension issues when they return to China after expiry. The Germany levy approach has led to dual payment of social insurance of Chinese -funded enterprises, increasing the operating costs, affecting the development of these enterprises in Germany and "reasonably" infringing of the rights and interests of Chinese workers^①. Therefore, the bilateral mutually beneficial way to is the most common internationally used approach to solve the issue of cross-border workers' social security^②.

Meanwhile, China's unified pension and unemployment insurance systems have been initially established. In accordance with "The People's Republic of China Labor Law"(1994), "Provisional Regulations on the social insurance premium" and "Regulations on Unemployment Insurance"(1999) , foreign funded enterprises also have the obligations to pay social insurance. Social insurance dependency management is a common practice in the international

^① <http://www.zgfy.org/gjil/gjilshowB.asp?MessageID=33>

^② Chen Wuzhou;Chen fang. 'Cross-border workers and international cooperation on social security' *Theory Horizon*.2006(6). <http://www.cnlsslaw.com/list.asp?unid=2347>

arena, and China's social insurance will further expand to cover the foreign workers of foreign-invested enterprises, so the workers of German-invested enterprises in China are also faced with the dual payment of social insurance issue.

The agreement was discussed to sign between China and Germany in Hamburg. Hamburg is the area where most China's enterprises concentrated in Western Europe. From the 1990s, according to the German social law and judicial precedents, Chinese employees in Germany began to pay pension and unemployment insurance. In 1996 and 1997, it was linked with the imposition of work permission. Ministry of Foreign Trade of China once submitted three memorandums to the German Federal Ministry of Economics and the municipal government of Hamburg and requested German to solve this problem properly and discuss the signing of a social security agreement. May in 1999, Ministry of Trade and Economic jointly with the Ministry of Labor, Ministry of Foreign Affairs, held conferences with the German Ministry of Labor. They introduced China's social security legislation comprehensively and stressed that foreign employees in China were also required to participate in social insurance according to Chinese labor law. In this background, China negotiated with German government about the bilateral social security agreement. It was a momentous event in the process of the improvement of social insurance system and internationalization of economic and social legislation in China. On July 12th, 2001, Sino-German bilateral social security agreement on mutual exemption of pension insurance was signed in Beijing. On April 4, 2002, the agreement came into effect, and problems that oversea enterprises and employees abroad of Germany and China paid dual pension and unemployment insurance in two countries were properly and effectively solved. The social insurance departments of two countries have established effective cooperation mechanisms and created a good institutional environment for further economic cooperation between countries. This agreement was the first bilateral social security agreement between Chinese government and foreign government since the establishment of PRC. It was the starting point of standardization, institutionalization and internationalization processes of foreign-related social insurance in China, and had important political and economic significances in enhancing China's international status, safeguarding the national interests and legal rights as well as interests of institutions and staffs abroad, and promoting personnel exchange and economic and trade development.

From April 4th, 2002, when the agreement came into effect officially to

December 31st , 2007, Ministry of Labor and Social Security of China have certificated 2238 employees from mainland (of which 561 were non-employer workers, accounting for 25%), mostly in Beijing, Tianjin, Shanghai, Xiamen, Liaoning, Zhejiang, Jiangsu, Hunan, Sichuan and other provinces and cities in China (Table 5) . At the same time, China has received 1252 copies of the German employees working in China applying for the mutual exemption, and have exempted timely.

Table 5: 2005—2007 details of exemption Chinese employees working in Germany

Year	Total	Non-employer worker	Employer worker
2005	222	53	169
2006	585	169	416
2007	1163	339	824

(Source: collating based on the former Ministry of Labor and Social Security statistics,)

As more and more Chinese workers went abroad, the application for mutual exemption agreement was also increasing. In recent years, according to the exemption agreements we have certificated, Expatriates mainly have two categories. (i) regular employees who were sent to German companies from Chinese companies, such as China Huawei Technologies Co., Ltd., Siemens Ltd. (China) , China Ocean Shipping (Group) Co., Ltd. and so on. They are required to participate in China's Basic Old-Age Pension Scheme. In terms of the agreement, they will exempt from German's National Pension Scheme and need not pay contribution in Germany. (ii) year by year increasing non-employed workers; most of them are chefs, who were sent to German restaurant by domestic labor companies. They have participated in the local insurances, and can be exempt from dual payment. The procedures of such certifications were strict that the applicants need to provide completed materials about social insurance participation in the local insurance system. If the employee is up to the mustard, their application of exempt from double pay contribution will be denied. As for the non-employed workers who do not pay contribution in China, according to the agreement, they can't be exempt from the payment in Germany.

ii the signing and implementation of Sino-Korea provisional bilateral social insurance agreement

South Korea is a neighbor country of China which is one of the

economically well developed countries in Eastern Asia. As global economic integration, the transnational mobility of labor was increased dramatically between two countries. At the beginning of this century, Korea began to sign bilateral social security agreements with countries which have close economic relationship. With China's market opening and the gradually increasing investment from South Korea, the workers of two countries are exchanged frequently. China has become South Korea's largest trade and investment area. In order to avoid the trouble of employees' dual social security payment, on February 29th, 2003, the governments of China and South Korea exchanged the notes of "The agreement on the provisional measures for mutual exemption of Pension coverage between the government of the People's Republic of China and the government of the Republic of Korea" (hereinafter referred to the "Agreement"). On April 4th, 2003, both countries signed "The agreement on the provisional measures for mutual exemption of Pension coverage between the government of the People's Republic of China and the government of the Republic of Korea". The two sides agreed that the agreement will come into force on May 23rd, 2003.

Since the agreement came into effect officially, the implementation runs well and the employees between the two countries have got mutual exemption treatment. Until December 31st, 2007, we have handled 845 copies (see Table 6) for the employees, and most of them from Beijing, Tianjin, Shanghai, Jilin and Liaoning provinces. They are employees from Chinese company on assignment to South Korea, and some of them are university professors and doctors. Self-employees take a small proportion of the total.

Table 6 Agreements between 2003 and 2007

Year	Total
2003	95
2004	167
2005	191
2006	167
2007	225
Total	845

(Source: collating based on the former Ministry of Labor and Social Security statistics)

We regularly inform the South Korea of our workers' situation, and also receive information from South Korea. The two sides have expressed their approval on the implementation of agreement and hope to further strengthen communication and cooperation in the field of social security. This agreement

is just a provisional exemption agreement, not a fully complete agreement, and only small parts of population who can get mutual exemption are involved. A large number of trainees and less-skilled employees have not benefited from this treatment. The problem that those people pay dual insurance premium has not been solved. Mutual exemption of insurance premium is only confined to pension insurance of China and national pension of South Korea. We consider in the future formal agreement, other insurances, such as medical insurance, work accident insurance should be included. Besides, the duration of mutual exemption also can be reconsidered.

iii The new steps of Chinese Social Security internationalization

After 2008 Beijing Olympic Games, the pace of opening up is increasing in China. As more foreigners and oversea Chinese work in China and more Chinese workers are employed abroad, the problem of management and ministration of social security is emerging gradually. For realizing the importance of internationalization of social security, the Chinese government has carried out some new work on the international social security cooperation.

Firstly, "Notice on Further Improving the Employment of Overseas Chinese in the Country to Participate in Social Insurance" was promulgated and implemented. With China's reform and opening-up as well as socio-economic development, more and more overseas Chinese return to China mainland. According to the "Provisional Regulations on the collection of social insurance" (1999) and other relevant orders, the overseas Chinese working in mainland will be covered by local social security coverage. But the oversea Chinese do not have the identification card of PRC, so they can not get registered in the department of local social security. The Notice clearly defined the participation requirements of overseas Chinese, and formulated "the encoding rules on insured overseas Chinese social security numbers". Considering practice in handling affairs about overseas Chinese participating in social security, the government requests the relevant divisions to improve management methods. The Notice provided a basis to conduct the participation in social insurance of mainland for overseas Chinese.

Secondly, National Technical Committee on Standardization of Social Insurance Administration of China has been established, and it will provide a basic support to social security internationalization. From 1951 to now, China's social security system has been developed rapidly. In order to standardize the processes of social security administration all over the country,

it is very urgent to develop national standards of the social security system, and reserve the international interface for the national social security standards. In August 2009, under the preparation of the Ministry of Human Resources and Social Security, National Technical Committee on Standardization of Social Insurance Administration of China was established. It is a consultative body and its major task is to understand the standard systems of social insurance abroad, and to provide advices for Chinese government to develop national standards and internationalization of social security.

In addition, "The Notice on Problems of Foreign Employees Working in China to Participate in Social Insurance" has been drafted and is ready to promulgate. In accordance with international practice and the principle of reciprocity and China's relevant laws and regulations ("The People's Republic of China Labor Insurance Regulations," "The People's Republic of China Labor Law," "Provisional Regulations on the Collection of Social Insurance," and "the Foreigners Employed in China's Regulations"), foreign employees in China should participate in China's social insurance. Some local regulations on foreigners participating in social insurance have been carried out in Tianjin, Suzhou of Jiangsu Province and some other places in China. This national Notice to be promulgated will put foreign employees' social insurance into China's social insurance system. It will provide a new system platform for international cooperation of Chinese social security.

(II) The main problems of social security internationalization and bilateral cooperation in China

i Some problems of Sino-Germany bilateral social insurance agreement in implementation

Generally speaking, it runs well since the signing of the agreement. We have not only conducted exemption certificates for thousands of our workers employed in Germany, but also provides a good example and development area for more Chinese enterprises to invest in Germany. Sino-German agreement is the first bilateral agreement that Chinese government signed with other countries on mutual exemption in the field of social security. Although it runs well, there are still some problems in the implementation process. For example, it lacks strong propaganda mechanism. Compared to the total number of employees' assignment to Germany, the number applied for exemption certificates only takes a very small percentage. Many large

companies and their employees do not know the agreement and still pay dual insurance premium. China's social security web site and other news media have not done enough work to widely publicize the agreement. The working staff in related divisions lacks to know the situation of foreign workers' insurance condition in China. They do not accurately track the implementation of the agreement and get the insurance information of the persons working in Germany, for example, whether they continue to pay insurance premium in China. The regular information exchange mechanism on the affairs between two countries is not smooth; besides, the two sides could not negotiate the problems in the implementation process timely. In 2009, the two governments negotiated some details in agreement implementation, such as special definition to the person and duration of mutual exemption.

ii Some problems of Sino-Korea provisional bilateral social insurance agreement in implementation

Although the number of application of old-age pension mutual exemption is increasing year by year after the agreement came into force, while due to our lack of information propaganda mechanisms, the employees who know this policy are still relatively few, and the policy is not widely popularize. South Korea and China are friendly neighbors; the geographical advantage makes frequent exchanges of labor. With the output of more Chinese labors to South Korea, we should be more active in carrying out this work and provide good service to employees assigned to Korea.

As the agreement is provisional, it only covers very few employees who meet the specified requirements. Except the dispatched staff and self-employed persons, most of Chinese workers in Korea are not included. Especially some employees in multinationals who was recruited directly from China have participated in the domestic social insurance in China, because they do not meet the requirements for mutual exemption. During the implementation, we have repeatedly received the Chinese citizens working in South Korea reflects their situations on the phone. For example, some Chinese employees of South Korea's Samsung Corporation have paid insurance premium individually in China, because they are not included in the two kinds of the agreement. They still need to pay higher costs of insurance premium in Korea for the National Pension. Besides, there are many uncoordinated, non-uniform problems in the policies on social insurance collection between two countries. It does not fit the principle of reciprocity if our employees return China, while South Korean government does not return

insurance premium. In provisional agreement, only pension insurance can be mutual exempt, and the health insurance is not included.

In order to solve the remaining issues in the provisional agreement, in April 2005, the government officer of South Korea came to China and visited the Ministry of labor and social security. They introduced the social security system and the national pension management practices in Korea, and discussed the problems existed in implementation. In order to sign the formal agreement as soon as possible, both of the two sides have made some preparations.

iii Other problems: the case of insurance premium payment of Chinese employees in Japan

It is obvious that legislation on the social security internationalization in China lags behind and we have not understood the some of the issues clearly. The case of the insurance premium payment of Chinese employees in Japan will be introduced briefly. According to statistics on the Permanent Mission of foreign countries in Japan by the Japanese Ministry of Justice, by the end of 2006, the total number of Chinese in Japan is 56 million. Since China and Japan have not signed any agreement on mutual exemption of social security, the phenomenon of dual insurance premium payment of Chinese workers employed in Japan (especially in the Japan-China-funded enterprises) is common.^① Chinese employees working in Japan have to pay very high insurance premium, which has disadvantage on Chinese employees. Although the Chinese employees pay pension premium like the Japanese employees, while it is difficult to be refunded when they return China. It is very urgent for the two sides to negotiate and sign a bilateral agreement on social security issues of transnational employment as soon as possible.

IV Some thinking on strategies of social security internationalization of China

(I)China needs to develop the international cooperation and internationalization strategies on social security issues

In recent years, the number of China's overseas employment and enterprises is gradually increasing, but the dual payment of s insurance premium has become a severely constraint for these overseas enterprises

^① September,2007. "Japan International Social Security Agreement between nations", <http://www.sia.go.jp/e/ag.html>

and a "reasonable" infringement of the rights and interests of workers outside China.

It is the most commonly international approach to solve the social security problems of transnational worker by bilateral mutually beneficial way. China should also, in accordance with international practice and the principle of reciprocity, hold talks with different countries on social insurance issues and carry out international cooperation. The agreements be based on the principle of equality and mutual benefit as well as laws of both countries, and cover as many people and insurance as possible. It is very important to explore new ways of international cooperation in this field and protect interests of Chinese employees and enterprises. Chinese social security system has developed quite rapidly, and nowadays, we should focus on how to perfect our system and center on the needs of people, reflect the value of social security in equity and justice, speed up our pace with international standards and reduce administrative costs.^①

The primary targets of social security internationalization development in China should be as follows: to protect legitimate rights and interests of overseas workers in accordance with the principle of equality and mutual benefit; to safeguard the legitimate rights and interests of the Chinese government and the dignity of the Chinese law, regulations and policies; at the same time, to actively promote the internationalization of China's social security and international cooperation in social security field, to safeguard common interests of international community.

Some basic strategy principles on the development of social security Internationalization in China are: (i) insisting on scientific development, overall planning principles, taking the scientific development concept as a guidance, and considering the international and domestic connection issues on social security;(ii) Insisting on the principle of reciprocity, protecting the legitimate rights and interests of overseas workers in China and China's foreign employment; (iii) insisting on combining the international experiences with the reality of national conditions, on one hand, continuing to make domestic development and improvement of social security, and attaching great importance to international trends of social security on the other, having timely analyze and take appropriate countermeasures; (iv) persisting in the combination of reform and opening up, equality and mutual benefit and sustainable development. We should not be conservative and complacent,

^①. Chen Wuzhou;Chen fang. 'Cross-border workers and international cooperation on social security' *Theory Horizon*.2006(6).

only through opening up and learning advanced experience from history and other countries, could we improve the implementation ability and provide better services for overseas workers; (v) insisting on the principle of seeking truth from facts. Facing the international development trend of social security, we cannot stay alone or ignore it, but to carry out the basic work and promote the pace of internationalization actively, and to improve the depth and breadth of international cooperation in the field of social security constantly.

(II) Suggestions for promoting transnational cooperation and internationalization of social security

i Improve the government responsibilities and leading role in international cooperation of social security. The modern social security system is an outcome of nation-building process. One of responsibilities of modern state is to guarantee the basic living rights of citizens. Social insurance is one of most important policy tools to enhance and improve the life quality and promote social stability and development constantly. It means that the development of social security system has always been inseparable from the Government's active participation. The history of modern social security system in China is very short, and the experience of transnational cooperation is relatively scarce. The Chinese government should fully recognize the importance of social security and necessity of international cooperation, and enhance the importance degree of international cooperation. Besides, China should actively use variety of channels and platforms to understand the overall situation of international employment both in China and abroad, clarify the functions and mutual relations of related departments, improve abilities in policymaking and implementation, strengthen responsibility and provide better services for the transnational employees and enterprises.

ii Strengthen legislation on international cooperation in social security. Social security legislation is the legal mechanism to coordinate the legal relationship of social security. It is a common way for social security multilateral or bilateral cooperation in international, which is the fundamental guarantee to safeguard labor rights. Imposed contributions collection from the foreign workers and granting citizen privileges is the common way that most developed and some developing countries used. In 1962, No.118 regulation of ILO "the Equality of Treatment (Social Security) Convention "provided that, " according to legislation, nationals of other Member States shall be granted the same treatment as the nationals". Both "The People's Republic of China and the Federal Republic of Germany Social Insurance Agreement" and "The

agreement on the provisional measures for mutual exemption of Pension coverage between the government of the People's Republic of China and the government of the Republic of Korea" provide that, the Chinese government will charge social insurance premium if the foreigners working in China cannot offer the exempt certificate. At present, specific provisions of foreigners, working in China on insurance premium has not yet introduced. The major points of above-mentioned regulations and relevant content should be included in the "Social Insurance Law of China", which is being considered. It can provide a legal basis for social security transnational cooperation and internationalization in China,

iii Converge the international labor conventions of transitional employment on social security and speed up the pace with the international practice. Since the 1920s, especially since World War II, considering a variety of problems of the transitional labor mobility in the international community, the ILO developed a series of international labor conventions for them. These Conventions made clear and specific provisions for the transitional workers on employment, working conditions, equal treatment, and social security and so on. In order to put the social minimum standards into the global economy goals and handle the social problems in the process of globalization, in 1999, the 87th International Labor Conference organized by ILO proposed the conception of "decent work" and four strategic objectives: promoting the principles and rights at work, promoting employment, promoting social protection and promoting social dialogue. As for China, the government should improve the social security mechanism to safeguard China's image in the international level. The Chinese enterprises should be more familiar with international labor standards, and consciously comply with the international labor conventions that the Chinese government has approved. To protect the legitimate rights and interests of cross-employed effectively, the Chinese government can approve more international labor conventions that are suitable for China at the right time.

iv China should learn from the developed countries on bilateral social security cooperation and sign bilateral social security agreement with more other countries. The developed countries sign bilateral cooperation agreements on social security with other countries to solve the problems of transitional employment, which is the main form of social security international cooperation. To adapt to the trend of internationalization, China should negotiate with other countries in the field of social security actively, and sign bilateral social security agreement. It will not only protect the legitimate rights

of Chinese workers abroad, but also enable more capitals invest aboard as well as provide a broad platform for China's rapid economic development. We should get all-round, multi-level and wide-range integration into the world economy; we should widely participate in international competition and the international division of labor. We can benefit from the experience of European Union even the text of the agreement style, draft the text of the agreement which suit to China's transitional workers as soon as possible, and accelerate the pace of international standards in China's social security field.

v China should learn from the practice of bilateral cooperation in social security field of the EU countries actively, and provide some reference on inter-regional transfer of China's social insurance relations. As the insurance premium and standards of treatment are not unified in different areas of the country, so the transfer of social insurance relation for trans-regional mobility workers has become a difficult problem encountered by China's social insurance administration. China should learn from the practice of the European Union to build a platform to develop laws and regulations and to make unified framework and technical standards to establish a more advanced data processing system to facilitate transfer and continuation of the social insurance treatment throughout the country.

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