

The distinctions of Social Security in China and Thailand

Dr. KAEWSOPA Wanchai

School of Finance and Public Administration, Guangxi University of Finance and Economics

FU qi

Department of international Relationship, Guangxi University of Finance and Economics

Dr. ZHANG Rui

Corresponding author: School of Finance and Public Administration, Guangxi University of Finance and Economics

Abstract:

Social Security is a vital national program that provides medical expenses and stable income to compensate for wages lost due to retirement, disability, or death. This paper aims to examine the distinctions of the Social Security systems in China and Thailand. Qualitative data were collected through document analysis and analyzed using content and thematic analysis. This paper focuses on five aspects of the social insurance system that relate to employees in the private sector. The findings reveal differences between the social insurance systems of China and Thailand: 1) Benefits of the insured: Thailand's Social Insurance does not cover housing, whereas this benefit is voluntary in China's social security. 2) Sources of contribution: In Thailand, the government, employers, and employees contribute to social security payments, while in China, only employers and employees contribute. 3) Base of contribution: China's contribution base is calculated as the average monthly salary in each city in the previous year, while in Thailand, it is fixed by law. 4) Rate of contribution: China's total contribution rate is higher than Thailand's rate. 5) Coverage: Thailand's social insurance has been established for employees of private enterprises and independent workers, whereas China's social insurance covers almost all Chinese citizens, including those working in state enterprises, public agencies, private enterprises, independent workers, and foreign employees.

Keywords: *Social security, social insurance, social protection, China, Thailand*

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A vital role of the government is to ensure the income and health of all citizens of the country equally. International Labour Office (2014) reported that more than 45 countries have achieved 90 percent pension coverage, and social protection is a key element of national strategies. China has achieved nearly universal coverage of pensions and increased wages with a social security system. Social Security has also become a core component of retirement security in the United States, with nearly two-thirds of seniors relying on the program's benefits for most of their income (Vallas et al., 2015). In Thailand, the social protection system covers almost the entire population, but many schemes include both contributions and non-contributions. This has led to a debate on equality and equity in public health benefits and income distribution among various groups in society, as well as a debate on pension adequacy.

Additionally, another important task of the social security system is to prevent the value of pension funds from decreasing over time, as well as financial bankruptcy caused by aging social issues. The number of pensioners tends to increase every year, but the number of insured individuals is decreasing. Countries that are undergoing fiscal consolidation are reforming their pension systems for cost savings, often by raising the retirement age (International Labour Office, 2014). To compare two different social security systems, countries can draw useful conclusions to improve and address the problems faced by social security.

I. THE COVERAGE OF SOCIAL INSURANCE IN CHINA AND THAILAND

China's social security law was promulgated by the central government, but the administration of social security, with its specific details, is managed by local authorities. The construction of China's social security system is based on international practices, economic development, and national needs. The structure of the social security system includes social insurance, social assistance, social welfare, and social benefits. Social insurance ensures that workers can enjoy basic living support after losing their ability to work and thus experiencing an interruption in their income. The core components of the social insurance system are basic retirement security and basic medical insurance. Social assistance represents the lowest level of social security, ensuring the minimum

living needs of citizens. This includes a subsistence security system, assistance for those in the 'five guarantees' category, and support for disaster and accident victims. Social welfare, a higher level of social security, enhances the living conditions of citizens in both urban and rural areas. It encompasses public welfare and employee welfare. Social benefits represent a special category of social security, guaranteeing basic living support for military personnel and their dependents. It also extends to individuals whose life or health has been impaired as a result of safeguarding the interests of the state or society while engaging in official activities.

Social insurance forms the core of the system (Ministry of Human Resources and Social Security, 2012). China's social security system covers both legally mandatory groups of employees in state enterprises, public agencies, various private organizations (private enterprises), and voluntary groups such as independent workers, as well as foreign employees in China. However, it is worth noting that self-employed individuals and part-time employees are not entitled to social security schemes through their employers. Additionally, independent workers and unemployed individuals can benefit from pension and medical insurance schemes on a purely voluntary basis (Ministry of Human Resources and Social Security, 2012). Moreover, public agency employees not only receive pensions from social security, but they also received them from the government prior to October 1st, 2014.

In Thailand, the government's commitment to ensuring income and health security for all segments of the population, in line with the principles of a welfare state, has led to a broad categorization of the population into the following groups: 1) Government officials: The government provides a pension scheme for income security and fully covers medical expenses for individuals and their families, including their parents, as stipulated in regulations. 2) Employees of State Enterprises and State Affairs: Each State Enterprise and State Affairs entity allocates pension benefits to its employees and provides medical care for employees and their families, including their parents, as prescribed in regulations. 3) Private employees: Income and health security for private employees are ensured through the implementation of the Social Security Act. The state co-sponsors the fund along with employees and employers. Additionally, the government offers allowances for the elderly and post-retirement medical care through the Universal Health Care (30 baht) Program. 4) The self-employed group, farmers, or others: The government supports retirement income through elderly allowances and national savings initiatives. It also provides medical care through the Universal Health Care (30 baht) Program.

The initiation of Social Protection (SP) in Thailand dates back to 1972 when a compensation fund was established under the administration of the Department of Labor, Ministry of Interior. Today, Thailand boasts a comprehensive multi-pillar Social Protection system designed to cover all sectors of the population. This system encompasses various SP schemes, including the Government Pension Fund, the Social Security Scheme (SSS), the Workmen's Compensation Fund, the National Saving Fund, and the Provident Fund. In the realm of healthcare, a pivotal component of SP is the Universal Health Care (30 baht) Program (Paitoonpong, 2010). Thailand's Social Security Insurance forms a vital part of the broader Social Protection system. According to the Social Security Act, the Social Security Office (SSO) administers the social security system, operating under the overall guidance of the Ministry of Labor. The Social Security Act mandates that private enterprises employing at least one employee must register for the social security system, while independent workers have the option to voluntarily participate. However, it's important to note that government offices, both central and local, as well as state enterprises, are not covered by this law (Social Security Office, 2020).

The Coverages of Social Security System of China and Thailand

China's Social Security system is a unified system that covers almost all Chinese citizens and foreign employees in China. In contrast, Thailand has established various types of social security schemes for different groups of Thai citizens, categorized by job sectors such as government offices, state enterprises, private enterprises, and independent workers, among others.

The Social Protection system in Thailand operates as a multi-pillar system with several schemes designed to cover various sectors of the population (Paitoonpong, 2010). However, Thailand's Social Protection system appears to face issues of inequality among different population groups. For instance, the Thailand Social Security Insurance fund is primarily established to collect social security contributions from private employees and independent workers. In the interest of promoting equality, the government has taken on the role of contributing to the Social Security fund on behalf of all segments of the population, effectively becoming a single payer for this Social Security fund.

While the coverage of each fund varies significantly, Thailand's Old Age Allowance (OAA) and Universal Health-Care Coverage Scheme (UCS) serve as regional models for social protection coverage. Over the past decade, OAA has effectively reduced elderly poverty, while UCS has played a crucial role in decreasing infant and child mortality rates (The International Labour Organization, 2020).

Securities	China		Thailand			
	Military	Other Chinese and foreigners	Government employees	State enterprise employees	Private enterprise employees	Independent workers
Security of Income	Social benefits	Social insurance: Social welfare; Social assistance	Government official pension welfare; Government pension Fund	State enterprise pension welfare; Provident Fund	Social Security insurance; Workmen's Compensation Fund; Provident Fund; Older persons allowance	Social Security insurance; National Saving Fund; Older persons allowance
Security of Health	Social security contribution	Social security contribution	Government official medical welfare	State enterprise medical welfare	Social Security insurance; Workmen's compensation fund	Social Security insurance; Universal Health Care (30 baht) Program

Table 1 The Coverages of social security in China and Thailand

Note: Independent workers included self-employed individuals, part-time employees, unemployed person, and disparity person.

II. SOURCE OF FUND AND MANAGEMENT

China's social security system encompasses five mandatory types of insurance, along with a housing fund, for local Chinese citizens. For foreign employees, there are five mandatory insurance schemes (excluding the housing fund), all of which are managed by five separate funds: 1) Pension insurance fund; 2) Medical and Maternity fund; 3) Employment injury insurance fund; 4) Unemployment insurance fund; 5) Housing provident fund. Employers are required to contribute to all of these funds, except for the housing provident fund, which is voluntary. Employees are eligible to receive benefits from all these funds, but they only contribute to pension insurance, medical insurance, unemployment insurance, and optionally to the housing fund.

Thailand's social security insurance is specifically established for employees in the private sector and independent workers. According to the Social Security Act, contributions to the social insurance fund are made by employees, employers, and the government, while payments for the workmen's compensation fund are solely the responsibility of the employer. Additionally, the insured in Thailand are categorized into three groups by law: Article 33 mandatory group: This group is entitled to all benefits provided by the social insurance fund, including pension, child allowance, maternity, disability, death, sickness or injury, and unemployment. Article 39 voluntary group: Members of this group enjoy the same benefits as the Article 33 mandatory group, except they do not receive unemployment benefits. Article 40 voluntary group: Members of this group also receive the same benefits as the Article 33 mandatory group, except they do not receive maternity and unemployment benefits.

III. BASE OF CONTRIBUTION

China's Contribution Base

The contribution base for social insurance in China has both minimum and maximum limits. Typically, the maximum contribution base is set at three times the average monthly salary of the previous year in a given city, while the minimum is a certain percentage of the average monthly salary of that city in the previous year, often at a minimum of 60%. This means that employees earning more than the maximum contribution base will contribute a smaller portion of their salary to social security, reducing the burden on both employees and employers. Additionally, local authorities independently determine the contribution base for independent workers (voluntary group). These local governments generally update the average local salary and minimum wage once a year, typically around May. These updates affect the social security floor and ceiling of the contribution base, and the contribution rate may also be adjusted accordingly. It's important to note that contribution rates and bases can vary by city and year. Furthermore, insured individuals may have the option to voluntarily choose their payment base for basic pension insurance, which can be set at 60%, 70%, 80%, 90%, 100%, 200%, or even 300% of the average monthly wage.

For example, the average monthly wage of employees in Guangxi Zhuang Autonomous Region in 2022 is 6,197 RMB. Consequently, the floor and ceiling for the contribution base are set at 3,718 RMB and 18,590 RMB, respectively (Department of Human Resources and Social Security of Guangxi Zhuang Autonomous

Region, 2022). The standard payment for the five types of social insurance (excluding housing insurance) in Nanning, Guangxi Zhuang Autonomous Region in 2022 is calculated and presented in **Table 2**.

Insurance	Wage base		Payment proportion		Minimum payment		Maximum payment		
	Lower limit	Upper limit	Employer	Employee	Employer	Employee	Employer	Employee	
Basic pension insurance	3,718	18,590	16%	8%	594.88	297.44	2,974.4	1,487.2	
Unemployment insurance			0.5%	0.5%	18.59	18.59	92.95	92.95	
Employment injury insurance			Different industries are different level						
maternity insurance			1.3%	0%	48.33	0	141.67	0	
medical insurance			6.0%	2%	223.08	74.36	1,115.4	371.8	
supplement for serious illness	Enterprise pays 7.5 RMB		7.5yuan	0	7.5yuan	0	7.5yuan	0	
Total:			23.8%	10.5%	892.38	390.39	4,331.92	1,951.95	

Table 2 shows social insurance payment standards of enterprises' employees in Nanning, 2022

In all five types of social insurance, employees are required to contribute to pension insurance, medical insurance, and unemployment insurance within specific upper and lower limits. Employers determine the worker's pay base based on the individual's declared monthly average salary for taxation purposes in the previous year. If the individual's declared salary falls below the lower limit or exceeds the upper limit, the payment base is adjusted to the lower or upper limit accordingly. For instance, consider a worker whose actual average salary from the previous year was 21,000 RMB. This exceeds the upper limit of 20,004 RMB for pension insurance, so the payment base for pension insurance is set at 20,004 RMB. However, the 21,000 RMB salary is lower than the upper limit of 24,654 RMB for medical insurance, industrial injury insurance, unemployment insurance, and maternity insurance. Therefore, the payment base for these four insurances remains at 21,000 RMB.

Thailand's contribution base

This paper focuses solely on the Contribution Base of the mandatory group of insured. In Thailand, the contribution base for three categories of contributors—employees, employers, and the government—is fixed by law and ranges from 1,650 baht to 15,000 baht of monthly income. This contribution base has remained unchanged for over 20 years. Employees earning a monthly salary exceeding this ceiling will still gain benefits. Contributions for all three contributors are calculated based on the employee's monthly income.

Social insurance Contribution Base of China and Thailand

In China, the contribution base is determined flexibly based on the average monthly salary of each city in the previous year. The ceiling is capped at three times this average monthly salary, with a minimum of 60%. As a result, local governments typically update the average local salary and minimum wage details once a year. In contrast, Thailand's contribution base is fixed by law, with a ceiling set at 15,000 Baht per month and a floor of 1,650 Baht.

IV. RATE OF CONTRIBUTION

China's Contribution Rate

China's social security law was promulgated by the central government, but the specifics and administration of the system are managed by local governments. As a result, the exact employer and employee contribution rates can vary significantly depending on the location, and these rates are determined by local governments.

Contribution Rate: For pension, medical insurance, unemployment insurance, and the mandatory housing fund, both the employer and employee contribute jointly. However, contributions for work-related injury and maternity insurance are solely provided by the employer. The specific contribution rates for Nanning and Guangzhou in 2019 are detailed in **Table 3**.

List of social insurance	Employee rates		Employer rates	
	Nanning	Guangzhou	Nanning	Guangzhou
Pension insurance	8%	8%	16%	14%
Medical insurance	2%	2%	6%	7%
Employment injury insurance	0	0	0.4%	0.2%
Unemployment insurance	0.5%	0.2%	0.5%	0.6%
Maternity insurance	0	0	1.3%	0.9%
Housing	5%-12%	5%-12%	5%-12%	5%-12%
Total	15.5-22.5%	15.2-22.2%	29.2-36.2%	27.7-34.7%

Table 3 shows Nanning and Guangzhou social security contribution rates 2019

At the end of 2019, China merged maternity insurance and basic medical insurance, combining the medical insurance fund and maternity insurance fund into a single fund. Both employers and employees contribute to this fund (Zhou, 2019). According to the notice on the comprehensive scheme for reducing social insurance rates in 2019, if the contribution rate for enterprise endowment insurance exceeds 16%, it can be reduced to 16%. For rates below 16%, transitional measures are to be studied and proposed. The contribution rate for employment injury insurance varies by types of enterprises or industries and can be reduced by 20% or 50% depending on the months of accumulated balance in the industrial injury insurance fund for the specific area. Furthermore, individual businesses and independent workers have the option to choose their payment base, ranging from 60% to three times the average wage of employees in cities and towns in the province, for participation in the basic endowment insurance for enterprise employees (General Office of the State Council, 2019).

Thailand's contribution rate

Contribution Rate: In Thailand, the social security system is managed through the social insurance fund and workmen's compensation fund. This paper focuses solely on the investigation of contribution rates involving employees, employers, and the government for the social insurance fund. The specific contribution rates for Thailand are provided in Table 4.

List of Social security contribution	Employees (%)	Employers (%)	Government (%)
Pension and Child- allowance	3	3	1
Maternity, Disability, Death, Sickness or Injury	1.5	1.5	1.5
Unemployment	0.5	0.5	0.25
Total	5	5	2.75

Table 4 Thailand's social security contribution rates for mandatory insured

Social Security Contribution Rate of China and Thailand

China's contribution rate for employees is about three to four times higher than Thailand's, and six to seven times for employers, as shown in Table 5.

	Total contribution rate (%)		
	Employees	Employers	Government
China (Guangxi, Nanning)	15.5-22.5	29.2-36.2	0
Thailand	5.0	5.0	2.75

Table 5 The employees' and employers' contribution rate in China, Guangxi, Nanning, and Thailand

China's social security contribution rates for both employers and employees are higher than those in Thailand. The elevated contribution rates for employees and employers may potentially impact their purchasing power and investment costs, respectively. Therefore, the contribution rate might be related to the GDP, following the Keynesian GDP model, which comprises the consumption of the household sector (C), private or business sector investment (I), government sector investment and expenses (G), and the net value of foreign trade (X-M).

However, following the social security reform in 2011, China has sustained a consistently high rate of economic growth for two decades. China's GDP growth rate has climbed from 8.5% in 2000 to a peak of 14.2% in 2007, gradually tapering off to 6.6% in 2018 (National Bureau of Statistics of China, 2019). This trend can be attributed in part to the way employees perceive these contributions as a price rather than a tax. Consequently, they have a lesser impact in terms of labor supply, wage costs, and private savings (Goudswaard & Caminada, 2015). Research conducted in China indicates that the level of social security has a stabilizing effect on

consumption, savings, and GDP growth when viewed from an accumulation perspective (Qi et al., 2019). The impact of Social Security contributions on economic growth becomes evident when recipients start spending their benefits. Reducing these benefits could have serious repercussions on the economy, affecting employment, other forms of spending, and government tax revenues (Koenig & Myles, 2013). Therefore, it is the Social Security benefits themselves that have a more pronounced effect on economic growth rather than the contribution rate.

V. THE BENEFITS AND INSURABILITY

This study focuses on the benefits of insured individuals of mandatory social insurance.

The benefits of China’s Social Insurance

China’s social security system provides five different mandatory types of insurance, along with a housing fund, for local Chinese citizens. Additionally, there are five mandatory insurance schemes (excluding the housing fund) for foreign employees. Social security benefits in China are enjoyed by employees and/or employers, consisting of six types as follows:

1) *Pension insurance:* China's pension insurance operates as a multi-level system, primarily designed to provide financial support after retirement. To be eligible for a pension, insured individuals typically need to contribute for at least 15 years prior to retirement. Retirement ages vary depending on factors such as industries, gender, and occupation. For instance, according to the legal retirement age, men are generally eligible for retirement at 60 years old, while women can retire at 50 years old, except for certain leaders who may retire at 55 years old. Some individuals in specific occupations, especially those involving health hazards and other reasons, may be granted retirement benefits five years before the legally scheduled retirement age.

The basic old-age insurance treatment for urban and rural residents comprises a basic pension and a personal account pension. Retirees are eligible to receive both the basic pension and the personal account pension. However, the calculation of these pensions is rather intricate, relying on factors such as the average monthly salary of the employee's job, specifically the case for city employees in the preceding year. It also takes into account the ratio of the average monthly salary of employees and the payment period, which is calculated on a yearly basis.

The insured individuals will receive a monthly contribution that combines the basic pension and personal account pension throughout their lifetime. Following their passing, their heirs are entitled to benefits in the form of funeral expenses and a one-time pension. Additionally, in some cases, direct relatives who meet the support criteria will receive a living hardship allowance until their own demise. Nevertheless, the calculation of the monthly pension is indeed complex and varies among different insured groups. For example, in the case of private enterprises' employees, the pension is a summation of the Basic Pension, Individual Account Pension, and Enterprise Annuity Pension, as represented in the equation below:

Pension = Basic pension+ individual account pension+ enterprise annuity pension

Basic pension = (average monthly wage of staff and workers in the previous year in Guangxi at the time of retirement + average monthly wage of staff and workers in the previous year in Guangxi at the time of retirement × average contribution index) ÷ 2 × self-contribution years × 1%

Among them, average contribution index = (The contribution wage of the first year ÷ average wage of staff and workers in the previous year + The contribution wage of the second year ÷ average wage of staff and workers in the previous year+ ...+ The contribution wage of the last year ÷ average wage of staff and workers in the previous year) ÷ contribution year length

Individual account pension = the accumulated savings and its Interest in the basic old-age insurance individual account ÷ the length of the pension months regulated

Retired age	40	41	42	43	44	45	46	47	48	49	50
month length	233	230	226	223	220	216	212	208	204	199	195
Retired age	51	52	53	54	55	56	57	58	59	60	61
month length	190	185	180	175	170	164	158	152	145	139	132
Retired age	62	63	64	65	66	67	68	69	70		
month length	125	117	109	101	93	84	75	65	56		

Table 6 The length of the pension months regulated

Enterprise annuity pension= the accumulated savings and its Interest in the individual enterprise annuity account ÷ the length of the pension months regulated

However, it's important to note that the enterprise annuity pension is not universally available to all employees. This is because not all enterprises have established the enterprise annuity system, and even among those that have, the annuity may not be provided to all employees.

2) *Unemployment insurance:* Unemployment insurance in China was primarily established to ensure the basic livelihood of wage-earners in the event of unemployment, and it extends its coverage to the majority of the workforce. According to relevant regulations, the legal working age in China is 16 to 60 years old. Enterprises

and their employees covered by the unemployment insurance system are required to participate in unemployment insurance and fulfill their contribution obligations.

There are three conditions that must be met in order to receive unemployment compensation in China: 1) the employee must be made redundant (resignation does not qualify). 2) Both the enterprise and employees must have participated in unemployment insurance as per regulations and fulfilled their payment obligations for at least one year. 3) Employees must be registered as unemployed and actively seeking employment.

The duration of receiving unemployment insurance compensation depends on the payment period, which is calculated on an annual basis. Specifically: 12 months of unemployment compensation are provided for payment periods of one to less than 5 years. 18 months of unemployment compensation are available for payment periods of five to less than 10 years. 24 months of unemployment compensation are granted for payment periods exceeding 10 years. It's worth noting that the monthly amount of unemployment benefits varies across different cities in different provinces. For example, Chengdu offers a monthly benefit of 1,050 RMB.

3) *Basic medical insurance* is designed to cover a portion of workers' medical expenses in the event of illness or non-work-related injury.

Social security medical insurance, often referred to as basic medical insurance, consists of two components: the basic medical insurance fund and individual accounts. Payments made by employers and employees are divided and placed into these funds and individual account, which are then accessible through a social security medical insurance debit card. This card can be used to cover various medical services, medications, and outpatient care in government-approved hospitals, clinics, and drugstores. The scope of payments from the basic medical insurance fund and individual accounts is defined separately. Medical expenses that fall within the scope of the Basic Medical Insurance Fund are reimbursed in accordance with the list of essential medical insurance drugs, the catalog of medical treatment items, and the approved service facilities, following the payment standards set by local governments. Medical expenses that are below the threshold of the basic medical insurance fund are paid for from the individual account (General Office of the State Council, 2017).

4) *Work-related injury insurance*: Work-related injury insurance typically covers all injuries resulting from accidents and occupational diseases. When an employee experiences a work-related injury or illness, the work injury insurance fund covers the cost of their treatment. Additionally, employees working under specific weather conditions may receive additional allowances. If an employer has failed to provide work-related injury insurance for an employee and a work-related injury occurs, the employer is responsible for covering the treatment expenses, provided that they meet or exceed the work-related injury insurance standard. Employers are also required to pay a portion of the salary during the rehabilitation period, and compensation must be provided to workers who are unable to return to work. It's important to note that only employers are obligated to make monthly contributions to the work-related injury insurance fund.

5) *Maternity insurance*: Maternity insurance is designed to cover the medical expenses related to childbirth and provide salary support for female workers. Maternity insurance payments are solely the responsibility of employers and must be made monthly. During maternity leave, female employees receive reimbursement from the maternity insurance fund. The monthly payment is calculated based on the average wage of female employees. To be eligible for these benefits, the employer must have paid maternity insurance for a minimum of three months, and the related medical services must align with China's family planning policy. In some cases, male employees who are husbands can also receive benefits.

6) *Housing fund*: To encourage employees to save for housing purchases, funds from the housing fund can be used for the initial down payment on a house. The housing fund is contributed to by both employers and employees at a rate determined by local government regulations. This rate should not be less than 5% of the average salary provided by the company. In most cases, employers establish the contribution rate within the legal range when setting up the housing fund account.

The benefits of Thailand's Social Insurance

In Thailand, the social insurance system offers a list of seven benefits, administered through the Social Insurance Fund and the Workmen's Compensation Fund: 1) The Social Insurance Fund provides six benefits, including pension and child allowance insurance, maternity insurance, disability insurance, death insurance, medical insurance, and unemployment insurance. 2) The Workmen's Compensation Fund offers work-related sickness and injury insurance.

1) *Pension*: In Thailand, insured individuals who are 55 years old or older and have retired from work are eligible to receive pension benefits based on their contribution period. These benefits are calculated as follows: 1) For individuals with a contribution period of 180 months or more, the pension is determined as 20% of the average wage from the last 60 months before the insured status terminated. This base amount is subject to a 1.5% annual increase. 2) For those with a contribution period of 12 months or more, the pension benefits are calculated as an equal sum of contributions made by both the insured individual and the employer, along with any additional marginal benefits announced by the Social Security Office. 3) If the contribution period is less than 12 months,

the insured individual will receive a sum equivalent to their own contributions, along with any applicable marginal benefits announced by the Social Security Office.

2) *Child allowance*: Insured individuals who have contributed for at least 12 months to the social insurance fund are entitled to receive a monthly child allowance of 600 baht for each eligible legal child. This allowance is applicable to a maximum of three children, as children from newborns to six years old are eligible for this benefit.

3) *Sickness and injury*: Thailand's medical social insurance system operates on a capitation payment system. Under this system, the Social Security Office allocates 3,959 Baht per head per year to approved hospitals or clinics chosen by the insured. As a result, insured individuals can receive medical treatment, both outpatient and inpatient, without having to bear any treatment costs when they visit these hospitals or clinics. Additionally, if an insured individual is unable to receive wages from their employer due to illness, as stipulated by worker protection laws, they are entitled to a cash benefit equivalent to 50 percent of their wages. This benefit is provided for a maximum of 90 days per period of sick leave and does not exceed 180 days of sick leave per year. In cases of chronic diseases, the cash benefit is applicable for a maximum of 365 days.

4) *Disability*: Insured individuals in Thailand who have contributed for a minimum of three months before becoming disabled are eligible for income replacement and coverage of medical service fees for both outpatient and inpatient treatment in public or private hospitals.

5) *Death*: If the insured's death is not work-related, the dependents and survivors of the deceased are entitled to receive benefits, including a funeral grant of 40,000 Baht and death compensation equivalent to 50% of the average wage. The duration of the death compensation varies, with a four-month period for some cases and a twelve-month period for others, depending on the insured's contribution period.

6) *Maternity*: Female insured individuals who have contributed for at least five months before childbirth are eligible to deliver their child at any hospital and receive a lump sum of 13,000 Baht for childbirth. Additionally, they are entitled to compensation benefits for the maternity period, amounting to 50% of the average wage for a maximum of 90 days (not exceeding two occasions). Male insured individuals whose wives are not insured will receive a lump sum of 13,000 Baht for the childbirth cost. In cases where both partners in a couple are insured, they will jointly receive compensation benefits, regardless of the number of children.

7) *Unemployment*: Insured individuals who become unemployed due to termination or force majeure circumstances are eligible to receive compensation equivalent to 50% of the average monthly salary, provided it does not exceed the ceiling of the contribution base. This compensation can be claimed for a maximum of 180 days per period. In cases of resignation or the end of a contract with a specified employment period, the insured individuals are entitled to compensation at a rate of 30% of the average monthly salary, with a maximum duration of 90 days per period. Furthermore, insured individuals can retain the benefit of medical insurance during the period when they are receiving unemployment compensation.

8) *work-related sickness and injury insurance*: According to the Compensation Act, when an employee is injured or falls ill, employers are obligated to arrange for the employee to receive necessary medical treatment and cover the actual medical expenses. If an employee requires rehabilitation following an injury or illness, employers must also cover the associated rehabilitation costs. In the unfortunate event of an employee's death due to injury, illness, or disappearance, the employer is responsible for paying funeral expenses to the employee's designated funeral manager, as specified by ministerial regulations. In cases where an employee is unable to work, incapacitated, or disabled, the employer is required to provide compensation equal to 70% of their monthly salary. The specific duration of this compensation is determined based on the legal provisions, which range from one to fifteen years, depending on the circumstances. If an employee passes away or disappears, the employer is obliged to pay 70% of the monthly salary to the employee's children until they graduate from undergraduate studies.

The Benefits of Social Security Contribution of China and Thailand

Benefits categories	China	Thailand
1. Pension	√	√
2. Sickness and injury	√	√
3. Maternity	√	√
4. Work-related injury and sickness	√	√
5. Unemployment	√	√
6. Disability	-	√
7. Child-allowance	-	√
8. Death		√
9. Habitat	√	-

Table 7 The Benefits of Social Security Contribution for mandatory insured in China and Thailand

China's social security system operates through five mutual funds, which encompass pension insurance, medical and maternity insurance, unemployment insurance, work-related injury insurance, and housing fund. As a result, social security contributions in China provide coverage for all essential living expenses, including food, medicine, housing, and clothing, from the insured individual's birth until their passing. In contrast, Thailand's social security insurance does not include coverage for housing.

In addition, China's medical social insurance operates on a sharing payment system, where both the insured individuals and the medical social insurance fund contribute towards the cost of treatment in hospitals. In contrast, Thailand's medical social insurance system utilizes a capitation payment system. Under this system, insured individuals can receive medical treatment, both outpatient and inpatient, at designated hospitals without incurring any out-of-pocket costs.

VI. CONCLUSIONS

When comparing China's social security system to Thailand's social protection system, it becomes evident that China places a strong emphasis on the social insurance system as the core of its framework. This system is designed to provide retirement income security and health security for all segments of the population. Social welfare and assistance programs complement this core, ensuring that all groups have access to sufficient welfare for basic living needs. Notably, both insured individuals and employers from both the public and private sectors play a significant role in supporting all five insurance funds.

In Thailand, the government is actively pursuing a welfare state policy with the aim of providing retirement income security and health security for all segments of the population. Social insurance is just one of several government initiatives geared toward supporting retirement income security and health security, primarily for private sector employees and independent workers. It's worth noting that Thailand's social insurance system, consisting of two funds, is significantly smaller in scale compared to China's extensive social security systems, which encompass five funds. Nevertheless, there are at least five notable differences when comparing the social security systems of China and Thailand, as follows:

Insured: China's social security system unifies five mandatory social insurance funds and a housing fund, providing coverage for almost all Chinese citizens, including those in public agencies, state enterprises, private sectors, and independent workers, as well as foreign employees. This system operates under the principles of fairness and equality. In contrast, Thailand's social security landscape is characterized by a variety of funds, each serving specific segments of the population. Thailand's social insurance, covered under articles 39 and 40, is primarily aimed at employees of private enterprises and independent workers.

Benefits: China's social security system offers comprehensive coverage, encompassing all essential needs for daily life, including food, medicine, housing, and clothing, from the insured individual's birth until their passing. The system provides various benefits such as pensions, unemployment compensation, sickness benefits, work-related injury compensation, maternity benefits, and savings for housing. In contrast, Thailand's social protection system is more complex, featuring various contribution systems to provide security and welfare for diverse groups within the country. Nevertheless, social insurance benefits in Thailand cover almost all human needs, with the notable exception of housing.

Source of contribution: In China, contributions to social security funds are made by both employees and employers, while in Thailand, the government also participates in fund contributions alongside employers and employees, driven by principles of equality and equity.

Contribution Base: In China, the contribution base is determined based on the average monthly income of each city in the previous year, and this calculation is updated annually. The ceiling and floor of the contribution base are set at three times and 60% of this average monthly income, respectively. In contrast, in Thailand, the contribution base is fixed by law and ranges between 1,650 Baht and 15,000 Baht monthly.

Contribution Rate: In China, contribution rates can vary significantly based on the location or city, and these percentages may be adjusted concurrently with the updates to the average monthly income. On the other hand, in Thailand, the contribution rate remains consistent at 5% for both employees and employers across all cities. Notably, China's contribution rate for employees is approximately three times higher than Thailand's, and for employers, it is roughly four times higher.

Based on the findings, ensuring stable income for retirees and allowing flexibility in contributions are crucial goals. To achieve this, the Thai social security system should consider establishing a separate pension fund, managed independently from the social security fund. This would permit insured individuals to choose contributions exceeding the mandatory 3% requirement, with the same flexibility applied to employer contributions. However, implementing such changes may pose challenges, including the need to modify existing laws, concerns about potential impacts on overall economic growth, and resistance from employers who perceive social security contributions as an added tax burden that increases production costs. It's important to note that social insurance contributions are considered a crucial employee benefit. Future research should explore the relationship between social security contributions and economic growth in both China and Thailand, with a

specific focus on comparing the pension systems of the two countries and examining the management methods of medical social insurance in China and Thailand.

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