Summary

Unemployment insurance refers to a social insurance system that is enforced by national legislation and is funded by employers and employees' joint contributions and state financial subsidies to provide financial support for the unemployed to maintain their basic living within a legal period. It has the basic functions of alleviating labor-management contradictions, natural two-way smoothing of economic fluctuations, providing unemployment protection and smoothing personal income. History tells us that the emergence and development of unemployment insurance is based on the government's political and economic management needs. As a result, unemployment insurance disperses the risk of personal income loss during unemployment. In the early days of the establishment of the unemployment insurance system, labor-management relations were strained, and unemployment insurance was a tool to ease labor-management conflicts. After the first world economic crisis, unemployment insurance was widely used for effective demand management.

With the development of social economy and the hard work of the working class, various western countries have established and improved labor protection systems and social welfare systems, and the function of unemployment insurance as a political and economic management tool is weakening. At the same time, as a system of compensation for loss of income, the generous level of unemployment insurance has caused the "unemployment insurance trap" problem. Faced with increasingly severe employment pressures and unemployment traps, since the 1970s, western developed countries have adopted policies and measures that have focused on employment, shifted from passive protection to active prevention, and established a universal basic income system.

Since 1986, China's unemployment insurance system has gone through 33 years. It has maintained and promoted the reform process of state-owned enterprises, ensured the smooth transition from the planned economic system to the socialist market economic system, and consolidated, developed and stabilized the overall situation. In 1999, the Central Government promulgated the "Unemployment Insurance Regulations" which marked the beginning of a new period of development for the central unemployment insurance system. The establishment of China's unemployment insurance system has fully absorbed the experience and lessons of the "unemployment trap" in Western countries, formed a relatively complete and mature system, and filled a gap in China's social security system. With the rapid development of China's economy and the further improvement of the social security system, the unemployment insurance system has made considerable progress in terms of coverage, fund raising, management level and benefits.

As the economic situation changes, China's various labor protection systems and social security systems have been established. The government attaches great importance to employment. However, the unemployment insurance system plays a weak role in alleviating labor conflicts in unemployment insurance, and the function of
unemployment insurance funds in smoothing economic fluctuations is not obvious. And the unemployment insurance benefit rate and replacement rate are too low to provide basic living security.

Based on China's special national conditions: dual employment structure, household registration system, public sector human resource management system, and the government undertakes employment promotion tasks, the reform path of China's unemployment insurance system needs to be discussed again.

Comparing different path options, in view of the weak macro-political and economic functions of China’s unemployment insurance, the ineffective support of the unemployed’s income at the micro-level, and the difficulties and contradictions, this article believes that incorporating the protection function of unemployment insurance into the social assistance system is The best choice.

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