

Annex 4

China's New Rural Cooperative Medical Scheme (NCMS)

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Land Distribution

- 1949 Revolution (Chinese Communist Party took power)
- Land Distribution: each peasant has a small plot of land
- In 2006, per capita arable land is 0.09 hectare (1.4亩)

Small Peasant Economy

- Total population: 1.3 billion
- 240 million small rural household
- 680 thousand villages
- 200 million peasant workers

Population

(from China Statistical Yearbook 2008)

	Urban	Rural
1978 (Deng Xiaoping's Open Door Policy)	17.92 %	82.08 %
1992 Deng's Visit to South China	27.46 %	72.54 %
2007	44.94 %	55.06 %

Before 1978

- In 1956, the Rule of Demonstration of the Advanced Agricultural Production Cooperatives stated that if any member got injured or fell sick out of labor, he or she could receive the grant of 'labor days'.
 - In 1959, the Ministry of Health organized the national conference on rural medical services which recognized the rural cooperative medical scheme.
- In 1965, Mao Zedong urged that the Priorities of Medical Services should be given to the Countryside

Old NCMS

- Before 1978 (the policy of reform and open door), the State provided free medical services both in the country and the city.
- Local government's revenues
- Labor insurance system: profits from state-owned enterprises
- Medical expenses were only 3% of GDP
- In 1976, 90% of peasants joined the cooperative medical scheme
- Popular, equal and low cost

After 1978

- A change of government policy
- Market, profit, competition, individualism
- In 1985, only 9.6% of peasants joined the scheme; 81% paid the cost by themselves
- From 1978—1995, the portion of government revenue in GDP decreased from 31.2% to 10.7%
- In 1978, medical expenditure for each person was 20.4% of all expenses, but in 2002, it reached 58.3%.

sannong wenti

- There is an on-going heated debate on *sannong wenti*, or “the three dimensional rural problem
- Rural people
- Rural society
- Rural production

1999-2007 Social policy for readjustment, 1999-2007

year	new issued social policies
1999	investment for developing the western regions
2002	basic security in urban
2003	State policy focus on rural issues, started rural tax reform, co-op medical service system
2004	reduce rural tax, increase 3 kinds of subsidies aiding agriculture
2005	partially eliminated agricultural tax & increased gov. investment for public services
2006	totally eliminated agri tax, comprehensive aid to agriculture, eliminated rural educational fees for the western regions
2007	basic security and co-op rural medical services for whole rural people , new rural finance policies

A New Socialist Countryside

- The Chinese government has called the construction of “a new socialist countryside” as the utmost task facing China in **the 11th Five-Year Plan (2006-2010)**.

A New Socialist Countryside 社会主义新农村

- The Central Government's No.1 Document, issued in February 2006, has already illustrated that “the building of a new socialist countryside” is “characterized by enhanced productivity, higher living standards, healthy rural culture, neat and clean villages and democratic administration”.

Primer Wen Jiabao 温家宝

- “We should build up and carry out the concept of scientific development, improve rural living and production conditions, raise farmers' living standards and promote the whole countryside to take on a new look.”

Hu Jintao

- General Secretary of the Central Committee of the Communist Party of China (CPC)
- **“As resolution of issues concerning agriculture, rural areas and farmers has an overall impact on building a moderately prosperous society. In all respects, we must always make it a top priority in the work of the whole Party”**

NCMS

- To regenerate the basic medical system
- It started from 2003
- Until 2009, 2716 counties joined NCMS
- 833 million of population (94%)
- Each peasant each year has to pay 10 Yuan (less than USD 2)

Various Contributions

- For example in one village in Jiangsu Province, East China
- (1) Each peasant each year : 20 Yuan (around USD 3)
- (2) Central government: 16 Yuan per person
- (3) Provincial government: 40 Yuan
- (4) Municipal government: 10 Yuan
- (5) County government: 14 Yuan

Reimbursement

- Local Treatment (40-60%)
 - Village clinics*
 - Township Health Institute*
- County Hospital
- Municipal Hospital
- Provincial Hospital

Out of NCMS's coverage

- Industrial injuries
- Traffic accidents
- Alcoholics
- Sexual diseases
- Suicides
- Assaults and injures because of gang fights