

IBSS RESEARCH SEMINAR

Organized by: RCE 2 Emerging Technologies and Innovation

Labor Income Share and Enterprise Innovation: Evidence from the Social Insurance Law

Abstract

The Third Plenary Session of the 20th Central Committee of the Communist Party of China emphasized improving the income distribution structure and promoting common prosperity while achieving high-quality development. As an important public policy, whether social insurance can increase the share of labor income and promote enterprise innovation is of great significance for China to achieve the goals of common prosperity and high-quality development. This article utilizes the enactment of China's Social Insurance Law in 2011 as a natural experiment to examine its impact on labor income share and enterprise innovation, and analyze their correlations. This study finds that the Social Insurance Law can increase the share of labor income. Through this channel it further stimulates employee enthusiasm, and promotes innovative behavior in enterprises, improving production efficiency. Therefore, protection of labor rights and promoting enterprise innovation are not necessarily conflicting. Reasonable social insurance reform can simultaneously achieve China's two major development goals of common prosperity and high-quality development.

Key words: Social Insurance Law; Common Prosperity; Share of Labor Income; Enterprise Innovation

Presenter

Prof. Haoran Peng is a professor and doctoral supervisor in the Finance Department of Lingnan College, Sun Yat-sen University, and a board member of the Chinese Social Security Association. He has also been a visiting scholar at Boston University and Brandeis University in the United States. His main research areas include health insurance and health policy, retirement and pension insurance, commercial insurance, and long-term care. His research has been published in prominent journals such as *Management World*, *Journal of Financial Research*, *The Journal of World Economy*, *Statistical Research* with several papers reprinted in *Xinhua Digest* and *Renmin University of China's Reproduction of Newspaper and Periodical Materials*, generating significant academic and social impacts. Professor Peng has led projects funded by the National Natural Science Foundation of China and the National Social Science Fund of China, and has participated in major projects of the National Social Science Fund and a healthcare reform governance sub-project under the World Health Organization/World Bank/Chinese Government health reform evaluation initiative.

Date

11 November 2024

Time

15:00-16:30 (China Standard)

Location

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Language

Chinese