

Study on Innovation of Social Pension Service System under the Aging Population

A Case Study of Hubei Province

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Abstract—Nowadays, Hubei province has entered an aging society, facing the accelerated development, it is particularly important to form a program to deal with the aging population. Considering the status quo of the population, this paper conducts over analysis on the defects of the social pension service system in Hubei province and puts forward constructive paths for the social pension service system in Hubei Province from system planning and specific plan design so as to provide references as expected for the improvement and development of the social pension service system in Hubei province.

Keywords—aging population; social pension service system; pension mode

I. INTRODUCTION

Sociality security is a necessity for the people to live on, the pension service system, acting as a significant part of social security, is a key part in the construction of people's life. Since China's reform and opening up, the social economy has made a great progress across the country, meanwhile, the demand of aging population for nursing, healthcare, culture and amusement is expanding increasingly, which brings a huge aging market. However, the supply and demand of social pension service are in serious imbalance, and the supply is far to meet the demand. Therefore, making full efforts to support the development of social pension service and create a social pension service system with family support as base, retirement communities as dependence and social welfare agency as support will have an important realist value to further safeguard and improve people's livelihood and build a harmonious socialist society.

Most scholars advocate the construction of a diversified pension service system. Wen Qiang (2008) points out that the urban diversified pension service system in China should be built by the State, the society and families, and the government is required to exert the support of macro-policies, and make full use of families and social resources to solve the pension problem of most people. Liu Xiaomei et al. (2010) argue that it is necessary to bring together the social forces available for the construction of the elderly life aiding system. [1] Cao Yuling (2011) explains the concept of an "Appropriate and universal type" pension service system, noting that providers of pension services shall be inclusive of governmental organizations and

non-governmental organizations. [2] Guo Huiyan (2013) attempts to establish a new pension service system, featured of "family support as base, retirement communities as dependence and social welfare agency as support, and cultural pension as pursuit". [3]

II. GROWING STATUS QUO OF SOCIAL PENSION SERVICE SYSTEM IN HUBEI PROVINCE

A. Characteristics of Aging Population

The United Nations stipulates that one of the distinctions of being aging country is that the proportion of the elderly aged 65 or more in a country exceeds 7%. In 1997, the aging population accounted for 7.04% in China, which had officially become a country of aging population, in the next year, the proportion of aging population in Hubei province was also more than 7%. [4] The speed of aging population in Hubei province was accelerating. At the end of 2013, the population aged 65 or more reached 5.9222 million, an increase of 250,800 persons, accounting for 10.21% of the total population, increased by 0.4%, a hit of new historic record. In addition, the elderly dependency ratio reached 13.18% in Hubei province, 2013, 0.08% higher compared to the national average level. Nowadays, Hubei province is in the stage of acceleration of aging population, and the aging population is increasing, and its proportion in the total population is rising as well. The task for innovation and development of social service system is extremely urgent.

B. Difficulties of the Aging Population

Lack of material life is a major difficulty for the elderly, whose main income sources are pension and minimum living security fund, and the living conditions worry all. The official data from Hubei Civil Affairs Department show, up to the end of 2014, the elderly who received urban resident minimum living security fund reached 196,685, and those who received rural resident minimum living security fund reached 922,685. In addition to the financial difficulties, medical difficulty is another trouble. The official data from Hubei Civil Affairs Department show that the health status of the elderly in the province are generally poor, and only about 26% of the elderly think they are in good health, however, at present, the supply

system of health care services for the elderly is not perfect, which is unable to meet the huge demand for medical care and nursing of the elderly, and the gap between supply and demand is wider, and the difficulty for the elderly to enjoy medical service is urgent to solve. In addition, considering the weak and sensitive psychology, special attentions shall be paid to the mental care to the elderly, but the only children, due to heavy social pressure for survival, have no time to take into account the daily care and spiritual comfort of the elderly.

C. Necessary to Strengthen the Service Supply to the Elderly

Facing such a serious situation of aging population, the provincial government began to recognize the important role of social fields to promote the development of social pension service industry and the improvement of social pension service system, the private pension institutions may be main forces of institutional pension. Up to the end of 2012, the pension institutions in the province reached 297 with 34,000 beds available. However, the data from the National Statistical Network show the number of beds per thousand persons for the elderly reduced from 28.64 in 2012 to 27.16 in 2013, less than 30 beds averagely. Compared to 60 to 70 beds for the elderly per thousand persons in some countries, the beds for the elderly for pension services are too few in Hubei, and there are still more space for improvement. It is easy to see that the supply of pension facilities is inadequate in Hubei province, and the gap of beds for the elderly per capita is larger, and the resource allocation has not been optimized, and it is still in hot contradiction between supply and demand.

III. DEFECTS OF SOCIAL PENSION SYSTEM IN HUBEI PROVINCE

A. Outdated Concept in Aging Service

Most people disagree with the mode of service purchase by families in some degree and they think that the pension service should be financed by the government. Relying on advantages of familiar living environment and economy, the family pension in the pension service mode is popular in most of the elderly, and the institutional pension accepted by the elderly is only restricted to the welfare institutions established and operated by the government. Traditional culture is an important internal factor influencing the choice of pension way. The elderly, not well educated before, are deeply influenced by traditional culture, having closed mind and outdated concept and unwilling to change the life mode as before, reluctant to attempt or accept institutional pension as a new mode, and they even think that to live in a pension institution is shameful. Unless the pension concept is renewed, it is impossible to drive the commercialized and socialized operation of the pension service.

B. System Design to Be Optimized Urgently

The aging population in Hubei province is in a stage of accelerating development, yet there still is a large gap between the supply and the demand in the pension market, the root cause is the poor optimization of the system top-level design. At present, the pension service system in the province is in a fragmented construction, and the construction of pension

service agencies and retirement communities is in the lack of overall planning, and the improper layout causes imbalance in regional development; and authorities as finance, health and civil affairs only release policies as per the functions and benefits of their own, and the interaction and cooperation between authorities need to be strengthened. Besides, what the provincial government releases are most macro-policies, short of operating, and the policies often fail at the last mile, the imperfect operating mechanism of pension service system and lack of industrial supervision finally cause the failure of some of polities to carry out.

C. Single Source of Costs

The retirement communities in Hubei province is lost in the trouble of lack of funds, in recent years, though a very small number of enterprises, social organizations and individual charitable organizations have invested in the pension service, yet it is only restricted to the start-up of the retirement communities, and the fund chain for later operation breaks. Main causes for the trouble include, on the one hand, the overall economy of the province is in an undeveloped stage; on the other hand, the development fund for retirement communities is mainly supported by the government. Meanwhile, most pension service agencies especial private ones have no adequate pension fund support, which, as a result bring a series of problems in actual operation, for example, the low wage lowers the work enthusiasm of nursing workers and the service quality is kept in a low level. The single found source has strictly restricted the development of social pension services, and only actively expanding fund sources and establishing continuous investment system by government finance and social capital can completely guarantee the effective supply of social pension service.

D. Low Level in Pension Service

With the improvement of life quality, the demand of the elderly for personalized service is increasing as well. Yet the concept of cultural pension in Hubei province has not been formed, and the service modes of retirement communities are only limited to simple door to door greetings, and the service scopes generally are basic living care as house cleaning, clothing and so on, and most communities provide no high level and diverse services as rehabilitation, sightseeing, psychological consulting, etc. The low level pension service is far to meet the high level demand of "What to learn and what to do by the elderly", and professional pension agencies to provide multiple service in the province are few. In general, the poor facilities for rural pension service and the facilities with single function for urban pension service both are difficult to meet the diverse demand for the pension service due to the social changes day by day, which will go against the realization of pension security function in communities and agencies.

E. Low Quality of Service Staff

Over half of the pension service staffs in Hubei province are community workers, and many are foreign floating population, and most receive junior high school or lower, and the supply of pension service is in the lack of sustainability and

professionalism. Influenced by factors as overall quality and low sense of work belonging as well as lack of professional knowledge and skills in pension service, the overall quality of pension service is not satisfactory. In addition, some management in pension agencies and service workers have no basic professional ethics, bad behaviors as maltreatment or the elderly abuse are occasionally reported in the public, which makes it more difficult for the pension agencies hard to survive to expand the recognition. Nowadays, there are few volunteer service teams for social pension service in Hubei province, and some communities have no volunteer organizations. Most volunteers who are active in the pension service work only relying on humanitarian and experience, having professional education or training of the elderly service knowledge.

IV. WAYS TO IMPROVE SOCIAL PENSION SERVICE SYSTEM IN HUBEI PROVINCE

A. *Multiple Approaches to Be Adopted to Drive the Pension Service to Develop under Laws*

First of all, initiate activities of ideological understanding and law education via media as TV and radio, sharply blame and punish behaviors which infringe rights and interest of the elderly, create a favorable social atmosphere of rights protection and increase the motivation of citizens to safeguard the rights and benefits of the elderly in all aspects. Second, popularize legal aids all-round, actively implement the safeguarding of rights and benefits of the elderly in practice, and try best to expand the coverage of legal aid system, build a clear legal aid network, and meet the demand of the elderly each with high quality. Third, considering the situation of Hubei province, the local governments should accelerate the scientific legislation of pension service, formulate a series of laws and regulations to safeguard the rights and interests of the elderly according to characteristics its own, and fully exert the legal standards for regulation, ensure the pension service to go under laws and regulations, and further boost the early achievement of strategic goal to govern the country under laws and regulations.

B. *Intensify Responsibilities of Family Pension and Greatly Advocate Self Pension*

Having features of its own, family pension is in line with traditional concept of the elderly and emotional life in China, which is always the best way for pension. However, under the background of the change of family structure, the burden of family pension is becoming more and heavier. Therefore, it is necessary to push the supply-side reform of the pension service area, exert the leading role of public opinions and renew old concepts of the elderly, which will do good to the supply and reception of social pension service. Vigorously promote the self pension, [5] fully explore the wisdom and potential of the elderly, and enable them to get rid of the role of pure consumers and re-enter the social production so as to achieve "do it myself and serve myself." In addition, it needs to establish and improve social insurance systems, innovative the pension payment methods, widen channels accessing to pension resources, and execute the "housing for pension" program in regions if applicable, support the self pension

project in all aspects in response to the call for construction of an active aging society.

C. *Define Power between Government and Market, Innovate the Social Pension Service System*

No doubt, the best supply way for pension services shall be completed via markets under the leading of the governments. To define the power between governments and markets can effectively avoid the governing vacancy, offside and dislocation. In the social pension service system with multi-cooperation, the government is a central force for organization and coordination, first, the provincial government shall increase the policy support to pension agencies and the elderly as well as economic subsidies, second, it shall broaden the scope to purchase public services, and provide diverse and a wide range of pension services through non-governmental organizations. It is true that it is inadequate to do with the support of the governments only, and the decisive role of market in allocation of resources shall be fully exerted. During the innovation of social pension system, the management and employment shall be pushed to the market, drive the industrialized development of the pension service so as to form an industrial chain for the elderly and improve the living level of the elderly.

D. *Plan Pension Resources as A Whole, Build and Improve Multi-supply Mechanism*

The government should coordinate the inter-departmental interests, strengthen the linked cooperation between the organization and external ones, further strengthen the public service function, make an overall planning, effectively allocate all kinds of pension resources and act as the pilot. The government should focus on the support and supervision upon the pension service undertaken by non-governmental organizations, check and adjust on the basis of the pension service in the province so as to balance the development of urban and rural social pension service systems. Establish a multi-service supply mechanism, classify the elderly for services: overall and full time service shall be provided to the empty-net elderly without self care ability; governmental allowances as welfare pension service shall be provided to the elderly extremely difficult in family income; and the elderly who are healthy with general income shall be encouraged to accept the pension service outside. Meanwhile, it needs to enrich the development mode of the pension services, such as private operation with governmental support, public construction for private operation, government procurement and transfer payments, etc, so as to gradually promote the innovative development of pension service system.

E. *Enhance Fund Support, Shorten the Gap between Supply and Demand Related to the Pension Service*

At present, the pension service system still has a big gap between supply and demand in Hubei province, in order to guarantee stable investment, it is imperative to seek for new channels for financial support. The government should pay close attention to the development of the pension service, establish a stable investment mechanism through the public finance, and ensure the supporting amount to meet the needs of

economic growth and aging development, as such, it may increase the transfer payment to the direct supplier of the pension service, and further benefit the elderly who are in the trouble of economy and medical care. In addition, the government may push social funds to flow into the pension service field through levers as tax policies, on the one hand, encourage enterprises to bear social responsibilities, actively seek for funds, as tax preferences in enterprise income tax, VAT and real estate tax; on the other hand, give policy preference to social organizations, and encourage non-governmental organizations as private agencies to participate in the pension market.

F. Improve Professional Service Quality, Keep the Pension Service Active

Vigorously foster nursing staffs, enhance the professional standards. First of all, build a vocational skills training platform for staffs on duty, encourage staffs on duty for active participation in the nursing training through training subsidies and promotions to improve the professional quality of their own, and provide professional services. [6] Second, create a long-term mechanism of training nurturing staffs in the school, improve talent reserves. Colleges and universities, based on the job market demand, shall arrange faculties and courses scientifically, set the period for participation in the social pension service, and guide students to access to the social posts. Finally, strictly implement the nursing professional qualification system, improve the in/out mechanism of nursing staffs, dismiss those unqualified in time so as to guarantee the comprehensive quality of practitioners. At the same time, improve the wage of nursing staffs and the environment, attract more people for devotion, which will do good to the sustainable development and benign cycle of the pension service industry.

V. CONCLUSION

Similar to those in other provinces, Hubei province, in the aging society, still has undeveloped economy, especially the aging development is accelerating in the past years, which now has become a major obstacle for the sustainable and healthy economic development. The construction of social pension service system is closely related to the people's livelihood, and it is a necessity to practice the core values of socialism and build a harmonious socialist society, so its importance is self-evident. Although the construction of the social pension service system in Hubei province has made some achievements, yet there are defects and disadvantages more and complicated, including those in thought and system. The innovation and construction of the social pension service system in Hubei province is a systematic project, which can not be achieved in one step, and it needs efficient solutions to solve a series of difficulties under the framework of building a social pension system, starts from systems, layout and programs to form joint forces of governments, the society and families, and try best to enhance the happiness index and living quality of the elderly in all aspects.

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