

# *Research on Mutual-supporting Pension in Rural China with the AGIL Model*

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**Abstract**—This research responds to the problems of declining family care function, limited government carrying capacity, low enthusiasm of the rural elderly and rigidity of the current mutual-supporting pension model, and explores a new path of mutual-supporting pension in rural areas while helping to relieve the pressure of the aged in villages. This study applies the AGIL model to analyze the problem of mutual-supporting pension in rural China, which consists of adapting social environment (A), setting the goal (G), integrating social resources (I) to achieve the goal, and maintaining the potential model of this path (L). The result of the research shows that governments at all levels and social groups should engage in developing the rural mutual-supporting pension model and also a volunteer mechanism should be established so that our country can develop the mutual-supporting pension system through co-construction and co-governance; and construct a well-disciplined and well-restrained mutual-supporting pension system.

**Keyword**—AGIL model; Mutual-supporting pension; Pension model; Rural pension service

## I. INTRODUCTION

According to international common standards, China has entered the ranks of aging countries in 2002. For our country, the aging society comes ahead of schedule and the predicament of "getting old before getting rich" makes the aging problem facing a particularly severe test. The Premier of the State Council proposed the task of deepening reform and accelerating the development of the aged care service industry.

The results of the sixth census show that, in 2010, the number of elderly people aged 60 and above in China was 178 million, among them 99.3 million in rural areas and 46.31 million in urban areas. The number of people aged 65 and above has a population of 66.67 million in rural areas and 31.02 million in urban areas. The proportion of elderly people aged 60 and above in the total population is 11.69% in cities and 14.98% in rural areas; the proportion of elderly people aged 65 and above in the total population is 7.8% in urban areas and 10.06% in villages; the age-old population aged 80 and above in the total population is 1.35% in urban areas and 1.8% in rural areas [1]. According to statistics, by the end of 2017, there were 241 million elderly people aged 60 and above in China, accounting for 17.3% of the total population [2]. The problem of rural aging in China is more serious than that in urban areas.

China's rural area has a large elderly population base, with a late start of pension services and a poor foundation. Besides, with scarce service resources and heavy investment debts, the development of old-age services is seriously lagging behind. The current rural pension models mainly include socialized pension model, home-based pension model and the community mutual-supporting pension model that have been promoted and implemented in recent years. The mutual-supporting pension model adopts the method of "serving the old with the old" and "assisting the old with the old" to enhance the self-efficacy and the sense of social participation of the elderly, and to alleviate the stress of family and society. It is a rural old-age care model that "conforms to the needs of the masses, in line with the reality of rural development, and represents the direction of development" [3]. However, in the process of development, the rural mutual-supporting pension pattern has gradually become rigid and failed to effectively exert its pension service function.

This paper uses Parsons AGIL model to explore a new path of mutual-supporting pension. From the four aspects of environmental adaptation, target setting, resource integration and model maintenance, this paper responds to the problems of declining family care function, limited government carrying capacity, low enthusiasm of the rural elderly and rigidity of the current mutual-supporting pension model, and explores a new path of mutual support for the aged in the rural areas while helping to relieve the pressure of the aged in the rural areas.

## II. OVERVIEW OF MUTUAL-SUPPORTING PENSION MODEL IN RURAL CHINA

Mutual-supporting pension model is a home-social pension model between the pure socialized pension model and the home-based pension model. It not only has the characteristics of socialized pension model such as nursing homes, but also conforms to the traditional concept of the home-based pension model and it emphasizes mutual assistance among residents. Under the background of insufficient investment and limited resources for pension service in rural China, the mutual-supporting pension model shows the ideal effect in relieving the pressure of the pension service and improving the social pension service system, which other pension models are difficult to achieve, with the advantages of low economic input, good social benefits, and satisfying the emotional needs of the elderly.

Since 1990s, with the advancement of urban-rural integration, villagers' committees in many rural areas have gradually transformed into community committees. At the same time, the problem of hollowing and aging in rural areas is becoming more and more serious. The traditional pension models cannot meet the needs of the rural elderly. Therefore, various places have begun to explore new community pension models, such as Mutual-supporting Groups, Elderly Associations, Time Banks, and so on. Among them, the Mutual-supporting Welfare Home in Feixiang County of Hebei Province has been considered as a low-cost pension model which village can afford to build, the villager can afford to live, and government can afford to support. It conforms to the reality of rural areas and has local characteristics so that it has been promoted nationwide, becoming a typical representative of community mutual-supporting pension in recent years.

As a new pension model created by the masses, community mutual-supporting pension has achieved remarkable results, but as a new pension model under the new environment, rural community mutual-supporting pension has encountered some problems during its development which make it difficult in promoting the pension model.

Rural mutual-supporting pension model has emerged from the spontaneous practice in the countryside, but the main promoter is the government with the characteristics of pressure. Therefore, rural mutual-supporting pension must be embedded in the pressure-based system. Under the pressure-based system, the grass-roots government pays attention to the evaluation of superficial performance. It is difficult to satisfy the real needs of the elderly in rural areas. The final result is that the subordinates play a digital game to cater to the evaluation criteria of the superiors, emphasizing the superficial quantity or scale, regardless of the actual service quality, which can easily lead to the lack of motivation and vitality of the rural mutual-supporting service for the aged. And it will lead to perfunctory work of rural mutual-supporting pension, low participation of the masses, and difficulty to promote the mutual-supporting pension model.

### III. EXPLORE MUTUAL-SUPPORTING PENSION IN RURAL CHINA UNDER AGIL MODEL

The AGIL model was proposed by the well-known sociologist Parsons to describe the logical path of unit behavior to achieve goals. This paper introduces the AGIL model to analyze the problem of mutual-supporting pension in rural China, which is consisting of adapting social environment (A), setting the goal (G), integrating social resources (I) to achieve the goal, and maintaining the potential model of this path (L).

#### A (A): Adapt to the environment of mutual-supporting pension in rural china

Under the new context of contemporary economy and society, China's rural mutual-supporting pension is facing new problems and challenges, Specifically in the following aspects:

##### 1) *Mutual-supporting pension is not defined clearly*

Under the social background that the public service does not extend to the countryside, the pension problem needs to make full use of the existing resources of the government, the

society and the family to form a reasonable management and service mechanism under the policy framework. However, because the government has not formulated relevant policies or legal norms about mutual-supporting pension yet, there are still many differences cognition about the mutual-supporting pension in various parts of our country, and governments at all levels, village committees, social organizations, families, and other parties have unclear responsibilities and powers. Up to now, the work of urban and rural community mutual-supporting pension institutions has not been regulated by relevant regulations, which has laid a hidden danger for the legal disputes that may arise in community mutual support pension institutions. These undermine the initiative and enthusiasm of village committees to run mutual aid nursing homes.

2) *With the Insufficient investment from social forces, mutual-supporting pension heavily relies on government resources.*

The establishment and operation of mutual-supporting nursing home almost depends on the government's financial input. However, after the government funded the establishment of local mutual-supporting nursing home, it is difficult for local governments to provide all the funds for management and operation, so that it need raising from self-financing, social donations and family input from various villages. Nevertheless, due to different levels of economic development and different collective economic conditions in different villages, there is a greater imbalance in social and family investment. The number of old people living alone in rural areas is increasing, and the demand for facilities of mutual-supporting pension are also increasing. In view of the current raising method of rural mutual-supporting pension nursing homes, it is not absolutely stable, which may lead to the "breakage" of the fund chain and make the sustainable development of this model lose its power.

3) *Mutual-supporting service is not attractive to the masses and its promotion lacks social support atmosphere*

Nowadays, the traditional idea of pension is still dominant, and the elderly cannot accept the new idea of mutual-supporting pension, which will reduce their positivity to take apart in mutual-supporting. Mutual-supporting pension highlights the importance of helping each other and living together. The internal operating mechanism of this model mainly relies on moral self-discipline and the sense of responsibility and dedication. This kind of one-way pay lacks of interaction and motivation, and Chinese lack the spirit of volunteer service, so the marginal utility of happiness from helping others is decreasing, and the fatigue will gradually come into being over time [4]. In many areas, this new model is not attractive to the elderly, the elderly lack the motivation to take apart to the mutual support.

4) *The mutual aid content is monotonous.*

The content of mutual assistance among the elderly mainly focuses on leisure chatting and life affairs [5]. And in the mutual-supporting pension, it is difficult for the elderly to get more help in a wider range of fields because of various factors [6]. Moreover, with the development of market economy, the class differentiation of peasant groups becomes obvious.

Income differentiation and occupational differentiation have led to the increase of heterogeneity in rural society [7]. All these have restricted the cooperation between the left-behind and non-left-behind elderly, the old with good economic conditions and the poor elderly, as well as the elite elderly and the ordinary elderly.

*B (G): Set the goals of mutual-supporting pension in rural China*

*1) Develop the mutual-supporting pension through co-construction and co-governance*

The mutual-supporting pension model innovation is guided by the social public spirit to create a kind of mutual participation and multi-governance construction. Any force that contributes to maintain and innovate mutual-supporting pension model has the opportunity to become a stakeholder [8]. At present, some typical mutual-supporting pension models in China are experimental. Any current mutual-supporting pension model isn't perfect, but a realistic compromise in the case of imperfect conditions [9]. The strength of the parties they rely on presents a certain degree of contingency. To achieve mutual-supporting pension's long-term sustainable development, the multi-governance power should run through the mutual-supporting pension, so that mutual-supporting pension model can meet the new situation, new tasks, new requirements; and the forces of mutual-supporting pension should be systematically stipulated realizing "government guidance, market intervention, public participation, family input, and legal guarantee".

*2) Construct a well-disciplined and Well-restrained mutual-supporting pension system*

It is difficult to achieve the innovation of the mutual-supporting pension model only relying on a kind of pension model. If a unified, standardized, and oriented system can be established, the development of mutual-supporting pension will be Normalization and Systemize [10]. Then the kind of innovation based on the system will be deep and sustainable. Institutionalized construction is extremely necessary for the innovation of the mutual-supporting pension model [11]. To develop the institutionalized construction should focus on perfecting the four major systems of resource-investment system, personnel training system, service credit system, and mutual-aid distribution system, as well as building a seamless connection among mutual-supporting pension, family pension, government pension, and market pension, which can guarantee the model of mutual-supporting pension operate orderly and develop healthily. At the same time, give flexibility to mutual-supporting pension, so that it can adjust its own practices according to specific conditions within the scope of the rules, thus avoiding the rigidity of the model.

*C (I): Integrate the resource for the mutual-supporting pension*

People who participates in the current mutual-supporting pension models in rural China is a single entity, so that the mutual-supporting pension models does not fully mobilize social resources to provide a driving force for development.

And to construct "government guidance, market intervention, public participation, family input, and legal guarantee" mutual-supporting pension system in rural, related resources should be integrated and used sufficiently.

*1) Give full play to the governments at all levels*

The government plays an important role in the rural mutual-supporting pension model. The government provides welfare service resources, capital supply and institutional guarantee for the establishment of mutual-supporting pension model [12]. Governments at all levels should play a role in guiding mutual-supporting pension developing, solving the problems existing in the development of rural mutual-supporting pension, and thus form a normal, orderly and developing effective mechanism of mutual-supporting pension service in rural.

*2) Give play to the support of social groups*

It is difficult to give full play to the function of mutual-supporting pension by relying solely on government guidance, village-level sponsorship, and mutual assistance among rural elderly. The mutual-supporting pension lacks continuity and depth. Through the relevant incentive system, attract relevant social organizations and enterprises to join the mutual-supporting pension system, and expand the service subjects to include rural left-behind children, left-behind women and some urban residents in the rural mutual-supporting pension model to achieve the diversification of the main body. Give full play to the role of various social groups in mutual-supporting pension, improve service quality and create a good social atmosphere, thereby enhancing the initiative and enthusiasm of the elderly.

*3) Introduce the establishment of a volunteer mechanism*

Rural mutual-supporting pension should not be the interaction only between rural elderly. By introducing a volunteer mechanism, the groups providing old-age care services can include rural left-behind children, rural left-behind women, and urban residents as volunteers. The urban residents who serve as volunteer will not only help promote the development of the aged care service, but also promote the interaction between urban and rural areas, and it will promote the implementation of China's rural development strategy.

*D (L): Maintain the mutual-supporting pension model in rural*

*1) Improve the policy system about mutual-supporting pension*

Mutual-supporting pension is a social-welfare service. On the basis of clarifying the basic positioning of the nature, role and service targets of mutual-supporting pension, government should make a difference in the supply of welfare services, funds and institutions. The central government need issue relevant normative documents to regulate the development of mutual-supporting pension. In the process of rural mutual-supporting service development, the government should give full play to the role of government protection, introduce relevant laws and regulations on mutual-supporting

pension, and ensure that there are laws and regulations in the process of mutual-supporting pension in rural areas to avoid legal hidden dangers. In addition, when develops the rural mutual-supporting pension, the government should guide them and help them achieve systematization and institutionalization.

2) *Give play to the informal support of the primary group*

To promote the mutual-supporting pension service in rural, mobilize the enthusiasm of the elderly to participate, and enrich the mutual-supporting content, it is necessary to fully use the informal support theory as a guide and to give full play to the role of informal support. Whether the elderly choose to participate in mutual-supporting pension in the community or not depends largely on the economic, labor and spirit provided by the primary group consisting of relatives, neighbors, friends, colleagues, volunteers, etc. Governments should fully examine the ideas and attitudes from the primary groups of relatives, neighbors, friends, colleagues, volunteers, and fully give play to the role of informal support for the primary group, let them encourage, help, and guide the elderly to take the initiative to participate in the mutual-supporting pension. And by being a volunteer, people of the informal support group can rich the content of the pension service letting it more interested and attractive.

3) *Realize the sustainable development of mutual-supporting pension*

The biggest problem faced by rural mutual-supporting pension is the fund which requires governments and villages to raise funds diversely protecting the fund chain from fracturing. Otherwise, it is difficult to establish new mutual-supporting nursing room and the constructed nursing home will fail. The failure will not only cause huge waste of recourse, but also affect the government credibility and the mass enthusiasm for mutual-supporting pension. Encourage enterprises, social organizations and individuals to support the community and participate in constructing the mutual-supporting pension institutions. Enterprises, units and individuals who set up or fund the construction of community mutual-supporting pension institutions shall be rewarded. The management organization shall integrate these funds into the community mutual-supporting pension fund, and give full play to the maximum benefits of the use of the fund.

4) *Explore new paths of the mutual-supporting pension*

Mutual-supporting pension emphasizes self-management and self-service functions in villagers' self-government. Therefore, the government should give guidance and support to the villagers rather than always planning for them and leading them. Nowadays, mutual-supporting pension model is spread all over the country. And in terms of its model, it is mainly a replica of the "Feixiang Township Model". However, from the living conditions and mutual-supporting relations, single pension model cannot satisfy the pension need prefect, but effectively combine several models can avoid the simplification and immobilization of the mutual-supporting pension model. And several models can coexist for a long time in a certain period of time and within a certain region.

#### IV. CONCLUSION

Facing with the huge social pension pressure, especially in rural areas where the development of pension services is lagging but the demand for old-age care is huge, the mutual-supporting pension model is more realistic than the socialized pension model and the home-based pension model, reducing the pressure on family pension.

However, the rural mutual-supporting pension model implemented under the current pressure system is gradually becoming rigid and lacks of the motivation for long-term sustainable development. By introducing the AGIL model, exploring new paths, activating the mutual vitality of rural mutual-supporting pensions, and achieving government support and social support. The sustainable development of rural mutual assistance and old-age care is an important prerequisite for giving full play to the function of mutual-supporting old-age care for the elderly, and it is of great significance to the development of China's old-age service.

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