

## Research and Suggestions on Urban and Rural Pension Model under the Background of Population Aging

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### Abstract

Against the background of severe population aging, the problem of superposition of 'age before getting ready' and 'age before it gets rich' is emerging in China. The contradiction between urban and rural old-age care differences has become increasingly apparent, coupled with the lack of spiritual and cultural needs of the elderly, there is a big gap between various pension models and pension industry. Construction and improvement of pension service system suitable for China's national conditions, and create a pension model for the elderly, it has become an urgent task for China to face aging actively. Based on this, based on the perspective of urban and rural differences, this paper discusses the solution of the current pension dilemma.

### Keywords

Urban-rural Differences; Pension Model; Pension System.

## 1. Introduction

### 1.1. Background

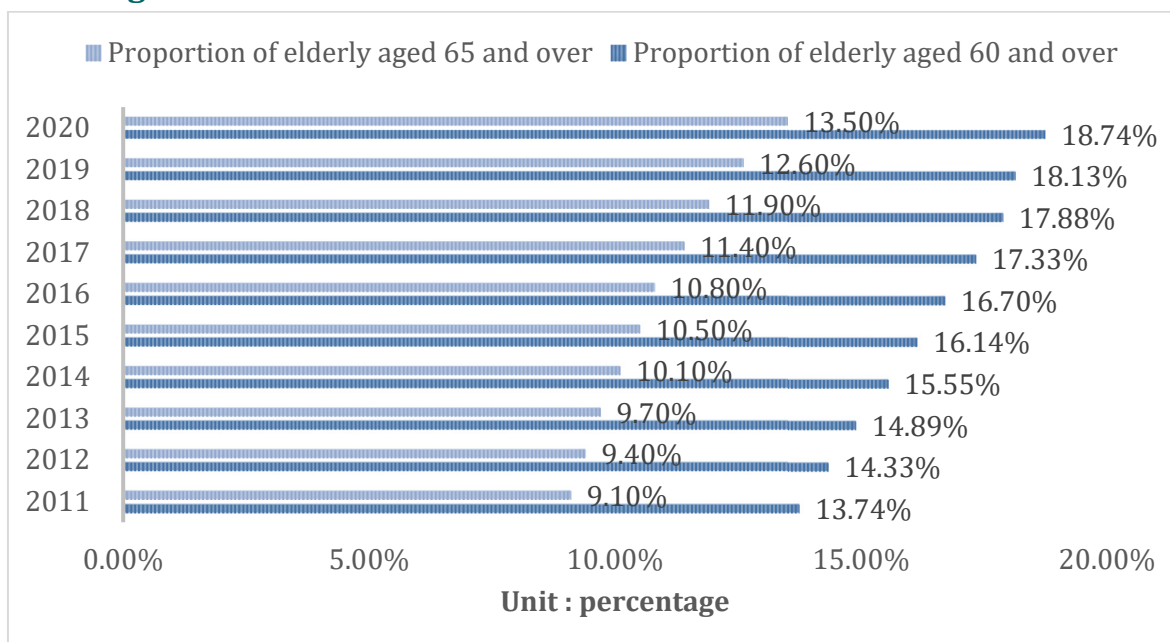


Figure 1. Proportion of the elderly population in China

The results of the seventh national census show that the proportion of people over 60 years old is 18.74%. In the official website of China Statistical Yearbook, the Panel investigated the proportion of the population aged 60 and over and aged 65 and over from 2012 to 2021, see Figure 1. It is found that the speed of population aging is accelerating, which indicates that the degree of population aging in China is further deepened. With China entering a period of rapid population aging, the severe aging situation has further impacted Chinese pension service

system. The process of urbanization is further accelerated, making the difference between urban and rural pension increasingly prominent. The improvement of quality of life makes the pension needs of the elderly diversified and diversified, but the construction of pension service system has not kept up with the growth rate of pension service demand. Faced with the growing demand for social pension services, it is necessary to build and improve the sustainable development of the pension service system to actively respond to the severe form of population aging.

## **1.2. Research Significance**

Based on the background of the difference between urban and rural development in China, this paper analyzes the problems existing in the development of pension in China, and discusses the current situation of pension service system. It proposes a diversified pension mode as the main body, a pension mode based on a sound pension service system and a number of measures to aging. Further optimizing the allocation of pension resources and improving the quality of pension services have a positive practical effect on improving the efficiency of aging social governance and promoting the modernization of aging social governance.

## **2. Problems in the Development of Pension in China**

### **2.1. Traditional Pension Model is Unsustainable**

Pension is a living condition in modern society. At present, there are three basic pension modes in China: family pension, community pension and institutional pension. This is now more common traditional pension model, accounting for 96 %, 1 %, 3 %. However, under the current conditions, it is difficult to meet the core needs of the elderly only by relying on the traditional pension model in terms of economic expenditure, living care and spiritual comfort. In the traditional family pension model, the elderly are generally difficult to get detailed professional medical care, life care and spiritual and cultural pension services. Under the new situation, family pension is difficult to maintain and play its social function and role. Nowadays, there are more or less problems in community endowment, and the service functions are not perfect. The first is insufficient funds, personnel gap. Secondly, the service specialization level is poor, and the lack of professional service enterprises cannot meet the needs of the elderly, so it is difficult to effectively improve the quality of community care services. Many pension institutions have different fees and different levels of specialization. And now many old people on the institutional pension model acceptance is not high, the community for the traditional thinking of institutional pension is deeply rooted, that is the embodiment of filial piety of children. In addition, the elderly living law has continuity, which also requires institutional pension and family pension, community pension there is a strong consistency. But for now, there is a lack of coherence and cohesion among the three pension methods. Under various difficulties, the traditional pension model has been unable to meet the diversified pension needs of the elderly.

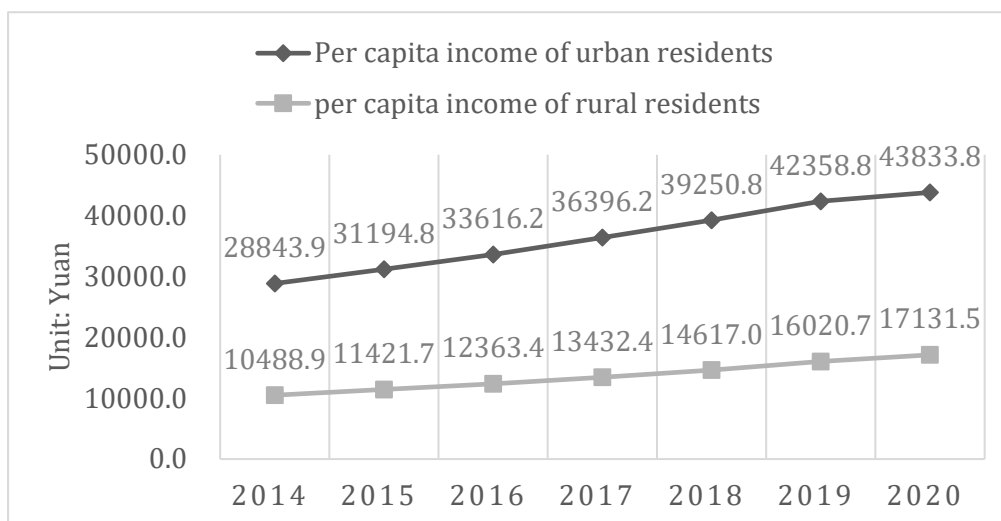
### **2.2. The Elderly Lack Spiritual Needs**

In recent years, the pension industry has paid more and more attention to the spiritual and cultural activities of the elderly. This phenomenon is also deeply reflected that the demand for emotional communication and social interaction of the elderly will not decrease with the decline of physiological function. The research objects of this group are mainly college students and the elderly over 60, with 200 valid questionnaires, and the effective rate is over 95 %. The questionnaire is mainly carried out from three aspects: the problems existing in the current pension, the focus on the pension demand and the choice of the expected pension mode. The survey results show that the proportion that the current pension cannot meet the spiritual needs of the elderly is 71.28 %.The rapid economic development in the 21st century has led to the rapid flow of population and resources, which has also led to the increase in the number of

empty nesters today, and the spiritual needs of many elderly people cannot be effectively met. In addition, the four-two-one family structure is common in China, and the family shows obvious core and miniaturization characteristics. A couple to take care of the four elderly, as well as the accelerated pace of life, industry competition intensifies under the background of children ' s care for the elderly is insufficient. The strong emotional needs of the elderly cannot be effectively responded, which will also lead to anxiety of the elderly to a certain extent. The spiritual needs of the elderly are characterized by diversity and complexity. Whether family or society, the spiritual supply of the elderly is difficult.

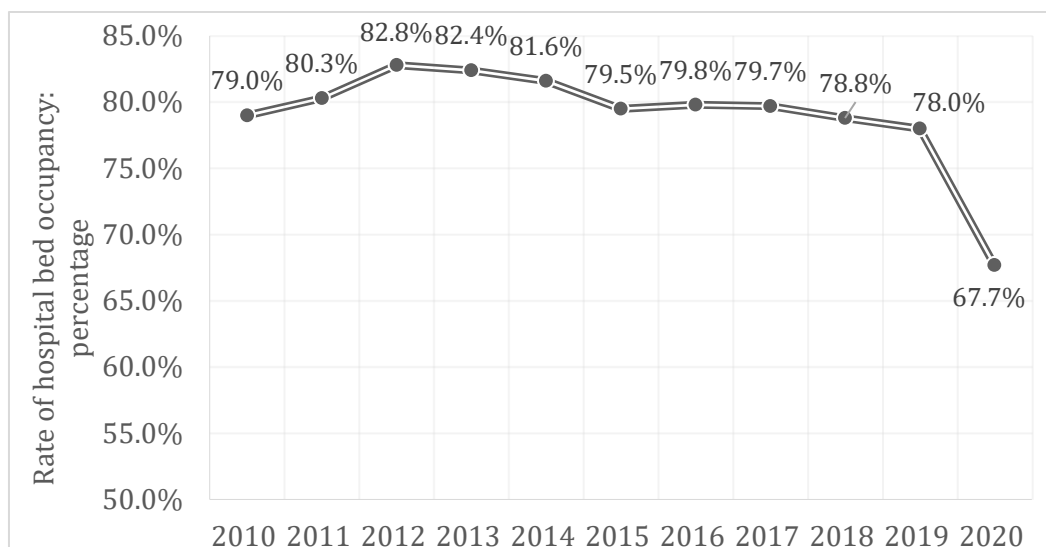
### 2.3. Unbalanced Supply of Pension Services

The imbalance in the supply of pension services is manifested in the structural imbalance of the supply mode of pension services, and the imbalance in the supply of pension services resources between urban and rural areas and between regions. According to the average income data of urban and rural residents in China Statistical Yearbook from 2014 to 2021, it is found that there are still significant differences in the per capita income of urban and rural residents, see Figure 2.



**Figure 2.** Per capita income and expenditure of urban and rural residents

Peng Du and other scholars believe that the unbalanced regional development is the main problem faced by the supply of pension services in China, which is manifested in the unbalanced urban and rural development and the shortage of rural pension public services. At the same time, there are significant differences in the level of aging population and aging in different regions. Some regions have the problem of superposition of high aging degree and low supply of pension services, which leads to the further aggravation of regional imbalance in the supply of pension services. In addition, there is a great demand for nursing talents for pension services, but the lack of pension services professionals in China makes the growing demand for pension services of the elderly unable to be effectively met. The imbalance of supply structure makes the pension institutions seriously polarized, resulting in an embarrassing situation of "unable to live" and "unwilling to live". In the past five years, the utilization rate of beds in medical and health institutions has decreased year by year, but many elderly people have not enjoyed good medical resources, resulting in a structural contradiction between ' difficult to find a bed ' and vacant beds, see Figure 3.



**Figure 3.** Utilization of beds in medical institutions

## 2.4. The Development of Pension Industry is Uneven

According to the survey of this group, the rural elderly have a psychological resistance to nursing homes and other pension institutions. In rural areas, most of the elderly are family pension. However, compared with cities, pension insurance is generally low and can only meet the basic material needs. This also makes it difficult for the pension industry to develop rapidly in rural areas. In the city, many pension institutions are expensive, not the general family can afford. Under the influence of urban and rural factors, many pension institutions do not give full play to their advantages in pension.

## 3. Suggestions on Building and Improving the Pension Service System

### 3.1. Multiple Pension Models

Due to the strong coherence of the daily life of the elderly, there is a big gap between the current pension model, which can be combined with a variety of pension models and optimize their functions. For example, the "family pension + community pension" model can be created. Since the single family pension cannot meet the rich spiritual needs of the elderly, community pension can complement its missing functions. Using the proximity advantage of the space where social pension is located, we can well compensate the daily life dimension function needed by social pension. In addition, the community can achieve spiritual comfort to some extent by maintaining the sociality of the elderly. The elderly can live in the community during the day, and return to the family at night must be based on strong coherence between the two pension methods. In order to cope with its possible formalism, the government should strengthen the supervision and management of the corresponding institutions. Due to the welfare of community endowment, the government can increase support policies. There is also the implementation of the "Internet + community home care" service model. Guided by the policy, the government formulates relevant policies such as fund financing under the background of 'Internet + ', actively integrates community pension resources, creates a good pension service environment conducive to the development of service enterprises, and forms a good cycle of mutual benefit and reciprocity between communities and enterprises.

### 3.2. Improving the Pension Service System

#### 3.2.1. Advantages of Developing Fifth-tier Cities

According to the group's visit survey, most rural elderly people are in conflict with institutions such as nursing homes, and most of the pension institutions are in loss in township areas.

Therefore, five-tier cities can be considered as the key areas of rural old-age care. Five - line city refers to the county under the jurisdiction of the county in small cities and towns, is the first in the countryside, the tail of the city. Five - line cities generally poor economic base, small city size, transportation is not convenient. However, it has a huge pension advantage in rural old-age care. It is closer to the countryside and has lower living costs. In addition, it has better pension services and medical resources than rural areas, so that the rural elderly can enjoy the pension service resources nearby. The local government can divide the jurisdiction area, choose the five-tier cities as the development of rural pension industry base, and make corresponding subsidy policies in land, capital and other aspects.

### **3.2.2. "Respectful" Pension**

The rapid and healthy development of society in the 21st century makes people's living standards continue to improve. Facing the great challenge of population aging, caring about the physical and mental health of the elderly and improving the quality of life and health of the elderly have become the focus of the whole society. In the future pension service system, 'respectable pension' is the demand and must be the requirement. With the changes in the social role and environment of the elderly, there will be a certain gap in the hearts of the elderly. At the same time, the gradual decline of the elderly physical function and the occurrence of diseases such as widowhood are inevitable. Their views on life and on external things are constantly changing. In the process of adaptation, the elderly are prone to emotional excitement. Children should respect the coping style of the elderly and listen patiently to the feelings of the elderly. Let the elderly obtain a dignified lifestyle while relying on the outside world. The pension community and pension institutions should also practice the concept of respect in the supply of pension services, and think about problems from the perspective of the elderly, rather than treat the elderly as a first-class person, so that the elderly can truly live up to the age.

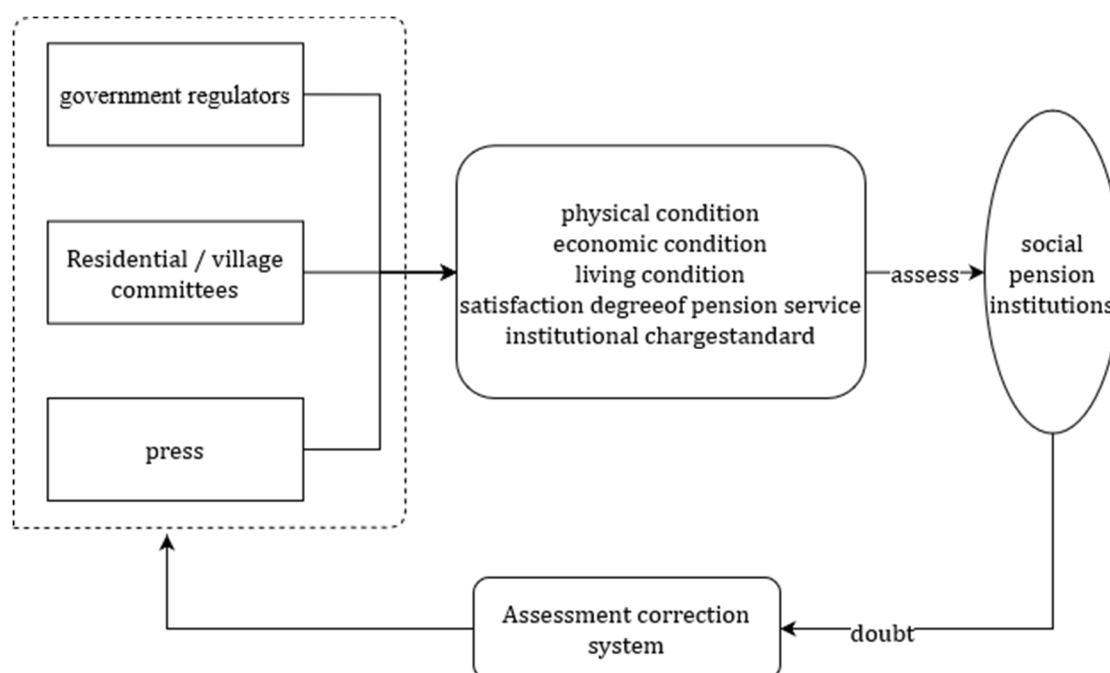
### **3.3. Multiple Integration of Excellent Pension Resources**

Integrate many excellent endowment resources, focus on improving the quality of life of the elderly. Nowadays, China lacks good quality and hard-brand pension products, so it can attract industrial and commercial capital to go to the countryside, promote its longitudinal development, horizontal combination and mixed diversified development, and create first-class pension products to truly meet the needs of the elderly. The government can promote the integration of social pension institutions and medical fields, and establish green fast-track and two-way referral services with hospitals. In addition, the government should vigorously support the establishment of nursing clinics or nursing homes in social pension institutions, encourage the implementation of multi-field cross-integration development, and introduce specialized pension services, medical care and traditional Chinese medicine health care to provide adequate medical service resources for the elderly.

### **3.4. Establish Pension Service Evaluation System**

The government can set up pension institutions for official evaluation mechanism to promote the construction of pension service development evaluation system and inspection index system. The elderly aged 60 and above in social pension institutions are taken as the evaluation objects, and the weight of each index is determined by combining local factors from five aspects of physical condition, economic condition, living condition, satisfaction degree of pension service and institutional charge standard. Construction by the government regulatory authorities, local neighborhood committees or village committees, press as the main body, in advance and afterwards supervision of the evaluation system, to ensure that the evaluation process is open, fair and impartial. The Government also needs to develop an assessment correction system to address doubts about the results of institutional assessments. In addition, the development of the pension industry can be included in the assessment of local

governments to encourage local governments to guide the healthy development of the pension industry.



**Figure 4.** Evaluation System of Pension Service

## 4. Conclusion

Through the research and survey on the urban and rural old-age care model and the questionnaire survey, it is found that at the present stage, the urban and rural elderly are mainly family-based care, and the proportion of community-based care and institutional care is small. There are still great differences in the current situation between urban and rural old-age care. For example, the proportion of urban elderly parents living alone is large, and there is a relatively sufficient pension as a guarantee. However in rural areas, family support is a common pension model, but there is still a high proportion of rural elderly who choose to continue working in order to reduce the burden on their children. In addition, the degree of aging in rural areas is higher than that in urban areas, but in the allocation of urban and rural old-age security resources, high-quality resources are more inclined to urban, rural old-age resources are less and the quality of resources is low, further increasing the gap between the two.

In the present stage and the future for a long time, the pension model will continue to give priority to family pension. In order to cope with the peak of aging in the future, it is necessary to do a good job of pension planning for the groups that are about to enter the elderly. The government should also strengthen publicity to make people aware of the importance of good pension planning. This paper discusses and analyzes the pension model and pension service system, hoping to have a positive impact on aging.

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