

# The development of rural endowment patterns in China\*

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## ABSTRACT

Aging of the population has become a reality in China, and the problem of supporting old people becomes a critical problem needing immediate solutions, especially the raising problem of rural old-ages that has been increasingly serious, which has affected all aspects of social development. To have recognition of the status of rural endowment pattern is the critical point to explore the endowment pattern that is suitable for the rural endowment of China and to solve the problems of the rural old-age care. First, this paper reviews the theoretical research of rural endowment pattern, and then the status of existing family endowment pattern, institution endowment pattern and analyzed home-based endowment pattern of Chinese rural areas and the main existing problems. Finally, Then on the base of these, this paper studied the revolution and development direction of Chinese rural endowment pattern, and imagination on an endowment pattern that could meet the physical truths of Chinese rural areas was put forward to provide the reference for the optimization and innovation of rural endowment pattern of China.

**Keyword :** Chinese rural area, endowment pattern, family endowment pattern, institution endowment pattern, home-based endowment pattern

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# 1. Introduction

China, a country with a large population, has the largest population of old people in the world. China has been one of the fastest growing states with an aging population. In China, the number of empty nesters increased rapidly in the course of aging of the population. According to estimates, China's elderly population will approach 300 million in 2030, and the proportion of the empty-nest households will reach 90%. It means that the number of empty nesters in the country will exceed 200 million, and many of them are in rural areas. In addition, the elderly of empty-nest households in rural areas are increasingly important, and conflicts are increasingly becoming acute. The shrinking of the family size, the low pension, the lack of endowment institutions, and the traditional conception of supporting the aged are all the factors that constrain the implementation and development of the rural endowment pattern. Therefore, the key to the problem of elderly care is in the rural areas. To develop the system of elderly care, solve the problem of elderly care, especially the rural elderly care issues, developing rural elderly care service is a crucial reason for the success of the endowment service. This article will focus on the rural endowment pattern and explore a growth path for rural aged care service, which is closely related to urban elderly care service. Thus, we can make up for this shortfall in rural elderly care service, which will fundamentally contribute to developing China's old-aged care service.

# 2. Research review

## 2.1 An Overview of the Abroad Study

Due to the differences in economic development level, cultural customs, and political systems, many foreign countries have established a variety of rural endowment patterns. However, there are generally three main patterns: the social insurance pension model, the welfare pension model, and the savings' insurance pension model.

Germany issued the social insurance pension model for the first time. The insurance premiums are borne jointly by the government, the unit, and the laborers. In 1886, Germany established a social security system for employees working in agriculture. In 1951, the law on old-age security of farmers came into effect.

Farmer's annuity support law came into force in 1957, and the agricultural social reform law proclaimed in 1995. The rural social security system in Germany was gradually complete. The origin country of the welfare-type pension model is the United Kingdom. Under this model, the state has high labor productivity, personal income, national quality and material living standards. However, the country's financial burden is heavy, its efficiency is low, and it lacks incentive mechanisms. The savings-type pension model, in a spirit of self-insurance, insurance premiums in accordance with the pay raise, as a percentage of the worker and the employer must pay. This model emphasizes personal responsibility, but not for sharing risks together<sup>1)</sup>. Facing continuing rise of the population of the aging and increasing number of the Oldest-old, the government of Japan adjust and perfect the policies continually and explore new nursing service mode actively. They already have formed a three-dimensional community service system that has medical, nursing, rehabilitation. The United States is a typical aging society: its elderly care model presents a variety of characteristics. The American endowment policy, insurance system tended to perfect. The resources' disposition is more reasonable than before, now gradually formed the institution endowment pattern, the Community endowment pattern and the home-based endowment pattern and so on various modes coexist the endowment pattern<sup>2)</sup>. With Japan and the United States as the representative, each country will be in accordance with the situation of population aging to explore the country's actual rural endowment model.

## 2.2 An Overview of China' s Study

### 2.2.1 Study on the concept of endowment pattern

In relevant research about the endowment pattern, Chinese scholars have not formed a unified concept of the endowment pattern. Based on the three originals of "endowment support power" (economic or material support, life service, and spiritual care), Mu<sup>3)</sup> (1998) divided the elderly care model into three types: family

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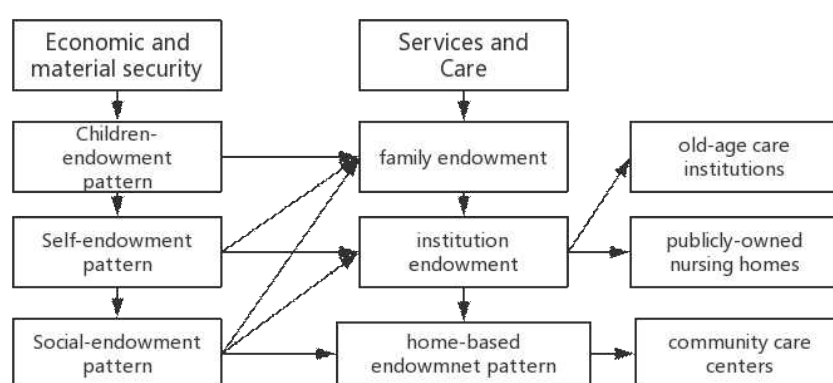
1)Zhang, Y. L., & Cong, X. (2017). What is the characteristic of the rural old-age mode in foreign countries, *People's Tribune*, 3, 118-119.

2)Research on the old-age mode in foreign countries: an article in Japan  
<http://mp.weixin.qq.com/s/awPJfcmQqrTKowfP5eF0nQ>

3)Wu, C. P., & Mu, G. Z. (2004). *The present situation and Countermeasures of China's population*, Foreign Languages Press.

endowment, social endowment, and self-endowment. Yu<sup>4)</sup>(1992) argues that the income of the old people and the types of households that the old people live in are the main elements influence the choice of endowment pattern<sup>5)</sup>. Therefore, according to the standards above, this article considers that the economic income and residence of the rural elderly, the service type they enjoyed and the spiritual comfort form the rural old people's endowment pattern. For the rural old people who are 65 or over 65, most of them have or are about to lose their ability to work. They cannot gain economic payment through their work, and their living expenses have to depend on the family relatives, their private savings or social pension allowance. From the perspective of economic sources, the rural endowment pattern mainly includes Children-endowment pattern, Self-endowment pattern and Social-endowment pattern. In addition, people's ability to take care of themselves has declined after entering the old age. The elderly need people to provide service and help with their clothes, food, shelter, and transportation. Families, elderly care institutions, public nursing homes and community care centers can provide these services. From the main body of providing life service and care for the elderly, there are several patterns of supporting the elderly in the rural areas as follows: family endowment pattern, institution endowment pattern, and home-based endowment pattern.

< Fig 1> Analysis of the old-age pattern



4)Yu, J. Y., & Yuan, J. H., & He, L. (1992). Research on the rural old-age mode in China, Chinese Journal of Population Science, 1, 9-13.

5)Hao, S. P.(2016). Research on the multidimensional endowment model in China's cities and towns under the background of population aging, Master Thesis, Yunnan University of Finance and Economics.

As is shown in < Fig 1>, the author maintains that the critical issue of the support for the aged is who is to provide the fund for elderly support. However, the provider of the fund and the agent who uses the fund to perform the function of supporting the aged are not necessarily the same one. As is known to all, “elderly support by the agency (institution endowment)” does not necessarily refer to “elderly support by society,” the same is true with “elderly support at home (home-based endowment pattern)” and “elderly support by the family (family endowment pattern).” Based on these distinctions the author elaborates on three major means of elderly support: the support by the family, the support from society, and the support of the aged themselves. A reform of the endowment plan for the aged in China is inevitable. The author points out the prospect of elderly support in China: In the cities, it tends to be in the form of a combination of “elderly support at home and elderly support in the community,” and in the countryside, there will be an increasing number of the aged who rely on themselves<sup>6)</sup>.

### 2.2.2 Study on the dilemma of endowment pattern

Xie (2015) believes that the Chinese rural endowment pattern has the following problems. For example, the increasing central financial burden makes the long-term operation of the new rural social endowment insurance hard to implement; the unbalanced local economic development of China makes it hard to guarantee the effective implementation of collective subsidy; the low level of social participation makes it difficult to meet the demand growth of the rural elderly<sup>7)</sup>. Xue (2010) analyzes the dilemma of the traditional family endowment mode and gives an analysis of the existing patterns in China – the three modes of self-endowment, collective endowment and government endowment. Xue thinks that the supporting facilities of the endowment pattern are backward and the level of protection is low, and the collective endowment pattern is still effective in the more developed areas of the collectives, and the rural endowment insurance is imperfect in the system.

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6)Wu, Y. S., & Wang, L. L., & Wei, K. (2015). Research on the development of Chinese endowment institutions, *Scientific Research on Aging*, 8, 13-24.

7)Xie, C. T. (2015). Problems and Countermeasures of rural endowment insurance under the background of aging, *Guide to Business*, 24, 176-177.

### 2.2.3 Study on the policy of endowment pattern

The settlement of the rural endowment problem in China bears on the stability of society, and scholars put forward the corresponding countermeasures of the rural endowment model from many aspects. Xue (2010) put forward to build a kind of compound endowment mode, namely “Government Endowment + Family Endowment + Collective Endowment + Commercial Endowment” to deal with the problem that the rural elderly population is increasing and cannot get the old-age security effectively<sup>8)</sup>. From the three angles of family, community and social insurance, Guo (2014) put forward a new type of multi-combination endowment model of “family+ community service+social Endowment Insurance” to meet the needs of rural elderly in many levels of endowment<sup>9)</sup>.

In 2013, the State Council of China put forward some opinions on speeding up the development of endowment services. The State Council proposes the vigorous development of endowment services, showing the strong will and strategic deployment of the state. Document 35 brings forward central authority in 2013: According to current situation of endowment, the government have proposed to increase the investment in the old-age service in the grassroots and rural areas, coordinate the endowment resources in urban and rural areas, create a sound system of old-age services, broaden the channels of funding and set up effective cooperative mechanism. Through the implementation of these measures, to promote the rural endowment service balanced development and make up for the rural endowment pattern.

Combining the above viewpoints, we can see that scholars have done a lot of research on the concept, dilemma, and the outlet of the rural endowment pattern. Based on the comparison of domestic and foreign rural endowment patterns and the study of relevant scholars, this paper analyzes the present situation and problems of rural endowment pattern in China and puts forward corresponding optimization and improvement countermeasures.

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8)Xue, X. H. (2010). Research on the rural old-age mode in China, Master Thesis, Guangdong University Of Finance & Economics.

9)Guo, Y. N. (2014). The diversification of rural pension mode in transition period, Journal of Chongqing Radio & TV University,26,64-68.

### 3. Present Situation Analysis

This article only addresses the problem of how to raise the elderly in rural areas, that is, the issue of the rural old-age patterns. Summarize the research perspectives of experts and scholars, collate and comment on the existing views of academia, and pave the way for further research below.

#### 3.1 The family endowment pattern is still the leading role of the rural endowment pattern

In China, most of the rural economy is developing slowly, and the peasants' income level is low. After losing their ability to work and body function, some old people choose to depend on the family. Family endowment pattern is the main endowment pattern in rural areas, the elderly's income and care services mainly provided by children, relatives, and friends.

Family endowment pattern based on affection, more suitable for the psychological needs of the elderly, is the best place to enjoy the old age. The family endowment pattern has the function that no other endowment pattern can replace. The concept of "raise children to provide against old-age" is deeply rooted in the traditional China morality. Out of the influence of the conventional culture of filial piety, children think that they have to support their elderly parents, and parents can help their children while enjoying achieving cares from their children.

< Fig 2> The proportion of the economic sources of the elderly in rural areas in 2010(%)

source of income	Support from other members of the family	Labor income	Retirement pension	Living wage	Property income	Other
60 years old and above	47.7	41.2	4.6	4.5	0.2	1.8
65 years old and above	59	28.5	4.9	5.5	0.2	2

As is shown in < Fig 2> <sup>10)</sup>: Among the economic sources of the rural elderly aged 60 years and above, the first is the support and labor income of the other members of the family, respectively, the proportion of which is 47.7% and 41.2%. The second is the retirement gold and the smallest subsistence guarantee, the proportion of which is 4.6% and 4.5% respectively; the proportion of property income accounted for a tiny proportion, only 0.2%. For rural elderly who are 65 or over 65, the proportion of their economic sources is entirely consistent with those old people who are 60 or over 60. However, due to the decline in the working capacity of older people aged 65 and above, the proportion of their labor income decreases, accounting for 28.5%. The primary economic source of the rural elderly is the support of other members of the family and labor income. Because the social security system is not perfect and the cost of the old-age service is high, the family endowment pattern has been in the dominant position in the countryside. However, with the change of the environment, the family endowment model confronts greater challenges from various aspects.

### **3.2 The institution endowment pattern has been gradually formed and developed in a certain way**

The gradual rise of institution endowment pattern has a lot to do with the weakening of family endowment pattern in certain aspects. Institution endowment pattern is mainly through elderly care institutions to achieve essential elderly care services, and it is a socialized elderly care pattern. The construction of elderly care institutions primarily refers to the market-oriented elderly care agencies. Some public nursing homes for the elderly also belong to the institution endowment pattern, and its organizational structure is the relevant government departments. With the transformation of the concept of the elderly population in rural areas, institution endowment pattern has developed rapidly in the more affluent rural areas. The elderly care institutions can provide specialized services for the elderly and realize the functions of living care, rehabilitation nursing and emergency rescue.

In 2014, there were 5 millions 865 thousand social service beds in China, including 5 million 514 thousand beds for the elderly, 768 thousand increases from

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<sup>10)</sup>Wang, D. X., & Ma, M. (2015). Evaluation of China's rural endowment resources supplies based on population aging, *Scientific research on Aging*, 8, 45-53.



last year. The number of rural pension institutions is 32995, and the number of urban pension institutions is 7675. At present, China's elderly care institutions have public and nutrition elderly care institutions. The cost of the elderly to enter institutional pensions depends mainly on state funding, family support, or their private savings and pensions. Because the income level of the rural family is generally not high, the living condition of the family is not ideal or even inferior to the endowment institution, so some rural disabled old people are more willing to enter the endowment institution for the endowment. The coverage rate of public nursing homes in rural areas is increasing. Government departments pay more and more attention to the nursing homes for the elderly. They gradually turn the service objects from the "five insured households" to the disabled elderly and the half-disabled elderly. However, now, public nursing homes are still the main body of the elderly care institutions in China, and the private elderly care institutions account for only 20% of the total old-age service institutions. The government is using subsidies to attract the attention of all sectors of society to develop institutions to meet the needs of the elderly in rural areas<sup>11)</sup>. However, the cost of this kind of way to support the elderly is high, and some low-income families are hard to bear.

### 3.3 The Home-based endowment pattern is an effective exploration of the rural endowment pattern in China

The home-based endowment pattern is a new pattern of supporting the old people, the core of which is the combination of family endowment and social endowment<sup>12)</sup>. The elderly can live in their own homes to facilitate their children's care, while still enjoying the professional services provided by the Community Pension Service Center. The family, collective and effective national coordination, not only to reduce the economic burden, and improves the quality of life for the elderly. The home-based endowment pattern is more effective in solving the problem of the old people's mental care, is currently an ideal endowment pattern. However, this model is still in the exploratory stage, the establishment of rural home-based endowment pattern needs to be in line with the real situation in the

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11)Wang, X. H. (2016). An analysis of the private operation and public construction of the endowment institution, *Administration Reform*, 8(8), 38-43.

12)Wang, X. F. (2015). Research on the responsibility for the aged under the view of the rule of law, Master Thesis, Hu Nan: Changsha University of Science & Technology.

region and the improvement of the external system.

In recent years, various provinces and regions have carried out explorations on home-based endowment pattern and gradually established community-based care service centers. In 2010, the number of empty beds in China's rural nursing homes was 475 thousand, and the utilization rate of beds was only about 78%. According to the relevant survey, 90% of the elderly choose home-based endowment pattern, and just about 10% of the elderly select the model of institution endowment. Since home-based endowment pattern is more in line with the living habits and psychological characteristics of the elderly in rural areas<sup>13)</sup>, then vigorously support and develop home-based endowment pattern. In Suqian, the coverage rate of the rural home-based service center is 87%. Because there are some defects in public and private elderly care institutions, they cannot meet the individual needs of each old people. In the context of respecting the will and the facts, we must implement the model of family endowment and assist them with community endowment so that we can organically integrate tradition and modernity and effectively explore the rural home-based endowment pattern.

## 4. Problem Analysis

### 4.1 The burden of the family endowment is heavy and the condition of home-based endowment pattern is insufficient

For the vast majority of the elderly in the countryside, they have no pension or even the age of retirement. The elderly get cares and achieve the financial support from their children. The family endowment pattern is the main way of supporting old people in China, but very few old people take part in the social endowment. Since the implementation of the family planning policy in 1978, most of the juvenile is the only children of the family. The traditional family structure has changed greatly, the population aging has turned gradually obvious, the pressure of family support has been bigger and bigger, which urgent request to look for a new method for elderly security<sup>14)</sup>.

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13)Wei, Y. (2013). A brief analysis of the construction and development of China's rural nursing homes, *Economic Research Guide*,13,52-53

14)Cao, L. (2013). Study on the benefit-oriented mechanism of family planning in Q County of Shaanxi Province, Master Thesis, Cheng Du: Southwest Jiaotong University.

Owing to dwindling household, longer longevity and increasing work pressure of caregivers, the 4-2-1 inverted pyramid-shape family structure greatly influenced endowment pattern. All these factors make rural only-child family endowment overwhelmed. The policy of a family with two children only alleviates the conflicts between the problem of providing for the aged in the countryside and the city, the size of the elderly population is still growing. With the development of the times and the change of the concept of life, the problem of rural elderly care has also become the main burden of life for the family, and the burden has continued to increase. The family contradiction caused by the problem of supporting is also frequent. In addition, with the development of reform and opening to the outside and modernization, urbanization, rural areas have lots of surplus labor. These labors transfer to the urban and more and more farmers begin to seek jobs in cities. There will also be an increase in 'empty-nest' families (old people living without their children). To meet the families of rural empty nest spiritual needs of the elderly, we should focus on their emotional life. According to the survey, empty nest households in rural areas on the emotional support needs of the elderly in general is not high level, and the reason is in rural areas, respondents perceived less emotional support, lack of emotional support sense. Traditional filial piety is facing a modern, real-life distorted parent-child relationship, the need to establish harmonious relations between generations. Socialized service for the old who would like to live out their lives in retirement at home, could effectively help them. Living at home without an off familiar environment, the elderly would meet their multiple needs by purchasing home-stay service institution for the aged. With the surge in rural areas the number of empty nesters, coupled with the empty nest elderly in rural areas care service has been in the imperfect state, resulting in the pension problem of empty nesters in rural areas more and more prominent. The rural public recreation facilities are deficient, the elderly recreational activities are lack, and the rural medical conditions are inferior. It is the major reason that the ability of peasant self-supporting is weak, the rural community endowment institutions are short, the social endowment insurance system is imperfect, and the social aid rights and benefits of the elderly of rural empty-nest families cannot be guaranteed powerfully. These factors have led to the development of rural home-based care services model to become the inevitable choice to solve the problem of providing for the aged. The villages in China are trying to set up this kind of endowment

pattern: home care based on community service as support, supplemented by the aged in old age service. Diversified home from the formal endowment system still retains traditional family endowment pattern, but in the implications had transformed from the traditional pattern to the modern patterns, from a single endowment to the three-dimensional changes in the endowment system, with unique advantages. In addition, the study also finds four disadvantages. The disadvantages are the lack of the inputs from the government and the support from civil society, the discontinuity of government policies, and the ignorance of social work agencies and social workers. Because of this, most rural areas have insufficient conditions to carry out home-based endowment pattern.

## **4.2 The existing endowment pattern in rural areas does not match the actual demand**

In China, the village is always in the neglected position for the urban-rural dual structure. Compared to the relatively perfect urban old-age pension, the rural old-age pension system is lagging far behind, and the differences between urban and rural on old-age pension are more obvious than the economy to some extent. Regarding the development of the pension industry, the rural foundation is weak, and the economic investment is lowly. In particular, there is a gap between the service security and spiritual security and urban pension. Rural area affected by the dual structure of urban and rural areas, which is weak in the development of the endowment industry, with little investment, especially in terms of service and mental security<sup>15</sup>). The family endowment pattern, the self-endowment pattern, the community endowment pattern and the social endowment pattern are Chinese rural areas a current common form of supporting old people. At present, due to the gradual weakening of family support, the traditional family support for the aged is unable to meet and adapt to their needs.

Firstly, we were always relying on traditional family endowment before. Families take care of the disabled elderly at home. The concept of raising children for old age has long been popular. However, the existing facilities are mostly in aged under the condition of urban planning, and gradually build up by Chinese traditional morals and culture. Most families have no choice in the endowment. Therefore, the

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<sup>15</sup>Li, M. Y. (2017). The nineteenth National People's Congress report on how to draw a blueprint for "endowment", <http://epaper.rmzxb.com.cn/detail.aspx?id=412465>.

elderly care agency to stay the elderly effectively lacks demand. The apartments for the elderly have many types, but the occupancy rate is lowly, operation condition is poor, no matter from the facilities, service system, the barrier-free design is still in the lowest end of the development phase. Secondly, farmers generally have low incomes, weak self-protection, and inadequate ability to pay old-age insurance accounts. The coverage of pension insurance in rural areas and the selection of contributions are relatively low. As a result, the level of pension income is also low, which cannot meet the basic livelihood guarantee of the elderly. Finally, the demands of the rural elderly include healthy demand, spiritual and cultural demand, daily life demand, spirit soothing demand. Rural culture and entertainment activities are few and simple in form, resulting in the lack of spiritual life for the elderly. The elderly want to gain spiritual comfort rather than just material assistance. The old age service teams in villages and towns did not play a full role. However, the community spiritual security is always the useful supplement of the family spiritual security. Demand for elder's spiritual security mainly achieved through family security.

### **4.3 Unequal distribution of public endowment resources, rural endowment service system is not perfect**

As the regional economic and social development unbalanced in China, the urban-rural dual structure still exists, and this led to the development of rural elderly care institutions is unbalanced between differences in rural regions. There are insufficient resources and unreasonable layout of rural old-age service facilities. Urban aged care service institutions have developed rapidly, while rural aged care service institutions have been slow to develop and their facilities are not perfect. The development of urban and rural endowment institutions is not balanced. The resources of service facilities are insufficient, and the layout is unreasonable. Policy measures and services provided by the government do not match with a certain amount of resources. Urban old-age service institutions have developed rapidly, while the rural old-age service institutions formed late and the facilities are not perfect. Nursing homes in the rural areas have a remote location, inconvenient transportation, poor living conditions, small-scale, narrow service objects and simple facilities. Most of the rural nursing institutions are short of medical services. The service for the elderly still stays at the level of life service and day-care, and

relatively lagging behind in medical care services. Besides, less input of market resources in rural old-age services, and the government still plays a leading role. The rural area lacks the hardware facilities of the institutional endowment, and the low level of economic income makes it difficult for the market institutions to enter the countryside, requiring the support and cooperation of social forces.

Compared with the general old people, the problems of empty nesters, left behind, and disabled people are more serious, most of which are in rural areas. The old-age service system is not perfect, which makes some old people unable to enjoy economic and service security, not to mention mental support. Few numbers of operating community-endowment service centers are performing practically no function.

#### **4.4 The level of medical service is not high enough and the medical facilities of the endowment institution are not perfect**

“The aging of the rural population is deep, and the increasing demand for medical resources by the elderly population year by year is also increasing. In 2015, the number of visits to the township health centers was 1 billion 50 million, an increase of 20 million times over the previous year.”<sup>16)</sup> This group of data reflects the demand for medical resources of rural residents increased, and the demand for medical insurance is on the rise.

According to the relevant data, the prevalence rate of old people in China is very high. Among the 230 million old people in the country, the elderly with chronic disease were close to 150 million, of which nearly 40 million of the elderly were disabled or half-disabled<sup>17)</sup>. The illness of the elderly aggravates the contradiction between supply and demand of the endowment resources. For most of the rural elderly, due to the restriction of income level, living conditions and ideas, once they get sick, they can only rely on rural doctors for simple injection and medication. Some families are living in poverty due to substantial medical expenses. After the implementation of the New Rural Co-operative Medical System, although the expenditure on medical treatment has reduced to some extent, it can only solve part of the hospitalization expenses. For the elderly with chronic diseases, the cost

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16)National Bureau of statistics. (2016). National economic and social development bulletin in 2016.

17)Yao, Y. J. (2016). Analysis and current status of community nursing needs for the elderly, Chinese and Foreign Medical Research, 14(16), 90-93.

of medicine is still a huge expense. With the standardization of the rural medical system, more and more rural areas established health centers. However, the medical level of the health institution is limited, the medical facilities are not perfect, and the medical condition at the grassroots is still not optimistic.

#### **4.5 Fiscal responsibility defect of government restricts the development of rural social endowment insurance**

The policies promulgated by the financial department are ambiguous, which leads to the different understanding of the rural old-age insurance in the local financial departments, and then influences the construction of the rural social endowment insurance system. In addition, determined by the urban-rural binary social and economic structure, there are apparent differences in the pension system, between urban and rural areas, between different regions in China, various groups have system stay in local segmentation, low level as a whole level, “fragmented” serious trend. It is hard for the rural residents to enjoy the same social welfare as the urban ones. The input of the central financial funds is insufficient, and the structure of the fiscal expenditure is unreasonable. The establishment of old-age insurance system covering rural residents requires a large amount of financial support, resulting in rural pension subsidies will be less than guaranteed. As one of important means tackling China’s rural aging care, the social pension system in rural areas has not implemented perfectly and even plunged a plight<sup>18</sup>).

### **5. Conclusion**

#### **5.1. The government should increase the financial investment and improve the rural endowment insurance policy**

Firstly, on the system construction measures to be taken are: to establish urban and rural endowment insurance service system, establish the equalization of the fiscal transfer payment system, improve the public endowment service system and mechanism innovation. Strengthening social endowment insurance funding management, establishing and perfecting the lowest civilian living security system;

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<sup>18</sup>Jia, K. (2017). Financial and tax reform and rural elderly care. China Economic Times. [http://www.sohu.com/a/190239296\\_115495](http://www.sohu.com/a/190239296_115495).

secondly, the government should increase the investment of funds to increase the proportion of government finance to the rural social security expenditure. Fund of rural society endowment insurance must hold to the principle of special funds appropriative, any branches, unit, and individuals do not get flat regulation, divert, and hold back. Certainly, also must not use direct fund investment, short-term loan and guaranty assure<sup>19)</sup>. New rural endowment insurance takes individual contribution, collective allowance and the combination financing model of government subsidy, and the central financial subsidies to local and direct subsidies to farmers individual. Finally, reform of the public finance management system and enhance the expenditure management and inspection. Through the promotion of the limited liability of the government, improve the efficiency of government administration, and improve the supervision mechanism to solve the problem of government failure<sup>20)</sup>.

The government should bear the major financial functions and play the leading role in supply function of the rural old-age insurance, and increased fiscal expenditure of rural old-age insurance.

## **5.2 Strengthen family support functions, and gradually builds the home-based care for the elderly**

In choosing modern social modes of providing for the aged, it is feasible to actively establish and improve the social mode based on fully affirming and exerting the family function. Carry forward such Chinese traditional virtues as respecting and loving the aged, ensuring their access to the economic supply, medical care, appropriate treatment, study and education, cultural entertainment while providing the old people with a pleasant, warm and peaceful living environment. Develop the old-age insurance socialized service by industrializing the establishment and development of the social service facilities and network; expand the function of the rural nursing home, complete its transformation to the old-age service center. To improve the living conditions and quality of life of old people, a system combining family support and community maintenance needs to establish under the support of the social system. Under such a circumstance, community

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19)Chen, J. (2013). Discussion on the support of rural social endowment insurance in China's public finance. *Modern Economic Information*, 13, 333-333.

20)Jia, K. (2016).The construction of the township government in the comprehensive reform of the rural areas, *Journal of Huazhong Normal University*”(Humanities and Social Sciences),55(3),4-6.



elders care are more and more needed, and it makes sense that perfecting home-based care for the aged community service which is home focused and is guaranteed by the government supporting, society participation, and market operation. Nursing personnel should get more involved into the community and families, understand health condition of elderly patients and their change of need for nursing and supply effective nursing service to help them to have a healthy old life.

The Suqian city of Jiangsu province has built 60 rural community-based home service stations for the aged. The city's rural community-based home service center (station) has reached 787, and the rural elderly "care home" 102. The coverage rate of rural home-based care service center reached 87%. To carry out meals, cleaning, safety, first aid, insurance service and other services through the command center of city pension service and home-based care services site, people only need to call the phone at home. During the service period, you can enjoy professional door-to-door service and the insurance service purchased by the government, exempt from worry. The development of community-based home care services has made full use of the existing family resources, reducing unnecessary expenditures, and effectively alleviating the dual pressure of the physical and mental problems of the elderly<sup>21</sup>).

In addition, local government also should attach importance to the endowment pattern of rural mutual assistance. We should promote the improvement of relevant laws, encourage the establishment of mutual assistance organizations, and form a pattern of mutual assistance for the elderly to adapt to the local conditions in the rural areas. To fill the shortage of the home-based endowment model, build a comprehensive old-age service network covering all the elderly in rural areas.

### **5.3 Improve the medical facilities of the rural old-age service center and promote the combination of medical care and elderly care actively**

"Combination of medical care and elderly care" integrates two aspects of medical and endowment resources. At this stage, there is no good endowment pattern of "combination of medical and endowment care" in urban and rural areas. The lagging development of rural medical care has caused many difficult problems in

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21)Shen, C. (2017). Community-based home care pattern in SuQian, <http://www.suqian.gov.cn/mzj/csdtd/201712/8cf6cd95393a42f6bcc3f7e8202e0b17.Shtml>.

the combination of rural medical and endowment care. Urban transportation is convenient and medical resources are abundant, while the remote rural location is more urgent to promote the pattern of “a combination of medical and endowment care” compared with urban areas. Local governments should develop the rural health-care and endowment service into the annual work plan, clarify the target responsibility and strengthen supervision, in order to ensure the implementation of the policy of “a combination of medical and endowment care” in rural areas. Secondly, local governments should also improve the medical facilities in rural areas, train professional health-care teams, create professional management and nursing staff, and carry out professional services in rural areas. Encourage public hospital regularly for rural medical training and clinical activities. Finally, the local governments should vigorously support the social capital into the endowment service industry, and further, explore the new pattern of rural old-age care. We should encourage and support the establishment of community self-service organizations in rural areas, and actively utilize rural idle labor resources to cultivate community volunteers. Organize professional organizations to train community volunteers in nursing knowledge<sup>22)</sup>.

In the next five years, China will promote the construction of the social endowment service system. The government will focus on supporting the development of facilities for elderly homes, medical facilities, and other facilities so that every thousand old people have 35–40 numbers of nursing beds, of which the proportion of nursing beds is not less than 30%<sup>23)</sup>.

#### 5.4 Construction of the care service system for the elderly in rural areas

The community actively carries out the spiritual and cultural services for the healthy elderly, strengthens the construction of the care service team for the elderly in rural areas, and guides social workers to serve the elderly in the countryside, providing more spirit concern for the rural elderly. We should continuously improve the care service system for the elderly in rural areas, and strengthen the mental security while providing economic security and service guarantee for the elderly, to

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22)Zou, C. Q. (2015). A new model of rural medical care and endowment pattern in rural areas, *Management Observer*, 21, 184–185.

23)The editorial department of China social welfare (2016), *The social welfare of China in the next five years – the description of the thirteenth five year plan for the development of Civil Affairs*, China Social Welfare, 8, 4–6.

improve the quality of life of the elderly in rural areas. Such as “time bank” pattern, a kind of mutual assistance of endowment pattern. The elderly volunteer will store their volunteer service time. When they are old and need others to provide services for themselves, they will use these stored time to exchange for mutual assistance. This way not only reduces the cost of the government but also improves the quality and efficiency of the service<sup>24)</sup>.

## 6. Research Prospect

Compared with the cities, rural old population cardinal number is larger, the aging speed is faster, and the growing of the old population quantity is quicker. Therefore, the old-age problem is much more outstanding. The issue of providing for the aged in the countryside always takes a critical position in Chinese economic development. Only to solve it well can indeed set up a complete social security system, which closely related to social stability and growth. To establish and perfect rural social elderly security system is important to the new rural work, the fundamental of the harmonious society. It will become the important topic suspends in front of us that how to make a meal of the existing resources to solve the problem of security for the rural elderly according to the real social-economic situation of China. It is imminent to innovate in the rural endowment pattern and explore new rural endowment pattern according to with the national condition<sup>25)</sup>.

Through further study of this article, which aims to solve the new rural social endowment problem of farmer provide for the aged, really make the farmers a sense of security, to promote the harmonious development of society, implementation economy achievement sharing. Thereby, we ought to build up the modern rural home-based endowment pattern for the aged according to Chinese countryside developing actual state of affairs, through the examples of pattern basis in drawing abroad providing for the aged.

However, due to the phased arrangements of the research, this article only focuses on the old people who live in rural areas how to spend their old-age, that

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24)Xie, W. S. (2014). Research on social workers' intervention in community endowment voluntary service -- Based on the survey of “low age helping age” project in Suzhou Jintang community. Master Thesis, SuZhou: Soochow University.

25)Cong, C. X., & Qun, F. (2015). Research on the new rural endowment pattern in China. China Development Observation, 12, 40-43.

is, the status quo and problems of the development of the existing rural old-age care pattern in China, and summarizes and collates the views of the senior experts and scholars. By summarizing and reviewing, we have conducted a preliminary exploration of the reform and development direction of China's rural old-age care model. It is only some ideas for what kind of old-age care model to build. We hope to put forward practical suggestions and countermeasures based on further in-depth investigation and research.

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