

Research on the Influence of Pension Insurance on the Chinese Elderly's Subjective Well-Being– Based on Maslow's Hierarchy of Needs

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Abstract: The acceleration of population aging is a basic national condition in China. To ensure the living condition of the elderly is a strategic issue. Whether pension insurance plays a role in promoting the subjective well-being of the elderly has attracted widespread attention. This paper explores the degree and mechanism of the influence of current pension insurance programs in China on the subjective well-being of the Chinese elderly. The research significance of this paper lies in helping to provide a theoretical basis for relevant policy recommendations in the future. On this basis, this paper searches the literature on CNKI for research materials. Combined with their research questions, 21 articles from the past 20 years are selected to analyze the influence mechanism of pension insurance on the subjective well-being of the elderly, using Maslow's hierarchy of needs as the theoretical basis. The results show that pension insurance has a certain contribution to the subjective well-being of the elderly, acting in economic, psychological, and social aspects, respectively.

Keywords: social pension insurance, the elderly, subjective well-being, Maslow's hierarchy of needs, China

1. Introduction

In China, population aging has accelerated significantly, and the size of the elderly population is huge. By 2020, there will be 264.02 million people aged 60 years and above, accounting for 18.70% of the total population. In recent years, China has made great achievements in social security. As the main regulating mechanism of the third distribution, social pension insurance plays an important regulating role for social stability and fairness. A comprehensive and in-depth analysis of the impact of social pension insurance on the subjective well-being of the elderly and a systematic review of the research progress made in the past 20 years can help build a theoretical basis for relevant policy recommendations in the future. The research significance of this paper is to contribute to the formulation of China's pension insurance policy. At the same time, it improves the happiness of the elderly in different economic development areas to provide programs. The role of social pension insurance on the subjective well-being of the elderly has received extensive attention from various fields of academia. There is a lack of research on how social pension insurance affects the subjective well-being of the elderly, which this paper takes as the focus to sort out the previous studies. It is

shown that social pension insurance plays a positive role mainly through its economic effect, psychological effect, and social effect. This paper took Maslow's hierarchy of needs as the theoretical basis and searched CNKI for papers since 2020 with keywords including "social pension insurance", "subjective well-being", "the elderly", "living condition of the elderly" and "pension", and a total of 21 articles were included in the analysis of this paper.

2. Literature Review

In terms of research methods, previous studies have been conducted both quantitatively and qualitatively, combining the advantages of both types of methods. Quantitative analysis is the main method. In quantitative methods, scholars mainly use the Logistics Regression Model and the Ordered Probit model to analyze the relationship between pension insurance and subjective well-being of the elderly [1,2]. In terms of research perspectives, they include economics, sociology, and psychology. Some scholars argue that pension insurance brings income to the elderly [3]. Some mainly analyze the pension insurance from the social evaluation of the elderly [4]. Other scholars pay more attention to the psychological needs and depression degree of the elderly [5]. Most previous studies have studied the factors influencing the subjective well-being of the elderly, and there are also studies from the perspective of pension insurance, which mostly study the positive or negative effects of pension insurance on the subjective well-being of the elderly [6,7,8]. Scholars began to focus on the relationship between pension insurance and subjective well-being of the elderly in 2015 [9]. At the beginning, scholars took gender and chronic diseases as variables to conduct quantitative research and explore the relationship between pension insurance and subjective well-being of the elderly [10]. With the development of society, scholars began to study the heterogeneity of pension insurance on the subjective well-being of the elderly, and the regional differences and the level of education were added [11]. In previous studies, scholars lack of sorting out the influence mechanism of pension insurance and subjective well-being of the elderly. The research on the influence mechanism can provide direction for the policy making of pension insurance, so as to better improve the subjective well-being of the elderly.

3. Method

In accordance with the PRISMA statement and the research topic of this paper, this study searched existing papers with "social pension insurance", "subjective well-being", "elderly people", "pension quality", and "pension" as keywords [12].

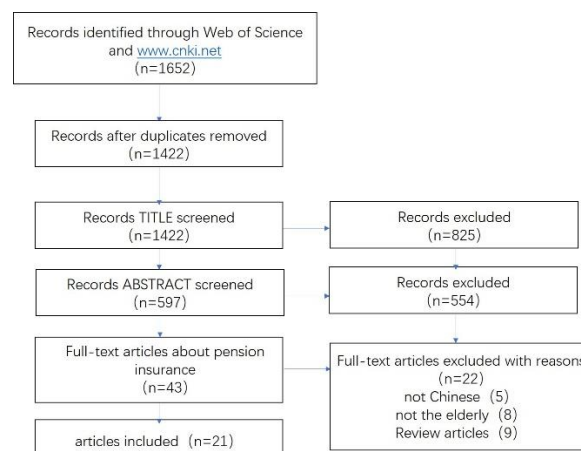


Figure 1: Flow Diagram of Study Selection. Adapted from PRISMA Flow Diagram.

According to the searched papers, the title, keywords, and the whole article are screened in turn. The 43 papers were read in depth, and 22 papers were excluded for three reasons. First of all, papers that are not about China were excluded. Secondly, papers that are not about the elderly were excluded. Finally, the review papers were excluded. Then, 21 articles were selected for analysis (see Fig. 1).

4. Theoretical Foundation

Maslow's hierarchy of needs is a motivational theory in psychology that includes a five-level model of human needs, often depicted as a hierarchy within a pyramid. From the bottom to the top, the needs are physiological needs, safety needs, love and social belonging needs, esteem needs, and self-actualization [13].

(1) Physiological needs are the most basic needs of human beings to maintain their own survival, including basic needs in all aspects of life such as clothes, food, shelter, and transportation. For the elderly, the main need is to have sufficient economic resources for their daily life, that is, "to have something to live on".

(2) Safety needs are the needs of human beings to ensure their own safety, maintain their health, and protect their lives and property. For the elderly, as they are in a special stage of life, their physical condition should be paid more attention to, which requires corresponding medical protection, that is, "to have access to medical care".

(3) Love and social belonging needs, also known as emotional needs, include two aspects. One is the need for love, that is, a more harmonious relationship between family members; the other is the sense of belonging, that is, to enjoy the care and attention of group members. For the elderly, especially those living alone and the empty nesters, they are more prone to mental illness, and their mental state and psychological feelings are more important, that is, "to have the sense of happiness".

(4) Esteem needs refer to people's desire to have a certain social status and to be recognized for their abilities. The elderly want to be respected by their families and people around them, and to be able to integrate into new groups, learn new knowledge, and enrich their lives in old age, that is, "to have something to learn".

(5) Self-actualization is the highest level of needs, which means people want to give full play to their abilities and realize their dreams and ambitions. For the elderly, this is to continue to play their skills, find a suitable new field of development, and use their experience and ability to serve society, that is, "to retire but not to rest" and "to have something to achieve".

The influence mechanism of social pension insurance is economic effect, psychological effect, and social effect respectively, among which, economic effect corresponds to physiological needs and safety needs, psychological effect corresponds to love and social belonging needs and esteem needs, and social effect corresponds to self-actualization.

5. Influence Mechanism

5.1. Economic Effect

5.1.1. Single Economic Effect

The single economic effect refers to the fact that having pension insurance brings an increase in economic level to the elderly. Dong Yanan argues that having pension insurance and receiving a pension is an important source of income for the elderly in their later years. It secures their living and improves their life satisfaction, thus enhancing their subjective well-being [1]. Zhu Wenjuan argues that poverty is a long-standing and serious problem for rural elderly people. Social insurance improves the quality of elderly people's retirement and subjective well-being [7]. According to Zhou Jingjing, the participation of elderly people in pension insurance can guarantee their basic economic

source of living and relieve their worries [8]. Nie Jianliang et al. argue that with the continuous improvement of pension benefits, the degree to which pensions meet the basic needs of rural elderly people is increasing, and the happiness of rural elderly people will gradually be improved [3]. Therefore, the single economic effect mainly satisfies the physiological needs of the elderly.

5.1.2. Chain economic effect.

The chain economic effect refers to the fact that the elderly get a pension through pension insurance, which brings additional effects to the elderly, such as having more leisure to enjoy life, while enhancing the economic level. Xu Ming et al. argue that joining social pension insurance significantly improves the physical health performance of the elderly, reduces the incidence of chronic diseases, improves their self-care ability, and increases their subjective well-being [10]. Yi Dinghong et al. argue that joining social pension insurance and receiving pension income hedges potential uncertainties to a certain extent and improves elderly people's confidence in their future life [4]. According to Fang Liming, participation in social pension insurance increases income, builds a preventive mechanism for rural elderly to cope with the risks of illness, and increases their subjective well-being to a certain extent [2]. Liu Guanghui et al. argue that by increasing income level, reducing labor intensity, and improving physical health, pension insurance influences the subjective feelings of the rural elderly [5]. Chen Fei et al. argue that the increase in pension income would squeeze out part of labor income, which manifests itself in the form of lower labor supply intensity of rural elderly and more time spent on leisure, which is also a way to enhance subjective well-being [14]. Therefore, the chain economic effect mainly satisfies the safety needs of the elderly.

5.2. Psychological Effect

The psychological effect mainly refers to that pension insurance, which reduces depression, gives the elderly a greater sense of self-esteem and belonging in life, and satisfies the love and social belonging needs and esteem needs of the elderly. Wang Zhen et al. argue that rural social pension insurance secures the health of the elderly, improves their self-rated life satisfaction, reduces depression, and increases their subjective well-being [11]. Qu Haiying argues that pension insurance can increase the sense of security of the elderly, reduce disputes generated from their dependence on family, and thus improve subjective well-being [9]. Zhao Yifan et al. argue that with the help of pension insurance, rural elderly people have the means to support their retirement, avoid the uncertainty of the future, and give the insured group inner support, thus contributing to a certain extent to improve their confidence in their future and their subjective well-being [15]. Zheng et al. believe pension insurance helps the elderly to be less financially dependent on their families, improve their family status and self-esteem, and thus more significantly increase their subjective well-being [16]. Zhang Ye et al. argue that social pension insurance can improve the health status and spiritual comfort of the elderly, reduce their psychosocial and emotional deprivation, and improve their life satisfaction [17]. He Yangyang et al. argue that participation in social pension insurance affects the uncertainty of the elderly about their future life, thus reducing the likelihood of depression, which serves as an important indicator of subjective well-being, thus increasing subjective well-being [18]. Chen Dong et al. analyzed the effects of different retirement models on the elderly by measuring their subjective well-being through general well-being and emotional well-being, in which social retirement, that is, having social pension insurance, increased life satisfaction and enhanced subjective well-being of the elderly [19].

5.3. Social Effect

The social effect refers to that as an important means of the third income distribution, pension insurance plays a significant role in social equity. Deng Dasong et al. argue that the rural elderly who have social pension insurance receive a transfer income from pensions, which improves social equity and contributes to social stability [6]. Che Yi et al. argue that older people who participate in social pension insurance, that is, receiving pensions, will receive non-labor income and use that to expand human capital investment, and finally gain more ability and opportunities for employment and further realize their self-worth [20]. According to Lu Jing et al, the participation of rural elderly in social pension insurance improves the living standard of the elderly, eases the financial constraint, reduces the supply of agricultural labor, and enables them to make human capital investment, so that they can engage more in the supply of some non-agricultural labor and better realize the value of life [21].

6. Discussion

Just as Rawls defined social fairness in A Theory of Justice, he believed that a well-organized society should not only aim at improving the well-being of its members, but also be effectively regulated by the concept of social fairness. For the analysis of social effects, as far as the current pension insurance system is concerned, the implementation of pension insurance does promote social fairness. Especially for the elderly in rural areas, it has made outstanding contributions to social stability. However, for the whole pension insurance system, there is still room for further improvement. In future studies, the relationship between the implementation of pension insurance and social equity can be explored.

7. Conclusions

Taking Maslow's hierarchy of needs as the theoretical basis, this paper sorts out previous research and concludes that pension insurance has a promoting effect on the subjective well-being of the elderly, which works in three dimensions – economic effect, psychological effect, and social effect respectively. The economic effect includes the single economic effect and the chain economic effect. As for the former, pension insurance increases the income of the elderly; as for the latter, pension brings additional effects to the elderly while improving their economic condition, such as giving them more leisure to enjoy life, etc. In terms of the psychological effect, it mainly refers to the fact that the participation of the elderly in social pension insurance reduces the depression index to a certain extent, makes the elderly have more self-esteem and sense of belonging in life, satisfies the love and social belonging needs and esteem needs of the elderly, and thus improves the subjective well-being of the elderly. Future scholars can explore the relationship between the influence of the two variables from the economic, psychological, and social perspectives in an integrated manner.

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