

# ***Research on the Problems and Countermeasures Analysis of Old-age Security for the Elderly in Rural China in the Context of Population Aging***

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**Abstract:** With the simultaneous process of urbanization and population aging in China, old-age security for rural senior citizens has once again attracted attention. China's rural areas are currently experiencing increased population aging, while social security initiatives for the aging population are insufficient. Therefore, in the context of population aging, it is imperative to improve the problem of old-age security for rural senior citizens in China. This paper mainly uses the literature research method and comparative analysis method, and based on comparing and analyzing the social pension problems in coastal and mainland rural areas, it puts forward corresponding countermeasures for China's actual situation to address the issue of rural pension security in China. China has transitioned into the phase of population aging. The research on the rural elderly's old-age security problems can better identify the existing problems; the existing problems will be studied and solved to help reduce the burden of China's younger generation of old-age pension, which can be stabilized for the elderly in their old age and is conducive to improving the pioneering ability of the younger generation and the vitality of the country's economic development.

**Keywords:** demographic structure, population ageing, rural China, pension system

## **1. Introduction**

### **1.1. Background of the Study**

Population is one of the major issues among many social problems in the world today. According to the statistics of the UN, the global population is expected to reach 9-10 billion by the year 2050, and the population over 60 years old will account for about 20% of the total population [1]. This trend is mainly due to the continuous development of society, rapid technological advances, and swift development of medical technology, which have significantly increased the average lifespan of human beings. While longevity is a positive sign, it also presents several challenges, including population aging [2]. With the increasing number of senior citizens, the issue of old age security has emerged as a topic of great concern for governments and international organizations. The complexity of this issue is not only reflected at the economic level but also involves many areas, such as politics, culture, and family life. The surge in the elderly population not only poses a huge economic challenge

to society but also has far-reaching implications for government policymaking, social resource allocation, and family structure.

The issue of population aging is particularly significant in a large population country like China. At present, the old-age security system of China is undergoing improvement and has not yet been able to fully cover the needs of the elderly. Rural senior citizens are more challenged by old-age security than their urban counterparts, as they often lack the full range of support and benefits enjoyed by their urban counterparts. Therefore, it is particularly urgent and necessary to conduct in-depth studies and research on old-age care for rural senior citizens.

## **1.2. Purpose and Significance of the Study**

The construction of a rural social security system for old-age pensions is an important issue that affects the life of the country and its people. Currently, China is undergoing rapid economic growth. The economy and society are developing in a comprehensive and coordinated manner, and the urban and rural old-age security system is relatively sound, while the rural old-age security system remain relatively weak. This paper tries to rationalize the relationship between the government, the collective, and the individual in China's rural social pension security system by introducing the basic theory of the pension security system, based on successful experiences at home and abroad, based on which the social security system in rural areas has been systematically sorted out, to Establish a Pension Insurance System for Urban and Rural Residents that is more suitable for the actual situation in China.

Rural old-age security is supported by the strong financial power of the state; it is through the government's financial income reconfiguration that the rural elderly can maintain their basic conditions of existence, and even improve the living standards the rural elderly, and then make the contemporary agricultural economic benefits increase steadily, this is a kind of benign, can give the farmers incentives and expectations of the new type of social income reconfiguration way. In short, establishing a rural social security system for the elderly is an important measure for promoting urban-rural integration and coordinated development, with great practical significance for ensuring the basic livelihood of the rural population, sustaining the fundamental integrity of rural communities while gradually closing the gap between them and, in particular, eliminating the problem of poverty among the rural elderly, and providing them with a certain basic livelihood security.

## **1.3. Content of Research**

This paper includes the following three parts: 1) the status quo of China's rural old-age security; 2) the existing problems of rural old-age security in China; and 3) the proposed countermeasures analysis for problems confronting the rural old-age security in China.

## **2. Current Situation of Old-age Security in Rural China**

### **2.1. Current Status of Rural Old-age Security**

The year 2000 witnessed China's entry into an aging society. During the Twelfth Five-Year Plan period, the elderly population experienced a rapid increase. According to the 2020 Statistical Bulletin on the Development of Social Services, as of the end of 2020, the number of individuals aged 60 and above reached 255 million, making up 17.8% of the total population. It is projected that by 2050, individuals in this age group will surge to 478 million, constituting 34.9% of the total population (see Figure.1) [3]. Population aging seriously affects social stability and economic development. Both developed and developing countries should pay enough attention to the old-age problem caused by population aging and build a set of old-age security systems suitable for their national conditions on this basis.

By the end of 2020, the number of people aged 65 and above in China's resident population will reach 190.635 million, accounting for 13.5% of the country's total population (see Figure 2) [3]. In the period when the birth rate was high, the elderly population almost always relied on the family for their old age, and at this time, the youth population was large, and they had enough ability, energy, and time to take care of the elderly in the family, but as China's population ages and the birth rate continues to decrease, the ratio of the number of young people in the family to the number of elderly people has begun to change, and the youth population no longer has enough time, energy, and support for the majority of the elderly, as it did in the past. The young population no longer has enough time and energy to support the majority of the elderly as before, resulting in the family model of old age beginning to shake the trend, resulting in the elderly for elderly service institutions increasing demand [4]. In addition, due to the increasing number of elderly people who are disabled and living alone, the demand for specialized, personalized, and comprehensive elderly care services is also increasing, and the construction of the elderly care service system should also be clear about a regular, rule of law road of future development. This paper includes the following three parts: 1) the current situation of China's rural old-age security; 2) the existing problems of China's rural old-age security; and 3) the proposed countermeasures analysis for China's rural old-age security problems.

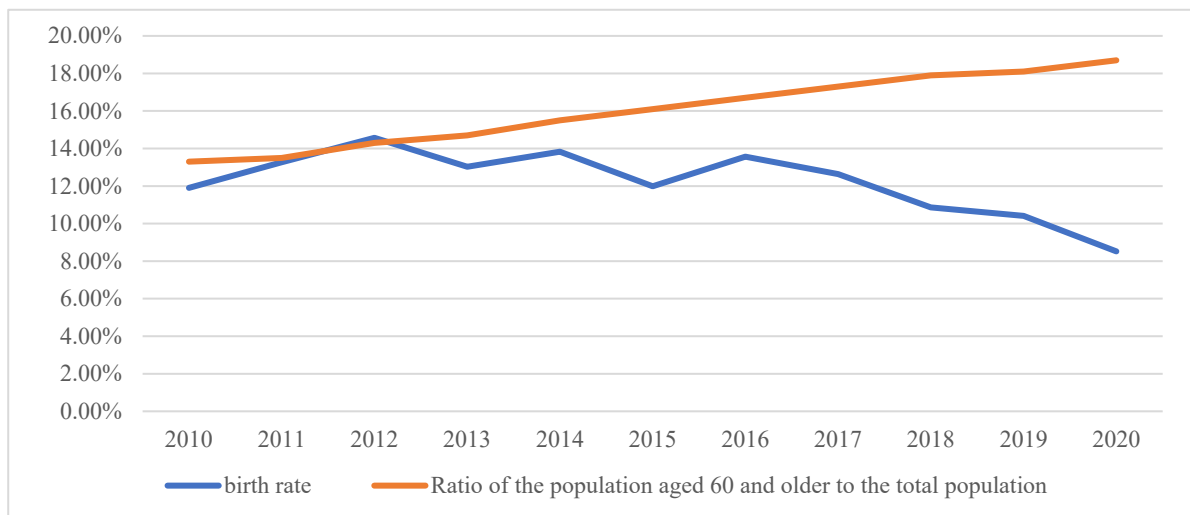


Figure 1: The degree of population aging and the birth rate [China Statistical Yearbook (2021)].

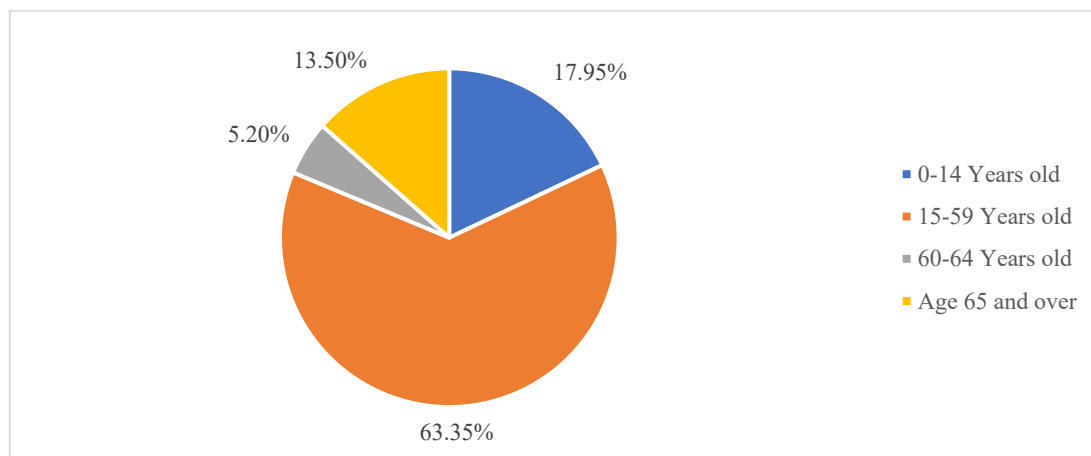


Figure 2: Age distribution of the Chinese population[China Statistical Yearbook (2021)].

### **3. Existing Problems of Old-Age Security in Rural China**

#### **3.1. Weak Economic Base of the Rural Elderly**

With the rapid development of China's economy, culture, and society, the demand for factories, office buildings, and sales venues from manufacturers, residential buildings, recreational venues, and entertainment venues from people, and libraries, study rooms, and stationery stores from students, the phenomenon of China's arable land being occupied has been increasing year by year. The increase in population makes us have to face the fact that the per capita arable land is decreasing, which also leads to the contradiction of more people and less land becoming more and more prominent, so that the farmers who originally made their living by cultivating land have to look for other ways to earn income to maintain a basic life, and because there is a certain age limit for the position of manual labor, so that the elderly farmers who are occupied by the land are unable to earn income from manual labor, and the more stable income they gained from cultivation is no longer available. The more stable income from farming no longer exists, making it difficult for them to have sufficient funds to pay for old-age services. The average annual income of older urban persons is 17,892 yuan, with an average income structure of 15,530 yuan (86.8 percent) for old-age security, 1,223 yuan (6.8 percent) for market earnings, 382 yuan (2.1 percent) for public transfers, 546 yuan (3.1 percent) for family transfers, and 210 yuan (1.2 percent) for others. The average annual income of the rural elderly is 4,756 yuan, and the structure of the annual income is as follows: old-age security, 890 yuan (18.7%), market earnings, 1,520 yuan (32%), public transfers, 784 yuan (16.5%), family transfers, 607 yuan (12.8%), and others, 955 yuan (20.1%). [5] The composition of the average annual income of the elderly reflects the current situation in which the urban elderly use guaranteed income as their main source of income, while the rural elderly use market and other incomes as their main source of income, and at the same time, public transfers, which are sourced from fiscal payments, have become an important economic support for the rural elderly. [5] The income gap between urban and rural older persons is too wide, and in terms of old-age security, rural older persons are far less well off than their urban counterparts, while rural older persons are far less well off in terms of market earnings because of their age, social development, and other problems, so that the rural older persons' economic base is too weak when it comes to old-age issues.

#### **3.2. The Traditional Family Model of Old Age is Unstable**

Provinces have responded positively to the policy of family planning by introducing a series of preferential policies for one-child families, leading to a significant increase in the number of one-child families, with the result that the number of young people has declined, while the number of older persons has risen sharply in contrast, resulting in changes in family structure that have had a serious impact on the traditional way of raising old people in the family. First of all, the aging of China's population has been increasing year by year, and the average life expectancy of the elderly has been lengthened. Along with the increase in age, the income from work has been gradually reduced; however, the cost of illness has been increasing year by year with the increase in age, resulting in the elderly not only not being able to continue to save but also consuming the savings from the past, and in the policy of advocating late marriages, late and preferential births, and excellent childbearing in China, after their parents have become old, the children are not old enough to support a family, and they do not need to support a family. Support a family age, do not have the ability to support their parents, so that the traditional family pension model began to shake [6]; Secondly, the development of social change accompanied by rapid economic development, young people and middle-aged people as an essential part of social life, their work, the pressure of life has increased greatly so that the majority of people can rarely work and family, and because of the implementation

of the policy of family planning caused by the current stage of the implementation of the family planning policy has resulted in the current stage of the majority of one-child, a child supporting two elderly people and increase the pressure on young people and middle-aged people, the burden of family pensions has become increasingly heavy (China's urban and rural family pensions dependency ratio has reached 19.70%), from the time, energy, and the economic basis of the traditional model of family pensions relying on the land is not stable [7]; Finally, the central and western cities in recent years, due to the geographic location of the city, the development is far behind the coastal cities, the economic situation is not as good as it used to be. Finally, the development of central and western cities in recent years due to geographic location and other reasons lagged far behind the coastal cities; the economic backwardness led to more young people beginning to leave their hometowns to flow to economically developed areas, the degree of population outflow in central and western China has increased year by year, the outflow of young people began to settle down in foreign countries, the establishment of a personal family, which makes it difficult for young people to take care of the family, parents and the two, resulting in the traditional family model of old age is not solid.

### **3.3. Inadequate Social Security System for the Elderly**

The implementation of China's new rural social security system has indeed alleviated the rural pension problem to a certain extent, but the existence and deepening of these problems also require more in-depth thinking and solutions.

#### **3.3.1. Problem 1: Insufficient Laws and Regulations**

China's rural social security system for the elderly still lacks comprehensive laws and regulations to govern its operation, which leads to instability and uncertainty in policy implementation. According to the 2021 data, although China has issued a series of policy documents, there is still no national law to establish the rights and obligations of rural old-age security. This prevents the rights and interests of the rural elderly from being adequately safeguarded. It is recommended that national laws and regulations be formulated to clarify the benchmarks and responsibilities for policy implementation and to improve the stability and predictability of the rural old-age security system.

#### **3.3.2. Problem 2: Insufficient Incentives**

Rural residents' pensions are usually paid according to the number of elderly people, which may reduce farmers' incentives to contribute. According to the 2020 data, average pension levels remain relatively low nationwide. In some areas, monthly pensions for the elderly only cover basic needs and are unable to cope with rising healthcare and pension costs. To increase farmers' motivation, consideration could be given to determining pension payment standards based on the actual income and contribution history of individual farmers to better reflect their financial burdens and needs.

#### **3.3.3. Problem 3: Insufficient Subsidies for Collective Farmers**

The current pension security policy mainly focuses on urban workers and those who stay in their hometowns, while the subsidies for collective farm households are relatively insufficient. According to data from 2022, collective farming households tend to face greater risks in old age because they have a relatively single source of income, and the inadequacy of the social security system makes it difficult for them to cope with the rising costs of old age. It is recommended that the government increase its support for collective farm households' old-age security, raise the level of their pension payments, and ensure that their basic livelihoods are adequately protected.

### **3.3.4. Issue 4: Legal Effectiveness and Government Trust**

Rural social pension systems are often implemented by local government units but generally lack sufficient legal force and monitoring mechanisms. This has led to poor and unfair policy implementation. In addition, the public's distrust of local government policies has led to an uncertain attitude towards pension contributions. To address this problem, a more transparent and effective government regulatory system can be established to increase the credibility and transparency of government policies, as well as to strengthen policy publicity and training for farmers to enhance their awareness of their right to information and to defend their rights.

## **4. Analysis of Countermeasures for Old-Age Security in Rural China**

### **4.1. Promoting Farmers' Income Increase with Rural Revitalization Strategy**

Rural revitalization includes characteristic townships and agricultural supply guarantees, and both are important components of the rural revitalization strategy [8]. Characteristic townships can make full use of the preferential policies issued by the state and the resources of the village location to develop characteristic industries and promote characteristic culture; reasonably improve the industrial support and accelerate the transformation and upgrading of local sunset industries; actively develop multi-industry moderate scale operation, which does not destroy the beautiful relationship between man and nature in harmonious coexistence, but also makes the resources used to achieve the highest degree of utilization, and promotes the effective agglomeration of various similar industries. A mutually friendly exchange of technical facilities accelerates the speed and quality of integration between the upstream and downstream industries; the government, through the understanding of the employment positions of local enterprises, provides more employment, entrepreneurship, and career opportunities for rural people; improves the infrastructure, create a beautiful and livable production, living environment, the formation of urban and rural areas as the core of the urban linkage and common development [8]. Characteristic townships are a key link to effectively realize rural revitalization and a reasonable way to promote the development of the three rural areas.

### **4.2. Advocating Rural Mutual Care for the Elderly**

From the perspective of the current development of the practice of mutual aid in old age, the three main techniques of mutual aid in old age, namely voluntary service, low-pay service, and "time bank," have been widely noticed and recognized. Since China began to pay attention to the aging of the population brought about by the problem of old age has begun to vigorously recommend the elderly in rural areas for mutual aid in old age, but the actual implementation of mutual aid in old age in individual provinces did not meet the expected value of the model, the main reason for this is that, in practice, too much attention to theoretical propaganda and ignored the construction of the rural ecological environment as well as local customs and cultures, mutual aid in old age is not placed in the village of the social trust of the village, and there is a lack of practical implementation of mutual aid in old age technology. The main reason for this is that in practice, too much attention has been paid to the propaganda of theory and neglected the construction of rural ecological environment and local customs and culture, and the technology of mutual care for the elderly has not been placed in the social trust of the villages, and there is a lack of social capital to carry out mutual care for the elderly[9].



### 4.3. Improvement of Farmers' Social Security System for Elderly.

First of all, the farmers' social pension security legal system should be improved from the law to clarify the implementation of China's pension security system and specific methods. The relevant institutions, departments, and personnel in violation of laws and regulations are to be strictly punished by the law as a guideline to make the lawless elements hanging [10]. The pension security system stipulated in the law, in addition to preventing lawbreakers, can also enhance the residents' trust in the system. Secondly, we should increase the subsidies for rural residents, expand the scope of subsidies for old-age security, increase the number of subsidies, reduce the burden of personal contributions, and encourage farmers to take the initiative to pay to reduce the difficulty of the government's collection of old-age pensions. Once again, improve the ability to preserve and increase the value of pension funds. First, China's pension has strong liquidity, but its capital accumulation effect is weak; therefore, the management body of the national pension fund can purchase short-term treasury bonds or savings to obtain short-term income to ensure that the funds in a fixed period of time are not in a non-liquid idle state, to enhance the utilization rate of available funds.

## 5. Conclusion

With the gradual emergence of population aging, the problem of old-age security for the rural old-age population tends to become more obvious. At the present stage, China's rural old-age security system can give most of the rural old-age population a certain degree of protection, but there is still room for progress, and the country and the government should continue to find problems and solve them quickly in the process of development. During the Fifth Plenary Session of the 19th CPC Central Committee, the formal proposal to implement the national strategy for proactively addressing population aging was put forward. A comprehensive plan for active management of population aging was outlined, offering a robust foundation for achieving the goal of Socialism with Chinese Characteristics in the New Era led by President Xi. China's population aging has intensified in recent years, with a large number of elderly people in rural areas and problems in old-age security to be solved. However, due to a certain difference between China's level of economic and social development and the process and rate of population aging, resulting in a gap between old-age services and the people's expected goals to a certain extent, and an inability to adequately adapt to the needs of old-age services for the elderly. In conclusion, we should fully respect the objective law of population development, face up to the reduction of the demographic dividend caused by population aging in China as an objective inevitable trend, and constantly deepen and optimize the theory, formulate reasonable policies, find out the countermeasures and implement them effectively, positively face a series of problems caused by population aging, and appropriately take care of the economically weak elderly in rural areas, and construct scientific and reasonable rural elderly service system, and fully solve the problem of farmers' elderly service needs. Pension service system to fully solve the problem of farmers' old age. Of course, this paper is written to receive their cognitive level and understanding of the constraints of the research process, and there are certain limitations. First, in the content of the study, this paper is mainly through a large number of literature reviews, comparative analysis, theory and practice combined with less. Secondly, in the research method, This paper primarily employs literature review and comparative analysis as its research methods. The two methods have certain limitations to a greater or lesser extent, and at the same time, this paper also has subjectivity in the collection of data. In the future, further refinement can be carried out on data collection as well as the expansion of research methods, which is conducive to the profound study of the topic.

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