

# NEW DEVELOPMENT OF THE SOCIAL ENDOWMENT SERVICE MODE - TAKING AN EXAMPLE OF LUOYANG CITY, CHINA

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## ABSTRACT

With the increase of ageing population, the supply and demand contradiction of community home care services is becoming increasingly more prominent. According to iluoyang.com, through this investigation of the Luoyang City, the third line city of China, this empirical research will further demonstrate the development of urban community old aged care service pattern. The present study also discusses the method of construction of the local practical pension service mode.

**Keywords:** *Ageing Population, Community Home Care, Demand Diversification*

## INTRODUCTION

In the 21<sup>st</sup> century, due to the decline of the birth rate and the extension of life expectancy, China has gradually entered into an ageing society. Problems caused by ageing population are becoming more prominent also (Hua *et al.*, 2015). By the end of 2013, China's population aged 65 years and above was 13.1 million, accounting for 9.7% of the total population (Peng *et al.*, 2016). Although compared with developed countries in Europe, the duration of the problem of ageing population in China is not long. The large number of the elderly and low natural rate of growth enabled China to become the fastest developed country with large number of old adults (Peng *et al.*, 2016).

It is generally acknowledged that when western countries enter into an ageing society, their per capita GDP exceeds \$20,000, showing social and economic development model of "first rich before old"; by 2014, China's per capita GDP had just exceeded \$7,000 (Wang 2016). As shown in the data, "not rich before old" is China's current basic national conditions; subsequently, the aging population and the "empty nest" will further accelerate. However, the development of old-age service in China is still lagging behind and there exists many problems. For instance, the social pension security mechanism is not sound; the government's old-age service policy cannot keep up with the rapid

development of ageing population; the financial input is seriously insufficient; private capital investment is not be sufficient; family pension caused by one child policy is weakened and the current medical service level of the elderly is relatively low (Fan, 2011). Therefore, dependence on institutional policies innovation for promoting the development of social endowment service is a critical problem. In other words, the socialization of old-age service is the battle for the reform and development of China's old-age welfare programs.

### **The current situation of social endowment service in Luoyang city**

In recent years, the rapid change of Chinese society has led to a gradual increase in demand for social care services (Zhang, 2017). Currently, the proportion of people above 60 years old in Luoyang is around 11.28%. By 2020, it will reach 16%, and the peak will come around 2030 and then will continue this trend for more than 20 years. Even worse, proportion of individuals older than 80 years will probably be about 10 times as old as they are now. This may lead to increasingly more and more, one-child families entering the pension age. In other words, the trend of "silver wave", which means the increase in the number of senior citizens, makes it more difficult for the one-child families to support the elderly's late life due to financial pressure, physical

problems and psychological burdens (Li, 2011).

**Table1: The basic condition of the elderly**

Educational Level (%)				Living Way (%)				
under the junior high school	the junior high school	the high school level	the undergraduate level	living alone	living with the spouse	living with their children or grandchildren together		
37.0%	30.2%	26.1%	6.8%	15%	47.8%	37.2%		
Monthly Income (%)				The Number of Children (%)				
below 600 Yuan	between 600 and 1000Yuan	between 1000 and 1500 Yuan	between 1500 And 2000 Yuan	above 2000 Yuan	having one child	having two children	having three kids	no children
21%	25.8%	35.1%	9.2%	8.9%	13.4%	40.6%	45.5%	0.5%

## RESEARCH METHODOLOGY

The author investigated three different communities in Luoyang and chose 250 senior citizens participating in the survey (see the table1). As shown in the table 1, the educational level of the older generation can be summarized as follow, namely under the junior high school, the junior high school, the high school level and the undergraduate level. In detail, the educational level under the junior high school accounted for 37.0%, the junior high school occupied for 30.2%, the high school level was 26.1% and the undergraduate level reached 6.8%. Thus, it can be concluded that the educational background of the elderly in Luoyang is relatively low. From the point of living way, as shown in the investigation, living alone and living with the spouse accounted for 15% and 47.8%, respectively; old adults living with their children or grandchildren together accounted for 37.2%. These data demonstrate that the phenomenon of "empty nest" has become increasingly more serious. In terms of the number of children of the elderly, only having one child occupied 13.4%, having two children accounted for 40.6%, and having three kids occupied 45.5%, and no children accounted for 0.5%. It is clear that the majority of old aged pensioners have at least two children.

In the view of economic income, the monthly salaries of the elderly in Luoyang can be divided into following five patterns, namely monthly income below 600 Yuan, between 600 and 1000Yuan, between 1000 and 1500 Yuan, between1500 and 2000 Yuan and above 2000 Yuan. More specifically, monthly income below 600 Yuan, between 600 and 1000 Yuan, as well as between 1000 and 1500 Yuan accounted for 21.0%, 25.8%, 35.1%, respectively. In addition, monthly

income between 1500 and 2000 Yuan as well as above 2000 Yuan accounted for 9.2%, 8.9%, separately. Overall, according to the survey, it is obvious that most of Luoyang's pensioners have lower incomes. In the survey, we also found that 28.5% was healthy old adults, medium health condition occupied 38.5% and about 28.4% and 4.6% of the older generation have chronic diseases and serious diseases. The data indicated that the elderly were in a better condition overall.

In addition, the author also made the follow-up conversations for the participants. She found that pension is still the main economic source for the majority of old people; and their adult children's support ranks the second, which is also the important financial source for the elderly.

## Demand for elderly care services

According to Lu (2011), with the rapid development of the economy as well as the gradual expansion of social endowment insurance, the quality of later life of the elderly is improving steadily. However, satisfaction of material life doesn't mean the elderly may lead a happy life. This is because increasingly more old adults nowadays tend to seek spiritual enjoyment rather than economic satisfaction.

It is generally believed that senior citizens are longing for emotional love as well as spiritual fulfillment. As shown in this investigation, most elderly people need hands to help them to do some household chores, like cleaning, washing, cooking and so on. However, with the speeding up of society rhythm, increasingly adult children are more likely to be busy with their work. Consequently, they found it difficult for them to take good care of their parents' late life. This may lead to the urgent need for domestic service, among which home care is the first choice.

According to the survey, 85.4% of old people tend to choose to live at their own place during their rest of life, 12.2% of old adults prefer to live in nursing homes and 1.23% of old people are more likely to be in day care center and 1.17% of old adults have no choice. The main contents of home care service include life care and rehabilitation nursing, which gradually extend spiritual consolation. Specifically, home care services are mainly conducted on the door-to-door case service; and meanwhile, it develops old people's community day care service which provides the elderly with comprehensive and centralized service care.

## **Investigation and analysis of the current situation of pension service institutions in Luoyang city**

### **The basic situation of aged care institutions**

According to the survey, private care facilities for the aged in Luoyang city account for 82.9%, while public nursing homes occupy 17.1%. It is obvious that private aged care organizations account for a large proportion of the pension services in Luoyang city. In addition, in terms of the living conditions, nursing homes in Luoyang city belong to moderate living conditions due to lack of the places for entertainment facilities, libraries, gardens, clinical rooms, canteens and so on. In terms of the number of beds, elderly care organizations with beds within 100 is around 70% and the number of beds over 100 is 27.5%.

From the point of the investigation, capital operation situation of nursing homes in Luoyang is not satisfactory. Specifically, 42% of nursing homes seem to make ends meet, 21.6% of organization have slight surplus care facilities for the aged, 36.4% of nursing homes are running at a loss.

Overall, financial difficulties, lack of support of policy and the public, backward equipment as well as inadequate personnel are the main problems in aged care institutions. Thus, the government should play a major role in supporting and promoting the development of care facilities for the aged.

### **The strategies for strengthening the home care service**

Home care service refers to endowment patterns focusing on the family and meanwhile relying on the community as well as professional services. It aims to provide social services for the elderly in order to solve the problems of their daily lives (Li, 2011). There are two main forms: one is professionals offering the service to the elderly, another is day care center established by the community providing services for the old adults.

In the form of community home care, it still maintains the traditional family care pattern, but it embodies the transformation from the traditional mode to the modern mode. In terms of the way of living, old people can choose to live apart, live alone, and often go with their children. The older generation usually gains the economic independence, such as pension. When they need money urgently, they can get financial

supports from children or relatives' subsidies. As for those senior citizens who are under poverty line, they can also get economic supports from the welfare of the community. In the way of life care, the community and the children and other relatives can provide the service for the elderly.

### **The establishment of community home care model**

In the first place, the government should formulate the relevant policies to support the development of community home-based care. In planning municipal construction, the development of elderly welfare facilities should be listed as a community development plan. For instance, elderly community service must be actively promoted and developed so as to provide preferential policies as well as community service for those senior citizens. In addition, we can also consider learning from foreign experience in order to improve the service level of socialization of old people.

### **Building a perfect community pension service system**

According to Li (2011), the key to the implementation of community home-based care is to develop and improve the effective community network system for the services to the older generation. This means once old adults need the service, they can ring community service center for help and the center will immediately send door-to-door service. By this way, old people can enjoy the convenient services without leaving home.

Taking Luoyang Social Security Elderly Comprehensive Service Center for an example, which provides physical examination, cultural entertainment, domestic service, commodity purchasing, intermediary and day-care services for the elderly. Moreover, they also offer the staff to accompany with the elderly for the physical examination, asking the experts to analyze the physical examination report and the rehabilitation measures, organizing various cultural and recreational activities, cleaning, washing and cooking. In addition, in terms of the elderly with empty nesters, Luoyang Social Security Elderly Comprehensive Service Center assists old people in purchasing goods, offers legal aid and consultation to them, provides home appliance maintenance for them and also assists them in other things. The services mentioned above make it possible for the caregivers of old adults to have some relaxing time.

## DISCUSSION

At present, China's old-age pension system mainly includes three patterns, namely home care, community pension and institutional pension (Zhang, 2017). However, due to the influence of traditional concepts, 95% of the elderly in China are less likely to live in nursing homes during their later life. This is because majority of senior citizens believe that living in the old age residence is not as comfortable as their own homes. According to Hua *et al.*, (2015), in rural areas in China, the elderly who depends on the family account for 97.6% and the elderly in the community pension as well as residential care institutions account for only 2.4%. In reality the scale of modern family is shrinking, the family structure is “421”, and the family pension function is greatly weakened. Inevitably, these may lead to the aggravation of family endowment burden (Zhang 2017). Thus, the government should spare no effort to encourage family pension and improve the welfare of the elderly.

In recent decades, the construction of the day care center for the elderly in the community has developed gradually. Many cities, including Beijing, Shanghai, Tianjin and Luoyang, have started to build day care centers in order to help senior citizens achieve the desire of home care. Nevertheless, according to Peng *et al.*, (2016), some day care centers located in Jianxi District, Luoyang City, have only few old people staying there because of the lack of proper corresponding mechanism. It is suggested that the center can invite experienced elderly service supervisors for training; and medical staff can also be invited to demonstrate and educate people how to take good care of the elderly. Furthermore, with the support of community old-age pension, social forces and capital can be utilized to

support the old-age pension. Only in this way, the day care center can meet the majority of old adults' requirements.

## CONCLUSION

In today's world, it is generally acknowledged that Internet plays significant roles in assisting the elderly with choosing freely their favorite endowment patterns, such as home care, community home care or old age home. This is so-called network home care model. Recently, an “Internet + smart pension” model is becoming increasingly more popular for the elderly. This is mainly based on Luoyang 12349 pension endowment service center hotline is setup to meet the elderly's requirements of diversified endowment. However, the network home care model is currently still in the stage of exploration and practice. Clearly, building network for home endowment patterns in China should be based on its national conditions; and meanwhile considering social management and service system development; optimize the allocation of government, society and market in all kinds of resources; establishment of effective interactive cooperation mechanism. These measures will help to promote the development of a harmonious society.

Overall, in order to build a social network for the older generation, the community must participate in the construction of the old-age service system and integrate the elderly into the social environment to enhance their psychological sense of belonging. Undoubtedly, only when civil organizations, enterprises, volunteer service teams as well as communities make joint efforts, senior citizens can enjoy their happy life without worrying about financial pressure, insufficient caregivers and unpleasant living environment.

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