

INCOME SECURITY AMONG CHINESE ELDERLY

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INTRODUCTION

CHINA'S population is growing old at a faster rate than almost all other countries. In 2013, there were 194 million people over the age of 60 in China and this number is predicted to increase to 440 million by 2050.

Income security for older adults is an important part of aging policy. There is no accepted definition of income security for older adults. However, researchers agree that the issue will become increasingly important at all levels of government in the coming years.

There are three main income security schemes in China.

- Income Level
- Pension
- Valued Service for elderly



GAP I Income Disparities after Retirement and Reasons

Binary Old-age Security System between Urban and Rural Area

Double-track Pension System between Government Staff and Enterprises Staff



Macro Consequences:
 -> The poor getting poorer, the rich getting richer
 -> A widen income gap
 -> A stronger sense of unfairness
 -> Intensified social conflict.

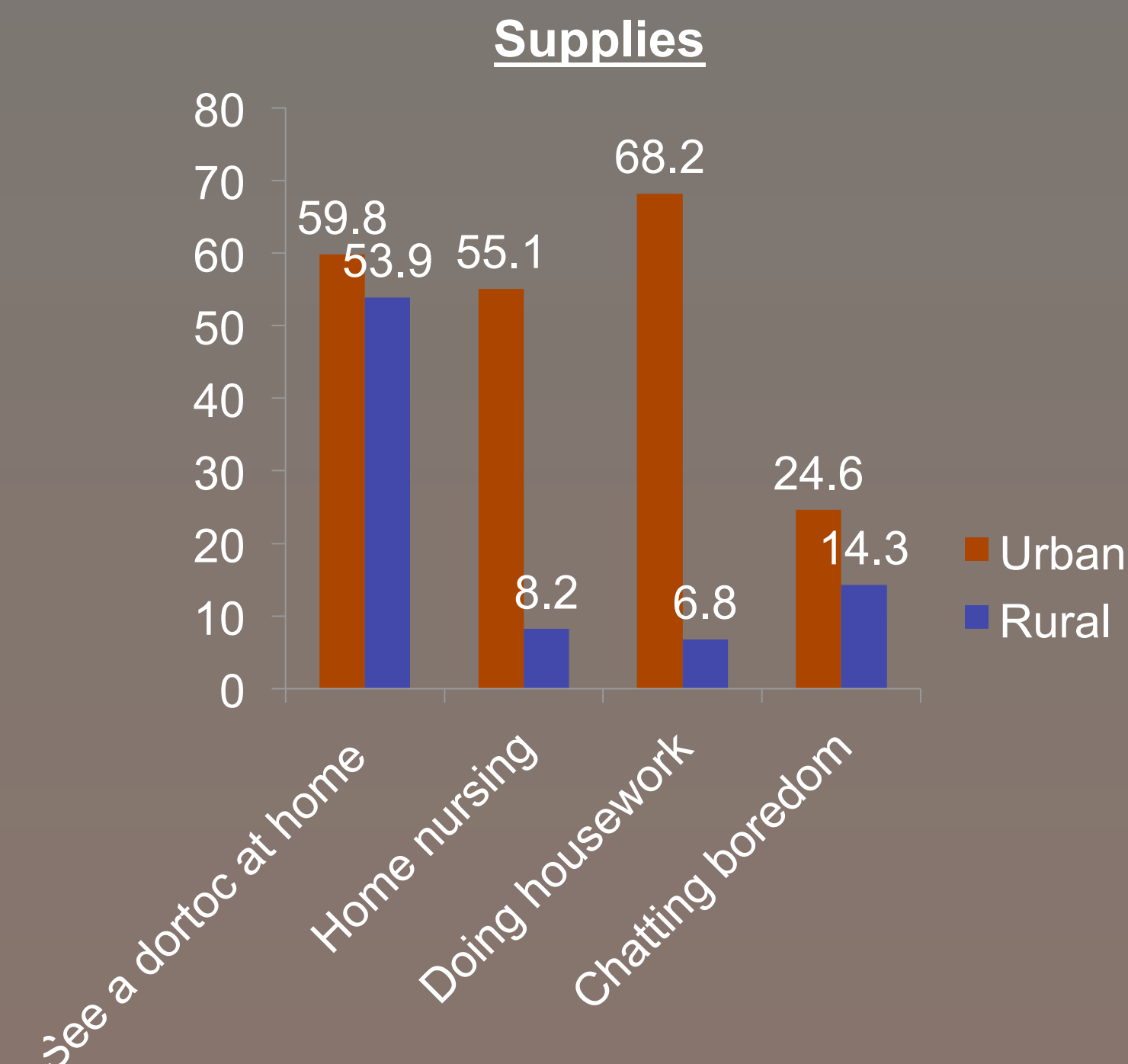
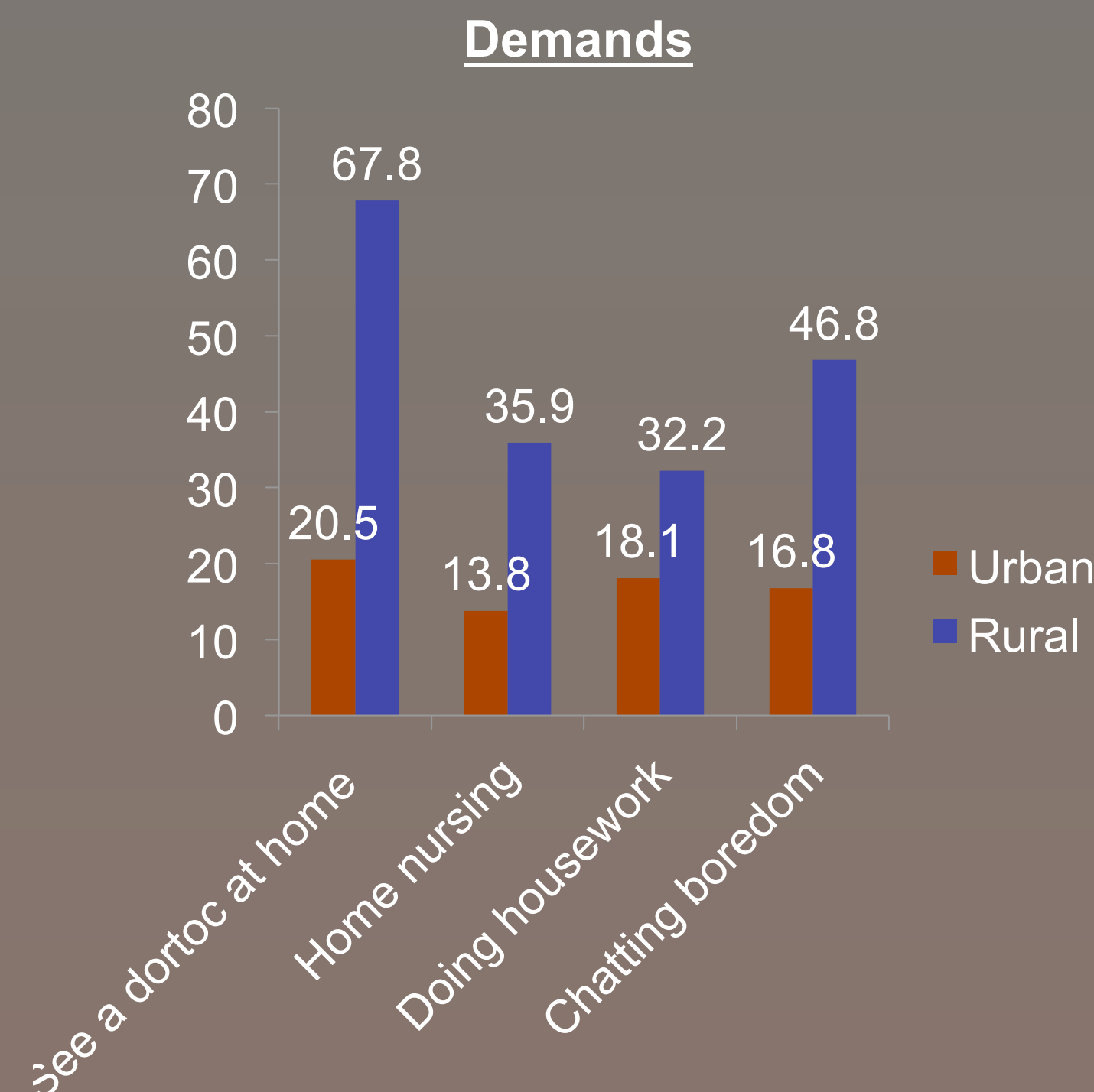
Micro Consequences:
 Negative Effects on the Elderly's Quality of Life:
 • Living Place
 • Attitude toward Institution
 • Medical Condition
 • Social Participation
 • Demand Social Services

GAP II Lower Coverage of Pensions between Local People and Migrants

	Local	Migrants
Informal Jobs: Social Security (%)		
Pension	54.8	2.1
Formal Jobs: Social Security (%)		
Pension	82.1	29.0



GAP III Imbalanced Demands and Supplies for Care's Services among Chinese Elderly



TWO REFORMS IN MAINLAND CHINA

Binary Old-age Security System

- 2008-2012: Establish a multiple old-age security system, which covers all elderly.
- 2013-2020: Stabilize an old-age security system emphasizing on payment, which offers pension and services fairly to all elderly.
- 2021-2049: Establish a multilevel old-age security system containing a unified national pension insurance, which offers decent later life to all elderly.

Double-track Pension System

- Step 1: Government staff should establish pension account and pay for it during working period.
- Step 2: Disaggregate government staff's pension structure into basic pension and occupational pension.
- Step 3: Change "pension linked to wage growth" system among government staff into the same pension system among enterprises staff.

References

Lu, J., & Du, P. Income Security Schemes of Chinese Elderly: Situations, Gaps, and Policy-reorientations. Joint World Conference on Social Work, Education and Social Development 2016.

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