

# Analyzing the Challenges in Aged Care in China

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**Abstract.** China, an economic powerhouse with a population of nearly 1.4 billion, has a significant elderly population. According to China's seventh population census (as of 2022), the number of people aged 65 and above in China has reached 190 million, accounting for 13.5 percent of the total population. This represents an increase of 4.9 percentage points compared to 2020. China's per capita GDP is 10,500 US dollars, compared with other countries with the same level of aging, such as Malaysia and Turkey, their per capita GDP is much higher than China, which highlights that China's society is facing the problem of "getting old before getting rich". Therefore, in view of these challenges, this paper starts with various kinds of pension problems existing in Chinese society in recent years. To analyze the present situation, problems and challenges of the old society in our country and the future development trend. At the same time, this paper puts forward suggestions on the development of China's elderly care industry from the aspects of talent training, standard construction and international cooperation.

**Keywords:** Aging population, elderly care, pension.

## 1. Introduction

In today's era with the continuous development of China's elderly society, the proportion of the elderly population to the total population has risen from 8.9% to 13.5%. China is in a state of extremely rapid aging. At the same time, the aging market continues to expand, and the demand for the pension industry continues to increase. However, the pension service supply is insufficient, and the quality of pension products needs to be improved. Therefore, the issue of senior care has become a common concern of the government, society, market and enterprises. Based on the current situation of the pension industry, a large number of studies on the pension system, urban and rural pension model development and others appeared. Researchers discuss different aspects of China's current pension problem strengths and weaknesses. How to deeply grasp the future of China's pension model design to better adapt to the arrival of the pension society, to meet the needs of China's elderly society of old age, and better construction of the appropriate old age, respect for the elderly, friends of the elderly society need further attention.

This paper discusses several aspects about the elderly care in China. The status quo of China's aging population, the status quo of the national policy for the elderly, and the status quo of China's elderly care model and elderly care-related enterprises. It also analyzes the differences between urban and rural areas in the development of China's pension industry, the limited pension funds and China's "getting old before getting rich", the supply and reserve of pensioners, and the lack of standards in the pension industry. The contribution of this paper is to provide a reference for the development of China's pension industry.

## 2. China's Aging Society

According to the domestic standard, close to 30 million people will become elderly this year; even according to the international standard, China's aging process will be accelerated from 2027 onwards, and by 2030, the proportion of Chinese people over 65 years old will be more than 20%, stepping into the so-called super-aging society [1]. The problem of old age has been a serious social problem, and it is urgent to carry out the research on the development trend in advance from the accelerated aging social process. Thus, with the continuous progress of the aging society, young people must take

a high sense of responsibility, society and family should pay better attention to this trend, to meet a better trend.

According to the current situation of China's response to old age, the government has issued a series of documents. Especially in recent years, the government has issued a large number of pension policies to incentivize society, enterprises and individuals to participate in China's pension business, and provide policy protection for the development of the pension industry.

From 1984 to recent years, some senior care models have emerged in the country, such as home care model, community care model and institutional care model [1]. There are at least 122 institutional senior care (taking five-star institutions as an example) in the country, among which, for example, Jiuru City, Lecheng Senior Care Company, have been exploring the senior care industry with Chinese characteristics for nearly 20 years with tenacity and perseverance.

### **3. Problems and Challenges**

#### **3.1. Urban vs. Rural Areas**

For the elderly in rural areas, the pension resources and service quality of pension organizations are obviously more difficult and the level of pension protection is weaker than that in China's urban areas [1].

According to the World Health Organization (WHO), people aged 60 and above are considered elderly. According to China's seventh national census, the proportion of elderly people aged 60 and above in China's rural areas accounted for 46 percent of the country's elderly population, in China's urban areas accounted for 34 percent of the country's elderly population, and in China's urban areas accounted for 2 percent of the country's elderly population [2]. Obviously, China's elderly population is now more heavily distributed in rural areas than in urban areas.

At the same time, the development of the elderly service system among urban areas is good, but other urban, rural and urban areas are still at the stage of exploring the system of home-based elderly service for special reasons, and the working mechanisms are still in the initial stage of establishment [3]. In addition, as regions are actively exploring new models of medical and nursing integration, resulting in different places, and taking into account the differences in the level of economic development and demographic structure of each region, there is inevitably the problem of different effects of policy implementation. In order to better improve China's pension model, the differences between the urban and rural elderly population and the pace of pension should attract our great attention.

#### **3.2. Being Old before Rich**

As of 2021, the national average pension for urban workers is 3,896 yuan per month, and the national average basic pension for residents is 1,332 yuan per month. The domestic community pension, institutional pension model, the price of 3,000-5,000 pension institutions are often costly and with a long waiting time.

According to the data released by China's National Bureau of Statistics, in 2022, China's per capita disposable income reached 12,359 US dollars per person, China's elderly population accounted for the proportion of the overall population of 13.15%, the elderly population in China and the same income countries to compare the elderly population to Turkey (per capita disposable income of 9,528 US dollars per person) and Malaysia (11,399 US dollars per person) as an example. Turkey's elderly population accounts for 8.38% of the total, and Malaysia's elderly population number accounts for 7.25% of the total population number [4]. The degree of aging in China is significantly higher than that in other countries with the same income, creating a social situation in which people are getting old before they get rich, and this has become a significant problem for China's pensioners and even for Chinese society [5].

### 3.3. Need for Standards

For today's China, the system of laws and regulations and related standards for the elderly is not as good as expected. At present, the development of basic public services for the elderly in major provinces and cities is not yet perfect, and some important systems such as basic elderly services and long-term care insurance have not yet been established; the standard system for elderly services has not yet been fully established, and the associations, societies, chambers of commerce, federations, and other social organizations and industrialists' unions that have the corresponding capabilities have not yet been able to increase the effective supply in accordance with the needs of the market and innovation. The lack of a standard system for the senior care service industry has limited the cultivation of service personnel in the senior care industry, and there are no effective guiding norms to guide the cultivation of service personnel in the senior care industry.

### 3.4. Lack of Talents

From a comprehensive point of view, there is a shortage of various types of technical and skilled talents in China's senior care services, especially those who provide care for the disabled and demented elderly, which is the largest gap. With the application of intelligent technology, the demand for composite specialized talents in recreation management of home services, rehabilitation of specific patients, and recreation planning and operation management will increase. More than 75% of the elderly suffer from chronic diseases, and the demand for health management of the elderly in the post epidemic era has increased significantly. This puts forward higher requirements on the level of daily health management of elderly service talents in epidemic prevention.

At the same time, China has not yet formed a support mechanism for the construction of high-quality senior care service personnel system. At present, the professional level of elderly service talents is not high, and the level of targeted and classified service technology is lagging behind, so it is necessary to integrate interdepartmental and interdisciplinary "school, enterprise, government, society and research integration" resources from multiple parties, and form a coordinated and complementary mechanism to establish an all-round, multi-level and sustainable elderly service talents training system with the characteristics of the first-class district.

In terms of employment, there are "three highs and three lows" in the employment of young pensioners, high labor intensity, high turnover rate, high mobility, low treatment, low social acceptance and low space for career development. At the same time, it is difficult for many graduates of senior care programs to hold on to senior care positions for long periods of time, and employment stability is poor.

## 4. Suggestions

### 4.1. Generate Talent Pool

Regional governments should develop policies appropriate to the current economic development of each region and explore the pace of construction and development planning for a system for elderly service personnel. Based on the national strategy to cope with the aging population of China, the government should pay attention to the implementation of the concept of people-centeredness. Government needs to pay attention to the basic needs of elderly people everywhere and elderly services. In terms of personnel training, the government should solve the problems of training and employment development of elderly service professionals. Only in this way can Chinese improve the quality of skilled personnel in elderly care services. In terms of system construction, the government should scientifically formulate the development plan for the construction of the senior service talent system and build a stable and high-quality team of senior service professionals. This is done in order to enhance the well-being and satisfaction of the elderly and their families [6].

Secondly, China has established a coordination mechanism for the training of senior service talents that combines schools, enterprises, government, society, and scientific research. It is very necessary

for the relevant government departments to take the lead, combine the resources of enterprises, universities, and other organizations, and organize the establishment of coordination groups for the construction of a senior service talent system in various regions. They have also set up a joint meeting system to hold regular coordination meetings in order to solve the problems related to the construction of the senior care service personnel system and promote its high-quality development.

The third is to talk about the transformation of old-age training into vocational education, the development of relevant educational standards, and the formation of innovative, practical and sophisticated training for old-age talent in a new mode of schooling. At the same time, increasing the enrolment of elderly care professionals will effectively address the talent gap in China's elderly population.

Fourth, Chinese will increase policy support for the recruitment and employment of elderly service personnel. People will properly reduce or exempt tuition fees for senior care students, increase employment subsidies, improve internship training subsidies for senior care institutions and focus on the survival and development needs of senior care talent, among other incentive policies. Strong support will be given to the training system for professional, technical, service-oriented and problem-solving young and senior service personnel [7].

#### **4.2. Take Full Advantage of Science and Technology**

People will make full use of the role of the Internet and set up an Internet pension platform. Due to the current state of Chinese pensions, 90 percent of elderly pensioners are in home care. the development of home care must be an essential step in the future development of the pension industry. Elderly people living at home can customize care, cleaning, haircuts, bathing and other personalized services on the platform, with the help of an Internet-enabled care home. In particular, it provides door-to-door care services for disabled and demented seniors, providing assistance with toileting, dressing, facial cleaning, oral care and medication, according to the actual conditions of the elderly [8].

As it is not easy to achieve a quick solution to the elderly service workforce supply problem in a short period of time, Artificial Intelligence (AI) is rapidly being utilized to augment the elderly service sector. At the same time, AI can be put into non-contact services, such as preparing dishes, cleaning rooms, considering the inability to use AI skillfully in the elderly population [9].

#### **4.3. International Cooperation**

The United States and Japan are worthy of reference. Compared to China, the United States entered aging earlier, officially in 1942. To address the extent of aging in the United States, which continues to deepen with a large number of social pension problems, the United States has developed a more well-developed three-tier pension system [4]. With the signing of the Social Security Act, the US pension system grew rapidly. Subsequently, private pensions and other related laws were introduced in the 1970s, which led to the rapid development of employer pension plans and personal pension plans [10].

At the same time, the concept of investor pensions, as advocated in Japan, has also enabled Japan's masses of people of all ranks and positions, with varying income levels, to choose the financial products and tax incentives that suit them. Intelligent design of contribution limits has resulted in individual pension systems that balance fairness and efficiency [10].

China should effectively combine the current domestic pension situation with the excellent foreign pension experience to seek efficient, high-quality and nationally appropriate progress in the pension industry. At the same time, international cooperation should be strengthened, and wisdom and experience should be learned from cooperation and exchange, so as to promote the popularization and development of the domestic pension industry.

## 5. Conclusion

From the perspective of the current situation of China's elderly society, this paper analyses the problems and challenges facing China's pension industry today. It discusses China's extremely rapid aging, the huge number of elderly populations, the policy support given by the state, the current situation of pension enterprises, the limited number of pension service personnel, the prominent situation of aging before getting rich, and the lack of standards for the pension service. The paper also proposes suggestions to accelerate the cultivation of pension talents, enhance international cooperation, and make full use of the internet and other scientific means.

This paper still has limitations. For example, it does not combine appropriate economic and financial models in the analysis process, and lacks models and theoretical support. At the same time, the content is not yet sufficient, and there is still a lack of data. Future research can analyze all kinds of pension modes in more detail and make comparative studies between China and foreign countries, so as to provide a more detailed reference for the development of China's pension industry.

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