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# THE TREND OF "SOCIALIZING SOCIAL WELFARE" POLICY IN CHINA

A study on Service Quality and Social Capital  
in the Society-run Home for the Aged in Beijing



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# Chapter One

## Introduction

### 1.1 Introduction

The aging of population and its comprehensive effects have attracted increasing attention around the world. As a country that has the largest population of elderly, China is facing a serious challenge to the existing care service system. How to improve quality of social services and develop diversified and continuous care for the elderly has become a very important issue to the government as well as to academics. In response to these challenges, the “Socializing Social Welfare” policy was introduced by the Ministry of Civil Affairs (MCA) as a new orientation for the reformation of social services. The intention of the reform was to shift responsibility for welfare service from the government to the “society”<sup>1</sup>, mobilize individuals, social groups, collectives, and enterprises to share responsibility for care service provision, and satisfy the increasing demand for social services for the elderly, especially with regard to institutional care service.

Society-run home for the aged (SRH) experienced swift growth under the policy of “Socializing Social Welfare” policy in recent years. Non-government resources have invested in new types of care service institutions with the aim to provide fee-charging institutional care services for the older adults. The government expects that “society” could take on an even greater role and assume more responsibilities for providing institutional care for the aged in the near future. However, is it possible for the underdeveloped “society” to fulfill this tremendous task? Is it feasible to put millions of aged people under the care of these emergent institutions? Is the quality of service in these institutions reliable? The study was thus

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1 According to Leung and Nann (1995, p. 125), “the concept of ‘society’ loosely means the semi-governmental collectives” in China. With reference to their definition, the “society” primarily refers to the collectives, enterprises, social groups, mass organizations, and the public that do not belong to the category of the government in this study.

focused on these society-run service institutions and examined service quality and the attendant factors that affect quality of service in the SRH. The study is expected to provide a better understanding of the operation mechanism, to reveal key problems in this type of care service institutions and to put forward possible solutions.

In this chapter, the motivating forces behind this study are first presented. These reasons include the rapid growth of elderly population in China especially in Beijing, the changes of care model and increasing demands for institutional care for the elderly, the emergence and rapid development of the SRH, and the scarcity of research on service quality in the SRH. Following this introduction, the objectives of the study are explained. And then, the organization of the book is introduced.

## 1.2 Why Study the SRH?

The author chose to examine institutional care for the elderly, focusing on society-run institutions, for the following reasons:

### *1.2.1 Population Aging*

#### *1.2.1.1 Elderly Population in China*

The elderly population in China is defined as people aged 60 and above (the retirement age for male employees in urban area) (Chen, 2000; Chow, 1994; Leung & Nann, 1995). By 1999, the elderly population in China reached 126 million, which was more than 10 percent of the national population (China National Committee on Aging, 2006; Liu, 2001). According to international accepted demographic standards, this indicated that China had already become an aging society (Wu & Jiang, 1996).

In comparison with other countries, the process of population aging in China has five prominent features.

First, the total size of the aging population is enormous. By the end of 2004, the elderly population amounted to 143 million which accounted for 10.97 percent of the national population (China National Committee on Aging, 2006). It is projected that population aging will continue during

the first half of this century, and will represent one-fifth of the total population in China by the year 2025, i.e., the number of elderly will exceed 250 million (Chow & Xu, 2003). According to the forecast, China's older population will reach its peak around the year 2051 when it will exceed 437 million (China National Committee on Aging, 2006).

Second, the speed of population aging is very fast. It was estimated that the population of elderly will increase at a yearly rate of 3.28 percent from 2001 to 2020—a rate that far exceeds the increase rate of the entire population, which is 0.66 percent. According to statistics, it generally took western countries such as Sweden, France, Australia, and the USA more than half a century to achieve an increase in the proportion of people aged 65 or above from 7% to 14%. However, it will only take China 27 to 28 years to finish the process (Xia, 2004). That is to say, the government in China should react in a timely fashion to the challenges and work out effective solutions to these health care problems as soon as possible.

Third, the proportion of the oldest old (aged 80 and over) is very high. It has reached over 11 million by 2002, which made up 8.8 percent of the population of elderly and the number is predicted to increase at a yearly rate of 5 percent (Chen, 2002). Moreover, it is estimated that the oldest old persons will exceed 100 million and represent 25 percent of the aged population in China by the middle of this century (Zhou & Liu, 2005). This indicates that pressure on families and on the entire society for health care will increase considering the poor health condition of the oldest old.

Fourth, “empty-nested” families represent a substantial proportion of contemporary Chinese families. According to the Fifth Population Census in 2000, 20.09 percent of households have elderly people aged 65 and above, and 22.83 percent of these households are empty-nested (Jiang & Zhou, 2004). Moreover, according to the estimates of the demographers, the proportion of the older adults living in “empty-nested” families to the aged population will increase to 27 percent by 2050 (Tu, 1998). This means that the need for home-based and community-based care services will increase greatly.

Fifth, in contrast to western countries, which entered the stage of “aging societies” after industrialization, China is “getting old before becoming rich” (Zhu, 2002, p. 42). Although the national economy is currently growing at an annual rate of 7 to 8 percent, a rate predicted to continue for at least a few years, China is a developing country on the whole. Its gross national product (GNP) is low and only represents

3.5 percent of the world's output but supports 20 percent of the world's elderly people (David & Li, 2003). That is, China will be confronted with greater difficulties in caring for the huge number of elderly people and will meet increasing problems in finding a balance between economic development and social welfare.

The special characteristics of population aging in China indicate that the issue of aged care is imminent and severe for individuals, families, and the government. This also is a significant challenge to the traditional family support model and the segmented care service system for the elderly.

#### *1.2.1.2 Elderly Population in Beijing*

This study was conducted in Beijing. Following by Shanghai, Beijing has the second highest number of aged people in the country. As the capital and one of the biggest cities in China, Beijing has experienced a rapid process of aging and become an aging city in the late 1980s. As early as 1988, the elderly population in Beijing reached 0.916 million which represented 10.58 percent of the total population of the city. According to international standards that declare a city or country as an aging society when the proportion of the people aged 60 and older to total population exceeds 10 percent, Beijing had already reached these requirement to be considered as an aging society. It took Beijing only twenty years to change from a young society to an aging society from the mid-1960s to the late 1980s (Shang, 2003).

The life expectancy of people in Beijing was 76.10 in 2002, which was well above the national average of 71.40. In contrast, the birth rate was 6.60 per thousand, which was far below the national level of 12.86 per thousand in 2002 (National Bureau of Statistics of China, 2003). The birth rate in Beijing further decreased to 5.1 per thousand in 2003 and a negative natural growth rate occurred in this city for the first time (National Bureau of Statistics of China, 2004). Long life expectancy and an active population control policy greatly increased the proportion of the aged people in Beijing.

By 2005, the elderly population in Beijing had amounted to 2.243 million, which accounted for 14.58 percent of the city's total population (Beijing Municipal Statistical Bureau, 2006). According to a government estimate, the aging population will jump to 4.16 million or 30 percent of total population in Beijing by 2025. It is also predicted that the population of the oldest old will be over 0.39 million and represent 13.5 percent of



the elderly population by 2015 (Beijing People's Government Research Office, 2001). At that time, Beijing will become a city with one of the most serious aging problems in the world.

#### *1.2.1.3 Factors that Cause Population Aging*

There are two main factors that cause a rapid increase in the number of elderly population over a short period. First, a prolongation of life expectancy and a dramatic decrease in death rate triggered a large jump in aging population both in numbers and in proportion in the last twenty years. At the beginning of the foundation of the People's Republic of China (PRC) in 1949, the average life expectancy was 35, but by 2000 it reached 69.63 for males and 73.33 for females (National Bureau of Statistics of China, 2003). A low death rate also increased the proportion of older people in the whole population. The death rate of the elderly aged 65 and above experienced a significant drop in the 1990s, from 56.73 per thousand in 1990 to 44.62 per thousand in 2001 (National Bureau of Statistics of China, 2002).

The second factor is the Single-child policy that has been implemented since the late 1970s. There was a sharp drop in fertility rate from 21.06 per thousand in 1990 to 12.86 per thousand in 2002 and dramatic decrease in proportion of the young in the population as a result of stringent birth control (National Bureau of Statistics of China, 2003). Both of these trends have accelerated population aging.

Apart from these two common factors, as far as Beijing is concerned, there is another reason that has played an important part in the rapid population aging. As is well known, Beijing, being the center of economy and politics, had attracted 40–50 thousand young and middle age immigrants every year in the first two decades after the foundation of PRC. It is these immigrants who have constituted the majority of the elders since the late 1980s (Shang, 2003).

### *1.2.2 Increasing Demands for Institutional Care Services*

#### *1.2.2.1 Transformation of Care Model in China*

Family-based support, a cultural tradition that developed out of an agriculture mode of production, remains the main model of support for the elderly