



## Aging of the Population and the Government Responsibility

### —The Advanced Age Turn of Chinese Population

Yi Shen

Zhejiang Academy of Social Sciences

1 Shengfu Road, Hangzhou 310012, China

Tel: 86-571-8823-0870 E-mail: new-far2006@163.com

#### Abstract

The advanced age turn of the population will bring deep influence on Chinese politics, economy, society and all aspects. With the population advanced age turn, a core problem that need first to be resolved is the caring guarantee for the old people. Concerning how to caring the old people, different nations have their different ways. Along with the formation of the welfare states and the perfect social guarantee systems, the governments as the representative of a nation undertake more and more responsibilities in caring the old people in the western flourishing nations. China has got into the advanced age turn of the population, but Chinese economy is still not flourishing. China is a typical nation of the "enriched but first old" model, and the family caring for the old people has been a predominant mode. Along with the speed of the population advanced age, the contract of the family scales, the descending of the family caring ability and so on, the problems of the old-age community, especially in the living guarantee for the poor old people, the caring for the old people's daily lives of the "empty nest" families and the spirit comfort for the old people etc. are outstanding day by day, and these directly influence the social harmony. So the government as the social public management organization has to undertake more and more homologous responsibilities, and works effectively out the related problems.

**Keywords:** Aging of the population, Government responsibility

The advanced age turn of the population will bring deep influence on Chinese politics, economy, society and all aspects. With the population advanced age turn, a core problem that need first to be resolved is the caring guarantee for the old people. Concerning how to caring the old people, different nations have their different ways. Along with the formation of the welfare states and the perfect social guarantee systems, the governments as the representative of a nation undertake more and more responsibilities in caring the old people in the western flourishing nations. China has got into the advanced age turn of the population, but Chinese economy is still not flourishing. China is a typical nation of the "enriched but first old" model, and the family caring for the old people has been a predominant mode. Along with the speed of the population advanced age, the contract of the family scales, the descending of the family caring ability and so on, the problems of the old-age community, especially in the living guarantee for the poor old people, the caring for the old people's daily lives of the "empty nest" families and the spirit comfort for the old people etc. are outstanding day by day, and these directly influence the social harmony. So the government as the social public management organization has to undertake more and more homologous responsibilities, and works effectively out the related problems.

#### 1. The trend of China's population advanced age turn

Since 70's of the last century, because of the influence of factors of being subjected to the family planning policy, the improving conditions of medical treatment, the extending of the life span of the population etc., Chinese population advanced age turn steps extremely fast. In 1990, the comparison of the 60 years old and above population shared 8.6% of the total population and attained 10.1% till 2000, and from then China got into one of the advanced age nations. At the end of 2005, the 60 years old and above population had 143,000,000, shared 11% of the total population, and increases by 3% every year.

Comparing with other having already got into the advanced age nations, China has the characteristics of itself.

##### *1.1 The quick speed of the advanced age turn, the large scale of the old age population*

According to the statistics, it usually takes several decades or even more than one hundred years to turn the population from the advanced age to the high advanced age for the advanced age nations in the world, but the turning speed of China's is obviously quicker and it only takes 27 years to turn the 65 years old and above population from 7% to 14% of the total population.

## Comparison of turning speed of some nation

Nation	7%	14%	Time need
France	1865	1980	115 years
Sweden	1890	1975	85 years
Canada	1944	2008	64 years
Hungary	1941	1994	53 years
England	1930	1975	45 years
Japan	1970	1996	26 years
China	2000	2027	27 years

Because the growth speed of Chinese old people consumedly exceeds the growth speed of the total population, according to the predicting, till 2050, the comparison of Chinese 65 years old and above population will attain 23.07% -- the peak value, 7.17% higher than the average comparison 15.9% of all nations, 8.77% higher than the average comparison 14.3% of the developing nations, 2.83% lower than the average comparison 25.9% of the flourishing nations, and then China will be one of the most serious developing countries of the advanced age turn.

On the other hand, the scale of Chinese old people extends continuously and the absolute amount of the old people shares around 1/5 of the old-age population in the world.

*1.2 Unbalanced distribution in different regions*

China has a large territory, the regional economy developing levels are dissimilar, the population growth control degrees are different, and the degrees of the population advanced age turn are unbalanced in different regions. There are very big differences between the coastal and inland regions, the east and west regions, the cities and rural areas in the advanced age turn degrees. The coastal cities such as Shanghai, Tienjin, Jiangsu, Zhejiang etc. have already got into the population advanced age turn, but parts of provinces and cities far from the coastal areas still need 10-20 years to get into the population advanced age turn. According to the 2003 national population sample: The average comparison of the 65 years old and above people in China is 8.51%, but the comparison in Shanghai is 16.38% and takes the head of the whole nation, equal to the levels of the generally flourishing nations; the comparison in Zhejiang is 11.49%; the comparison in Jiangsu is 11.38%; the comparison in Peking is 11.20%; the comparison in Tienjin is 10.93%; but the comparison in Xinjiang is only 5.43%; the comparison in Ningxia is 5.70%; the comparison in Qinghai is 5.88%.

The basic situations of Chinese advanced age turning levels are: the eastern coastal areas higher than the middle and western regions, the Chinese regions higher than the national minority regions, and the rural areas higher than the cities.

*1.3 The comparison of the advanced aged population continuously rises*

The advanced aged process means that the 80 years old and above population shares the continuously rising process. The Chinese circumstance is that since then the advanced aged population is getting into fast development. Now there is a word of civil fad: 70 "younger brother ", 80 not rare, 90 just ancient sparse. From this we can see a developing trend of population getting advanced age. According to the predicting, in the coming 50 years, 80 years old and above population in China trends to continuously rising, and the absolute amount will be bigger and bigger (see following form). This developing speed is consumedly higher than other advanced aged nations such as England, the United States, Germany, Japan and so on.

## Predicting 80 years old and above population in China (from 2000 to 2050)

Age	Amount (thousand)	ratio(%)
2000	11373	0.9
2005	14766	1.1
2010	18582	1.4
2015	23225	1.7
2020	27386	1.9
2025	31560	2.2
2030	40448	2.8
2035	55999	3.9
2040	65167	4.5
2045	80338	5.7
2050	100551	7.2

#### *1.4 The population advanced age turn to run before the social economy developing level*

The population advanced age turn is accompanying with the development of industrialization and city turning. The western flourishing nations have already had strong economic foundation while getting into advanced age turn. In the western countries the personal average output value is at least USD 10,000, these countries have lasted several decades even a hundred years to turn the advanced age process, and they have the buffering opportunity of time to work well to handle the problem. But the Chinese personal average output value is only USD 1000 while getting into advanced age to turn, the progress of the advanced age turn is obviously run before the economic development, being typically "enriched first old". Even if the personal average output value of some developing countries, while getting into advanced age to turn, is consumedly higher than of China. For example, the personal average output value of Uruguay attains USD 2000 while getting into advanced age turn.

### **2. The influence of the advanced age turn of population on Chinese economy, politics and society**

The advanced age's turn of population is a kind of unprecedented complicated phenomenon, and it will bring deep influence on Chinese economy, politics, society etc. The government needs more studies in the negative influence that may result in.

#### *2.1 Influence on economy*

The advanced age turn of population will cause the labor force structure aging, the labor force being in short supply and the labor production rate becoming lower, and so far affect the economic development. When a person comes into old age, the physical strength, intelligence etc. will be tend in a decline and the labor ability will decrease step by step. When the national total population gets into an old-age type, the old-age labor force will get into difficult orientation to the need of the market development, and the ability of the labor participation will go down because of bad liquidity and accepting of new technique speed etc. In the meantime, because of aging of the population age structure and reducing of the adding labor force, it will cause the labor production rate getting lower.

According to the estimating, from 2000-2050, the comparisons of the 15-24 years old group and the 25-44 years old group will getting significantly down in labor force, and the comparisons of the 15-24 year old group will reduce 50% and the 25-44 years old group will reduce 25%. On the contrary, the comparisons of the 45-59 years old group and the 60 years old and above group will significantly grow in labor force, and especially the comparison of the 60 years old and above group will increase from 6% to 19.08%, almost one 60-above years old worker among 5 employees. Therefore in the future China will turn a "labor force exporting nation" into a "labor force missing nation".

The advanced age turn of population puts forward a new request toward the industrial structure change. Chinese current old-age population is more than 100,000,000. According to the estimating, till the middle period of this century, the old-age population will attain more than 400,000,000, and become the important community in the total population. Their consuming incline and structure will influence the market supply. To produce products to satisfy the demand of thus numerous old age populations will certainly put forward a new adjusting request to Chinese industrial structure.

Foreseeing, the future industry structure will face more to the transferring of the consumption and service for the old people. But, this industry is one of ultimate consumption, and its extending chain of the industry is certainly shorter. As a result, it will repress the economic growth and development.

The advanced age turn with the increment of the old-age population amount, causes the population bringing-up cost ascending and the public finance burden aggravating. According to the estimating, till 2050, when the total bringing-up comparison of the population attains 81.2%, the old age bring-up comparison therein has 54.8%. This shows that the ascension of population bringing-up cost will be pushed by the old people in ultimate degree. The national incomes will be finally divided into two main parts of backlog fund and consume fund, and the backlog fund is the source of increasing national incomes through increasing government investment and pushing economy growth. The advanced age turn of the population makes the nation use more public finance funds for consumption. Thus it directly affects the national capital backlog and investment, and relatively decreases the investment for economic development.

#### *2.2 Influence on society*

The essence of the advanced age problems is to satisfy the needs and to carry out the values of the old people, and this includes three aspects of a guarantee to enjoy the retiring life, the medical treatment and nursing need, and the spiritual and cultural need. The most realistic problem with the advanced age turn of the population is that the old people's needs become outstanding day by day, to influence the social development then.

The advanced age turn of the population produces impact to the existing family and life styles.

With the advanced age deep turn, the composing of the existing family types takes place a change. Some traditional consociation families are gradually reduced, and some special family types such as "empty nest" old people's family etc., present to continuously extend trend. According to the fifth national investigating data, the comparison of the "empty nest" old people's families in China is 36% among the total families. Because great many of the village youth go out for

jobs, the comparison of the "empty nest" old people's families in the villages becomes higher in the cities. According to the predicting, till 2010, the comparison of the "empty nest" old people's families in China will attain 60% of the total amount.

When the comparisons of this kind of families increase, the social problems such as the daily life caring, healthy guarantee, spiritual comfort and safety guarantee etc., become more and more. This will challenge the traditional family modes of the old people enjoying retiring life. As the comparison of the old people gets big in the total population, the old people's spiritual and cultural needs contain more markets, and this will influence the structures and ways of the society and culture. Because the old people share more spare time, watching televisions, listening to broadcasts and reading books etc. become their main ways to idle away the "spare time". They need to have the suitable showbiz programs and literature works etc., and this puts forward the new request to the news medium works of broadcasts, televisions, newspapers and magazines etc.

Along with the development and variety of the situation, the old people also need to constantly obtain new knowledge to enrich their aged lives, and in the meantime to contract the margin of themselves and other crowds as far as possible. This needs the society to set up the principle of "the whole life education", and to strongly develop the education business for the old age. In view of Zhejiang province, since 1986 the old staff bureau of the province government established Zhejiang old-age university, and for more than 20 years the scale of the university has become bigger and bigger, from covering 5 acres to 25 acres, from 24 courses to 80 courses, from 16 classes to 119 classes and from more than 400 students to about 6000 students. Even if such, the university can't satisfy the province government retired staffs' demands. On the sake of alleviating the antinomy, from 2005, the university had to adopt the way to control the numbers of entering students according by units.

### *2.3 Influence on politics*

To a nation, the political stability comes from the support and advocacy of political powers of different social strata and age communities. The huge old-age community is the strength that can't be neglected in the political life to the national stability and harmony.

Poverty is a sensitive political problem. The poverty of the old-age population is outstanding day by day, and directly affecting the political stability. The old people sink easily into relative poverty and even absolute poverty. According to the national incomplete statistics, the poor population of the old people occupies a very great amount, currently about 10,100,000 in China, and about 8,600,000 among them in the villages. Different from other poor communities, the old people are "easy to become poor and difficult to escape from the poor" because of the old age and the physical weakness etc., so it is very difficult to be solved and influences profoundly.

The conflicts of generations become another important factor of affecting the political stability. When a person gets into old age, the political position will go naturally down in family along with the descending of economic position. In the rural areas, because of the economic conditions limited and the downplayed moral concepts etc., it is a very familiar phenomenon that sons or daughters don't provide for their old parents and even maltreat them, and some old people don't have the definite residences and some don't have enough food. According to a television news report, a 80-year-old woman rushed about in four sons and a daughter's houses for the three meals a day, and was often maltreated. After the news medium exposing and the intermediation of the village committee, finally her sons and daughter just agreed to pay the alimony. When the old woman got hold of the first alimony, she peeped out a sad smiling.

Along with the propulsion of democratic institutions, the election becomes the important contents of the national political life. The citizens can participate in politics in the way of electing, and the comparison of the different age population structures in the society will directly influence the contrast of the various political powers. Although China isn't the complete direct election, along with the ascension of the comparison of the old-age population, the old people's political will and attitude seem to be more and more important in the national political life, especially in the rural areas' direct election, and its influence has been gradually obvious.

## **3. The challenge of the population advanced age turn towards the government responsibility**

Along with the speed of the population advanced age turn of China, a lot of problems come out at present, and these problems put forward the challenges to the government work under the new situations.

### *3.1 The problem of the old people's alimony*

In the cities, the old people's main incomes come from the pension, but in recent years, along with the factors of price hike etc., the old people's living cost increases day by day, and especially when the family takes charge of a court to meet a big expenditure or a important mishap, the economy difficulty will be getting more and more outstanding. In 2004, the total expenditure of the basic insurance for old people in China attained RMB350,200,000,000, and increased 65.5% compared with 2000, and the subsidy of the central public finance increased to RMB52,200,000,000. The

expenditure of the basic insurance for old people presents fiercely increasing trend in successive years. The governments, enterprises and societies have already felt the more pressures from the old people's alimony.

In the rural areas, along with the decline of physical strength and less and less income be, the old people acquire mainly to depend on their spouses, sons or daughters to enjoy their retiring lives. Once the old people can't get any help, then they will sink into a predicament. There is about 60% of the old-age population in the rural areas. Because most of these rural areas haven't built up the social insurance systems, the old people lack the strong social supports, therefore the pressures in the rural areas, especially in these west less developed areas, will be getting more outstanding compared with in the cities. This circumstance puts forward a challenge for the government to orchestrate the different areas and resolve the problems.

### *3.2 The problem of the old people's medical treatment*

The old people are getting obviously weaker and sicker than other age crowds, and along with the age getting older and older their health conditions would even be getting worse and worse. Although the cities have practiced the medical expense orchestration for the retiring people, it is still more difficult for the old people to go to the hospital to see a doctor because of the activity inconvenience, the tedious procedure of submitting the expense account and not enough perfect hospital services and community medical treatment measures etc. The advanced age turn of the population makes the medical expense expend significantly, according to the calculating, the old people's medical treatment consume of the health resources is 400-500% higher than other crowds.

In 2004, Chinese basic fund expenditure of the medical treatment insurance reached to RMB86,200,000,000, occupying 75.5% of the fund incomes, increasing 31.6% compared with the last year, and the increasing speed was 3.5 percentage points quicker than the fund income increasing. The quick advanced age's turn of the population is one of the important reasons of high increasing speed of the basic fund expenditure of the medical treatment insurance. For example in Zhejiang province, each of the old staff retired from the province government organizations, averagely costs the medical treatment fee up to RMB70,000 every year. The cost is more than the whole year income of an incumbency staff.

In the rural areas, the old people don't enjoy an national expenses medical treatment, and because of the restricted economy conditional a lot of old people dare not go to hospital when they are sick. Because the rural areas lack hospitals or clinics, it is inconvenient for the old people to get good medical treatment. And plus the low level of medical treatment, their health has no guarantee. This puts forward a rigorous challenge to the current medical treatment systems.

### *3.3 The problem of the old people's spirit health*

Along with the increment of the age, the old people's social abilities and opportunities descend, the social intercourse turns for the old people contract gradually, and many old people do nothing all day long, and these are very disadvantageous to the old people's mind and body. Particularly when some mishaps happen in the family, such as oneself or close relatives getting heavy disease, losing spouse or friend etc., the old people are usually unbearable to these mental states and easily produce some mental diseases. Because of lacking cultural amusement and more empty spirit, the old people are easily under the influence of bad moral atmospheres, such as on the gamble and superstition etc. According to a report several years ago, some old people in a village attended a superstition activity, and were collectively buried in the fire accident.

### *3.4 The problem of the old people's "empty nest"*

Because of the increasing of the old people, the flowing speed of the population, the improving of the housing conditions and the altering of thinking ideas etc., the "empty nest" families of the old people increase quickly either in cities or in rural areas, bring a lot of very outstanding problems such as looking after, personal safety, healthy guarantee of the old people etc., and cause many new social antinomies.

Especially in the rural areas, because a great deal of young and strong labor force leave for cities, many families become the "empty nest". The old people can not get the care from sons or daughters, and on the other hand they have to look after the next generation. Some of them live in unbearably heavy burden, and could not enjoy the old life at all.

### *3.5 Socialized service for the old people*

The advanced age turn of the population, the increment of the "empty nest" of the old age families and the increment of the sick and the week within the old people directly bring a quick inflation of the socialized service demanding for the old people.

According to the statistics, the population of the advanced age over 80 years old in China is about 16,000,000 currently, the comparison of the pure old people's families among the old people's families occupies respectively 40.3%(in the cities) and 37.8%(in the rural areas). The amount of the old people who need socialized services is continuously increasing, but the existing socialized service systems fall relatively behind. Taking the caring organizations and the bed

numbers as examples, till the end of 2005, different kinds of the social welfare organizations for the old people attain 39,500 in amount, there are 1,497,000 beds in these organizations and each thousand old people equally occupy 10 beds, but in the flourishing nations each thousand old people occupy about 50-70 beds. According to the investigating, currently 5% of the old people in China hope to go into these kinds of organizations. So China needs more than 7,000,000 beds, the indentation is very big, and the existing conditions can't satisfy the demand of market at all. This puts forward a new challenge to Chinese development of speeding socialized service business for the old people.

#### 4. The government undertakes the basic responsibilities

The nation as it founded had to face the problem of "caring the old people". When the democratic nations rise, especially get into industrialized societies, it is looked as the concrete expressions of the social responsibilities that the governments have to draw up the welfare policies and measures for the old people.

In 19 century, a main designer of British "new law of helping the poor" Nassau Senior said: the government had responsibilities of adopting all measures to increase the welfares for the people. Living a natural long life is everyone's pursues of the last life stage, and also the social responsibility that a nation have to undertake.

In the process of realizing industrialization and modernization, especially in the cross function of market turn, city turn and socialization in China, the old people usually become the weak-power community in the society, and for some old people particularly in the rural areas, their basic rights of the daily life and the medical treatment etc. usually can not get valid support. The government has to give them the protection on the low and the guarantee on the economy. China has experienced three stages of caring the old people, from the traditional family caring mode, the nation-family caring mode to the nation-society-family mode. Along with the fast speed of China's advanced age turn, the problems of caring the old people are outstanding day by day.

The responsibility of caring the old people is misty. It seems that all has the responsibility, but in fact it lacks an explicit definition that who undertakes responsibility exactly. I want to talk some viewpoints on the government's function and responsibility for caring the old people in the following paragraphs.

##### 4.1 The responsibility of drawing up systems and policies

The work of caring the old people concerns the benefits of large people, and it cannot be completely solved by any person or section independently, and it needs the government to draw up the orchestrating programs and build up a set of laws and policies to norm and guarantee the rights and needs for the old people.

The experiences of the flourishing nations have already proven the government's important function in system levels.

For example the United States has very perfect policies and laws concerning the retirement and caring the old people. From the middle of the last century, the U.S. Congress has passed a series of laws involving many realms such as education, medical treatment, housing, anti-poverty and people's rights etc. These laws not only satisfy the basic existence needs of the old people, but also more and more value the development needs of the old people. In 1974, the United States drew up and carried out *ERISA* stipulating the systems of retirement and caring the old people. In 1986, the United States promulgated *the federal employees retirement system*, which built up a sound lay foundation of the guarantee system for caring the old people. The United States afterwards passed the *tax reforming and revising law* strengthening to encourage and lead the enterprise and personal investment plans for the voluntarily retired people. In 1996, the United States passed *the social welfare reforming law*. These policies and laws constitute the solid guarantee for caring the old people in the United States.

The degree of the advanced age turn is very high in Japan, but Japan has the very concrete law systems concerning the advanced age turn. From the 50's of the last century to 2004, Japan successively drew up and modified more than ten laws concerning the old people such as *the old-age citizens pension law*, *the old age welfare law*, *the law on caring the old age*, *the fundamental social counter plan law for the advanced age*, *the insurance law of caring the old age* etc. Among them, *the old-age citizens pension law*, *the old age welfare law* and *the law on caring the old age* are just like three pillars to prop up Japanese guarantee systems for caring the old people. From 1996 to 2004, Japan modified *the old-age citizens pension law* 26 times, so as to make the old-age pension system perfect to gradually adapt a new demand. In order to make the medical treatment insurance system work effectively, since 1982 Japan has modified *the law on caring the old age* 17 times successively, and made the detailed rules of health, medical treatment, function training, instruction, research and development etc., for the old people.

German insurance systems of caring the old people are very perfect. The insurance systems of caring the old people consist of various forms of the legal caring insurance, the enterprise complement caring insurance, the voluntary caring insurance, the particular community caring insurance etc., and make the complete rules of the applying scopes, the funds sources, the expense standards and funds collecting ways etc., and carry basically out "the old has caring, and the old has curing".

Since 1949, China has also continuously drawn up and promulgated some related laws. For example, *the constitution* rules: The citizens of The People's Republic of China have the right to acquire the help from the nation and the society when they are old, have diseases or lose the labor ability. In order to protect the rights of the old people, in 1996 China promulgated *the law of protecting the old people's rights of the People's Republic of China*. The State Department promulgated *the decision on establishing the city officers and workers basic medical treatment insurance systems, the notice on working well to issue the basic caring pensions to the workers retired from the enterprises and the basic living expenses to the unemployed workers retired from the state owned enterprises on time and in foot sum* and the 11th "5 years" plan outline of the Chinese advanced age business development etc. The Domestic Affairs Department released *the basic norm of the social welfare organizations for the old people*. The Labor and Social Guarantee Department sent out *the notice on speeding the socialized execution of issuing the old-age caring pensions*. The Health Department sent out *the opinions on strengthening hygiene work for the old people* etc.

These laws and rules show that the government has taken the responsibilities of caring the old people, but many items of these laws and rules are more general and lack the maneuverability, so that they can't be accurately carried out. In the realistic life, some of the old people can not get the protection of legal rights, and even the situations of being violated are gradually getting more diverse and complicate. Because the government doesn't have the further perfect systems, laws and rules, to make the values mindset indefinitely, the policies disunited and the problems unresolved in some aspects.

#### 4.2 *The responsibility of the public finance guarantee*

The guarantee of caring the old people must insure the basic life and the basic medical treatment for the old people on the economy. The experiences of the flourishing nations show that building up the sound social guarantee systems is the basic exit to resolve the problems of caring the old people.

The previous social guarantee system of China was based on the planned economic systems. Along with the transformation of economic systems, the social guarantee systems go obviously behind the progress of the advanced age turn of the Chinese population. The most rigorous situation is that the pensions are not enough for caring the old people and it is getting more and more difficult to collect the pensions. According to the statistics, the pension deficits for caring the old people are up to RMB800,000,000,000 in 2005. The reform of the pension systems in the cities pushes forward more quickly. But along with the increment of the retirees, the governments and enterprises of many places can not bear the pensions for caring the old people.

In the rural areas, the social guarantee systems just covered a small part of the old people and only about 10% of the old people attend the social caring insurance currently. There are around 80,000,000 farmers attending the village social caring insurance, but only more than 60,000,000 old people can receive the pension-personal average RMB707. This amount is only 21.7% of the farmers' personal average pure incomes, and even lower than the poor line level of the nation. Even if some of the old people receive the caring pension, the amount is still not enough to satisfy the daily demand. The pension system reforms in the rural areas have not made great progress, and along with the advanced age deepen turn of the population the villages will be getting poorer. This will become a social unsteady factor. Therefore, the pension system reform in the rural areas is more urgent than in the city regions.

If the government pushes the obligations for caring the old people toward the folks, thinking that the Chinese traditional village families have the very strong abilities to care the old people or depending on the compulsive measures of signing "the family caring contract" etc., that is irresponsible. In order to solve well the problem of the population advanced age turn, the government has to build up the more complete guarantee systems covering all the old people, and give the strong supports of the public finance. For example, in Germany, the comparison of the social welfare expenses shares 34.5% of GDP, the total expenses reaching to 1,236,000,000,000 marks, and the caring pensions and nursing insurance expenses for the old people shares 1/3, reaching to 404,000,000,000 marks. Thus a huge expenditure needs a strong national economic foundation to prop up.

Concerning the development of Chinese guarantee systems, since 1949 China has had a set of relatively perfect social guarantee systems for the officers and workers in the cities, but they are only a small part of all population and the great majority of population do not have the social caring guarantee. In regard to the realistic circumstances in the rural areas, it needs a great deal of funds to develop the social caring guarantee business. The government can surely collect some funds from farmers by comparisons through some appropriate policies, but the farmers in some poor areas even do not have the ability to pay that part of fees personally. So it is decisive for the government to take the public finance responsibility of the social caring guarantee. In these years, the public finance funds used for the social caring guarantee present to rise gradually, but they still could not satisfy the realistic demands. Currently, Chinese government puts more central public finance for the old-age welfare and caring service to develop the social caring guarantee construction more quickly, especially in the rural areas.

Actually even the flourishing nations, such as the United States, Germany, Japanese etc., are aware that the pure welfare

is hard to prop up the caring expenditure, and hence start to emphasize that the cooperation of government, society, family together undertake the responsibility for caring the old people. Chinese government can draw lessons from the experience of the flourishing nations, to develop the multilayer ways and all methods of collecting funds, to sound China's guarantee systems for caring the old people.

#### 4.3 *The responsibility of leading and inspecting*

Caring the old people is a huge system of engineering, and needs the social joint forces to complete. But it is the responsibility of the government to lead all social forces and resources together to form a resultant strength. The government not only has the responsibility to establish the related systems and laws, to provide the homologous public finance foundation, and but also has the responsibility to carry out and inspect the related systems and policies.

For example, the United States has the sounder management organizations for the old people. There are management organizations carrying out the social guarantee plan, inspecting the operation of the laws and policies, studying the concerning problems and serving for the old people. Among them, the social guarantee headquarters belonging to the federal government, directly responsible for the president, is the administration organization in charge of American social guarantee projects; The social trust fund council is in charge of managing "the insurance funds of caring the old people and their families" and "the insurance funds of the disabled alliance"; The social guarantee adviser committee, appointed by the president, responsible for the national legislature, mainly provides consulting services for the president, the national legislature, and the social guarantee headquarters, concerning the social guarantee and "the additional and safe income" project. The Ministry of Finance, the Labor Department and the national tax bureaus also take some responsibility for caring the old people.

In addition, the federal advanced age bureau, the academic association for the old age, the retiree association and some other social medium organizations, exert the positive effects in the aspects of supporting the old people's rights and providing the services for the old age etc.

Currently China's economic power isn't very strong, and under the limited circumstance of funds for developing the caring business, it is very important how to use the limited funds on the knife blade and insure the related funds safe and effective. The government has to take the practical responsibilities in the aspects of inspecting how to collect, use and issue the guarantee funds, how to organize other social organizations to provide social services for the old people, and how to guarantee the benefits for the retirees in the deeply turning process of the state owned enterprise reforms etc.

Currently, there are some loopholes in inspecting the social guarantee funds, so that a great deal of funds are illegally transferred or run off. The phenomenon shows that there are some shortages in the Chinese government inspecting strength. In recent years, the government is enlarging the strength in this aspect, for example, Chinese premier Wen Jiabao exclusively emphasized in *the government working lecture* to enhance to take charge of managing the social public funds and strictly forbid the funds to be seized or transferred. In addition, Chinese government actively encourages and pushes the news medium and other public opinion organizations to take part in inspecting, in order to make up the shortages in the work.

#### 4.4 *Developing the service business for the old people*

The family care is the current Chinese main form for the old people, but this mode is very difficult to guarantee the all old people's basic needs and rights by the root. Along with the variety of economical allotment and income margin, the positions of the old people descend gradually in society and family, the antinomies between generations increase continuously, so that the old people can't acquire the satisfaction of the daily needs and the spirit demands from the family. For example, the old-age "empty nest" families and the advanced old-age families even have no difficulty on the physical life, but they are easily suppressed and despaired on the spiritual life. Again, in recent years, it is often reported in newspapers that no one knows that the old people die of illness or suicide at home for several days. Particularly in the poor rural areas, many old people losing the ability of labor, usually chose to live together with their sons and daughters already married, or live with their different sons and daughters by turn, but neither of choices could avoid being ignored or maltreated by their sons and daughters and they even have no place to tell their bitterness, unless the old people have the economic power or possess the certain prestige in the village.

In order to solve these problems, the government not only has the responsibility to rebuild the traditional social vogue of "respecting, loving and caring the old people" in the ethics, but also strongly develops the service business for the old people in all directions and multilayer to strengthen and make up the family caring functions.

Japan is also one of the nations promoting caring the old people at home, but the Japanese government has series of systems and services to satisfy the old people's basic needs. *The law on caring the old age*, modified in 1992, drew up the systems of "visiting and nursing the old people at home", and this symbolized the formation of the Japanese special mode of "living at home and depending on society". There are a great deal of not-earnings service organizations of health consultation, public hygiene and medical treatment etc. in Japan, providing the special services for the old people. Concerning more and more advanced aged people, since 2000, Japanese government enlarges to develop the service

business for the old people, perfect further the service facilities for the old people, create the social communities to help mutually, and promote the mode of caring the old people at home relying on the communities etc. Japan still promotes the eastern traditional family caring mode, such as pushing forward residence constructions for "3 generations living together", and providing initiatively the residence loans to the young people who chose to live together with their old-aged parents etc. Japanese governments still pay more attention to the constructions of the welfare apartments and facilities for the old people, and let the old people with some difficult conditions live in the special apartments.

In order to insure the better lives for the old people, besides building up the more perfect social guarantee systems, the American federal government and the state government adopt various forms to strongly develop the servicing and nursing professions for the old people. For the sake of convenience of the old people who would like to live at home, these servicing and nursing organizations will send the personnel to the homes to help the old people for their daily affairs and some mental healthy service etc.

In addition, some nations insist setting out from the old people's needs, and establish the better consuming markets to satisfy the old people's needs. For example, the German government knows well the influence of the old-age population upon the economic development, and actively encourage the enterprises to design and develop all kinds of products to satisfy the old people's needs according to the old people's consuming needs, and the government gives the concerning enterprises the certain special discounts in tax etc. In Germany, the principles of designing and manufacturing of the old people's products are closely combined with the needs of the old people's daily lives, so the sound consuming markets satisfy the old people's various demands.

Currently, China's servicing business and consuming market for the old people fall very behind, and can't effectively satisfy the old people's various demands. The government still has much to do in this aspect.

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